



**REPORT TO MAYOR ON THE IMPLEMENTATION OF SCM POLICY IN TERMS OF
REGULATION 6(3) OF THE SCM REGULATION OF 30 MAY 2005.**

**SUBJECT: REPORT OF THE IMPLEMENTATION OF SUPPLY CHAIN
MANAGEMENT POLICY: (FOR THE THIRD QUARTER ENDING 31
MARCH 2026)**

1. PURPOSE OF THE REPORT

The purpose of this report is to inform the mayor regarding the implementation of the Supply Chain Management (SCM) Policy adopted on 28 May 2025, to perform oversight role for the 2025/26 financial year.

2. BACKGROUND

Regulation 6(3) of the SCM Regulation of 30 May 2005 as amended states the following: "(3) the accounting officer must, within 10 working days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor. The reports must be made public in accordance with section 21A of the Municipal Systems Act.

This report also indicates if there are serious and material changes encountered in the implementation of the SCM Policy.

3. DISCUSSION

3.1 Adoption of SCM Policies in terms of SCM Regulation 3(1)

The policy was reviewed and adopted on 27 March 2025 by the council in terms of SCM paragraph 3 of the Supply Chain Management Policy of the Municipality.

3.2 Capacity of SCM Unit

Number of funded posts	Number of filled posts	Number of vacant posts	Date to fill Vacant Post	Comments
4	4	3		In terms of the Finance structure of the municipality, there are seven (7) positions under Supply Chain and only four (4) positions are currently funded. The position for the SCM Accountant will be filled during the 2026/2027 financial year to beef up the unit.

3.3 Competitive bidding process

Tenders awarded:

Description	Value of tenders awarded	Supplier Name	Date awarded	Comments
Supply, Delivery and Installation of a Raw Water Horizontal Split Case Multistage Pump B At Pump Station B Between Theunissen and Brandfort	R 785 277.50	C-PAC PUMPS & VALVES	20 March 2026	N/A
Appointment of a Service Provider for The Supply, Delivery, Retrofit and Commissioning of Electrical Equipment at Targeted Municipal Infrastructure as and when required subject to availability of Funding	R 7 418 558.00	Minembo Trading (Pty) Ltd	06 March 2026	N/A
Re-Advertisement: Appointment for a Pannel of Six (6) Service Providers for Supply, Delivery and Installation of Water and	R 327 699.50	GHD Geo-Techs	06 March 2026	N/A
	R 549 641.00	Makamu Trading Pty Ltd	06 March 2026	N/A
	N/A	Saldana Projects	06 March 2026	N/A

Description	Value of tenders awarded	Supplier Name	Date awarded	Comments
Wastewater Maintenance Materials as and when Required for a Period of 36 Months	N/A	Kubwakazi Construction CC	06 March 2026	N/A
	N/A	Maboka Contractors /TYA Group	06 March 2026	N/A
	R 320 184.97	Praysa Trade 1094 CC	06 March 2026	N/A

3.4 Deviations

Description	Supplier Name	Value for deviations	Reason for deviations
Supply of water chemicals for Winburg Water Treatment Works	Indlela Consultants	R 16 974.00	The municipality does not have an active contract in place for the procurement of chemicals required for essential municipal operations such as water treatment and sanitation. Procuring these chemicals through the regular process will result in delays that could disrupt service delivery. This deviation will facilitate an expedited supply, cost savings, and continuity in municipal service delivery.
Supply of water chemicals for Brandfort Water Treatment Works	Indlela Consultants	R 34 500.00	The municipality does not have an active contract in place for the procurement of chemicals required for essential municipal operations such as water treatment and sanitation. Procuring these chemicals through the regular process will result in delays that could disrupt service delivery. This deviation will facilitate an expedited supply, cost savings, and continuity in municipal service delivery.
Supply of water chemicals for Theunissen Water Treatment Works	Indlela Consultants	R 649 520.00	The municipality does not have an active contract in place for the procurement of chemicals required for essential municipal operations such as water treatment and sanitation. Procuring these chemicals through the regular process will result in delays that could disrupt service delivery. This deviation will facilitate an expedited supply, cost savings, and continuity in municipal service delivery.
Vetting and screening for Senior Building Inspector and, PMS and	Gijima Holdings	R 60 560.00	Limited / Sole service providers within the industry accredited to perform such an assessment.

Description	Supplier Name	Value for deviations	Reason for deviations
IDP Manager			
Drinking Water Quality Labs t/a Test It LABS	Water sampling for March 2026	R 74 421.13	The municipality is committed to provide its community with high quality water. To ensure this, a rigorous water sampling procedure is conducted across all town in Masilonyana municipality, with samples collected and sent to a laboratory for analysis to meet the Blue Drop and Green Drop compliance standards. As the municipality lacks an accredited in-house laboratory, we opted with Test it Lab, relying on their expertise for internal lab analysis over the past few years.
Drinking Water Quality Labs t/a Test It LABS	Water sampling for February 2026	R 61,703.00	The municipality is committed to provide its community with high quality water. To ensure this, a rigorous water sampling procedure is conducted across all town in Masilonyana municipality, with samples collected and sent to a laboratory for analysis to meet the Blue Drop and Green Drop compliance standards. As the municipality lacks an accredited in-house laboratory, we opted with Test it Lab, relying on their expertise for internal lab analysis over the past few years.

3.5 Irregular Expenditure

Description of Services requested	Supplier Name	Total Amount	Reason for irregular
Repair Of Electrical Works -	DLN Consulting	R352 463.50	The contract of the appointed service provider expired, and the municipality is currently in the process of appointing new service provider(s).
Domain Hosting – Used for Municipal Emails.	ICLIX	R 2 300.00	The said service provider was not appointed through a competitive bidding process.
Construction Of Outfall Sewer and Rectification of Existing Network in Winburg – Ongoing Project Since 2023	Stimer Construction J.V Matsapa	R1 021 990.09	Incomplete Bid Supporting Documents, e.g. attendance registers, evaluation score sheets as well as non-adherence to Regulation 29, e.g., BAC composition.

3.6 Procurement through SCM Regulation 32

Description	The name of the Entity that SCM Regulation 32 was sourced from.	Service Provider	Date Sourced	The total value of tenders	Comments
N/A	N/A	N/A	N/A	N/A	N/A

3.7 E-Tender Publication Portal In terms of Circular 83

The number of tenders published.	The number of tenders cancelled.	The number of tenders re-advertised.	The number of tenders awarded.	Comments
8	0	0	3	N/A



3.8 Contract Performance Management

The municipality keeps and maintains the contract register monthly.

3.9 FMCMM

The municipality reviews the FMCMM SCM module on a quarterly basis.

3.10 Audit findings

Audit Action Plan for the 2025/2026 is developed and is being monitored.

4 Recommendation

Compiled by:

J.S Matobako
Manager: Supply Chain

22/04/2026
Date

Reviewed by:

Mr M.A Makoae
Chief Financial Officer

22/04/2026
Date

Approved by:

Mr M.J Matlole
Municipal Manager

Date