



CAPE WINELANDS DISTRICT

MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

MEMORANDUM TO : Executive Mayor
MEMORANDUM FROM : Municipal Manager
REFERENCE NUMBER : **5/14/5**
DATE : 08 October 2019

REPORT ON THE IMPLEMENTATION OF THE MUNICIPALITY'S SUPPLY CHAIN MANAGEMENT POLICY IN TERMS OF REGULATION 6 OF THE MUNICIPAL SUPPLY CHAIN MANAGEMENT REGULATIONS, 2005

PURPOSE OF SUBMISSION

That the Executive Mayor take cognisance of the quarterly report on "The Implementation of the Supply Chain Management Policy" in terms of Regulation 6(3) of the Municipal Supply Chain Management Regulations, 2005 for oversight purposes and that it must be made public in accordance with Section 21A of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (Municipal Systems Act).

BACKGROUND

The Regulation determines that the accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of its Policy, to the mayor of the municipality. Furthermore, the report must also be made public in accordance with Section 21A of the Municipal Systems Act.

COMMENT

**** The intention of regulation 6 is to give an executive overview of the activities of the procurement processes performed for the period. Full detail is provided in other reports that are submitted to the Accounting Officer, Mayco and Council. There is no prescript for the format of the report, or what information it must contain, however, it is envisaged that this report must give information on the activities and effects of the operational matters regarding the supply chain management processes. To comply with this understanding a quarterly report for July to September 2019 is attached as **Annexure "A"**.

All the procurement aspects, quotations and tenders, in the report are in terms of the supply chain management regulations and all the internal- and external reporting for the period were completed within the prescribed timeframes.

RECOMMENDATION

That the Executive Mayor take cognisance of -

- (a) The quarterly report on "The Implementation of the Supply Chain Management Policy" in terms of Regulation 6(3) of the Municipal Supply Chain Management Regulations, 2005 for oversight purposes; and
- (b) That it must be made public in accordance with Section 21A of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (Municipal Systems Act).

QUALITY CERTIFICATE

I, **Henry Prins**, in my capacity as municipal manager of the **Cape Winelands District Municipality**, hereby certify that –

- (a) The report on "The Implementation of the Supply Chain Management Policy" for oversight purposes for the quarter **July to September 2019** has been prepared in accordance with Regulation 6(3) of the Municipal Supply Chain Management Regulations, 2005.

AND

- (b) That it will be made public in accordance with Section 21A of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).

Henry Prins
Municipal Manager

Signature _____

Date 09/10/2019

Cape Winelands District Municipality

IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

For the 1st Quarter - 1st July 2019 to 30th September 2019

BACKGROUND

This report is in compliance with Reg.6(3) of the Supply Chain Management Regulations¹ on the implementation of the Supply Chain Management Policy of the Cape Winelands District Municipality. The purpose of the report is to assist and strengthen the Executive Mayor's oversight role in the execution thereof. Furthermore, it must be made public in accordance with section 21A of the Municipal Systems Act.

POLICY

The Supply Chain Management Policy was initially adopted on 23 January 2006 and revised on the 25 May 2017 to comply with relevant legislation. It is fully compliant with National Treasury's prescripts. It has been advertised numerously and is available on Council's web page.

ACTIONS/PROCEDURES GIVING EFFECT TO POLICY IMPLEMENTATION

The Constitution of the Republic of South Africa, 1996 addresses this issue in section 217. When an organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost-effective.

To give orderly effect to the above the Supply Chain Management processes are categorised in;

- (a) Demand management
- (b) Acquisition management
- (c) Logistics management
- (d) Disposal management
- (e) Performance management
- (f) Other matters

(a) Demand management

Demand management requires timely planning and a management process that will ensure that all goods and services which are required are quantified, budgeted for and delivered in a timely and effective manner at the right locations and at the critical delivery dates. These goods and services must be of appropriate quality and quantity at a fair cost.

Furthermore, the required specifications must ensure that needs are met.

In order to further enhance the demand planning process, an annual procurement plan has been designed for implementation during the coming financial year. The final target dates for each project were determined with Council's approval of the final budget.

¹ Supply Chain Management Regulations: National Treasury General Notice 868, Gazette no. 27636 dated 30 May 2005.

Senior managers are accountable to ensure that the procurement process commences as per the target dates. Information is available in the financial system.

Specifications are unbiased and advertised in order to promote the five pillars of procurement as set out in the Constitution. It ultimately ensures that the needs are addressed effectively.

(b) Acquisition management

The system of acquisition management must ensure the following:

- (i) That goods and services are only procured in accordance with authorised processes;
- (ii) That expenditure on goods and services is incurred in terms of an approved budget as per section 15 of the Municipal Finance Management Act (Act 56 of 2003);
- (iii) That the threshold values for different procurement processes are complied with;
- (iv) That bid documentation, evaluation and adjudication criteria and general conditions of a contract are in accordance with any applicable legislation; and
- (v) That any Treasury guidelines on acquisition management are properly taken into account.

The procurement process is centralised. This is essential to ensure that all requests for quotations are actioned by the Supply Chain Management Unit which controls and manage compliance with the different thresholds of procurement. It must also combat the deliberate splitting of orders into smaller parts merely to avoid complying with the thresholds. Requests for competitive bids (in excess of R 30,000) and awards made are advertised on the municipal notice boards, website and in the press if more than R 200,000.

To give effect to the above, a coding system, by range (SCM Regulation 12) of procurement and value, was developed to control, manage and report on acquisitions.

A summary of the different categories of acquisitions made for the period is attached as **Annexure "A1"**.

Bid committees: The following table details the number of bid committee meetings held for the quarter under review:

TENDERS: > R200,000

Bid Specification Committee	No. of Meetings	No. of Items	No. of Agendas	No. of Minutes
JULY 2019	4	15	4	4
AUGUST 2019	3	12	3	3
SEPTEMBER 2019	2	7	2	2
TOTAL	9	34	9	9

Bid Evaluation Committee	No. of Meetings	No. of Items	No. of Agendas	No. of Minutes
JULY 2019	3	11	3	3
AUGUST 2019	1	3	1	1
SEPTEMBER 2019	2	14	2	2
TOTAL	6	28	6	6

Bid Adjudication Committee	No. of Meetings	No. of Items	No. of Agendas	No. of Minutes
JULY 2019	4	12	4	4
AUGUST 2019	2	2	2	2
SEPTEMBER 2019	2	11	2	2
TOTAL	8	25	8	8

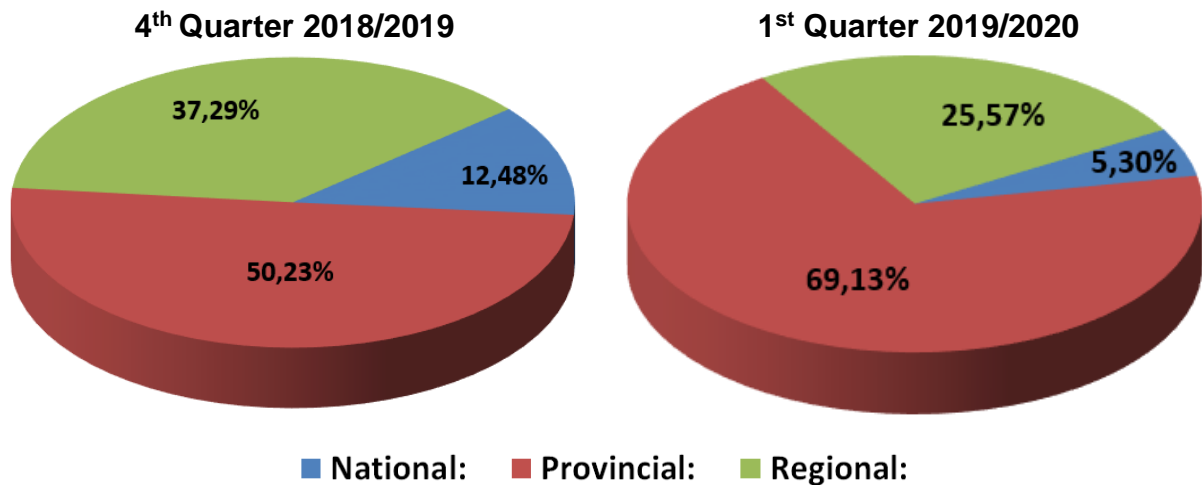
Formal written price quotations (R 30,001 - R 200,000): The following table details the number of formal written price quotations that were awarded in the quarter under review:

FORMAL WRITTEN PRICE QUOTATIONS: R30,001 - R200,000

Evaluated & Awarded	
JULY 2019	2
AUGUST 2019	6
SEPTEMBER 2019	6
TOTAL	14

Municipalities must report to National Treasury on all acquisitions in excess of R 100,000 on a monthly basis. Information is captured and approved directly on their CRA System. **Annexure "A2"** is a list of awards made.

Geographical expenditure:



Awards made to companies according to their Broad-Based Black Economic Empowerment (B-BBEE) level of contribution

As from 1st April 2017, the new Preferential Procurement Regulations, 2017 came into effect. The threshold value between the 80/20 and the 90/10 applications increased from R 1m to R 50m. It's also now prescriptive on issues such as cancellation, sub-contracting and market-related pricing.

The B-BBEE status level of contribution means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act. The scoring is done by an accredited institution. Auditors are no longer allowed to issue certificates. The scorecard contains elements such as ownership, management control, employment equity, skills development, procurement, enterprise development and socio economic development. A score is then calculated as prescribed by B-BBEE Act and the Codes of Good Practice, which places the supplier on a certain B-BBEE level. Each level earns a supplier a certain number of B-BBEE points which they can claim when bidding for goods and services above a value of R 30 000 (incl VAT).

New regulations passed on 06 May 2015 now provides that EMEs (Exempted Micro Enterprises) and QSEs (Qualifying Small Enterprises) can obtain eligibility by producing their own B-BBEE certificates in the form of an affidavit.

Break down of procurement to illustrate values spent with B-BBEE compliant suppliers:

B-BBEE status: Level & Value		Number of Qualifying Suppliers		Value spent		% of Total	
		4 th Quarter 2018/2019	1 st Quarter 2019/2020	4 th Quarter 2018/2019	1 st Quarter 2019/2020	4 th Quarter 2018/2019	1 st Quarter 2019/2020
Level 1	10/20	63	29	11,144,981.60	2,299,180.29	32,06%	27.88%
Level 2	9/18	17	7	3,591,554.67	332,522.54	10,33%	4.03%
Level 3	6/14	6	0	881,196.06	0	2,53%	0.00%
Level 4	5/12	26	12	2,287,849.70	1,274,624.11	6,58%	15.45%
Level 5	4/8	3	0	207,493.47	0	0,60%	0.00%
Level 6	3/6	1	0	90,848.00	0	0,26%	0.00%
Level 7	2/4	2	0	7,979.00	0	0,02%	0.00%
Level 8	1/2	5	1	2,555,543.87	3,474.39	7,35%	0.04%
No Status		186	60	13,994,943.87	4,338,125.19	40,26%	52.60%
Totals		309	109	34,762,390.24	8,247,926.52	100.00%	100.00%

Appeals by aggrieved bidders

No successful appeals were lodged by aggrieved bidders for the quarter under review.

Deviations from normal procurement processes

(i) Regulation 36(1)(a) Deviations (Sole provider, impractical, impossible, etc.)

Regulation 36 refers to acquisitions made in exceptional cases when it is impractical or impossible to follow the official procurement processes. Typical circumstances may be for emergency cases, if such goods or services are produced or available from a single provider only, such as agents, special works of art or historical objects where specifications are difficult to compile, or the acquisition of animals for zoos.

For the quarter under review, the total deviations approved by the Accounting Officer and or his delegated authority amounted to R 3 229 137.44 compared to the previous quarter's figure of R 932 800.82. This represents an increase of 246.18%. It is noted that deviation values fluctuate during each period and will not necessarily reflect the same patterns. However, long-term contracts for e.g. software licencing, are now included in the totals. The table and chart on page five indicates the volumes and values of instances, per category (emergency, sole supplier/agent and impractical, etc.), for this quarter.

(ii) Regulation 16(c) and 17(1)(c) Deviations (< 3 Quotations)

In the acquisition process it is not always possible to obtain three responsive quotations. If it is in respect of written quotations, regulation 16(c) for a value R 2001 to R 10,000 complies, namely; the reasons must be recorded and reported quarterly to the accounting officer or another official designated by the accounting officer. For formal written price quotations, regulation 17(1)(c) for a value R 10,001 to R 200,000 complies, namely; the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer. In this instance the accounting officer must record the names of the potential providers and their written quotations.

For the quarter under review, regulation 16(c) deviations amounted to R 112, 555.45 and regulation 17(1)(c) to R 472,125.54 respectively. The table and chart on page five indicates the volumes and values of instances where it was not possible to obtain at least three responsive quotations.

The Auditor-General changed his opinion and no longer perceives that instances of this nature constitutes a regulation 36(1)(a) deviation. It must also be noted that 24.0%, 12

of the 50 instances under review, were advertised on the municipality's notice boards and webpage. It represents 37.94% of the monetary value.

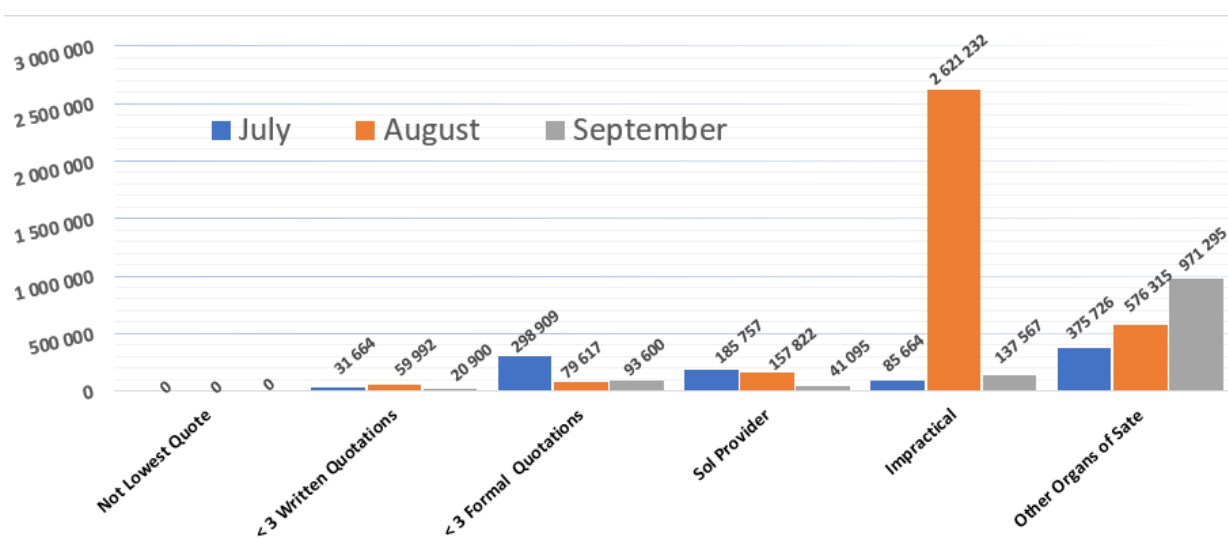
(iii) Summary of deviations from the normal procurement processes.

The following deviations from the normal processes occurred in the quarter under review. Full details thereof can be scrutinised in the quarterly report submitted to Council.

Commodity Description July to September 2019	REG.16(c) < 3 Written Quotations		REG.17(1)(c) < 3 Written Quotations		DEV- REG.36(1) (a)(v) Impractical		DEV- REG.36(1) (a)(ii) Sole Supplier		Other Organs of State		TOTALS	
	#	Value	#	Value	#	Value	#	Value	#	Value	#	Value
AUDITOR GENERAL									4	320 192	4	320 192
BREAKFAST/LUNCH/SUPPER-OTHER	2	6 703									51	330 511
BUILDINGS - MAINTENANCE			1	27 485							74	242 920
CELL PHONE - SERVICE CHARGES					1	135					1	135
CLEANING SERVICES			1	10 000							12	39 969
COLLECTIVE AGREEMENTS									39	124 247	69	405 739
COMMUNICATION CENTRE					2	2 024					2	2 024
CONSTRUCTION MATERIAL - ROADS											63	352 626
CONSULTANTS - CIVIL/ENGINEERING			1	17 400							4	1 601 438
CONSULTANTS - PROFESSIONAL SERVICES	1	6 440	1	19 780	7	2 000 795					16	4 235 150
EDUCATIONAL/SOCIAL/RECREATION			3	43 714							4	133 714
EQUIPMENT - ELECTRONIC/RADIO/Etc.	2	6 649									3	10 481
FUEL - DIESEL											1044	981 569
GARNISHING ORDERS									25	18 030	173	1 117 449
HOTEL BOOKINGS - LOCAL											27	131 024
INTERNET CONNECTION											6	633 294
IT RELATED GOODS & SERVICES							4	188 352			4	188 352
LEGAL SERVICES					4	80 546					4	80 546
LICENSING - VEHICLES									62	6 138	99	36 032
MEDIA: NEWS PAPERS/MAGAZINES/Etc.									16	1 793	16	1 793
MISCELLANEOUS			11	27 029							167	222 729
PHOTOCOPY MACHINES					2	97 900					2	97 900
PRINTING & PUBLICATIONS			12	10 810			2	3 930			19	585 739
PROTECTIVE CLOTHING											17	26 575
REFRESHMENTS/ENTERTAINMENT	1	2 915									32	16 155
REGISTRATION FEES: SEMINARS/Etc.							3	39 034			3	39 034
RENEWAL: SOFTWARE LICENSE					1	257 480	1	81 075			2	338 555
RENTAL - OTHER											27	36 436
SECURITY SERVICES			4	113 954							194	2 490 516
SERVICES - ELECTRICAL									9	415 834	9	415 834
SERVICES - RATES & TAXES									7	106 104	7	106 104
SERVICES - TELEPHONE									3	892 565	3	892 565
SERVICING OF EQUIPMENT BY AGENT											105	133 642
SOFTWARE & SUPPORT							2	69 783			2	69 783
SOFTWARE (SPECIFIC)			1	26 963							2	84 796
TRAINING (SPECIFIC)							1	2 500			3	200 950
TRANSPORT: PUBLIC	15	73 700	7	103 300							87	680 841
SERVICE LEVEL AGREEMENTS			4	19 349	1	311 698					7	581 045
AGENTS: SPECIALISED EQUIPMENT					1	63 250					1	63 250
SERVICES - SEWERAGE									4	11 616	4	11 616
SERVICES - REFUSE REMOVAL									6	10 475	6	10 475
SERVICES - WATER									3	16 322	3	16 322
VEHICLE - PARTS											445	879 090
VEHICLE - TIRES & PUNCTURES											137	85 151
REPAIRS: OTHER (ELECTRONIC/MECH/Etc.)					2	29 032					62	98 520
STOCK ITEMS - STORES											336	1 530 998
SUBSISTENCE - LOCAL											14	33 268
TOLL FEES											89	46 330
CONSUMABLES & CLEANING MATERIALS											1	131
INK CARTRIDGES - PRINTERS											7	3 050
EQUIPMENT - HAND TOOLS/GARDEN											34	18 666
REPAIRS/SERVICE: MECHANICAL/ELECTRIC											7	3 620
OILS & LUBRICANTS											12	10 359
COMPUTER - ACCESSORIES											6	22 634
CELL PHONE - AIRTIME											3	1 557
RENTAL: PORTABLE CHEMICAL TOILETS											13	759 512
STATIONERY - OTHER											6	3 676
EQUIPMENT - OTHER	2	2 137									68	85 667
SUBSCRIPTIONS - OTHER											1	1 516
VEHICLE - REPAIRS-MECH./SERVICE											16	68 559
INK CARTRIDGES - FAX MACHINES											1	3 393
STATIONERY - WRITING MATERIALS											2	2 903
COMPUTER - REPAIRS											1	275
FUEL - PETROL											585	320 320
STRIP & REPAIR WORK - MECHANICAL/Etc.											1	1 990
SERVICES - SECURITY	1	4 825	2	29 889							3	34 714
TRANSLATION SERVICES	3	9 188									41	488 425
SPECIALISED EQUIPMENT			1	14 034							1	14 034
INVESTMENT: FIRST NATIONAL BANK											3	43 000 000
INVESTMENT: ABSA											3	43 000 000
INVESTMENT: STANDARD BANK											3	47 000 000
INVESTMENT: INVESTIC											2	33 000 000

SALARY & WAGES NOT VIA SYSTEM											77	637 157
COMPANY CONTRIBUTIONS											57	15 582 345
STAFF DEDUCTION PAYMENTS UNRELATED TO PROCUREMENT											3	642 930
INK CARTRIDGES: PRINTERS											13	708 492
INK CARTRIDGES: FAX MACHINES											21	35 522
VEHICLE - REPAIRS-BODY											8	30 641
SOFTWARE											11	106 152
CAMERA: DIGITAL											2	33 939
STATIONERY - FILING MATERIALS											3	18 840
CONSULTANTS - OTHER											1	5 634
TONER - PRINTERS											2	22 224
TRAINING											4	8 664
TAXES & LEVIES											1	28 845
STUDY & BURSARY FEES											9	8 610 426
GRANTS & DONATIONS											7	103 191
RENTAL - SPECIALISED EQUIPMENT			1	5 919							168	2 954 774
INSURANCE/SECURITY											1	5 919
AIR TICKETS - LOCAL											11	2 334 132
RENTAL - VEHICLE - LOCAL											8	31 448
ADVERTISING - LOCAL NEWS PAPERS											4	9 187
EMERGENCY: VEHICLE RECOVERY											22	808 130
HOTEL BOOKINGS - INTERNATIONAL											25	413 071
SERVICES - POSTAGE											10	71 055
COMPUTER - SERVERS/MAIN FRAME											8	26 419
FOOD SAMPLES											6	464 636
CONTRACTORS - CIVIL/BUILDINGS/Etc.											2	1 188 269
VEHICLE - NEW											3	881 648
ALIEN PLANT ERADICATION (CWDM)											2	4 697 561
AIR TICKETS - INTERNATIONAL											11	436 088
FIRE FIGHTING SERVICES											2	35 510
VISA FEES FOR INTERNATIONAL TRAVEL					1	1 605					4	2 760 000
Grand Total	27	112 555	50	472 126	22	2 844 463	15	384 674	180	1 923 336	4792	232 199 227

Breakdown of monthly transactions.



(c) Logistics management

The system of logistics management must ensure the following:

- (i) Monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
- (ii) Setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
- (iii) Placing of orders for all acquisitions other than those from petty cash;

- (iv) Before payment is approved, certification by the responsible officer that the goods and services has been received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
- (v) Appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
- (vi) Monitor and review of the supplier/vendor performance to ensure compliance with specifications and contract conditions for particular goods or services. (See page 8)

(d) Disposal management

The system of disposal management must ensure the following:

- (i) Immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
- (ii) movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
- (iii) Immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;
- (iv) All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed; and
- (v) Where assets are traded in for other assets, the highest possible trade-in price is negotiated.

The municipality is complying with section 14 of the MFMA which deals with the disposal of capital assets.

(e) Performance management

The SCM policy requires that an internal monitoring system be established and implemented in order to determine, on the basis of retrospective analysis, whether the SCM processes were followed and whether the objectives of the SCM policy were achieved.

Various assessments by Provincial Treasury's SCM section, of which the last evaluation was in September 2019, and external consultants has indicated that the municipality's processes and procedures are in line with legislative requirements. Specific attention is given to *inter alia*, the following aspects;

- (i) Compliance with chapter 11 of the Municipal Finance Management Act (Act 56 of 2003);
- (ii) Adherence to bid committee structures as stipulated in the Supply Chain Management regulations of 2005 and the Cape Winelands District Municipality's Supply Chain Management Policy;

- (iii) The applicable sections relating to points scoring and the evaluation of bids in terms of the Preferential Procurement Policy Framework Act (Act 5 of 2000 and regulations);
- (iv) Compliance with the code of conduct for Supply Chain Practitioners and Bid Committee Members; and
- (v) To propose improvements to the bid committee system and process.

(f) Other matters

Advertisements in the press

Advertising costs of R 115, 463.54 were incurred in the procurement process for this quarter in relation to R 152,145.72 in the 4th quarter of 2018/2019. It must be noted that some of the regular/annual quotations and tenders for the new financial year may have been advertised in the previous quarter.

CIDB – Construction Industry Development Board

Municipalities are required to advertise, register and maintain all contracts of a construction nature in excess of R 200,000 on the CIDB website. No CIDB related awards were made in this quarter.

There were no CIDB awards made during the current period.

Tenders and quotations evaluated on performance

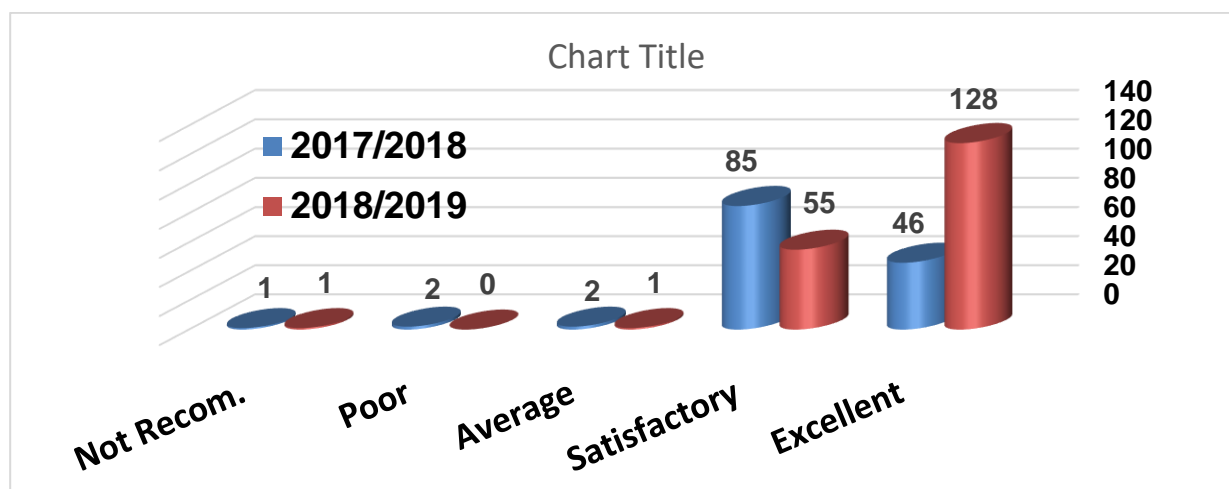
Suppliers are evaluated on work performed or goods supplied for functionality, quality and performance. To evaluate the supplier, a document is prepared and issued to the relevant official who initiated the acquisition. Tenders and quotations as evaluated in the previous quarter:

Relevant Department/Division	Tenders		Quotations	
	2017/2018	2018/2019	2017/2018	2018/2019
COMMUNITY DEVELOPMENTAL SERVICES	11	12	20	8
CORPORATE SERVICES	16	1	10	2
FINANCIAL	2	29	2	6
LOCAL ECONOMIC DEVELOPMENT	2	1	3	5
ENGINEERING	26	89	30	23
GOVERNANCE	0	0	0	0
MUNICIPAL MANAGER	1	0	1	2
RURAL & SOCIAL DEVELOPMENT	2	1	10	6
Grand Total	60	133	76	52

The evaluation is objective and based on five performance areas as indicated in the evaluation matrix on page nine.

The contract manger is responsible for the evaluation, but in the event that the supplier is rated lower than 18 points out of a possible of 25 (72%), he/she must be consulted and when agreed on the final rating, sign the evaluation document as proof of consultation. At this point any corrective measures are attended to.

Number and performance of suppliers evaluated:



Performance per category – improvement/deterioration on previous quarter:

Perf. Level	Category	2017/2018		2018/2019		Movement (Evaluation must be objective per category)	
		# of Evaluations	% of Category	# of Evaluations	% of Category		
1	Not Recom.	1	0,74%	1	0,54%	0,19%	Improvement
2	Poor	2	1,47%	0	0,00%	1,47%	Deterioration
3	Average	2	1,47%	1	0,54%	0,93%	Deterioration
4	Satisfactory	85	62,50%	55	29,73%	32,77%	Deterioration
5	Excellent	46	33,82%	128	69,19%	35,37%	Improvement
Total:		136		185			

Emanating from the prescribed procurement process, the municipality does not work with the same suppliers every year. Although there may be repetition of some, new suppliers are constantly entering into the process. Therefore, performance comparisons are measured on percentage per performance category rather than on the individual supplier. The two top levels should follow a natural cause and attention must be focused on the lower three.

EVALUATION MATRIX:

SUPPLIER PERFORMANCE ASSESSMENT					
Performance area	Ranking				
Project management and control	<ul style="list-style-type: none"> ➢ Non existent or inadequate project management ➢ No evidence of formal controls in place 	<ul style="list-style-type: none"> ➢ Project manager identified ➢ Simple project plan in place, no evidence of update/use ➢ Reliance on individuals rather than process ➢ Haphazard controls 	<ul style="list-style-type: none"> ➢ Project manager and team identified ➢ Project plan in place but limited evidence of update/use ➢ Project team managed through meetings – no use of tools ➢ Inconsistent change control 	<ul style="list-style-type: none"> ➢ Project manager has formal ownership of project and team ➢ Single point of accountability for decisions ➢ Formal project management processes followed ➢ Rigorous change control 	<ul style="list-style-type: none"> ➢ Full and accountable project management process ➢ Detailed and controlled processes ➢ Full visibility of progress, issues and changes
Score	1	2	3	4	5
Communications	<ul style="list-style-type: none"> ➢ Difficult to contact or obtain a response ➢ Evidence of poor internal communications ➢ Response regularly inadequate 	<ul style="list-style-type: none"> ➢ Regular communications but often incomplete ➢ Response to queries inconsistent ➢ Reactive 	<ul style="list-style-type: none"> ➢ Fairly rapid response to queries ➢ Generally complete responses, but clarification often required 	<ul style="list-style-type: none"> ➢ Effective communications and relationships ➢ Generally proactive and complete responses ➢ Little clarification required 	<ul style="list-style-type: none"> ➢ Excellent, open relationship ➢ Complete response to queries ➢ Pro-active and anticipates issues
Score	1	2	3	4	5
Flexibility	<ul style="list-style-type: none"> ➢ Inflexible and reliant on contract 	<ul style="list-style-type: none"> ➢ Some willingness to be flexible, but only short-term 	<ul style="list-style-type: none"> ➢ Willing to be flexible around project demands over medium term 	<ul style="list-style-type: none"> ➢ High degree of flexibility around project and contract matters 	<ul style="list-style-type: none"> ➢ Completely open and flexible – joint partnering arrangement focused on project
Score	1	2	3	4	5
Capability	<ul style="list-style-type: none"> ➢ Inadequate capability ➢ Consistently missing critical deadlines or milestones ➢ Multiple design or production errors 	<ul style="list-style-type: none"> ➢ Poor capability ➢ Some missing of critical deadlines or milestones ➢ Design or production errors not satisfactory 	<ul style="list-style-type: none"> ➢ Satisfactory capability ➢ Almost no missing of critical milestones or deadlines ➢ Design or production errors not critical 	<ul style="list-style-type: none"> ➢ Good capability ➢ No missing of critical milestones or deadlines ➢ Virtually no design or production errors 	<ul style="list-style-type: none"> ➢ Excellent capability ➢ No missing of any project milestones or deadlines ➢ No design or production errors
Score	1	2	3	4	5
Delivery	<ul style="list-style-type: none"> ➢ Frequently capacity constrained resulting in significant schedule problems ➢ Expediting regularly required 	<ul style="list-style-type: none"> ➢ Some capacity constraints with some impact on schedule ➢ Some expediting required 	<ul style="list-style-type: none"> ➢ Generally unconstrained and able to meet schedule ➢ Limited expediting required 	<ul style="list-style-type: none"> ➢ Regular deliveries on schedule ➢ Limited capacity to reschedule to meet project changes ➢ Little or no expediting required 	<ul style="list-style-type: none"> ➢ Established track record of deliveries ➢ Capacity to reschedule to meet project changes ➢ No expediting required
Score	1	2	3	4	5

NB: Where the specific category does not apply to the relevant evaluation or supplier, a rating of four (4) must be applied.

Evaluation Matrix: 01-05 = NOT RECOMMENDED; 06-10 = POOR; 11-15 = AVERAGE; 16-20 = SATISFACTORY; 21-25 = EXCELLENT

Improvement and/or deterioration of supplier performance.

Officials are not encouraged to give higher points just to achieve an artificial high-performance level and thereby avoid confrontation with the underperforming supplier. To achieve better results officials are encouraged to engage with poor performing suppliers, also during the execution of the contract, to capacitate better performance. Proper contract management will reduce unnecessary performance problems.

If it is found that a specific supplier does not meet the municipality's standard of service expectations, corrective measures must be taken, preferably while the project is in process, to guarantee a positive outcome.

Suppliers who do not meet the level of performance are given the opportunity to improve on their capacity, systems and procedures and, after a period of exclusion from the procurement process, can demonstrate that they indeed improved and are capable to deliver on the expected performance levels.

Disclosures

1. Transactions concluded with - *“People in the Service of the State”*

The Supply Chain Management Regulation 44 prohibits awards to persons in the service of the state and may not make any award to a person;

- (a) who is in the service of the state;
- (b) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
- (c) who is an advisor or consultant contracted with the municipality or municipal entity.

Awards made to such entities must be investigated, and recommended to Council, by the Municipal Public Accounts Committee (MPAC) for further action as it may find applicable.

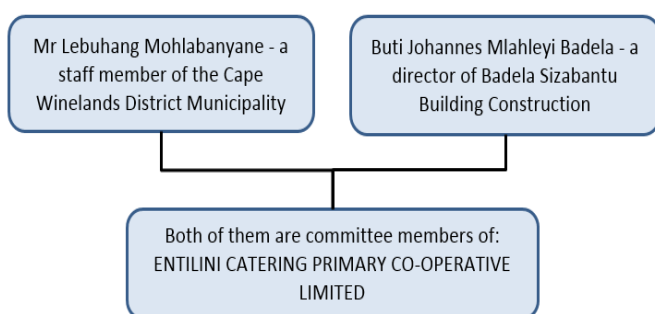
No instances of this nature were detected for the period under review.

2. Transactions concluded with - *“Close family members of persons in the service of the state”*

Supply Chain Management Regulation 45 does not prohibit awards to persons who have close family members working in the service of the state, but municipalities must disclose all amounts dispensed in excess of R 2,000. See **Annexure “A3”**.

3. Benefits received in terms of the Local Government: Municipal Systems Act 32 of 2000 – Schedule 1 sec 5(2) & Schedule 2 sec 5(1)

In addition to regulation 45, a councillor or staff member of a municipality who, or whose partner or business associate acquired or stands to acquire any direct benefit from a contract concluded with the municipality must declare it. In layman’s terms, it can be referred to as an indirect or third-party relationship/association. See the illustration below and **Annexure “A4”** for identified instances.



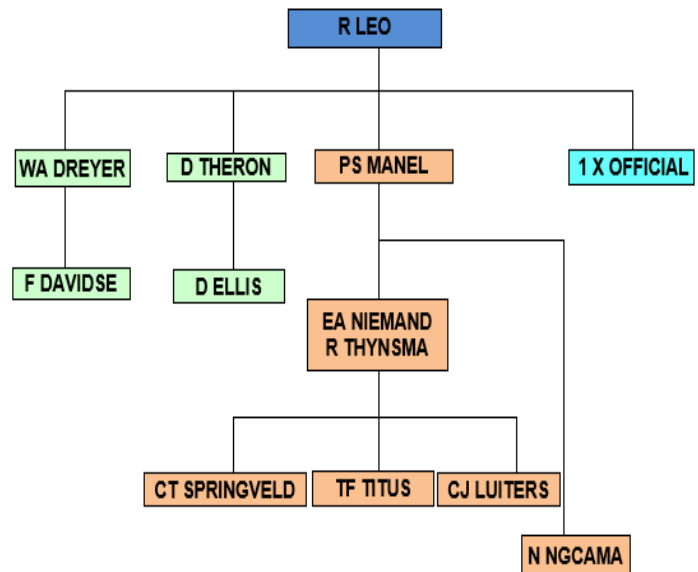
By association: (External)

An association is established when two or more individuals are connected through the same common purpose, e.g. committee members. If one of the members is a councillor or official and another member is a supplier of the municipality, an association is established, and must be declared by that councillor or official.

Staff component

The following officials are currently directly involved with the Supply Chain Management processes.

POST NAME	EMPLOYEE
Manager: Supply Chain Management	RA Leo
Senior Buyer	PS Manel
Senior Supply Chain Management Officer	R Thuynsma
Principal Clerk: Procurement	CJ Luiters
Procurement Clerk	N Ngcama
Senior Storekeeper/Buyer	D Theron
Storekeeper/Buyer	D Ellis
Senior Storekeeper/Buyer	WA Dreyer
Storekeeper/Buyer	F Davidse
Senior Administrator: Quotations & Tenders	EA Niemand
Chief Clerk: Supplier/Database Administration	CT Springveldt
Chief Clerk: Supplier/Database Administration	TL Titus
Contract Management Officer	Vacant



Supplier database

National Treasury's Web-Based Central Supplier Database (CSD) was implemented through Circular No. 81 dated 18 March 2016 which came into effect on 1st July 2016. Council adopted this circular as per C.14.6 of 28 April 2016. Provincial Treasury is rolling out the program and facilitates communication with National Treasury.

As this report is written there are still unresolved issues on which National Treasury must issue instructions as to compliancy. The CSD is designed on National and Provincial legislation which is not the same as that of Local Government. For municipalities to comply with its legislation, some issues must still be addressed. National Treasury indicated in the circular that the following aspects are work-in-progress and further information will be provided once systems have been upgraded after consultation with relevant stakeholders:

- BBEE Status
- CIDB
- Municipal Account status

For the interim it is therefore the responsibility of the municipality to continue with verification of any listing criteria which are not currently validated in the CSD system, for instance, proof of municipal accounts.

One aspect that National Treasury did not address in its circular is the "declaration of interest" by owners/partners/members/directors/shareholders which municipalities must obtain. The CSD do record all individuals that are listed on the Companies and Intellectual Property Commission's (CIPC – Registrar of Companies) database and verify their status in respect of "Restricted Suppliers" and "People in the service of the

state". National treasury collects details of all officials in government departments and municipalities and verifies it against individuals on the CSD. However, not all parastatals may be covered to date.

Currently, the system providers (SAMRAS) in conjunction with National Treasury are busy to develop a "seamless" integration process where data can be updated directly from the CSD into the municipality's system. Details have not been rolled out. Considering the fact that National Treasury does not take any responsibility for data that they obtain from other parastatals, SARS, CIPC, etc., the municipality should not allow any data to be populated into its Supplier database.

National Treasury rolled out this CSD as a "ONE-AND-ONLY" database for the whole of the country. It confuses suppliers because municipalities still require documents to do its own accreditation.

A very important point to take notice of is that National Treasury made registration on the CSD mandatory with the following clause in its circular:

"With effect from 1 July 2016, Municipalities and Municipal Entities must use the CSD supplier number starting with (MAAA) which is auto generated by the Central Database System after successful registration and validation of the prospective provider as mandatory requirement as part of listing criteria for accrediting prospective providers in line with Section 14(1)(b) of the Municipal Supply Chain Management Regulations".

It implies that the municipality must still maintain a Supplier Database and accredit its suppliers. No SOP (Standardised Operating Procedure) has been issued to give more clarity on the issue and it can therefore be argued that the municipality only needs to obtain the CSD registration number to comply, and then its business as usual.

Notwithstanding all the discrepancies, the municipality adopted the circular and must manage all requirements of the current legislation. The Supply Chain Management Policy has been amended in terms of Council Resolution C.14.6 of 28 April 2016. No other Financial Policies are affected by the implementation of the circular.

To ensure that the municipality complies the following actions have been taken and/or are on-going:

- Training has been provided to all relevant officials;
- Suppliers was informed by e-mail and paper post of the requirements in January 2016 and repeated in April 2016;
- Notice has been circulated in three languages in the 2015/2016 third quarter of the Grapevine;
- All out going SCM correspondence includes a notice to this effect;
- Suppliers are requested to submit the mandatory CSD registration number when submitting bids;
- CSD registration numbers are recorded on the municipality's supplier database as prescribed; and
- Other avenues of promotion are continually investigated. (e.g. sms notifications)

To date 1,466 CSD registration numbers have been recorded and the Supply Chain Management Unit is confident that it is able to manage and comply with the requirements.

National Treasury also rolled out eTENDER which is a central portal where all spheres of government must advertise its tenders. This also brings its own challenges.

Statistics

Although the preference for SMMEs, HDIs, Woman, Youth and Disability has fallen away with the implementation of the new scorecards (B-BBEE), the information will still be captured for statistical purposes and reported on as far as possible.

Awards made to these groups:

	GROUP:	(i) SMMEs	(ii) BEEs	(iii) WOMEN	(iv) YOUTH	(v) DISABLED
4 th Quart 2018/2019	# of Suppliers	290	168	127	24	1
	Rand Value	33 743 164.78	19 223 598.62	10 307 960.24	2 652 534.00	418.00
	% of Total Rand Value	97.07%	55.30%	29.65%	7.63%	0.0012%
1st Quart 2019/2020	# of Suppliers	61	64	47	0	10
	Rand Value	3 421 233.69	2 986 910.38	1 777 020.46	0.00	314 043.73
	% of Total Rand Value	41.48%	36.21%	21.55%	0.00%	3.81%

* When looking at amounts and percentages it must be remembered that SMMEs may also be BEEs/woman/etc.

- (i) Small, Medium and Micro Enterprises
- (ii) Black Economic Empowerment
- (iii) Woman Empowerment
- (iv) Youth Empowerment
- (v) Disabled Individuals

ANNEXURE “A1”

EXPENDITURE PER PROCUREMENT CATEGORY

A report on total expenditure per department is submitted to the Accounting Officer within five days of the end of each month on that month's activities. Total acquisitions, per procurement category for the last quarter, are illustrated: (Full detail is available on request)

Number of Transactions		Type of Procurement	Amount		Description
4 th Quart 2018/2019	1 st Quart 2019/2020		4 th Quart 2018/2019	1 st Quart 2019/2020	
867	1 331	<R2000-NO PROCUREMENT:	582 816,95	740 443,38	Acquisitions less than R 2,000 - no procurement process is followed for small purchases.
320	302	3rd PARTY PAYMENT:	18 930 953,30	18 677 955,53	Transactions where procurement plays no role - contribution payments / S&Ts / etc.
23	177	COUNCIL POLICY/SUBSIDY:	1 467 190,00	3 307 965,00	Study Bursaries / Sponsorships / Donations / etc.
11	15	DEV-REG.36(1)(a)(ii)Sol	169 462,67	384 674,19	Transactions where no procurement process were followed (Sole Providers/Agents - Congresses & Seminars)
43	22	DEV-REG.36(1)(a)(v)Impr	763 338,15	2 844 463,25	Transactions where no procurement process were followed (Impractical to obtain quotations - e.g. Long-term contracts for systems such as financial-, document-, salary- and HR Systems)
267	298	FWPQ - <R30.000 >3 WQ	1 522 828,07	1 890 262,85	Acquisitions made in terms of a full quotation process up to R 30,000 - minimum three quotes obtained.
25	12	FWPQ - >R30.000 <3 WQ	1 057 525,20	179 110,85	Acquisitions where it was not possible to obtain at least three quotations between R 30,000 – R 200,000 (Process was open on Web Page and Notice Boards)
21	18	FWPQ - >R30.000 >3 WQ	828 429,40	209 090,40	Acquisitions made in terms of a full quotation process R 30,000 to R 200,000 - minimum three quotes obtained.
26	27	REG.16(c) < 3 WQ	113 191,53	112 555,45	Acquisitions where it was not possible to obtain at least three quotations up to R 10,000
22	38	REG.17(1)(c) < 3 FWPQ	254 337,34	293 014,69	Acquisitions where it was not possible to obtain at least three quotations between R 10,000 – R 30,000
206	180	Sec.110(2)(a) Organs of State	3 136 863,91	1 923 335,76	Goods and /or Services acquired from Other Organs of State/Municipalities. (No procurement process)
39	39	STATUTORY PAYMENTS:	11 223 429,55	8 891 918,47	Prescriptive payments made in terms of legislation - licensing / taxes / contribution payments / etc.
3251	2322	TENDER PROCESS:	25 913 725,34	26 744 437,19	Acquisitions made in terms of a full tender process on amounts above R 200,000
1	0	PETTY CASH:	433,79	0,00	Mainly small out of pocket refunds. (No procurement process)
5 122	4 781	TOTAL:	65 964 525,20	66 199 227,01	

NATIONAL TREASURY**ANNEXURE “A2”**

Municipalities must report to National Treasury on all acquisitions in excess of R 100,000 on a monthly basis. Information is populated directly into their system.

The following quotations and tenders were reported for the period. A total cumulative amount of **R 11 520 000.00** was awarded. However, it must be noted that some “availability tenders” are shared between suppliers. The total of the tender is listed for each because it is not known upfront what amount will actually be procured from individual suppliers.

	Contract Number	Type of goods/service acquired	Contract Date	Supplier	B-BBEE contribution	PRICE Points (90/80)	B-BBEE Points (20/10)	Contract Value ZAR	Premium Paid
1	Q2019/008	SERVICING OF BREATHING APPARATUS EQUIPMENT FOR THE PERIOD ENDING 30 JUNE 2020 COMMUNITY AND DEVELOPMENTAL SERVICES	10/09/2019	Drager South Africa (Pty) Ltd	1	80	20	R 200 000,00	-
2	Q2019/041	PROVISION OF PROFESSIONAL SERVICES: CONSULTING SERVICES RELATING TO VAT, PAYROLL, AND OTHER RELEVANT TAX LEGISLATION AND TAX ADMINISTRATION MATTERS, INCLUSIVE OF SUPPLY CHAIN MANAGEMENT (SCM) LEGISLATION AFFECTING TAXES, APPLICABLE TO MUNICIPALITIES – ON AN AS AND WHEN REQUIRED BASIS FOR A PERIOD OF 12 MONTHS	31/07/2019	J F Van WYK	1	80	20	R 200 000,00	-
3	Q2019/048	SUPPLY AND DELIVERY OF G7 CRUSHED STONE	07/08/2019	AJ Van Huffel Planthire CC	2	80	18	R 199 978,80	-
4	Q2019/051	RENTAL OF A TELEPHONE MANAGEMENT SYSTEM FOR THE PERIOD FROM 01 AUGUST 2019 TO 30 JUNE 2020	28/08/2019	Nashua Communications	2	80	18	R 200 000,00	-
5	Q2019/052	HIRING OF FLUSH PORTABLE TOILETS FOR THE PERIOD ENDING 30 JUNE 2020	11/09/2019	Sanitech A Division of Waco Africa (Pty) Ltd	2	80	18	R 200 000,00	-
6	T 2019/020	RENTAL, REFILLING AND DELIVERY OF GAS (ACETYLENE, OXYGEN AND ARGOSHIELD) AND ACCESSORIES FOR THE PERIOD ENDING 30 JUNE 2022	06/09/2019	African Oxygen Limited	3	80	14	R 200 000,00	-
7	T 2019/025	T 2019/025: SUPPLY AND DELIVERY CONCRETE PIPES AND CULVERTS FOR THE ENDING 30 JUNE 2022	19/09/2019	Ithuba Industries	1	80	20	R 200 000,00	-
8	T 2019/031A	T 2019/031: THE HIRE OF MECHANICAL EQUIPMENT AND CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	06/09/2019	AJ Van Huffel Planthire CC	2	80	18	R 200 000,00	-
9	T 2019/031B	T 2019/031: THE HIRE OF MECHANICAL EQUIPMENT AND CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	06/09/2019	Aqua Transport And Plant Hire (Pty) Ltd	1	80	20	R 200 000,00	-

	Contract Number	Type of goods/service acquired	Contract Date	Supplier	B-BBEE contribution	PRICE Points (90/80)	B-BBEE Points (20/10)	Contract Value ZAR	Premium Paid
10	T 2019/031C	T 2019/031: THE HIRE OF MECHANICAL EQUIPMENT AND CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	06/09/2019	Devanry Plant Hire And Transport	1	80	20	R 200 000,00	-
11	T 2019/031D	T 2019/031: THE HIRE OF MECHANICAL EQUIPMENT AND CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	06/09/2019	DP Truckhire (Pty) Ltd	1	80	20	R 200 000,00	-
12	T 2019/031E	T 2019/031: THE HIRE OF MECHANICAL EQUIPMENT AND CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	06/09/2019	DWD Transport Services (Pty) Ltd	1	80	20	R 200 000,00	-
13	T 2019/031F	T 2019/031: THE HIRE OF MECHANICAL EQUIPMENT AND CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	06/09/2019	FG Jacobs Transport Cc	1	80	20	R 200 000,00	-
14	T 2019/031G	T 2019/031: THE HIRE OF MECHANICAL EQUIPMENT AND CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	06/09/2019	GW Auto Tech (Pty) Ltd T/a GW Plant Hire	4	80	12	R 200 000,00	-
15	T 2019/031H	T 2019/031: THE HIRE OF MECHANICAL EQUIPMENT AND CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	06/09/2019	Lelieblom Grondverskuiwings	2	80	18	R 200 000,00	-
16	T 2019/031I	T 2019/031: THE HIRE OF MECHANICAL EQUIPMENT AND CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	06/09/2019	Makaza Concrete Mixers CC	2	80	18	R 200 000,00	-
17	T 2019/031J	T 2019/031: THE HIRE OF MECHANICAL EQUIPMENT AND CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	06/09/2019	Masiqhame Trading 729 CC	7	80	4	R 200 000,00	-
18	T 2019/031K	T 2019/031: THE HIRE OF MECHANICAL EQUIPMENT AND CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	06/09/2019	Midmar Plant Hire CC	2	80	18	R 200 000,00	-
19	T 2019/031L	T 2019/031: THE HIRE OF MECHANICAL EQUIPMENT AND CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	06/09/2019	Môreson Grondverskuiwers (Pty) Ltd	4	80	12	R 200 000,00	-
20	T 2019/032	SUPPLY AND DELIVERY OF CEMENT FOR THE PERIOD 01 JULY 2019 ENDING 30 JUNE 2022	19/09/2019	Zimella (Pty) Ltd	1	80	20	R 200 000,00	-
21	T 2019/036	SUPPLY AND DELIVERY OF FENCING TIMBER POLES, TIMBER GUARDRAIL POSTS, TIMBER SPACER BLOCKS AND ROUND WOODEN POLES FOR THE PERIOD ENDING 30 JUNE 2022	06/09/2019	SUGARBERRY TRADING 755	1	80	20	R 200 000,00	-
22	T 2019/045A	SUPPLY AND DELIVERY OF NATURAL GRAVEL FOR RE-GRAVELING OF RURAL PROVINCIAL ROADS FOR THE PERIOD ENDING 30 JUNE 2022	06/09/2019	AJ Van Huffel Planthire CC	2	80	18	R 200 000,00	-
23	T 2019/045B	SUPPLY AND DELIVERY OF NATURAL GRAVEL FOR RE-GRAVELING OF RURAL PROVINCIAL ROADS FOR THE PERIOD ENDING 30 JUNE 2022	06/09/2019	F.G. Jacobs Transport CC	1	80	20	R 200 000,00	-

	Contract Number	Type of goods/service acquired	Contract Date	Supplier	B-BBEE contribution	PRICE Points (90/80)	B-BBEE Points (20/10)	Contract Value ZAR	Premium Paid
24	T 2019/045C	SUPPLY AND DELIVERY OF NATURAL GRAVEL FOR RE-GRAVELING OF RURAL PROVINCIAL ROADS FOR THE PERIOD ENDING 30 JUNE 2022	06/09/2019	Jonas Supplies (Pty) Ltd	1	80	20	R 200 000,00	-
25	T 2019/045D	SUPPLY AND DELIVERY OF NATURAL GRAVEL FOR RE-GRAVELING OF RURAL PROVINCIAL ROADS FOR THE PERIOD ENDING 30 JUNE 2022	06/09/2019	Makaza Concrete Mixers CC	2	80	18	R 200 000,00	-
26	T 2019/045E	SUPPLY AND DELIVERY OF NATURAL GRAVEL FOR RE-GRAVELING OF RURAL PROVINCIAL ROADS FOR THE PERIOD ENDING 30 JUNE 2022	06/09/2019	Shine The Way 496 CC	1	80	20	R 200 000,00	-
27	T 2019/045F	SUPPLY AND DELIVERY OF NATURAL GRAVEL FOR RE-GRAVELING OF RURAL PROVINCIAL ROADS FOR THE PERIOD ENDING 30 JUNE 2022	06/09/2019	Tip Trans Logistix (Pty) Ltd	2	80	18	R 200 000,00	-
28	T 2019/045G	SUPPLY AND DELIVERY OF NATURAL GRAVEL FOR RE-GRAVELING OF RURAL PROVINCIAL ROADS FOR THE PERIOD ENDING 30 JUNE 2022	06/09/2019	WB Tipper Truck And Plant Hire (Pty) Ltd	1	80	20	R 200 000,00	-
29	T2019/003	REMOVAL OF WASTE OIL AT FIVE (5) WORKSHOPS WITHIN CWDM AREA FOR THE PERIOD ENDING 30 JUNE 2022	06/09/2019	Bertrandt Enterprises	1	80	20	R 200 000,00	-
30	T2019/039A	SUPPLY AND DELIVERY OF NEW TYRES, TUBES, RETREADING OF TYRES AND SUBSIDIARY SERVICES SITUATED IN WORCESTER, CERES, ROBERTSON, PAARL AND STELLENBOSCH FOR THE PERIOD ENDING 30 JUNE 2022	06/09/2019	Kilotreads (Stellenbosch) (Pty) Ltd	0	80	0	R 200 000,00	-
31	T2019/039B	SUPPLY AND DELIVERY OF NEW TYRES, TUBES, RETREADING OF TYRES AND SUBSIDIARY SERVICES SITUATED IN WORCESTER, CERES, ROBERTSON, PAARL AND STELLENBOSCH FOR THE PERIOD ENDING 30 JUNE 2022	06/09/2019	Trentyre (Pty) Ltd –	3	80	14	R 200 000,00	-
32	T2019/040A	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS AND SERVICE OR REPLACEMENT OF COMPONENTS OF MOTOR VEHICLES, FIRE FIGHTING VEHICLES AND PLANT, EARTHMOVING AND ROAD CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	19/09/2019	Absolute Ablutions Stellenbosch (Pty) Ltd	0	80	0	R 200 000,00	-
33	T2019/040AA	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS AND SERVICE OR REPLACEMENT OF COMPONENTS OF MOTOR VEHICLES, FIRE FIGHTING VEHICLES AND PLANT, EARTHMOVING AND ROAD CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	19/09/2019	WearCheck a division of Torre Analytical Services (Pty) Ltd	2	80	18	R 200 000,00	-
34	T2019/040AB	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS AND SERVICE OR REPLACEMENT OF COMPONENTS OF MOTOR VEHICLES, FIRE FIGHTING	19/09/2019	Wynland Agri Services (Pty) Ltd	4	80	12	R 200 000,00	-

	Contract Number	Type of goods/service acquired	Contract Date	Supplier	B-BBEE contribution	PRICE Points (90/80)	B-BBEE Points (20/10)	Contract Value ZAR	Premium Paid
		VEHICLES AND PLANT, EARTHMOVING AND ROAD CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022							
35	T2019/040B	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS AND SERVICE OR REPLACEMENT OF COMPONENTS OF MOTOR VEHICLES, FIRE FIGHTING VEHICLES AND PLANT, EARTHMOVING AND ROAD CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	19/09/2019	Barrys Handel (Edms) Bpk T/a Jaffe's Ford	0	80	0	R 200 000,00	-
36	T2019/040C	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS AND SERVICE OR REPLACEMENT OF COMPONENTS OF MOTOR VEHICLES, FIRE FIGHTING VEHICLES AND PLANT, EARTHMOVING AND ROAD CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	19/09/2019	Compaction Industrial Equipment Sales & Service CC	0	80	0	R 200 000,00	-
37	T2019/040D	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS AND SERVICE OR REPLACEMENT OF COMPONENTS OF MOTOR VEHICLES, FIRE FIGHTING VEHICLES AND PLANT, EARTHMOVING AND ROAD CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	19/09/2019	Dentzone Panelbeaters	2	80	18	R 200 000,00	-
38	T2019/040E	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS AND SERVICE OR REPLACEMENT OF COMPONENTS OF MOTOR VEHICLES, FIRE FIGHTING VEHICLES AND PLANT, EARTHMOVING AND ROAD CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	19/09/2019	DMS Glass (Pty) Ltd	1	80	20	R 200 000,00	-
39	T2019/040F	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS AND SERVICE OR REPLACEMENT OF COMPONENTS OF MOTOR VEHICLES, FIRE FIGHTING VEHICLES AND PLANT, EARTHMOVING AND ROAD CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	19/09/2019	FES Manufacturing (Pty) Ltd	2	80	20	R 200 000,00	-
40	T2019/040G	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS AND SERVICE OR REPLACEMENT OF COMPONENTS OF MOTOR VEHICLES, FIRE FIGHTING VEHICLES AND PLANT, EARTHMOVING AND ROAD CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	19/09/2019	Fire Stuff 365 CC T/A Fire 24/7	4	80	12	R 200 000,00	-

	Contract Number	Type of goods/service acquired	Contract Date	Supplier	B-BBEE contribution	PRICE Points (90/80)	B-BBEE Points (20/10)	Contract Value ZAR	Premium Paid
41	T2019/040H	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS AND SERVICE OR REPLACEMENT OF COMPONENTS OF MOTOR VEHICLES, FIRE FIGHTING VEHICLES AND PLANT, EARTHMOVING AND ROAD CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	19/09/2019	GW Auto Tech (Pty) Ltd	4	80	12	R 200 000,00	-
42	T2019/040I	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS AND SERVICE OR REPLACEMENT OF COMPONENTS OF MOTOR VEHICLES, FIRE FIGHTING VEHICLES AND PLANT, EARTHMOVING AND ROAD CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	19/09/2019	HBC Systems (Pty) Ltd	4	80	12	R 200 000,00	-
43	T2019/040J	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS AND SERVICE OR REPLACEMENT OF COMPONENTS OF MOTOR VEHICLES, FIRE FIGHTING VEHICLES AND PLANT, EARTHMOVING AND ROAD CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	19/09/2019	HD Transmissions (Pty) Ltd	4	80	12	R 200 000,00	-
44	T2019/040K	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS AND SERVICE OR REPLACEMENT OF COMPONENTS OF MOTOR VEHICLES, FIRE FIGHTING VEHICLES AND PLANT, EARTHMOVING AND ROAD CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	19/09/2019	High Power Equipment Africa (Pty) Ltd	6	80	6	R 200 000,00	-
45	T2019/040L	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS AND SERVICE OR REPLACEMENT OF COMPONENTS OF MOTOR VEHICLES, FIRE FIGHTING VEHICLES AND PLANT, EARTHMOVING AND ROAD CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	19/09/2019	Hydrenco (Pty) Ltd	1	80	20	R 200 000,00	-
46	T2019/040M	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS AND SERVICE OR REPLACEMENT OF COMPONENTS OF MOTOR VEHICLES, FIRE FIGHTING VEHICLES AND PLANT, EARTHMOVING AND ROAD CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	19/09/2019	Johan Le Roux Ing Werke	4	80	12	R 200 000,00	-
47	T2019/040N	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS AND SERVICE OR REPLACEMENT OF COMPONENTS OF MOTOR VEHICLES, FIRE FIGHTING	19/09/2019	Kemach Equipment (Pty) Ltd	0	80	0	R 200 000,00	-

	Contract Number	Type of goods/service acquired	Contract Date	Supplier	B-BBEE contribution	PRICE Points (90/80)	B-BBEE Points (20/10)	Contract Value ZAR	Premium Paid
		VEHICLES AND PLANT, EARTHMOVING AND ROAD CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022							
48	T2019/040O	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS AND SERVICE OR REPLACEMENT OF COMPONENTS OF MOTOR VEHICLES, FIRE FIGHTING VEHICLES AND PLANT, EARTHMOVING AND ROAD CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	19/09/2019	Kilotreads (Stellenbosch) Pty Ltd	0	80	0	R 200 000,00	-
49	T2019/040P	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS AND SERVICE OR REPLACEMENT OF COMPONENTS OF MOTOR VEHICLES, FIRE FIGHTING VEHICLES AND PLANT, EARTHMOVING AND ROAD CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	19/09/2019	Landbou Onderdele	0	80	0	R 200 000,00	-
50	T2019/040Q	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS AND SERVICE OR REPLACEMENT OF COMPONENTS OF MOTOR VEHICLES, FIRE FIGHTING VEHICLES AND PLANT, EARTHMOVING AND ROAD CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	19/09/2019	Lumber and Lawn (Edms) Bpk	4	80	12	R 200 000,00	-
51	T2019/040R	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS AND SERVICE OR REPLACEMENT OF COMPONENTS OF MOTOR VEHICLES, FIRE FIGHTING VEHICLES AND PLANT, EARTHMOVING AND ROAD CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	19/09/2019	Nu power Auto Motive Engineering CC	4	80	12	R 200 000,00	-
52	T2019/040S	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS AND SERVICE OR REPLACEMENT OF COMPONENTS OF MOTOR VEHICLES, FIRE FIGHTING VEHICLES AND PLANT, EARTHMOVING AND ROAD CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	19/09/2019	Pasierbek Holdings (Pty) Ltd	2	80	18	R 200 000,00	-
53	T2019/040T	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS AND SERVICE OR REPLACEMENT OF COMPONENTS OF MOTOR VEHICLES, FIRE FIGHTING VEHICLES AND PLANT, EARTHMOVING AND ROAD CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	19/09/2019	Ramcom Cape (Pty) Ltd	2	80	18	R 200 000,00	-

	Contract Number	Type of goods/service acquired	Contract Date	Supplier	B-BBEE contribution	PRICE Points (90/80)	B-BBEE Points (20/10)	Contract Value ZAR	Premium Paid
54	T2019/040U	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS AND SERVICE OR REPLACEMENT OF COMPONENTS OF MOTOR VEHICLES, FIRE FIGHTING VEHICLES AND PLANT, EARTHMOVING AND ROAD CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	19/09/2019	Reflect All Compressors CC	4	80	12	R 200 000,00	-
55	T2019/040V	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS AND SERVICE OR REPLACEMENT OF COMPONENTS OF MOTOR VEHICLES, FIRE FIGHTING VEHICLES AND PLANT, EARTHMOVING AND ROAD CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	19/09/2019	Repo Wild 34 (Pty) Ltd T/A Worcester Nissan	0	80	0	R 200 000,00	-
56	T2019/040W	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS AND SERVICE OR REPLACEMENT OF COMPONENTS OF MOTOR VEHICLES, FIRE FIGHTING VEHICLES AND PLANT, EARTHMOVING AND ROAD CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	19/09/2019	Rodney Jacobs Holdings (Pty) Ltd	1	80	20	R 200 000,00	-
57	T2019/040X	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS AND SERVICE OR REPLACEMENT OF COMPONENTS OF MOTOR VEHICLES, FIRE FIGHTING VEHICLES AND PLANT, EARTHMOVING AND ROAD CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	19/09/2019	Taylor Automative Services (Pty) Ltd	1	80	20	R 200 000,00	-
58	T2019/040Y	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS AND SERVICE OR REPLACEMENT OF COMPONENTS OF MOTOR VEHICLES, FIRE FIGHTING VEHICLES AND PLANT, EARTHMOVING AND ROAD CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	19/09/2019	Tri-Torq Friction (Pty) Ltd T/A Tri-Torq Ferobrake	0	80	0	R 200 000,00	-
59	T2019/040Z	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS AND SERVICE OR REPLACEMENT OF COMPONENTS OF MOTOR VEHICLES, FIRE FIGHTING VEHICLES AND PLANT, EARTHMOVING AND ROAD CONSTRUCTION PLANT FOR THE PERIOD ENDING 30 JUNE 2022	19/09/2019	Vallei Auto Herstelwerke (Pty) Ltd	4	80	12	R 200 000,00	-
60	T2019/042	: LEASE OF AN OPEN PARKING AREA SITUATED ON ERVEN 121 AND 123, DRUKKERS AVENUE, STELLENBOSCH FOR THE PERIOD 01 SEPTEMBER 2019 TO 31 AUGUST 2022	19/09/2019	Lindriena Entrepreneurs (Pty) Ltd T/a Group 1 Nissan Stellenbosch	0	80	0	R 720 000,00	-

ANNEXURE "A3"

Transactions concluded with - "Close family members of persons in the service of the state"

Disclosures: In terms of Regulation 45 awards to close family members of persons in the service of the state must be included in the notes to the annual financial statements of a municipality or municipal entity if more than R2 000, to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months.

Supplier's Name	Relationship	Capacity	4 th Quarter 2018/2019	1 st Quarter 2019/2020
AE HUMAN TRADING (PTY) LTD	CHILD	L BURGER-EHP CWDM/HUSBAND BVM	5 445.00	37 800.00
AJEE CONSULTANCY CC	SPOUSE	HUSBAND IS IN SA POLICE FORCE	47 010.00	-
AMERICA BUSDIENS	CHILD	VH AMERICA - CWDM WORKSHOP	-	9 900.00
BELANI CONSULTANCY AGENCIES (PTY) LTD	PARENT	OF QHAWE MBOVU AT SAPD	30 000.00	-
GIBB (PTY) LTD	OTHER FAMILY	VARIOUS FAMILY MEMBERS	55 200.00	32 200.00
J WALTERS T/A J C TRAVEL	SPOUSE	TEACHER: WCED	-	5 800.00
JAH GUIDE DAVIDS AGRICULTURE (PTY) LTD	SPOUSE	SAPS - WIFE OF DIRECTOR	308 805.34	185 586.68
LADYBUGS INNOVATIVE MARKETING (PTY) LTD	SPOUSE	POOLE HUSBAND WORK DEPT CORREC	-	35 631.60
M & N BAKWERKE CC	BROTHER/SISTER	E NIEMAND - SCM STELLENBOSCH	8 141.20	30 695.21
MASIQHAME TRADING 77 CC	CHILD	DEPT, OF AGRICULT, & FORISTRY	27 938.60	12 300.60
NARENG TRADING (PTY) LTD	SPOUSE	OWNER WIFE: DEPT CORRECT, SERV	-	11 915.00
NCC ENVIRONMENTAL SERVICES (PTY) LTD	SPOUSE	WIFE WORK AT CITY OF CAPE TOWN	163 047.00	-
PIETERSEN AND BURNS INVESTMENTS (PTY) LTD T/A	BROTHER/SISTER	DEPT OF HEALTH	15 155.85	-
PISTON POWER CHEMICALS CC	SPOUSE	WORK FOR DEPT. OF EDUCATION	125 764.00	-
PRICE CATERING AND CLEANING (PTY) LTD	CHILD	C PRICE - CAPE WINELANDS DM	41 690.00	18 300.00
ROBERTSON SHELL TRUST	SPOUSE	WCED- MR DB AUGUSTYN	37 202.28	15 250.29
SMEC SOUTH AFRICA (PTY) LTD	SPOUSE	YVONNE PHOSA - MEC: ECON,DEV,	817 038.20	541 585.73
SMS ICT CHOICE (PTY) LTD	SPOUSE	N MAQULA - DEPT OF HUMAN SETTL	167 525.02	-
TEMMO'S SHADE PORTS AND CLEANING SERVICES (PT	BROTHER/SISTER	T LEBESANA - TRANSNET	318 441.00	-
THE BUSINESS ZONE 932 CC T/A JLM24 SERVICE	SPOUSE	PERIODIC EXAMINATIONS: WCED	2 950.00	2 250.00
			R 2 171 353.49	R 939 215.11

DISCLOSURE OF BENEFITS IN TERMS OF THE LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT 32 of 2000

In terms of **Schedule 1. 5(2)** A councillor who, or whose spouse, partner, business associate or close family member, acquired or stands to acquire any direct benefit from a contract concluded with the municipality, must disclose full particulars of the benefit of which the councillor is aware at the first meeting of the municipal council at which it is possible for the councillor to make the disclosure; and

In terms of **Schedule 2. 5(1)** A staff member of a municipality who, or whose spouse, partner, business associate or close family member, acquired or stands to acquire any direct benefit from a contract concluded with the municipality, must disclose in writing full particulars of the benefit to the council.

IN ADDITION TO REGULATION 45 ABOVE - THE FOLLOWING PAYMENTS WERE IDENTIFIED:

Beneficiary's Name	Relationship	Associate	4th Quarter 2017/2019	1st Quarter 2019/2019
No instances of this nature could be identified			0.00	0.00
			R 0.00	0.00

Necessary internal controls are implemented to consider the possibility, and to assess the likelihood, that a relationship between the key management and councillors of the Municipality and related parties of suppliers with whom the Municipality does business with would be able to influence a contract concluded by the Municipality in their mutual dealings, as envisaged in Schedules 1 par.5(2) and 2 par. 5(1) of the Municipal Systems Act.