

# Cape Winelands District Municipality

## IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

For the 4<sup>th</sup> Quarter - 1<sup>st</sup> April 2020 to 30<sup>th</sup> June 2020

### BACKGROUND

This report is in compliance with Reg.6(3) of the Supply Chain Management Regulations<sup>1</sup> 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.

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

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. 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**

<b>Bid Specification Committee</b>	<b>No. of Meetings</b>	<b>No. of Items</b>	<b>No. of Agendas</b>	<b>No. of Minutes</b>
APRIL 2020	2	6	2	2
MAY 2020	1	3	1	1
JUNE 2020	2	11	2	2
<b>TOTAL</b>	<b>5</b>	<b>20</b>	<b>5</b>	<b>5</b>

Bid Evaluation Committee	No. of Meetings	No. of Items	No. of Agendas	No. of Minutes
APRIL 2020	0	0	0	0
MAY 2020	0	0	0	0
JUNE 2020	3	9	3	3
<b>TOTAL</b>	<b>3</b>	<b>9</b>	<b>3</b>	<b>3</b>

Bid Adjudication Committee	No. of Meetings	No. of Items	No. of Agendas	No. of Minutes
APRIL 2020	0	0	0	0
MAY 2020	1	4	1	1
JUNE 2020	3	9	3	3
<b>TOTAL</b>	<b>4</b>	<b>13</b>	<b>4</b>	<b>4</b>

**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	
APRIL 2020	1
MAY 2020	0
JUNE 2020	11
<b>TOTAL</b>	<b>12</b>

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.

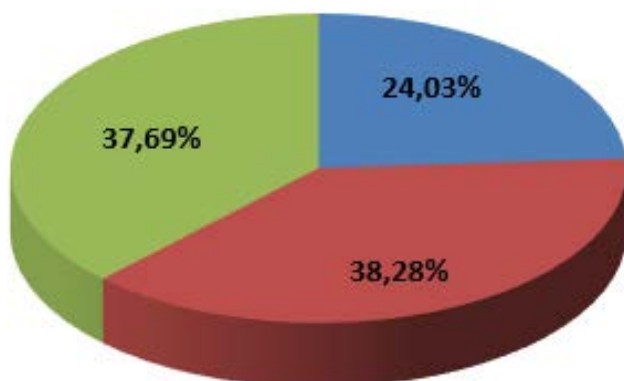
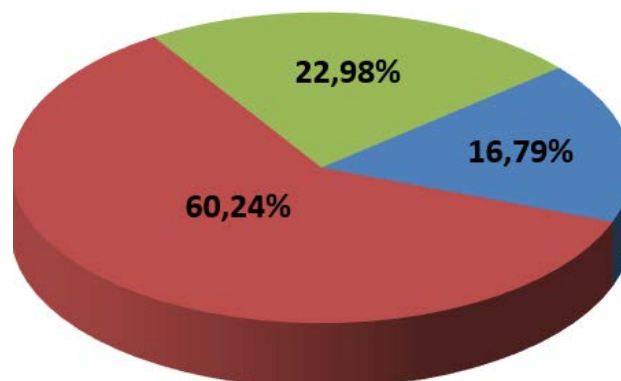
## COVID-19 PANDEMIC

As of 15 March 2020, the COVID-19 Disaster has been classified as a National Disaster in terms of Section 23 and 27 of the Disaster Management Act, 2002 (Act No. 57 of 2002). The Disaster Management Act, 2002 provides that municipalities must comply with the MFMA and the applicable emergency provisions in the regulations issued under this Act.

On 23 March 2020, the President announced a 21-day lockdown period with effect from 26 March 2020 due to the rapid increase in the number of confirmed cases in respect of the COVID-19 pandemic and which was further extended, on different lockdown levels. To support the declaration by President Cyril Ramaphosa on 15 March 2020 regarding the COVID-19 virus, National Treasury has issued Municipal Finance Management Act (MFMA) Circular 100 for municipalities and municipal entities, to speed up the procurement of goods/commodities required to reduce and control the spread of the virus.

MFMA Circular 100 aimed to facilitate emergency procurement in order to deal with the COVID 19 Pandemic and curb the possible abuse of Supply Chain Management (SCM) systems during the period of managing this national disaster. The Circular also list prices of goods/commodities in efforts to curb opportunistic use of this disaster to drive profit margins.

MFMA Circular 100 was subsequently updated and replaced. The latest Circular applicable to Emergency Procurement is the Second Amendment of Circular 102, dated 3 July 2020. National Treasury has also issued MFMA Circular 103 that deals with the preventative measures in response to the COVID 19 Pandemic that resulted in the National State of Disaster.

**Geographical expenditure:****3<sup>rd</sup> Quarter 2019/2020****4<sup>th</sup> Quarter 2019/2020**

■ National: ■ Provincial: ■ Regional:

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

As from 1<sup>st</sup> 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 is 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	
		3 <sup>rd</sup> Quarter 2019/2020	4 <sup>th</sup> Quarter 2019/2020	3 <sup>rd</sup> Quarter 2019/2020	4 <sup>th</sup> Quarter 2019/2020	3 <sup>rd</sup> Quarter 2019/2020	4 <sup>th</sup> Quarter 2019/2020
Level 1	10/20	48	36	12 845 944	5 167 547	27,93%	28,22%
Level 2	9/18	17	18	8 529 916	4 260 927	18,54%	23,27%
Level 3	6/14	6	4	3 220 209	398 239	7,00%	2,17%
Level 4	5/12	28	21	8 017 302	3 723 932	17,43%	20,34%
Level 5	4/8	0	1	-	50 561	0,00%	0,28%
Level 6	3/6	1	1	98 686	37 161	0,21%	0,20%
Level 7	2/4	3	1	3 761 124	1 986	8,18%	0,01%
Level 8	1/2	3	1	98 875	722	0,21%	0,00%
No Status		102	61	9 428 885	4 669 880	20,50%	25,50%
<b>Totals</b>		<b>208</b>	<b>144</b>	<b>46 000 941</b>	<b>18 310 955</b>	<b>100,00%</b>	<b>100,00%</b>

**Appeals by aggrieved bidders**

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

### **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 19 396.00 and regulation 17(1)(c) to R481,017.02 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.

It must also be noted that 68.42%, 13 of the 19 instances under review, were advertised on the municipality's notice boards and webpage. It represents 84.70% of the monetary value.

### **Deviations from normal procurement processes**

#### **(i) Regulation 36(1)(a) Deviations**

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.

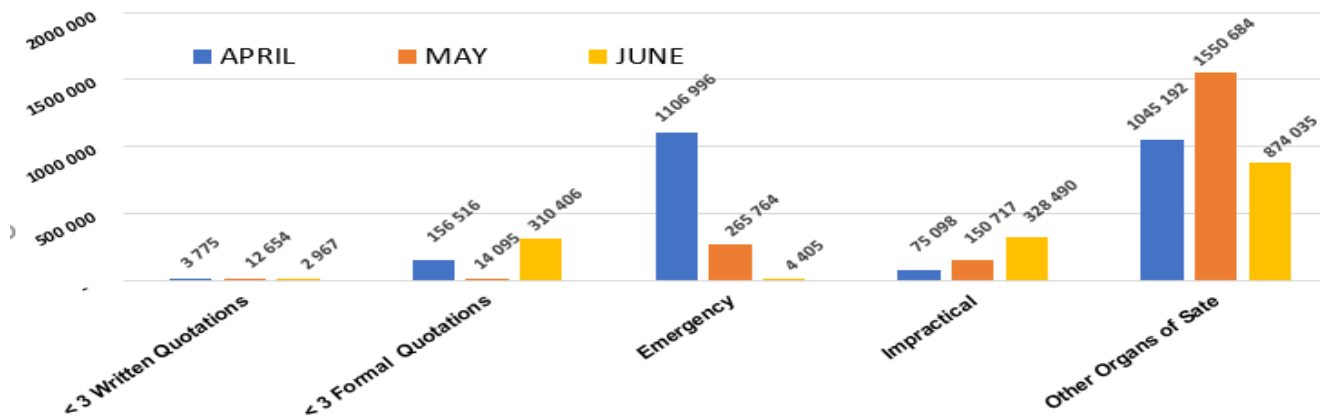
For the quarter under review, the total deviations approved by the Accounting Officer and or his delegated authority amounted to R 1 931 469.92 compared to the previous quarter's figure of R 4 679 279.03. This represents a decrease of 58.72%. It is noted that 71.03% (R1 377 164.28) of the deviations are procured in response to the Covid-19 pandemic. 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.

**(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 April to June 2020	REG.16(c) < 3 Written Quotations		REG.17(1)(c) < 3 Written Quotations		DEV- REG.36(1) (a)(v) Impractical		Other Organs of State		DEV- REG.36(1) (a)(i) Emergency		TOTALS	
	#	Value	#	Value	#	Value	#	Value	#	Value	#	Value
AGENTS: SPECIALISED EQUIPMENT	1	4 354	1	14 095							2	18 649
BUILDINGS - MAINTENANCE											74	746 328
CLEANING SERVICES											1	1 081
COLLECTIVE AGREEMENTS											31	2 373 997
COMMUNICATION CENTRE					1	1 012					1	1 012
CONSULTANTS - PROFESSIONAL SERVICES			1	16 000	4	137 209					12	1 481 315
EDUCATIONAL/SOCIAL/RECREATION									2	81 480	3	186 979
EQUIPMENT - OTHER											19	9 947
GARNISHING ORDERS							21	15 630			163	1 183 406
HOTEL BOOKINGS - LOCAL											3	3 867
LEGAL SERVICES					3	68 393					3	68 393
LICENSING - VEHICLES							78	23 856			78	23 856
MEDIA: NEWS PAPERS/MAGAZINES/Etc.							1	357			1	357
MISCELLANEOUS	3	6 742							2	39 517	35	81 871
PHOTOCOPIY MACHINES					5	229 118					5	229 118
PRINTING & PUBLICATIONS											3	24 685
PROTECTIVE CLOTHING											1	1 267
RENTAL - OTHER			2	29 750							26	128 474
RENTAL: PORTABLE CHEMICAL TOILETS											3	235 148
REPAIRS: OTHER (ELECTRONIC/MECH/Etc.)											15	66 998
SERVICES - ELECTRICAL							25	1 299 045			25	1 299 045
SERVICES - RATES & TAXES							16	382 354			16	382 354
SERVICES - REFUSE REMOVAL							16	38 623			16	38 623
SERVICES - SEWERAGE							16	48 311			16	48 311
SERVICES - TELEPHONE							4	1 289 876			4	1 289 876
SERVICES - WATER							20	104 515			20	104 515
SOFTWARE & SUPPORT					1	14 292					1	14 292
STATIONERY - OTHER											4	3 643
TRAINING (SPECIFIC)			1	103 500							1	103 500
TOLL FEES											15	4 852
STOCK ITEMS - STORES			2	9 838					12	1 256 167	42	1 425 701
AUDITOR GENERAL							3	267 345			3	267 345
IT CONNECTIVITY / 3G. etc.			1	16 688	3	26 157					4	42 845
INVESTMENT: ABSA											5	72 000 000
INVESTMENT: FIRST NATIONAL BANK											5	70 000 000
INVESTMENT: INVESTIC											4	52 000 000
INVESTMENT: STANDARD BANK											4	66 000 000
COMPANY CONTRIBUTIONS											59	16 140 343
STAFF DEDUCTION PAYMENTS											3	632 364
TAXES & LEVIES											8	9 101 328
GRANTS & DONATIONS											29	11 667 641
OILS & LUBRICANTS											1	16
VEHICLE - TIRES & PUNCTURES											43	22 181
FUEL - DIESEL											556	517 120
FUEL - PETROL											318	157 622
REPAIRS/SERVICE: MECHANICAL/ELECTRIC											11	58 773
TRANSLATION SERVICES											5	26 155
ADVERTISING - LOCAL NEWS PAPERS											18	231 130
FIRE FIGHTING SERVICES											26	2 974 902
CONTRACTORS - CIVIL/BUILDINGS/Etc.											24	90 665
CONSTRUCTION MATERIAL - ROADS											7	393 518
RENTAL - CONSTRUCTION MACHINERY											7	806 740
FOOD SAMPLES			2	665							7	1 153 512
VEHICLE - PARTS											68	40 998
REFRESHMENTS/ENTERTAINMENT											3	1 197
EQUIPMENT - HAND TOOLS/GARDEN											6	3 060
VEHICLE - REPAIRS-BODY											3	10 385
RENTAL - VEHICLE - LOCAL	1	8 100	1	17 250							3	31 546
SALARY & WAGES NOT VIA SYSTEM											42	423 098
INK CARTRIDGES: PRINTERS											20	70 921
SABC & OTHER RADIO & TV ADVERTISING											2	36 100
SECURITY SERVICES											1	27 669
REPAIRS: ROAD RELATED DAMAGES											2	28 807
CELL PHONE - AIRTIME											3	3 267
UNRELATED TO PROCUREMENT											2	996 614
TONER - PRINTERS											5	23 412
VEHICLE - REPAIRS-WINDSHIELDS											1	2 358
COMPUTER - SERVERS/MAIN FRAME			3	170 398							7	325 501
ALIEN PLANT ERADICATION (CWD/M)			2	68 934							2	68 934
INTERNET CONNECTION			1	10 000							5	101 083
OFFICE FURNITURE			1	23 700							1	23 700
SERVICING OF EQUIPMENT BY AGENT											91	27 311
INSURANCE/SECURITY											2	4 235
BUILDINGS - CONSTRUCTION											3	421 432
CONSULTANTS - CIVIL/ENGINEERING											1	268 909
SERVICE LEVEL AGREEMENTS					3	77 924					3	77 924
Grand Total	5	19 396	18	481 017	20	554 305	200	3 469 912	16	1 377 164	2064	319 312 216

### 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.

#### (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 50 306.56 were incurred in the procurement process for this quarter in relation to R 115 422.46 in the 3<sup>rd</sup> quarter of 2019/2020.

**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.



## Tenders and quotations evaluated on performance

Reports are completed on a monthly basis by the Contract Owners on the performance of the vendors. Management is in the process of compiling a standard operating procedure to formalize the process.

## 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.

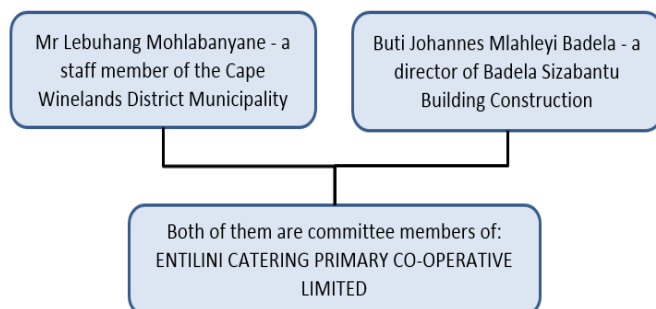
No instances of this nature were detected for the period under review.

### 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.



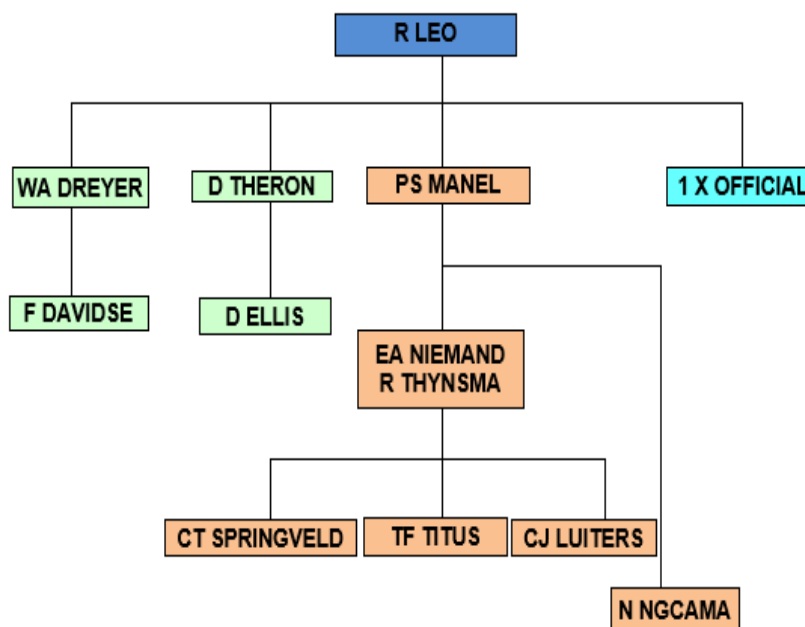
By association: (External )

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 Thuymsma
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 (Company & Directors/Owners)
- Declaration of Interest (Directors/Owners)

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 and declarations.

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.

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.

Suppliers are now aware of the CSD and its procedures and enquiries form, and assistance to suppliers, has reduced dramatically. To date 1,908 CSD registration numbers have been recorded on the municipality’s supplier database.

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:

	<b>GROUP:</b>	<b>(i) SMMEs</b>	<b>(ii) BEEs</b>	<b>(iii) WOMEN</b>	<b>(iv) YOUTH</b>	<b>(v) DISABLED</b>
3 <sup>rd</sup> Quart 2019/2020	# of Suppliers	196	108	88	18	1
	Rand Value	43 256 963	20 307 638	10 727 373	2 377 932	846
	% of Total Rand Value	94.03%	44.15%	23.32%	5.17%	0.00%
4 <sup>th</sup> Quart 2019/2020	# of Suppliers	107	77	51	10	0
	Rand Value	13 507 840	9 119 036	3 464 342	589 960	0
	% of Total Rand Value	73.77%	49.80%	18.92%	3.22%	0.00%

\* 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
3 <sup>rd</sup> Quart 2019/2020	4 <sup>TH</sup> Quart 2019/2020		3 <sup>rd</sup> Quart 2019/2020	4 <sup>TH</sup> Quart 2019/2020	
974	150	<R2000-NO PROCUREMENT:	438 260,32	79122,28	Acquisitions less than R 2,000 - no procurement process is followed for small purchases.
267	250	3rd PARTY PAYMENT:	19 071 622,19	19 382 095,30	Transactions where procurement plays no role - contribution payments / S&Ts / etc.
20	29	COUNCIL POLICY/SUBSIDY:	341 779,00	11 667 641,00	Study Bursaries / Sponsorships / Donations / etc.
7	-	DEV-REG.36(1)(a)(ii)Sol	201 536,85	-	Transactions where no procurement process were followed (Sole Providers/Agents - Congresses & Seminars)
29	20	DEV-REG.36(1)(a)(v)Impr	563 268,83	554 305,24	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)
13	16	DEV-REG.36(1)(a)(i)Emrg	3 914 473,35	1 377 164,28	Transactions where no procurement process were followed (Emergency – Emergency procurement iro Covid-19 pandemic)
112	44	FWPQ - <R30.000 >3 WQ	688 423,15	309 039,81	Acquisitions made in terms of a full quotation process up to R 30,000 - minimum three quotes obtained.
88	12	FWPQ - >R30.000 <3 WQ	1 325 632,03	407 490,63	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)
24	2	FWPQ - >R30.000 >3 WQ	547 347,00	20 096,25	Acquisitions made in terms of a full quotation process R 30,000 to R 200,000 - minimum three quotes obtained.
20	5	REG.16(c) < 3 WQ	67 590,43	19 395,88	Acquisitions where it was not possible to obtain at least three quotations up to R 10,000
7	6	REG.17(1)(c) < 3 FWPQ	137 973,19	73 526,39	Acquisitions where it was not possible to obtain at least three quotations between R 10,000 – R 30,000
266	200	Sec.110(2)(a) Organs of State	2 478 814,82	3 469 911,66	Goods and /or Services acquired from Other Organs of State/Municipalities. (No procurement process)
41	39	STATUTORY PAYMENTS:	9 879 557,91	11 677 324,40	Prescriptive payments made in terms of legislation - licensing / taxes / contribution payments / etc.
3687	1273	TENDER PROCESS:	46 981 740,82	10 275 102,44	Acquisitions made in terms of a full tender process on amounts above R 200,000
<b>5555</b>	<b>2046</b>	<b>TOTAL:</b>	<b>86 638 019.89</b>	<b>59 312 215.56</b>	

**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 **25 088 914.36** 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	Q2019/115	TRAINING OF THE PEACE OFFICERS IN THE DRAKENSTEIN MUNICIPAL AREA	20-04-2020	HJN TRAINING WESTERN CAPE	2	80	18	R103 500,00	-
2	Q2019/109	SUPPLY AND DELIVERY OF REFLECTIVE BIBS AND JACKETS	02-06-2020	EKAYA PROMOTIONS	1	80	20	R200 000,00	-
3	Q2019/110A	SUPPLY AND DELIVERY OF TORCHES, BATONS AND PEPPER SPRAY (Rechargeable LED Aluminium Handheld 900+ Lumens Torch)	02-06-2020	BLACKBIRD TRADING 480 CC	1	80	20	R200 000,00	-
4	Q2019/110B	SUPPLY AND DELIVERY OF TORCHES, BATONS AND PEPPER SPRAY (Direct stream pepper spray and pouch )	02-06-2020	UHAMBO PROCUREMENT AND DISTRIBUTION CC	1	80	20	R200 000,00	-
5	Q2019/110C	SUPPLY AND DELIVERY OF TORCHES, BATONS AND PEPPER SPRAY (Batons)	02-06-2020	UHAMBO PROCUREMENT AND DISTRIBUTION CC	1	80	20	R200 000,00	-
6	Q2020/037	IMPLEMENTATION OF OPENRPA	17-06-2020	EOH MTHOMBO (PTY) LTD	1	80	20	R172 500,00	-
7	Q2019/119	PRODUCTION AND SUPPLY OF BROADCASTING TIME FOR WORCESTER, TOUNSRIVER AND RAWSONVILLE	29-06-2020	WORCESTER FM (PTY) LTD	1	80	20	R171 633,00	-
8	T2020/007	SECURITY, PATROL AND ACCESS CONTROL SERVICES AT 194 MAIN STREET, PAARL FOR THE PERIOD 01 JULY 2020 TO 30 JUNE 2021	12-06-2020	SINQOBILE EQUESTRIAN SECURITY SERVICES	2	80	18	R192 461,42	-
9	T020/008	2020/008: SECURITY, PATROL AND ACCESS CONTROL SERVICES AT 51 TRAPPES STREET, WORCESTER FOR THE PERIOD 01 JULY 2020 TO 30 JUNE 2021	12-06-2020	SINQOBILE EQUESTRIAN SECURITY SERVICES	2	80	18	R192 461,42	-

	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	T2020/009	CLEANING OF GROUNDS, GARDENING SERVICES, WASHING OF VEHICLES AND WASHING OF WINDOWS AND PARKING AREAS AT WORCESTER AND ROBERTSON FOR A PERIOD NOT EXCEEDING 30 JUNE 2020	12-06-2020	ENSEMBLE TRADING 2366 CC	1	80	20	R1 117 800,00	-
11	T2019/044	PROVISION OF PROFESSIONAL CIVIL ENGINEERING SERVICES FOR THE COMPILATION OF AN INTEGRATED WASTE MANAGEMENT PLAN	21-05-2020	DELTA BUILT ENVIRONMENT CONSULTANTS (PTY) LTD	1	80	20	R524 595,50	-
12	T2019/058	APPOINTMENT OF A SPECIALIST SERVICE PROVIDER TO IMPLEMENT AND MANAGE A HOLISTIC EMPLOYEE WELLNESS PROGRAM TO THE CAPE WINELANDS DISTRICT MUNICIPALITY FOR THE PERIOD ENDING 30 JUNE 2022	21-05-2020	CENTRE FOR OCCUPATIONAL AND WELLNESS SERVICES CC	1	80	20	R551 845,10	-
13	T2019/063A	SUPPLY AND DELIVERY OF DESKTOP COMPUTERS AND LAPTOPS	21-05-2020	ZAIDI BUSINESS SOLUTIONS AND SUPPLIES	1	80	20	R2 121 500,00	-
14	T2019/063B	SUPPLY AND DELIVERY OF DESKTOP COMPUTERS AND LAPTOPS	21-05-2020	INNOVO NETWORKS (PTY) LTD	1	80	20	R2 121 500,00	-
15	T2020/001	FOOD AND WATER MICROBIOLOGICAL SAMPLE ANALYSES FOR THE PERIOD 01 JULY 2020 TO 30 JUNE 2023	25-06-2020	SWIFT SILIKER (PTY) LTD T/A MERIEUX NUTRISCIENCES	8	80	2	R4 798 000,00	-
16	T2020/002A	CHEMICAL ANALYSES OF WATER SAMPLES FOR THE PERIOD 1 JULY 2020 TO 30 JUNE 2023	22-06-2020	INTEGRAL LABORATORIES (PTY) LTD	0	80	0	R4 798 000,00	-
17	T2020/002B	CHEMICAL ANALYSES OF WATER SAMPLES FOR THE PERIOD 1 JULY 2020 TO 30 JUNE 2023	22-06-2020	AL ABBOTTE AND ASSOCIATES (PTY) LTD	0	80	0	R4 798 000,00	-
18	T2020/012	ADVERTISING SERVICES FOR THE PERIOD ENDING 30 JUNE 2021	22-06-2020	AYANDA MBANGA COMMUNICATIONS (PTY) LTD	1	80	20	R453 792,00	-
19	T2020/015	PROVISION OF HYGIENE SERVICES FOR THE PERIOD ENDING 30 JUNE 2021	22-06-2020	SANITECH A DIVISION OF WACO AFRICA (PTY) LTD	2	80	18	R623 304,60	-
20	T2020/037	IMPLEMENTATION OF CONVERGED VOICE, VIDEO AND DATA MPLS NETWORK FOR THE PERIOD ENDING 30 JUNE 2021	22-06-2020	EOH MTHOMBO (PTY) LTD	1	80	20	R1 232 800,00	-

## 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	3 <sup>rd</sup> Quarter 2019/2020	4 <sup>th</sup> Quarter 2019/2020
AE HUMAN TRADING (PTY) LTD	CHILD	L BURGER-EHP CWDM/HUSBAND BVM	37 800,00	25 600,00
AJEE CONSULTANCY CC	SPOUSE	HUSBAND IS IN SA POLICE FORCE	-	10 000,00
AMERICA BUSDIENS	CHILD	VH AMERICA - CWDM WORKSHOP	9 900,00	6 000,00
AURECON SOUTH AFRICA (PTY) LTD	SPOUSE	VARIOUS RELATIONS TO OWNERS	140 477,27	561 909,03
COOK FUNERALS (PTY) LTD	CHILD	C J COOK - CITY OF CAPE TOWN	5 250,00	9 000,00
GIBB (PTY) LTD	OTHER FAMILY	VARIOUS FAMILY MEMBERS	32 200,00	1 082 150,00
J WALTERS T/A J C TRAVEL	SPOUSE	TEACHER: WCED	5 800,00	4 700,00
JAH GUIDE DAVIDS AGRICULTURE (PTY) LTD	SPOUSE	SAPS - WIFE OF DIRECTOR	240 586,68	408 516,88
LADYBUGS INNOVATIVE MARKETING (PTY) LTD	SPOUSE	POOLE HUSBAND WORK DEPT CORREC	50 700,05	55 800,30
M & N BAKWERKE CC	BROTHER/SISTER	E NIEMAND - SCM STELLENBOSCH	30 695,21	13 177,25
MASIQHAME TRADING 77 CC	CHILD	DEPT. OF AGRICULT. & FORISTRY	83 957,20	33 689,85
NARENG TRADING (PTY) LTD	SPOUSE	OWNER WIFE: DEPT CORRECT. SERV	16 065,00	-
NCC ENVIRONMENTAL SERVICES (PTY) LTD	SPOUSE	WIFE WORK AT CITY OF CAPE TOWN	404 857,50	391 057,51
PIETERSEN AND BURNS INVESTMENTS (PTY) LTD T/A	BROTHER/SISTER	DEPT OF HEALTH	-	32 699,96
PISTON POWER CHEMICALS (PTY) LTD	SPOUSE	WORK FOR DEPT. OF EDUCATION	184 803,87	65 768,45
ROBERTSON SHELL TRUST	SPOUSE	WCED- MR DB AUGUSTYN	29 827,04	24 810,82
SMEC SOUTH AFRICA (PTY) LTD	SPOUSE	YVONNE PHOSA - MEC: ECON.DEV.	541 585,73	812 452,00
SMS ICT CHOICE (PTY) LTD	SPOUSE	N MAQULA - DEPT OF HUMAN SETTL	-	167 525,10
THE BUSINESS ZONE 932 CC T/A JLM24 SERVICE	SPOUSE	PERIODIC EXAMINATIONS: WCED	2 250,00	8 500,00
			<b>R 1 816 755,55</b>	<b>3 713 357,15</b>

**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:**

<b>Beneficiary's Name</b>	<b>Relationship</b>	<b>Associate</b>	<b>3<sup>rd</sup> Quarter 2019/2020</b>	<b>4<sup>th</sup> Quarter 2019/2020</b>
No instances of this nature could be identified			0.00	0.00
			<b>R 0.00</b>	<b>0.00</b>

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.