

Cape Winelands District Municipality

IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

For the 4th Quarter - 1st April 2017 to 30th June 2017

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 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. Reports, e.g. "Demand Plan" and "Procurement Plan Schedule" are available and are compiled with comments and forwarded to the Accounting Officer on a quarterly basis.

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
APRIL 2017	2	17	2	2
MAY 2017	2	10	2	2
JUNE 2017	0	0	0	0
TOTAL	4	27	4	4

Bid Evaluation Committee	No. of Meetings	No. of Items	No. of Agendas	No. of Minutes
APRIL 2017	0	0	0	0
MAY 2017	3	13	3	3
JUNE 2017	2	15	2	2
TOTAL	5	28	5	5

Bid Adjudication Committee	No. of Meetings	No. of Items	No. of Agendas	No. of Minutes
APRIL 2017	0	0	0	0
MAY 2017	3	6	3	3
JUNE 2017	3	22	3	3
TOTAL	6	28	6	6

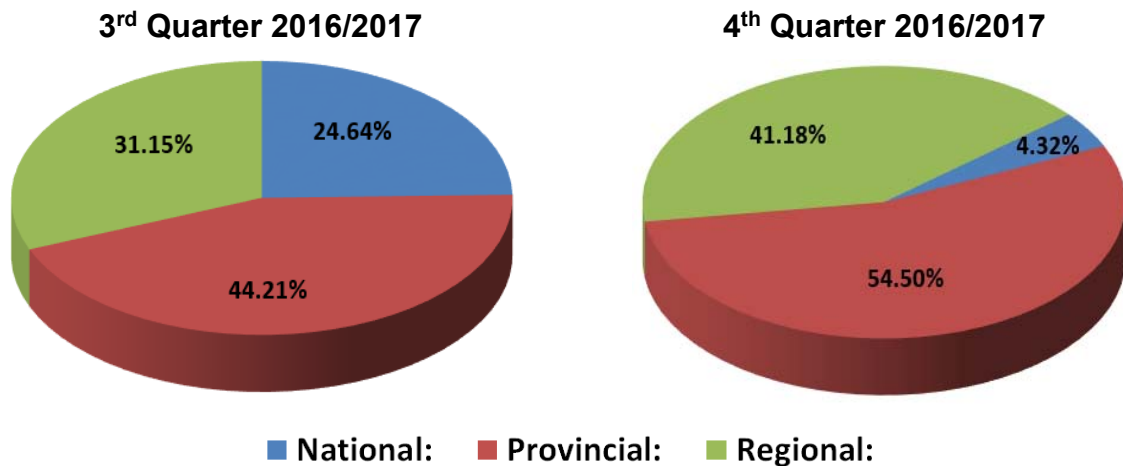
Formal written price quotations: (R 30,001 - R 200,000) The following table details the number of formal written price quotations that were awarded in the quarter under review:

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

Evaluated & Awarded	
APRIL 2017	8
MAY 2017	5
JUNE 2017	0
TOTAL	13

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	
		3 rd Quarter 2016/2017	4 th Quarter 2016/2017	3 rd Quarter 2016/2017	4 th Quarter 2016/2017	3 rd Quarter 2016/2017	4 th Quarter 2016/2017
Level 1	10/20	69	67	8 558 559.13	11 473 199.26	16.79%	25.03%
Level 2	9/18	26	28	4 486 600.73	4 994 575.46	8.80%	10.90%
Level 3	6/14	15	17	9 010 682.81	4 696 646.32	17.68%	10.25%
Level 4	5/12	31	36	13 233 899.21	3 128 793.92	25.97%	6.83%
Level 5	4/8	1	2	7 052.81	30 889.01	0.01%	0.07%
Level 6	3/6	1	1	158 664.42	117 400.79	0.31%	0.26%
Level 7	2/4	3	2	66 069.98	93 338.98	0.13%	0.20%
Level 8	1/2	9	10	6 132 214.15	5 603 083.43	12.03%	12.23%
No Status		184	208	9 310 753.51	15 691 683.17	18.28%	34.23%
Totals		339	371	50 964 496.75	45 829 610.34	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 3 759 209.12 compared to the previous quarter's figure of R 7 065 734.25. This represents a decrease of -53.20%. It is noted that deviation values fluctuate during each period and will not necessarily reflect the same patterns. However, long-term contracts are now included in this quarter's 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 353 808.98 and regulation 17(1)(c) to R 3 069 603.73 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.

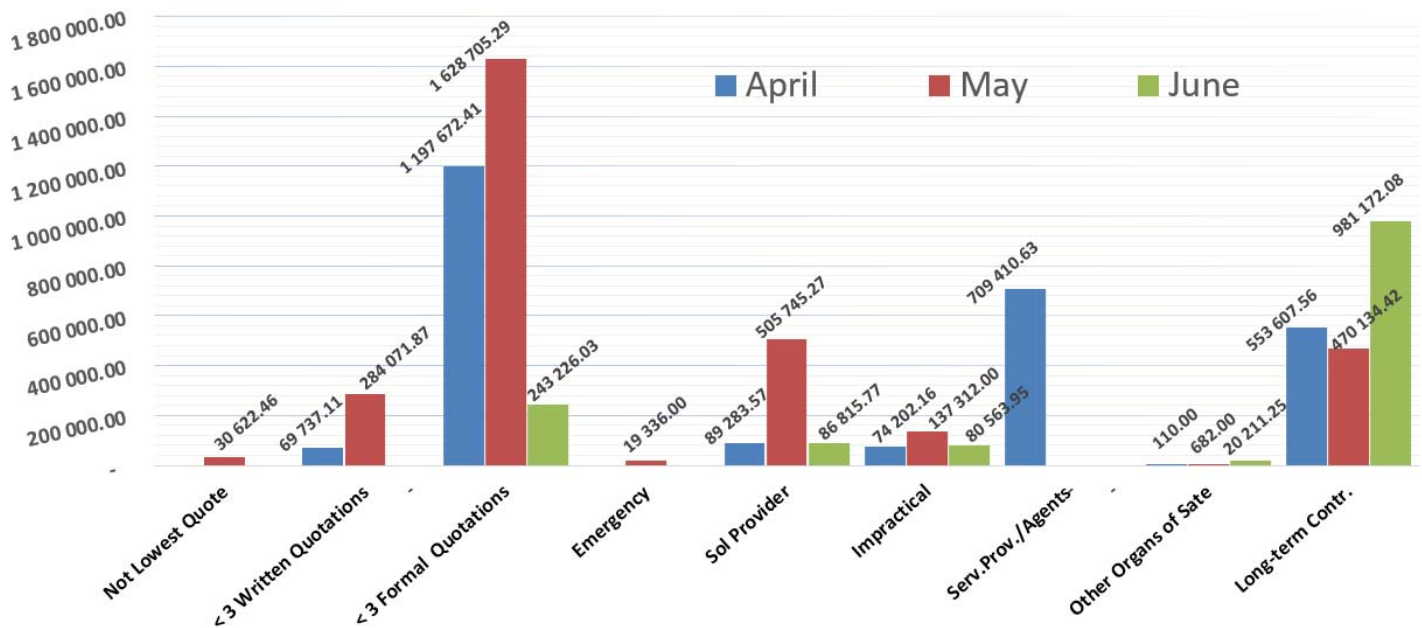
It must be noted that 29.05%, 43 of the 148 instances under review, were advertised on the municipality’s notice boards and webpage. It represents 68.61% of the monetary value.

(iii) Summary of deviations.

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

Commodity Description April to June 2017	REG.16(c) < 3 Written Quotations		REG.17(1)(c) < 3 Written Quotations		DEV. REG.36(1) (a)(f) Emergency		DEV. REG.36(1) (a)(v) Impractical		DEV. REG.36(1) (a)(ii) Longterm Contracts		DEV. PPPFA SEC.2(1)(f) Lowest Quote not selected		DEV. REG.36(1) (a)(ii) Serves Prov./Agents		DEV. REG.36(1) (a)(ii) Sole Supplier		Other Organs of State		TOTALS	
	#	Value	#	Value	#	Value	#	Value	#	Value	#	Value	#	Value	#	Value	#	Value	#	Value
ALIEN PLANT ERADICATION											2	30 622.46							2	30 622.46
ALIEN PLANT ERADICATION (CWDM)			1	43 833.60															1	43 833.60
ALIEN PLANT ERADICATION (WFW)			1	19 802.02															1	19 802.02
BREAKFAST/LUNCH/SUPPER-OTHER	7	32 057.80	3	177 500.00															10	209 557.80
BUILDINGS - CONSTRUCTION			6	297 963.85															6	297 963.85
BUILDINGS - MAINTENANCE			2	144 280.11															2	144 280.11
CELL PHONE - SERVICE CHARGES									13	24 720.84									13	24 720.84
CLEANING SERVICES			2	4 560.00															2	4 560.00
COMMUNICATION CENTRE									7	35 138.08									7	35 138.08
COMPUTER - ACCESSORIES			1	67 841.40															1	67 841.40
COMPUTER - SERVERS/MAIN FRAME			2	288 366.42															2	288 366.42
CONSULTANTS - PROFESSIONAL SERVICES			9	601 370.20			1	19 950.00											10	621 320.20
EMERGENCY VEHICLE RECOVERY														3	7 268.07				3	7 268.07
EQUIPMENT - OTHER			10	271 312.02															10	271 312.02
FUEL - DIESEL													551	526 248.31					551	526 248.31
FUEL - PETROL												380	183 162.32						380	183 162.32
HOTEL BOOKINGS - LOCAL			10	267 216.00			1	56 430.00											11	323 646.00
IT RELATED GOODS & SERVICES																	1	15 682.45	1	15 682.45
MEDIA: NEWS PAPERS/MAGAZINES/Etc.							1	15 732.00									41	1 080.00	42	16 812.00
MISCELLANEOUS	3	12 760.64	4	136 227.00			1	2 500.00						2	10 565.00				10	162 052.64
PHOTOCOPY MACHINES									13	484 620.99									13	484 620.99
PRINTING & PUBLICATIONS					1	2 129.53													1	2 129.53
REFRESHMENTS/ENTERTAINMENT	2	6 283.52																	2	6 283.52
RENTAL - FIXED PROPERTY									8	27 521.38									8	27 521.38
RENTAL - OTHER	10	48 473.02					1	39 718.70											11	88 191.72
RENTAL EXHIBITION SPACE														2	235 890.77				2	235 890.77
RENTAL: PORTABLE CHEMICAL TOILETS			1	11 217.60															1	11 217.60
REPAIR TRAFFIC LIGHTS						1	19 336.00												1	19 336.00
REPAIRS: ROAD RELATED DAMAGES							1	7 562.76											1	7 562.76
SABC & OTHER RADIO & TV ADVERTISING							2	80 000.00											2	80 000.00
SERVICE LEVEL AGREEMENTS														1	150 000.00				1	150 000.00
SERVICES - SECURITY									4	2 681.87									4	2 681.87
SERVICES - SPECIFIC SUPPLIER													1	17 571.00					1	17 571.00
SERVICES - TELEPHONE									4	1 415 417.73									4	1 415 417.73
SERVICING OF EQUIPMENT BY AGENT							25	30 646.41											25	30 646.41
SINGLE PROV. SABC & OTHER COMM.														1	30 000.00				1	30 000.00
SLAs WITH ORGANS OF STATE									3	13 957.02									3	13 957.02
SOFTWARE & SUPPORT									1	856.14				2	76 863.57				3	77 719.71
SOFTWARE (SPECIFIC)			1	85 500.00									3	143 734.00					4	229 234.00
SUBSCRIPTIONS - LEGAL							2	33 188.24											2	33 188.24
TRAINING (SPECIFIC)	1	6 384.00	6	325 233.98			1	6 350.00						2	9 952.20	1	4 240.80		11	352 160.98
TRANSLATION SERVICES							1	10 800.00											1	10 800.00
TRANSPORT: PUBLIC	45	247 850.00	19	314 450.00															64	562 300.00
Grand Total	68	353 808.98	80	3 069 603.73	1	19 336.00	36	292 078.11	53	2 004 914.06	2	30 622.46	931	709 410.63	17	681 844.61	43	21 003.25	1231	7 182 621.83

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 from 9th to 11th July 2014, 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 160,398.61 were incurred in the procurement process for this quarter in relation to R 18,834.76 in the 3rd quarter. It must be noted that some of the quotations and tenders for the next financial year may have been advertised in the quarter under review.

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.

AWARDS FOR THIS QUARTER:

CONTRACT NUMBER	AWARDED TO	DESCRIPTION	VALUE
	NO AWARDS MADE		
TOTAL: R			0.00

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, in respect of the previous six months, to the relevant official who initiated the acquisition.

**NO TENDERS OR QUOTATIONS WERE EVALUATED FOR THE 4th QUARTER –
DETAIL FROM THE PREVIOUS QUARTER'S REPORT IS INCLUDED FOR CONTINUITY:**

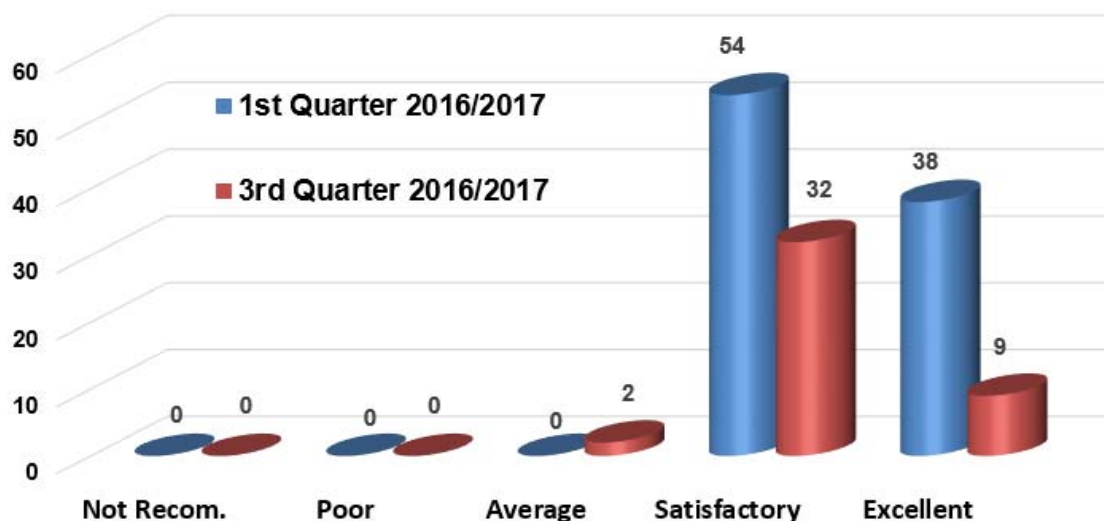
Financial Period:	Tenders		Quotations	
	1st Quarter 2016/2017	3 rd Quarter 2016/2017	1st Quarter 2016/2017	3 rd Quarter 2016/2017
COMMUNITY DEVELOPMENTAL SERVICES	5	1	4	9
CORPORATE SERVICES	9	1	8	3
FINANCE	4	1	1	1
LOCAL ECONOMIC DEVELOPMENT	0	0	5	0
ENGINEERING	47	21	7	5
GOVERNANCE	0	0	0	0
MUNICIPAL MANAGER OFFICE	0	0	0	1
RURAL & SOCIAL DEVELOPMENT	0	0	2	0
Grand Total	65	24	27	19

Bi-Annual performance evaluations:

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	1st Quarter 2016/2017		3rd Quarter 2016/2017		Movement (Evaluation must be objective per category in relation to the total)	
		# of Evaluations	% of Category	# of Evaluations	% of Category		
1	Not Recom.	0	0.00%	0	0.00%	0.00%	
2	Poor	0	0.00%	0	0.00%	0.00%	
3	Average	0	0.00%	2	4.65%	-4.65%	Deterioration
4	Satisfactory	54	58.70%	32	74.42%	-15.72%	Improvement
5	Excellent	38	41.30%	9	20.93%	20.37%	Deterioration
Total:		92		43			

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 must not be 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.

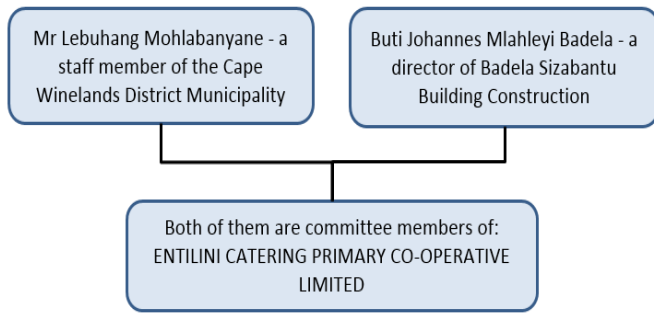
No instances of this nature were detected for the period under review.

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.



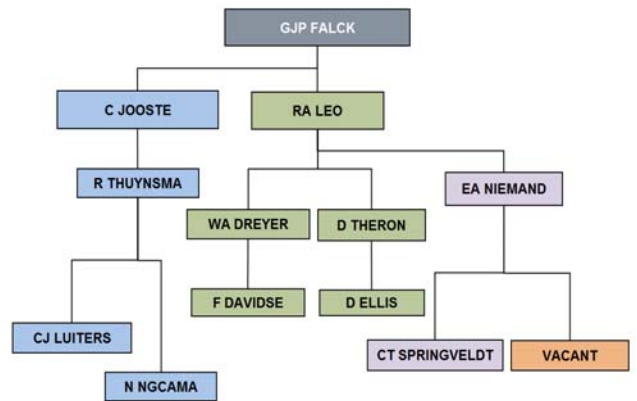
By association: (External)

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
Deputy Director: Supply Chain Management	GJP Falck
Senior Buyer	C Jooste
Senior Supply Chain Management Officer	R Thuynsma
Principal Clerk: Procurement	CJ Luiters
Procurement Clerk	N Ngcama
Manager: Supply Chain Management	RA Leo
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	Vacant: 27/06/2014



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. E.g. National and Provincial spheres do not apply the same legislation on which the CSD was designed. 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:

- BBBEE 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”. However, not all parastatals are covered. Only PERSAL and BASS, the government’s payroll systems, are scrutinised.

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 1,019 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
3 rd Quart 2016/2017	# of Suppliers	306	183	135	43	2
	Rand Value	49 083 435.33	17 969 282.12	17 699 716.86	1 741 437.57	36 477.05
	% of Total Rand Value	96.31%	35.26%	34.73%	3.42%	0.072%
4 th Quart 2016/2017	# of Suppliers	340	213	150	39	3
	Rand Value	43 537 598.32	23 730 916.93	12 586 583.90	3 710 739.00	64 579.25
	% of Total Rand Value	95.00%	51.78%	27.46%	8.10%	0.14%

* 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

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 rd Quart 2016/2017	4 th Quart 2016/2017		3 rd Quart 2016/2017	4 th Quart 2016/2017	
1258	1310	<R2000-NO PROCUREMENT:	752 783.60	703 053.14	Acquisitions less than R 2,000 - no procurement process is followed for small purchases
422	428	3rd PARTY PAYMENT:	16 677 266.20	19 144 089.93	Transactions where procurement plays no role - contribution payments / S&Ts / etc.
38	162	COUNCIL POLICY/SUBSIDY:	1 434 368.88	4 266 030.77	Study Bursaries / Sponsorships / Donations / etc.
0	2	DEV-PPPFA SEC.2(1)(f)	0.00	30 622.46	The supplier selected for the contract/tenderer did not score the highest points
9	43	DEV-MFMA SEC. 110(2)(a)	1 928 192.57	21 003.25	Goods and /or Services acquired from Other Organs of State/Municipalities. (Not normal municipal service accounts;)
0	4	DEV-REG.36(1)(a)(i) Emergency	0.00	143 865.63	Transactions where no procurement process were followed (Emergencies)
45	17	DEV-REG.36(1)(a)(ii) Sole Suppliers	782 808.18	681 844.61	Transactions where no procurement process were followed (Sole Providers/Agents)
2433	931	DEV-REG.36(1)(a)(ii) Service Provider/Agents	2 018 954.07	709 410.63	Fuel replenishment: Various suppliers at strategic locations in whole of the municipal area.
61	50	DEV-REG.36(1)(a)(ii) Long- term Contr.	1 908 541.14	1 880 384.43	Long term Contracts/ service providers - Telkom / Vodacom / Copy machines / etc.
106	35	DEV-REG.36(1)(a)(v) Impractical	427 238.29	276 346.11	Transactions where no procurement process were followed (Impractical to obtain quotations - e.g. Strip & repair)
00	1	DEV-REG.36(1)(a)(v) Impossible	0.00	15 732.00	Transactions where no procurement process were followed (Impossible to obtain quotations - e.g. Specific suppliers)
7	7	DWAF: PRE-PROCURED	116 648.29	117 974.40	DWAF (Closed tender process) Contracts where the CWDM did not do the procurement.
0	1	PAWC: PRE-PROCURED	0.00	2 965.47	PAWC (Per instruction by Principal) Contracts where the CWDM did not do the procurement.
62	57	PETTY CASH:	2 655.00	2 561.75	Mainly small out of pocket refunds
438	461	QUOTATION PROCESS:	3 079 854.58	3 677 522.15	Acquisitions made in terms of a full quotation process up to R 200,000 - minimum three quotes
54	68	REG.16(c) < 3 WQ	268 962.07	353 808.98	Acquisitions where it was not possible to obtain at least three quotations up to R 10,000
40	37	REG.17(1)(c) < 3 FWPQ	671 801.11	720 773.55	Acquisitions where it was not possible to obtain at least three quotations between R 10,000 – R 30,000
47	43	REG.17(1)(c) FWPQ - >R30,000	1 833 527.94	2 348 830.18	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)
142	190	SERVICE ACCOUNTS:	1 139 058.66	1 690 856.09	Contracts with service providers - Municipal services
11	3	SERVICE PROVIDERS	14 851.23	4 780.02	Payments made in terms of contracts/agreements with long-term service providers.
36	32	STATUTORY PAYMENTS:	7 673 745.14	9 120 025.19	Prescriptive payments made in terms of legislation - licensing / taxes / membership fees / etc.
12	1	SUBSCRIPTIONS:	3 192.00	1 265.00	Service provider is selected for the specific service and cannot be procured - sole providers
1440	2169	TENDER PROCESS:	60 242 827.46	23 157 107.41	Acquisitions made in terms of a full tender process on amounts above R 200,000
6661	6 052	TOTAL:	100 977 276.41	69 070 853.15	

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 12,021,292.15 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	Q2016/132	PROFESSIONAL SERVICES FOR THE ICT DISASTER RECOVERY AND BUSINESS CONTINUITY SOLUTION	25/04/2017	XEPA CONSULTING (PTY) LTD	0	80	0	R 199 272.00	R 0.00
2	Q2016/133	SUPPLY AND DELIVERY OF PRE-PACKED CATERING FOR THE GOLDEN GAMES EVENT, WORCESTER	10/04/2017	IDMA KAPEL	0	80	0	R 142 500.00	R 0.00
3	T2016/110	SUPPLY AND DELIVERY OF BRANDED LEARNER PEAK CAPS FOR THE PERIOD 01 MAY 2017 TO 30 APRIL 2018	17/05/2017	TIGER EYE TRADING	1	72.26	20	R 350 000.00	R 0.00
4	Q2016/135	SUPPLY AND DELIVERY OF SERVER HARDWARE AND WARRANTIES	10/05/2017	FIRST TECHNOLOGY WESTERN CAPE (PTY) LTD	2	80	18	R 146 534.46	R 0.00
5	Q2016/137	NATIONAL CERTIFICATE: SUPERVISION OF CONSTRUCTION PROCESSES NQF 4 (SAQA ID: 49053) TRAINING	05/05/2017	ACADEMY FOR CONSTRUCTION SKILLS LTD	2	80	18	R 198 771.54	R 0.00
6	T2017/003	TREE EVALUATION AND FELLING ACTIVITIES IN PROVINCIAL ROAD RESERVES FOR THE PERIOD 1 JULY 2017 TO 30 JUNE 2019	12/06/2017	Distinctive Choice 306 CC T/a Avante	1	80	0	R 160 470.00	R 0.00
7	T2017/014	RENTAL, REFILLING AND DELIVERY OF GAS (ACETYLENE, OXYGEN AND ARGOSHIELD) AND ACCESSORIES FOR THE PERIOD 01 JUNE 2017 TO 30 JUNE 2019	12/06/2017	African Oxygen Limited T/a Afrox	0	80	0	R 174 963.17	R 0.00
8	T2016/103	APPOINTMENT OF A SPECIALIST SERVICE PROVIDER: SERVICES REQUIRED IN TERMS OF THE NATIONAL LAND TRANSPORT ACT, 2009 (ACT NO 5 OF 2009): REVIEW OF THE TRANSPORT REGISTER AND OPERATING LICENCE PLAN FOR DRAKENSTEIN MUNICIPALITY	12/06/2017	ITS Engineers (Pty) Ltd	2	80	18	R 995 539.00	R 0.00
9	T2016/005B/01	SUPPLY AND DELIVERY OF SPARE PARTS AND SERVICE OR REPLACEMENT OF COMPONENTS OF MOTOR VEHICLES, FIRE FIGHTING VEHICLES	12/06/2017	Absolute Ablutions (Pty) Ltd	0	80	0	R 101 000.00	R 0.00

	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
		AND PLANT, EARTHMOVING AND ROAD CONSTRUCTION PLANT FOR THE PERIOD 01 MAY 2017 TO 30 JUNE 2019							
10	T2016/005B/02	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 01 MAY 2017 TO 30 JUNE 2020	12/06/2017	Babcock Africa Services (Pty) Ltd	0	80	0	R 101 000.00	R 0.00
11	T2016/005B/03	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 01 MAY 2017 TO 30 JUNE 2021	12/06/2017	Brandwacht Besproeiing CC	0	80	0	R 101 000.00	R 0.00
12	T2016/005B/04	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 01 MAY 2017 TO 30 JUNE 2022	12/06/2017	Cable doctor	0	80	0	R 101 000.00	R 0.00
13	T2016/005B/05	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 01 MAY 2017 TO 30 JUNE 2023	12/06/2017	ERC Engineering (Pty) Ltd	0	80	0	R 101 000.00	R 0.00
14	T2016/005B/06	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 01 MAY 2017 TO 30 JUNE 2024	12/06/2017	GW Autotech (Pty) Ltd	0	80	0	R 101 000.00	R 0.00
15	T2016/005B/07	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 01 MAY 2017 TO 30 JUNE 2025	12/06/2017	HD Transmissions (Pty) Ltd	0	80	0	R 101 000.00	R 0.00

	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
16	T2016/005B/08	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 01 MAY 2017 TO 30 JUNE 2026	12/06/2017	Ian Dickie & Co.	6	80	0	R 101 000.00	R 0.00
17	T2016/005B/09	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 01 MAY 2017 TO 30 JUNE 2027	12/06/2017	Integrated Technical Services Cape CC t/a Karcher	2	80	0	R 101 000.00	R 0.00
18	T2016/005B/10	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 01 MAY 2017 TO 30 JUNE 2028	12/06/2017	Johan Le Roux Ingenieurswerke	0	80	0	R 101 000.00	R 0.00
19	T2016/005B/11	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 01 MAY 2017 TO 30 JUNE 2029	12/06/2017	Jordivista (Pty) Ltd	4	80	0	R 101 000.00	R 0.00
20	T2016/005B/12	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 01 MAY 2017 TO 30 JUNE 2030	12/06/2017	K2T Agencies CC t/a Safestop Cape	0	80	0	R 101 000.00	R 0.00
21	T2016/005B/13	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 01 MAY 2017 TO 30 JUNE 2031	12/06/2017	Landbou Onderdele	0	80	0	R 101 000.00	R 0.00
22	T2016/005B/14	SUPPLY AND DELIVERY OF SPARE PARTS AND SERVICE OR REPLACEMENT OF COMPONENTS OF MOTOR VEHICLES, FIRE FIGHTING VEHICLES AND PLANT, EARTHMOVING AND ROAD	12/06/2017	LG Tow-In CC	4	80	0	R 101 000.00	R 0.00

	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
		CONSTRUCTION PLANT FOR THE PERIOD 01 MAY 2017 TO 30 JUNE 2032							
23	T2016/005B/15	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 01 MAY 2017 TO 30 JUNE 2033	12/06/2017	Lumber and Lawn (Pty) Ltd	1	80	0	R 101 000.00	R 0.00
24	T2016/005B/16	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 01 MAY 2017 TO 30 JUNE 2034	12/06/2017	NDA Autolec	4	80	0	R 101 000.00	R 0.00
25	T2016/005B/17	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 01 MAY 2017 TO 30 JUNE 2035	12/06/2017	Novel Motor Company	0	80	0	R 101 000.00	R 0.00
26	T2016/005B/18	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 01 MAY 2017 TO 30 JUNE 2036	12/06/2017	Premier Attraction 567 CC t/a M & G Automotive	0	80	0	R 101 000.00	R 0.00
27	T2016/005B/19	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 01 MAY 2017 TO 30 JUNE 2037	12/06/2017	Truck City (Pty) Ltd	8	80	0	R 101 000.00	R 0.00
28	T2016/005B/20	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 01 MAY 2017 TO 30 JUNE 2038	12/06/2017	Two-tone Trade 57	4	80	0	R 101 000.00	R 0.00

	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
29	T2016/005B/21	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 01 MAY 2017 TO 30 JUNE 2039	12/06/2017	Wearcheck, a div of Torre Analytical Services	0	80	0	R 101 000.00	R 0.00
30	T2017/004	TRAVEL AGENCY SERVICES FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2020	12/06/2017	Gemini Moon Trading 7 (Pty) Ltd T/a Nexus Travel	2	80	18	R 101 000.00	R 0.00
31	T2017/005	INTERPRETER SERVICES FOR AFRIKAANS, ENGLISH AND ISIXHOSA FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2020	12/06/2017	Rainbow Interpreters	0	80	0	R 101 000.00	R 0.00
32	T2017/006	ADVERTISING SERVICES FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2020	12/06/2017	Ayanda Mbanga Communications (Pty) Ltd	2	80	18	R 101 000.00	R 0.00
33	T2017/007	SECURITY AND ACCESS CONTROL SERVICES FOR 51 TRAPPES STREET, WORCESTER FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2019	12/06/2017	K Zingange T/a Hlobo	0	80	0	R 540 860.00	R 0.00
34	T2017/008	SECURITY AND ACCESS CONTROL SERVICES AT 46ALEXANDER STREET, 29 DU TOIT STREET AND C/O LANGENHOVEN STREET AND BIRD STREET, STELLENBOSCH, AS WELL AS A SECURITY AND PATROL SERVICES AT THE DRUKKERS AVENUE PREMISES FOR THE PERIOD 1 JULY 2017 TO 30 JUNE 2019	12/06/2017	Farmguard Security CC	1	80	20	R 2 145 164.32	R 0.00
35	T2017/009	SECURITY AND ACCESS CONTROL SERVICES FOR 194 MAIN STREET, PAARL FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2019	12/06/2017	Baruch Security Services	1	80	20	R 572 563.19	R 0.00
36	T2017/015	PEST CONTROL AND HYGIENE SERVICES FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2020	12/06/2017	Servest (Pty) Ltd	2	80	18	R 65 889.00	R 0.00
37	T2017/016A	CLEANING / GARDENING / REFRESHMENT SERVICES IN STELLENBOSCH, PAARL & WELLINGTON FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2018	14/06/2017	Top n Nos CC	1	80	20	R 235 296.00	R 0.00
38	T2017/016B	CLEANING / GARDENING / REFRESHMENT SERVICES IN STELLENBOSCH, PAARL, CERES, WORCESTER AND ROBERTSON FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2018	14/06/2017	Samcho Cleaning Services (Pty) Ltd	1	80	20	R 271 684.80	R 0.00
39	T2017/017	SECURITY SERVICES FOR THE ROADS DEPARTMENT, CERES, ROBERTSON AND	14/06/2017	K Zingange T/a Hlobo Security	0	80	0	R 557 584.00	R 0.00

	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
		WORCESTER FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2019							
40	T2017/011A	SUPPLY AND DELIVERY OF FIRE EXTINGUISHING MATERIAL AND EQUIPMENT FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2018	26/06/2017	Alles Feuer CC	1	80	20	R 599 622.15	R 0.00
41	T2017/011B	SUPPLY AND DELIVERY OF FIRE EXTINGUISHING MATERIAL AND EQUIPMENT FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2018	26/06/2017	Marce Projects	0	80	0	R 269 803.80	R 0.00
42	T2017/011C	SUPPLY AND DELIVERY OF FIRE EXTINGUISHING MATERIAL AND EQUIPMENT FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2018	26/06/2017	SA Fire Watch (Pty) Ltd	1	80	20	R 54 680.00	R 0.00
43	T2017/012A	GROUND CREWS FOR FIRE FIGHTING AND FIRE RELATED FUNCTIONS FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2019	26/06/2017	Amasini Nama Hlathi (Pty) Ltd	0	80	0	R 101 000.00	R 0.00
44	T2017/012B	GROUND CREWS FOR FIRE FIGHTING AND FIRE RELATED FUNCTIONS FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2019	26/06/2017	Lewis Bush Clearing	1	80	0	R 101 000.00	R 0.00
45	T2017/012C	GROUND CREWS FOR FIRE FIGHTING AND FIRE RELATED FUNCTIONS FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2019	26/06/2017	Limitless RA (Pty)	4	80	0	R 101 000.00	R 0.00
46	T2017/012D	GROUND CREWS FOR FIRE FIGHTING AND FIRE RELATED FUNCTIONS FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2019	26/06/2017	NCC Environmental Services (Pty) Ltd	0	80	0	R 101 000.00	R 0.00
47	T2017/012E	GROUND CREWS FOR FIRE FIGHTING AND FIRE RELATED FUNCTIONS FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2019	26/06/2017	Stem in die Bos Ontbossing Bk	0	80	0	R 101 000.00	R 0.00
48	T2017/013	AERIAL FIRE-FIGHTING SUPPORT SERVICES IN THE CAPE WINELANDS DISTRICT FOR THE PERIOD 01 NOVEMBER 2017 TO 30 APRIL 2018 AND FOR THE PERIOD 01 NOVEMBER 2018 TO APRIL 2019	26/06/2017	Henley Air (Pty) Ltd	8	80	6	R 1 000 000.00	R 0.00
49	T2017/026	SUPPLY AND DELIVERY OF FIRE FIGHTING PUMPS FOR THE PERIOD 1 JULY 2017 TO 30 JUNE 2018	26/06/2017	Fire Stuff 365 CC T/a Fire 24/7	4	80	12	R 411 094.72	R 0.00

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 2016/2017	Year to Date 2016/2017
AE HUMAN T/A ASTRA CATERING	CHILD	LENACHE BURGER-HEALTH PRACT	259 720.00	507 424.00
AJEE CONSULTANCY CC	SPOUSE	HUSBAND IS IN SA POLICE FORCE	3 900.00	96 545.00
AMERICA BUSDIENS	CHILD	VH AMERICA - CWDM WORKSHOP	39 050.00	123 580.00
AURECON SOUTH AFRICA (PTY) LTD	SPOUSE	VARIOUS RELATIONS TO OWNERS	10 229.60	87 721.50
BERLIN CONSTRUCTION & LOGISTICS (PTY) LTD	CHILD	WORK FOR DEPARTMENT OF HEALTH	5 839.38	12 121.58
BK ENTERPRISES	SPOUSE	MRS KRUGER - DEPT. AGRICULTURE	-	1 400.00
C BAR LANDSCAPING CC	COUSIN	E NIEMAND CWDM COUSIN OF J A H	256 893.28	256 893.28
C E MINNAAR T/A EXQUISITE HIGH TEA	SON/DAUGHTER-IN-LAW	CLINT ROLAND - BUDGET OFFICE	-	144 676.50
FAURE AND FAURE INCORPORATED	SPOUSE	LW FORTUIN- JUSTICE DEPARTMENT	1 140.00	9 329.00
GIBB (PTY) LTD	OTHER FAMILY	VARIOUS FAMILY MEMBERS	263 340.00	263 340.00
GRYDE ENTERPRISES (PTY) LTD	CHILD	G BRANDON - DEPT. CORRECTIONAL	5 000.00	9 500.00
J WALTERS T/A J C TRAVEL	SPOUSE	TEACHER: WCED	92 100.00	220 050.00
JAH GUIDE DAVIDS AGRICULTURE (PTY) LTD	SPOUSE	SAPS - WIFE OF DIRECTOR	285 745.68	539 873.97
LUMBER & LAWN (PTY) LTD	SPOUSE	WIFE: TEACHER LOCHNERHOF PRIM	4 068.73	9 552.09
M & N BAKWERKE CC	BROTHER/SISTER	E NIEMAND - SCM STELLENBOSCH	-	7 684.00
MASIQHAME TRADING 77 CC	CHILD	DEPT. OF AGRICULT. & FORESTRY	40 962.35	96 919.80
MORESON GRONDVERSKUIWERS BK	CHILD	WORK FOR DEPT. OF HEALTH	4 953 096.07	14 023 458.41
NCC ENVIRONMENTAL SERVICES (PTY) LTD	SPOUSE	WIFE WORK AT CITY OF CAPE TOWN	87 579.36	619 040.52
PISTON POWER CHEMICALS CC	SPOUSE	WORK FOR DEPT. OF EDUCATION	74 065.80	399 627.00
ROBERTSON SHELL TRUST	SPOUSE	WCED- MR DB AUGUSTYN	99 955.95	285 206.36
S PIETERSEN T/A SP HEALTH AND SANITATION	PARENT	A ALLOM - CLLR. DRAKENSTEIN	59 480.00	89 940.00
SMEC SOUTH AFRICA (PTY) LTD	SPOUSE	YVONNE PHOSA - MEC: ECON.DEV.	903 292.68	2 760 441.60
THE BUSINESS ZONE 932 CC T/A JLM24 SERVICE	SPOUSE	TEACHER: WCED	23 892.00	66 885.00
VALLEI AUTO HERSTELWERKE (PTY) LTD	CHILD	C MOSTERT - PROV. TRAFFIC	-	30 561.70
VALLEY FUNERALS (WORCESTER)	SPOUSE	WIFE - DEPT.OF EDUCATION	10 750.00	15 250.00

R 7 480 100.88 20 677 021.31

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 2016/2017	Year to Date 2016/2017
MEYER ELECTRICAL AND CONSTRUCTION	BUSINESS ASSOCIATE	CLR. P MARRAN - BREEDE VALLEY	220 715.01	1 647 733.63
			R 220 715.01	1 647 733.63