

Cape Winelands District Municipality

IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

For the 1st Quarter - 1st July 2017 to 30th September 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
JULY 2017	1	11	1	1
AUGUST 2017	1	2	1	1
SEPTEMBER 2017	1	7	1	1
TOTAL	3	20	3	3

Bid Evaluation Committee	No. of Meetings	No. of Items	No. of Agendas	No. of Minutes
JULY 2017	1	12	1	1
AUGUST 2017	1	6	1	1
SEPTEMBER 2017	1	7	1	1
TOTAL	3	25	3	3

Bid Adjudication Committee	No. of Meetings	No. of Items	No. of Agendas	No. of Minutes
JULY 2017	2	14	2	2
AUGUST 2017	1	1	1	1
SEPTEMBER 2017	1	5	1	1
TOTAL	4	20	4	4

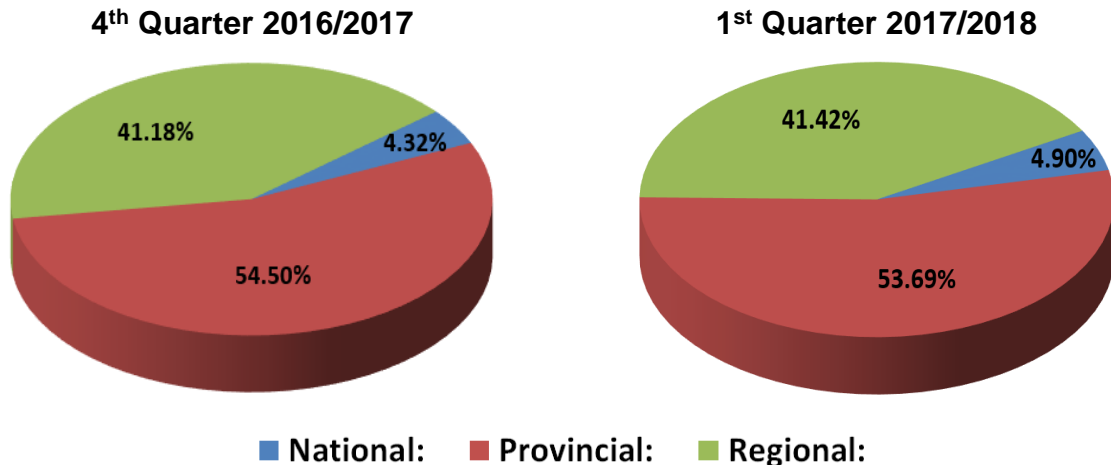
Formal written price quotations: (R 30,001 - R 200,000) The following table details the number of formal written price quotations that were awarded in the quarter under review:

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

Evaluated & Awarded	
JULY 2017	18
AUGUST 2017	4
SEPTEMBER 2017	3
TOTAL	25

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

Geographical expenditure:



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

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

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

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

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

B-BBEE status: Level & Value		Number of Qualifying Suppliers		Value spent		% of Total	
		4 th Quarter 2016/2017	1 st Quarter 2017/2018	4 th Quarter 2016/2017	1 st Quarter 2017/2018	4 th Quarter 2016/2017	1 st Quarter 2017/2018
Level 1	10/20	67	53	11 473 199.26	5 406 943.62	25.03%	26.36%
Level 2	9/18	28	19	4 994 575.46	1 674 741.18	10.90%	8.17%
Level 3	6/14	17	12	4 696 646.32	1 805 780.40	10.25%	8.80%
Level 4	5/12	36	33	3 128 793.92	2 049 006.58	6.83%	9.99%
Level 5	4/8	2	2	30 889.01	5 151.93	0.07%	0.03%
Level 6	3/6	1	3	117 400.79	72 399.42	0.26%	0.35%
Level 7	2/4	2	2	93 338.98	98 953.93	0.20%	0.48%
Level 8	1/2	10	9	5 603 083.43	2 138 187.03	12.23%	10.43%
No Status		208	156	15 691 683.17	7 257 449.05	34.23%	35.39%
Totals		371	289	45 829 610.34	20 508 613.14	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 2,030,640.59 compared to the previous quarter's figure of R 3,759,209.12. This represents a decrease of 45.98%. 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 248,033.90 and regulation 17(1)(c) to R 1,071,496.91 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.

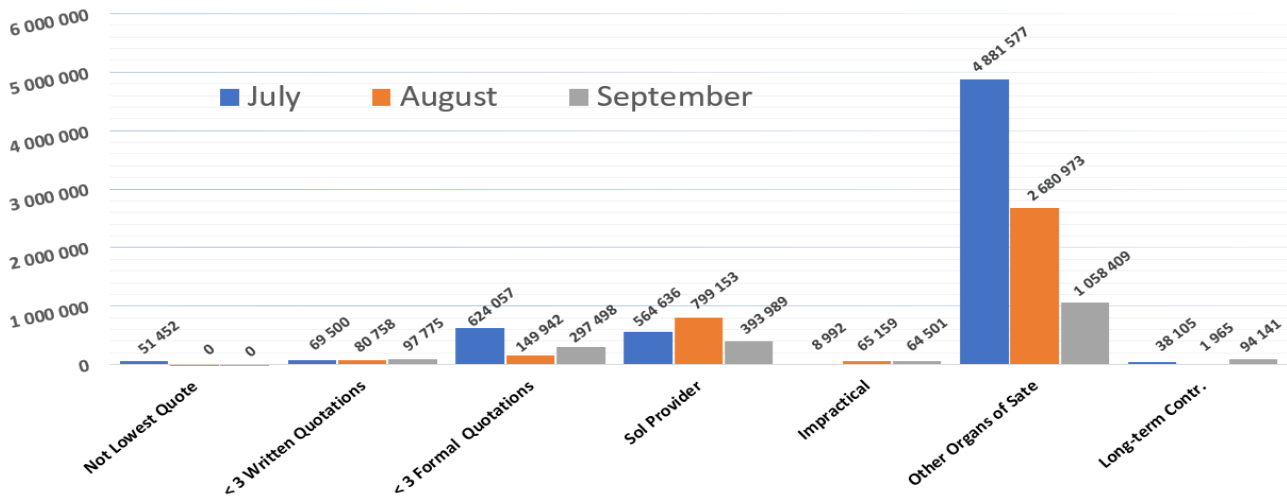
It must be noted that 8.22%, 18 of the 219 instances under review, were advertised on the municipality’s notice boards and webpage. It represents 17.76% of the monetary value.

(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 July to September 2017	REG.16(c) < 3 Written Quotations		REG.17(1)(c) < 3 Written Quotations		DEV-REG.36(1) (a)(v) Impractical		DEV-REG.36(1) (a)(ii) Longterm Contracts		DEV-REG.36(1) (a)(ii) Sole Supplier		Other Organs of State		DEV- PPPFA SEC.2(1)(f) Lowest Quote not selected		TOTALS	
	#	Value	#	Value	#	Value	#	Value	#	Value	#	Value	#	Value	#	Value
ALIEN PLANT ERADICATION													3	51 452	3	51 452
ALIEN PLANT ERADICATION (WFW)			13	233 012											13	233 012
AUDITOR GENERAL											4	2 980 400			4	2 980 400
BREAKFAST/LUNCH/SUPPER-OTHER	1	10 000	2	35 777											3	45 777
BUILDINGS - CONSTRUCTION			1	53 815											1	53 815
CELL PHONE - SERVICE CHARGES							3	5 312							3	5 312
CLEANING SERVICES			2	4 064											2	4 064
COLLECTIVE AGREEMENTS											18	83 551			18	83 551
COMMUNICATION CENTRE							4	16 973							4	16 973
CONSULTANTS - PROFESSIONAL SERVICES									14	495 077					14	495 077
EQUIPMENT - ELECTRONIC/RADIO/Etc.			8	141 557											8	141 557
EQUIPMENT - OTHER	1	6 670													1	6 670
GARNISHING ORDERS											23	17 430			23	17 430
GRANTS & DONATIONS											1	100 000			1	100 000
HOTEL BOOKINGS - LOCAL			5	129 510											5	129 510
INTERNET CONNECTION									6	84 000					6	84 000
IT RELATED GOODS & SERVICES			1	22 800											1	22 800
LICENSING - VEHICLES											59	18 204			59	18 204
MEDIA: NEWS PAPERS/MAGAZINES/Etc.											15	348			15	348
MEDICAL: TREATMENT	2	11 728			1	3 100									3	14 828
MISCELLANEOUS	2	6 265									19	5 002 920			21	5 009 185
PHOTOCOPY MACHINES							3	107 966							3	107 966
PRE-PAY ELECTRICITY											1	9 120			1	9 120
REGISTRATION FEES: SEMINARS/Etc.									6	65 540					6	65 540
RENEWAL: SOFTWARE LICENSE	1	6 360							4	66 943					5	73 303
RENTAL - FIXED PROPERTY											1	3 063			1	3 063
RENTAL - OTHER	3	22 500			6	19 043									9	41 543
RENTAL EXHIBITION SPACE									2	38 200					2	38 200
REPAIRS: ROAD RELATED DAMAGES					1	1 905									1	1 905
SECURITY SERVICES			17	5 959											17	5 959
SERVICES - ELECTRICAL											1	43 926			1	43 926
SERVICES - RATES & TAXES											1	1 548			1	1 548
SERVICES - TELEPHONE											1	360 450			1	360 450
SERVICING OF EQUIPMENT BY AGENT					12	114 604									12	114 604
SOFTWARE & SUPPORT							2	3 960	23	595 324					25	599 284
SOFTWARE (SPECIFIC)			2	29 480					2	168 400					4	197 880
TOURISM PROJECTS / EXPOS									1	114 000					1	114 000
TRAINING (SPECIFIC)	1	8 390	3	153 986					4	80 987					8	243 364
TRANSPORT/DELIVERIES & STORAGE	2	14 820													2	14 820
TRANSPORT: PUBLIC	30	161 300	12	210 350											42	371 650
VEHICLE - PARTS			2	51 186											2	51 186
VEHICLE - REPAIRS-MECH./SERVICE									3	49 307					3	49 307
Grand Total	43	248 034	68	1 071 497	20	138 651	12	134 211	65	1 757 778	144	8 620 959	3	51 452	355	12 022 582

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 76,578.83 were incurred in the procurement process for this quarter in relation to R 160,398.61 in the 4th quarter of 2016/2017. 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
T2017/066A	W & S AIR CONDITIONING	REPAIR, SERVICING AND MAINTENANCE OF AIR CONDITIONERS FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2018	194 240.00
T2017/066B	VRIES AIRCONDITIONING & REFRIGERATION	REPAIR, SERVICING AND MAINTENANCE OF AIR CONDITIONERS FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2018	461 370.00

CONTRACT NUMBER	AWARDED TO	DESCRIPTION	VALUE
T2017/067	MEYER ELECTRICAL & CONSTRUCTION	PLUMBING REPAIR AND MAINTENANCE CONTRACT FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2018	487 977.00
T2017/068A	MEYER ELECTRICAL & CONSTRUCTION	ELECTRICAL REPAIR AND MAINTENANCE CONTRACT FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2018	901 215.60
T2017/068B	SIMOC CONSTRUCTION	ELECTRICAL REPAIR AND MAINTENANCE CONTRACT FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2018	101 575.00
TOTAL: R			2 146 377.60

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.

TENDERS AND QUOTATIONS EVALUATED FOR THE 3rd QUARTER 2016/2017 AND 1st QUARTER 2017/2018:

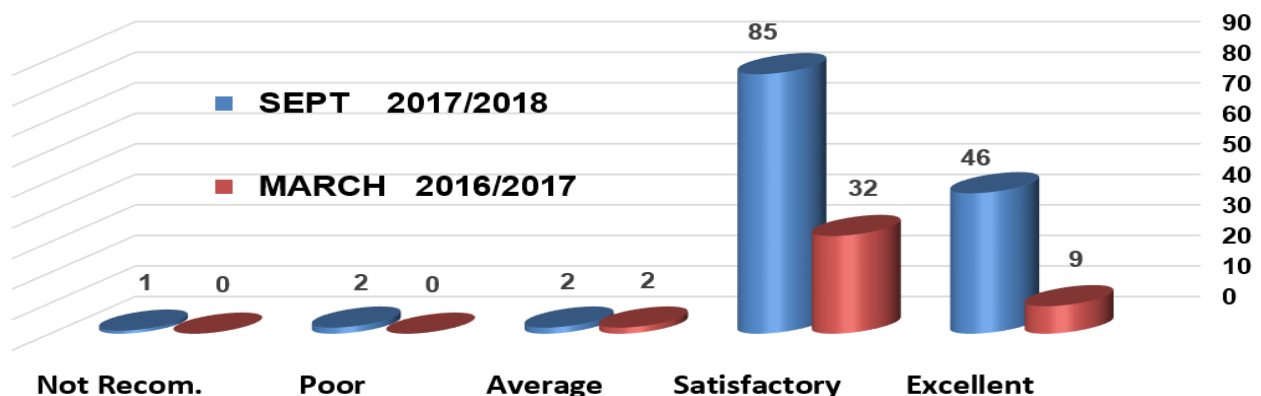
Financial Period:	Tenders		Quotations	
	3rd Quarter 2016/2017	1st Quarter 2017/2018	3rd Quarter 2016/2017	1st Quarter 2017/2018
COMMUNITY DEVELOPMENTAL SERVICES	1	11	9	20
CORPORATE SERVICES	1	16	3	10
FINANCE	1	2	1	2
LOCAL ECONOMIC DEVELOPMENT	0	2	0	3
ENGINEERING	21	26	5	30
GOVERNANCE	0	0	0	0
MUNICIPAL MANAGER OFFICE	0	1	1	1
RURAL & SOCIAL DEVELOPMENT	0	2	0	10
Grand Total	24	60	19	76

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 manager 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	3 rd Quarter 2016/2017		1 st Quarter 2017/2018		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%	1	0.74%	0.74%	Deterioration
2	Poor	0	0.00%	2	1.47%	1.47%	Deterioration
3	Average	2	4.65%	2	1.47%	3.18%	Improvement
4	Satisfactory	32	74.42%	85	62.50%	11.92%	Deterioration
5	Excellent	9	20.93%	46	33.82%	12.89%	Improvement
Total:		43		136			

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.

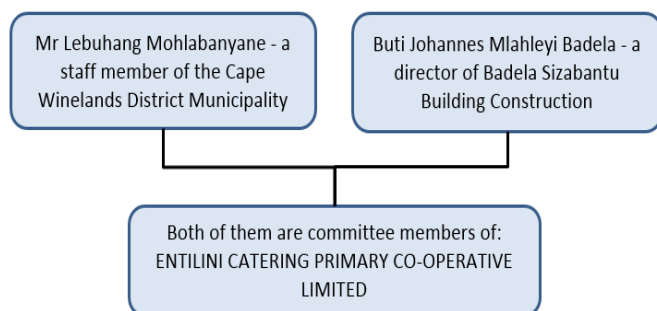
No instances of this nature were detected for the period under review.

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.



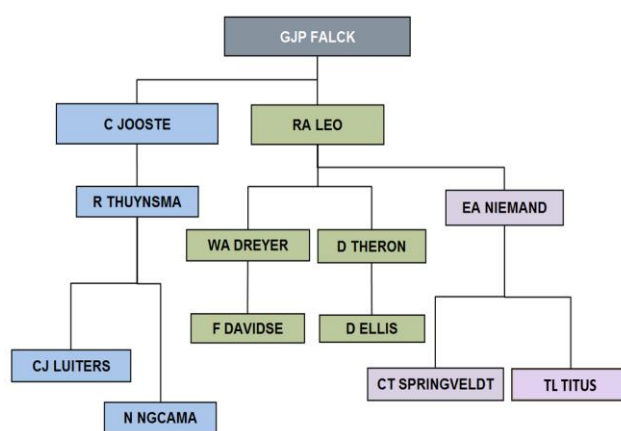
By association: (External)

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	TL Titus



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
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%
1 st Quart 2017/2018	# of Suppliers	264	147	113	27	0
	Rand Value	19 463 331.14	10 480 200.44	5 661 473.16	1 036 666.89	0.00
	% of Total Rand Value	94.90%	51.10%	27.61%	5.05%	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

EXPENDITURE PER PROCUREMENT CATEGORY

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

Number of Transactions		Type of Procurement	Amount		Description
4 th Quart 2016/2017	1 st Quart 2017/2018		4 th Quart 2016/2017	1 st Quart 2017/2018	
1310	1138	<R2000-NO PROCUREMENT:	703 053.14	667 979.93	Acquisitions less than R 2,000 - no procurement process is followed for small purchases
428	366	3rd PARTY PAYMENT:	19 144 089.93	16 822 330.65	Transactions where procurement plays no role - contribution payments / S&Ts / etc.
162	107	COUNCIL POLICY/SUBSIDY:	4 266 030.77	2 089 436.48	Study Bursaries / Sponsorships / Donations / etc.
2	3	DEV-PPPFA SEC.2(1)(f)	30 622.46	51 451.56	The supplier selected for the contract/tenderer did not score the highest points
43	144	DEV-MFMA SEC. 110(2)(a)	21 003.25	8 620 959.27	Goods and /or Services acquired from Other Organs of State/Municipalities. (Not normal municipal service accounts;)
4	0	DEV-REG.36(1)(a)(i) Emergency	143 865.63	0.00	Transactions where no procurement process were followed (Emergencies)
17	65	DEV-REG.36(1)(a)(ii) Sole Suppliers	681 844.61	1 757 777.88	Transactions where no procurement process were followed (Sole Providers/Agents)
931	0	DEV-REG.36(1)(a)(ii) Service Provider/Agents	709 410.63	0.00	Fuel replenishment: Various suppliers at strategic locations in whole of the municipal area.
50	12	DEV-REG.36(1)(a)(ii) Long- term Contr.	1 880 384.43	134 211.41	Long term Contracts/ service providers - Telkom / Vodacom / Copy machines / etc.
35	20	DEV-REG.36(1)(a)(v) Impractical	276 346.11	138 651.30	Transactions where no procurement process were followed (Impractical to obtain quotations - e.g. Strip & repair)
1	0	DEV-REG.36(1)(a)(v) Impossible	15 732.00	0.00	Transactions where no procurement process were followed (Impossible to obtain quotations - e.g. Specific suppliers)
7	7	DWAF: PRE-PROCURED	117 974.40	90 032.74	DWAF (Closed tender process) Contracts where the CWDM did not do the procurement.
1	0	PAWC: PRE-PROCURED	2 965.47	0.00	PAWC (Per instruction by Principal) Contracts where the CWDM did not do the procurement.
57	37	PETTY CASH:	2 561.75	1 480.80	Mainly small out of pocket refunds
461	471	FWPQ - >R30.000 >3 WQ	3 677 522.15	4 178 179.54	Acquisitions made in terms of a full quotation process up to R 200,000 - minimum three quotes
68	43	REG.16(c) < 3 WQ	353 808.98	248 033.90	Acquisitions where it was not possible to obtain at least three quotations up to R 10,000
37	37	REG.17(1)(c) < 3 FWPQ	720 773.55	690 329.43	Acquisitions where it was not possible to obtain at least three quotations between R 10,000 – R 30,000
43	31	REG.17(1)(c) FWPQ - >R30.000	2 348 830.18	381 167.49	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)
190	0	SERVICE ACCOUNTS:	1 690 856.09	0.00	Contracts with service providers - Municipal services
3	0	SERVICE PROVIDERS	4 780.02	0.00	Payments made in terms of contracts/agreements with long-term service providers.
32	29	STATUTORY PAYMENTS:	9 120 025.19	2 494 191.07	Prescriptive payments made in terms of legislation - licensing / taxes / membership fees / etc.
1	2	SUBSCRIPTIONS:	1 265.00	10 400.00	Service provider is selected for the specific service and cannot be procured - sole providers
2169	3 575	TENDER PROCESS:	23 157 107.41	43 200 919.71	Acquisitions made in terms of a full tender process on amounts above R 200,000
6 052	6 087	TOTAL:	69 070 853.15	81 577 533.16	

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 14 456 384.93 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	T2017/074	ADMINISTRATION AND PROVISION OF ASSISTANCE IN THE IMPLEMENTATION OF NATIONAL TREASURY (NT) MUNICIPAL FINANCIAL MANAGEMENT INTERNSHIP PROGRAMME (MFMIP)	26/07/2017	IGNITE HRM CONNECT (PTY) LTD	4	80	12	378 950.00	-
2	T2017/064	INTERNET SERVICES FOR THE PERIOD JULY 2017 TO JUNE 2020	26/07/2017	ADEPT INTERNET (PTY) LTD	3	80	14	2 440 000.00	-
3	T2017/019	SUPPLY, DELIVERY AND INSTALLATION OF VIP TOILET SYSTEMS IN THE RURAL AREA OF CWDM	24/07/2017	AK WERKE CC T/A DA CONSTRUCTION	0	80	0	461 550.00	-
4	T2017/020	EDUCATIONAL SESSIONS ON FARMS AND AT RURAL SCHOOLS FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2020	24/07/2017	SP HEALTH AND SANITATION	0	80	0	270 000.00	-
5	T2017/021	PROVISION OF PASSIVE MONITORING EQUIPMENT AND THE ANALYSIS OF PASSIVE AIR SAMPLES FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2020.	24/07/2017	ENTERPRISES UNIVERSITY OF PRETORIA (PTY) LTD	4	80	12	150 000.00	-
6	T2017/022	DEVELOP AND IMPLEMENT A LIVE INTERACTIVE MUSICAL THEATRE PERFORMANCE THROUGHOUT THE CAPE WINELANDS DISTRICT'S AREA FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2020	24/07/2017	KLEIN LIBERTAS TEATER NPC	1	80	20	1 135 660.00	-
7	T2017/023A	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE DESIGN AND PRINTING OF HEALTH EDUCATION MATERIAL FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2020	24/07/2017	GLOBAL MDB AFRICA PUBLISHING	0	80	0	101 000.00	-
8	T2017/023B	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE DESIGN AND PRINTING OF HEALTH EDUCATION MATERIAL FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2020	24/07/2017	NEW MEDIA ARCHITECT (PTY) LTD T/A JETLINE	0	80	0	101 000.00	-

	Contract Number	Type of goods/service acquired	Contract Date	Supplier	B-BBEE contribution	PRICE Points (90/80)	B-BBEE Points (20/10)	Contract Value ZAR	Premium Paid
9	T2017/023C	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE DESIGN AND PRINTING OF HEALTH EDUCATION MATERIAL FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2020	24/07/2017	JETVEST 1167 CC T/A AMAZON MEDIA	0	80	0	101 000.00	-
10	T2017/023D	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE DESIGN AND PRINTING OF HEALTH EDUCATION MATERIAL FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2020	24/07/2017	LADYBUGS INNOVATIVE MARKETING	4	80	0	101 000.00	-
11	T2017/023E	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE DESIGN AND PRINTING OF HEALTH EDUCATION MATERIAL FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2020	24/07/2017	LYNNE STOKES CC T/A LYNNE STOKES PROMOTIONS	0	80	0	101 000.00	-
12	T2017/024A	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE DESIGN, PRINTING, SUPPLY AND DELIVERING OF HEALTH PROMOTIONAL MATERIAL FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2020	26/07/2017	BRIGHT IDEA PROJECTS 2949 CC	1	80	0	101 000.00	-
13	T2017/024B	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE DESIGN, PRINTING, SUPPLY AND DELIVERING OF HEALTH PROMOTIONAL MATERIAL FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2020	26/07/2017	NEW MEDIA ARCHITECT (PTY) LTD T/A JETLINE	0	80	0	101 000.00	-
14	T2017/024C	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE DESIGN, PRINTING, SUPPLY AND DELIVERING OF HEALTH PROMOTIONAL MATERIAL FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2020	26/07/2017	JETVEST 1167 CC T/A AMAZON MEDIA	0	80	0	101 000.00	-
15	T2017/024D	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE DESIGN, PRINTING, SUPPLY AND DELIVERING OF HEALTH PROMOTIONAL MATERIAL FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2020	26/07/2017	LADYBUGS INNOVATIVE MARKETING	4	80	0	101 000.00	-
16	T2017/024E	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE DESIGN, PRINTING, SUPPLY AND DELIVERING OF HEALTH PROMOTIONAL MATERIAL FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2020	26/07/2017	LYNNE STOKES CC T/A LYNNE STOKES PROMOTIONS	0	80	0	101 000.00	-
17	T2017/024F	APPOINTMENT OF A PANEL OF ACCREDITED SERVICE PROVIDERS FOR THE DESIGN, PRINTING, SUPPLY AND DELIVERING OF HEALTH	26/07/2017	RAND DATAFORMS (PTY) LTD	0	80	0	101 000.00	-

	Contract Number	Type of goods/service acquired	Contract Date	Supplier	B-BBEE contribution	PRICE Points (90/80)	B-BBEE Points (20/10)	Contract Value ZAR	Premium Paid
		PROMOTIONAL MATERIAL FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2020							
18	T2017/066A	REPAIR, SERVICING AND MAINTENANCE OF AIR CONDITIONERS FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2018	24/07/2017	W & S AIR CONDITIONING	1	80	20	194 240.00	-
19	T2017/066B	REPAIR, SERVICING AND MAINTENANCE OF AIR CONDITIONERS FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2018	24/07/2017	VRIES AIRCONDITIONING & REFRIGERATION	1	80	20	461 370.00	-
20	T2017/067	PLUMBING REPAIR AND MAINTENANCE CONTRACT FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2018	24/07/2017	MEYER ELECTRICAL & CONSTRUCTION	1	80	20	487 977.00	-
21	T2017/068A	ELECTRICAL REPAIR AND MAINTENANCE CONTRACT FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2018	24/07/2017	MEYER ELECTRICAL & CONSTRUCTION	1	80	20	901 215.60	-
22	T2017/068B	ELECTRICAL REPAIR AND MAINTENANCE CONTRACT FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2018	24/07/2017	SIMOC CONSTRUCTION	1	80	20	101 575.00	-
23	T2017/025	SUPPLY AND DELIVERY OF FIRE FIGHTING VEHICLES	24/07/2017	FIRE RAIDERS (PTY) LTD	2	80	18	2 174 701.11	-
24	Q2017/003	SERVICING, CLEANING, AND TRANSPORTATION OF PORTABLE AND MOBILE TOILETS	17/07/2017	BOLAND TOILET SERVICES (PTY) LTD	0	80	0	200 000.00	-
25	Q2017/004	HIRING OF PORTABLE TOILETS FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2018	17/07/2017	BOLAND TOILET SERVICES (PTY) LTD	0	80	0	200 000.00	-
26	Q2017/007	DEVELOPMENT AND DEPLOYMENT OF A MOBILE APPLICATION FOR THE EXISTING MUNICIPAL HEALTH SERVICES MANAGEMENT SYSTEM	17/07/2017	BUSINESS ENGINEERING (PTY) LTD	4	80	12	119 700.00	-
27	Q2017/014	SUPPLY AND DELIVERY OF COMMERCIAL FITNESS EQUIPMENT	18/07/2017	TRF SPORT CC	0	80	0	104 831.60	-
28	Q2017/021	SUPPLY AND INSTALLATION OF EQUIPMENT AND MINOR RENOVATIONS TO THE INCIDENT COMMAND VEHICLE	17/07/2017	FES MANUFACTURING (PTY) LTD	2	80	18	100 745.22	-
29	Q2017/023	SUPPLY AND DELIVERY OF GAZEBO'S, TELESCOPIC BANNERS, WALL BANNERS AND PULL-UP BANNERS	17/07/2017	LYNNE STOKES CC T/A LYNNE STOKES PROMOTIONS	0	80	0	200 000.00	-
30	Q2017/051	PROVISION OF A HOLISTIC EMPLOYEE ASSISTANCE SERVICE FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2018	19/07/2017	NBC HOLDINGS (PTY) LTD	1	80	20	200 000.00	-

	Contract Number	Type of goods/service acquired	Contract Date	Supplier	B-BBEE contribution	PRICE Points (90/80)	B-BBEE Points (20/10)	Contract Value ZAR	Premium Paid
31	T2017/034	PROVISION OF A PANEL OF SERVICE PROVIDERS FOR ALARM MONITORING, ARMED RESPONSE, REPAIRS AND UPGRADE OF ALARM SECURITY SYSTEMS AT THE C W D M FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2020	23/08/2017	SAAYMANS SECURITY CC T/A CAPITAL SECURITY SERVICES	0	80	0	187 536.00	-
32	Q2017/043	SUPPLY AND DELIVERY OF OPTICAL WHEEL ALIGNMENT GAUGES	16/08/2017	PREMIER ATTRACTION 567 CC	1	80	20	105 000.00	-
33	Q2017/047	SUPPLY AND DELIVERY OF 4.5 TON TWO POST LIFT	15/08/2017	PREMIER ATTRACTION 567 CC	1	79.13	20	124 315.00	1 330.00
34	Q2017/064	ANTI-VIRUS SPECIFICATION AND/OR REQUIREMENTS	16/08/2017	CAMSOFT CC	4	78.75	12	158 018.40	2 425.34
35	T2017/069	LIFT REPAIR, SERVICE AND MAINTENANCE CONTRACT FOR THE PERIOD 01 SEPTEMBER 2017 TO 30 JUNE 2020	01/09/2017	VISION ELEVATORS	0	80	0	331 000.00	-
36	T2017/035	CAPE WINELANDS REGIONAL ECONOMIC DEVELOPMENT STRATEGY INCLUDING TOURISM STRATEGY FOR THE C W D AND LOCAL ECONOMIC DEVELOPMENT STRATEGIES FOR LANGEBERG AND WITZENBERG LOCAL MUNICIPALITIES	01/09/2017	HS BUSINESS SOLUTIONS	4	80	12	800 000.00	-
37	T2017/039A	CULINARY, CUSTOMER CARE, EVENTS MANAGEMENT, INTRODUCING TO WINE" COURSE, BASIC BAKING SKILLS & EXHIBITION TRAINING COURSES FOR THE PERIOD 01 SEPTEMBER 2017 TO 30 JUNE 2018	01/09/2017	G AND D GUESTHOUSE CC	1	80	20	600 000.00	-
38	T2017/039B	K53 DRIVERS LICENSE & FIRST AID LEVEL 1 & 2 COURSES FOR THE PERIOD 01 SEPTEMBER 2017 TO 30 JUNE 2018	01/09/2017	HE AND SHE DRIVER TRAINING CENTRE	0	80	0	101 000.00	-
39	T2017/039C	COMPUTER LITERACY TRAINING COURSES FOR THE PERIOD 01 SEPTEMBER 2017 TO 30 JUNE 2018	01/09/2017	BRAVOPIX 307 CC T/A EAGLE COMPUTER TRAINING	1	80	20	101 000.00	-
40	T2017/065	SUPPLY, DELIVERY AND ERECTION OF EMERGENCY HOUSING KITS FOR A THE PERIOD 01 AUGUST 2017 TO 30 JUNE 2019	01/09/2017	JONTY ENGINEERING & TRADING SA CC	1	80	20	150 000.00	-
41	T2017/037	SUPPLY AND DELIVERY OF FOOD PARCELS FOR THE PERIOD 01 AUGUST 2017 TO 30 JUNE 2020	01/09/2017	BFECT (PTY) LTD	1	74.01	20	270 000.00	-
42	Q2017/054	SIGN LANGUAGE AND DEAF CULTURE TRAINING PROGRAMME	11/09/2017	DEAFNET CENTRE OF KNOWLEDGE	0	80	0	135 000.00	-

ANNEXURE "A3"

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

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

Supplier's Name	Relationship	Capacity	1 st Quarter 2017/2018	4 th Quarter 2016/2017
AE HUMAN T/A ASTRA CATERING	CHILD	LENACHE BURGER-HEALTH PRACT	69 440.00	259 720.00
AJEE CONSULTANCY CC	SPOUSE	HUSBAND IS IN SA POLICE FORCE	0.00	3 900.00
AMERICA BUSDIENS	CHILD	VH AMERICA - CWDM WORKSHOP	12 600.00	39 050.00
AURECON SOUTH AFRICA (PTY) LTD	SPOUSE	VARIOUS RELATIONS TO OWNERS	0.00	10 229.60
BERLIN CONSTRUCTION & LOGISTICS (PTY) LTD	CHILD	WORK FOR DEPARTMENT OF HEALTH	0.00	5 839.38
C BAR LANDSCAPING CC	COUSIN	E NIEMAND CWDM COUSIN OF J A H	0.00	256 893.28
FAURE AND FAURE INCORPORATED	SPOUSE	LW FORTUIN- JUSTICE DEPARTMENT	1 140.00	1 140.00
GIBB (PTY) LTD	OTHER FAMILY	VARIOUS FAMILY MEMBERS	0.00	263 340.00
GRYDE ENTERPRISES (PTY) LTD	CHILD	G BRANDON - DEPT. CORRECTIONAL	1 000.00	5 000.00
J WALTERS T/A J C TRAVEL	SPOUSE	TEACHER: WCED	7 400.00	92 100.00
JAH GUIDE DAVIDS AGRICULTURE (PTY) LTD	SPOUSE	SAPS - WIFE OF DIRECTOR	85 390.25	285 745.68
LUMBER & LAWN (PTY) LTD	SPOUSE	WIFE: TEACHER LOCHNERHOF PRIM	667.60	4 068.73
M & N BAKWERKE CC	BROTHER/SISTER	E NIEMAND - SCM STELLENBOSCH	1 596.00	0.00
MASIQHAME TRADING 77 CC	CHILD	DEPT. OF AGRICULT. & FORESTRY	14 628.45	40 962.35
MORESON GRONDVERSKUIWERS BK	CHILD	WORK FOR DEPT. OF HEALTH	1 524 086.85	4 953 096.07
NCC ENVIRONMENTAL SERVICES (PTY) LTD	SPOUSE	WIFE WORK AT CITY OF CAPE TOWN	0.00	87 579.36
PISTON POWER CHEMICALS CC	SPOUSE	WORK FOR DEPT. OF EDUCATION	57 091.20	74 065.80
ROBERTSON SHELL TRUST	SPOUSE	WCED- MR DB AUGUSTYN	28 159.59	99 955.95
S PIETERSEN T/A SP HEALTH AND SANITATION	PARENT	A ALLOM - CLLR. DRAKENSTEIN	5 531.20	59 480.00
SMEC SOUTH AFRICA (PTY) LTD	SPOUSE	YVONNE PHOSA - MEC: ECON.DEV.	403 320.60	903 292.68
THE BUSINESS ZONE 932 CC T/A JLM24 SERVICE	SPOUSE	TEACHER: WCED	0.00	23 892.00
VALLEY FUNERALS (WORCESTER)	SPOUSE	WIFE - DEPT.OF EDUCATION	0.00	10 750.00
			R 2 212 051.74	7 480 100.88

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	1st Quarter 2017/2018	4th Quarter 2016/2017
MEYER ELECTRICAL AND CONSTRUCTION	BUSINESS ASSOCIATE	CLR. P MARRAN - BREEDE VALLEY	39 740.40	220 715.01
NID-NATIONAL INSTITUTE FOR THE DEAF	Business Associate	C V SCHROEDER SNR. MANAGER CWDM	12 000.00	0.00
			R 51 740.40	220 715.01