



SUPPLY CHAIN MANAGEMENT UNIT

QUARTERLY SCM IMPELMANTATION REPORT

30 JUNE 2020

1. PURPOSE

To report to Council the progress in supply chain management implementation and transactions approved by the accounting officer or delegated officials in terms of Council's Supply chain management policy with regard to orders issued, deviations, irregular expenditure, tenders and other SCM processes and transactions as required by the Supply Chain Management Policy of Lepelle-Nkumpi Municipality.

2. BACKGROUND

The Bid specifications, Bid Evaluation and the Bid Adjudication Committees were established in terms of the provision of the Local Government Municipal Finance Management Act.

These Bid Specifications, Bid Evaluation and Bid Adjudication Committees consists of officials with authority to recommend bids in accordance to their terms of reference.

Bids were evaluated and adjudicated in accordance with criteria set out in the preferential Procurement Policy Framework Act (Act no: 5 of 2000 & 2011), the Preferential Regulations published in terms of Government Gazette NO 222549 and the amended PPPFA Regulations 2017.

Bids are evaluated and adjudicated in accordance with preference point system as set in the evaluation criteria specified on the bid document. The bids are recommended by the Evaluation and Adjudication Committees and approved by the Municipal Manager are attached as Table 4.

SCM Regulations 36(2) states that: "The Accounting Officer must record reasons for any deviations in terms of sub regulation (1) (a) and (b) and report them to the next meeting of the Council, and include as a note to the annual financial statements."

The council's supply chain management policy gives the accounting officer the responsibility to record and report all deviations as per Table 5.

The report assists the Council to play an oversight role on the implementation of the Supply Chain Management Policy. It is with this background that the Supply Chain Management Report for the Month of January, February and March be presented to the Economic Cluster Portfolio Committee, Executive Committee and Council for noting.

3. POLICY IMPLICATIONS

All transactions were implemented in accordance with the approved SCM policy of Lepelle Nkumpi Municipality.

4. LEGAL IMPLICATIONS

In terms of Regulation 6(1) read with Regulation 6(2) of the Municipal Supply Chain Management Regulations issued in terms of the Local Government Municipal Finance Management Act 56 of 2003, the council of the Municipality must maintain an oversight role over the implementation of its Supply Chain Management Policy. This report has been compiled in compliance thereto. In addition, Regulation 6(3) provides that the quarterly reports on implementation Supply Chain Management Policy must be submitted to the Mayor at the end of each quarter.

5. FINANCIAL IMPLICATIONS

All transactions reported had been processed as per the vote numbers provided on the approved budget where applicable.

6. COMMUNICATION IMPLICATIONS

The report will be made public in the manner prescribed in Regulation 6(4) of the Supply Chain Management Regulations issued in terms of the MFMA.

BUDGET AND TREASURY OFFICE: SUPPLY CHAIN MANAGEMENT UNIT

SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT FOR THE QUARTER ENDING JUNE 2019

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SCM PROCESSES AND TRANSACTIONS OF IMPLEMENTING THE SCM POLICY

Range of procurement processes

Transaction: R0 to R29 999.99(Formal Written Quotations)

Formal written quotations are obtained from an approved database of service providers (CSD) on a rotational basis.

Transaction: R30 000.00 to R199 999.99(Formal Written Quotations)

The evaluation is done by SCM Manager, one SCM official and end-user and recommendation by CFO made to the Accounting Officer for approval, to all procurement of a transaction value between R 30 000.00 and R199 999.99.

Transaction: R200 000.00 to above (Competitive bidding system)

Competitive bidding process is being followed for any specific procurement of a transaction value above R 200 000.00 (VAT included) and the procurement of long-term contracts.

Supply chain management unit

The accounting officer has established a supply chain management policy. SCMUs operate under the direct supervision of the chief financial officer in terms of section 82 of the Act. The Supply Chain Management Unit must give effect to the functions of the supply chain management system.

Training of supply chain management officials

The training of officials involved in implementing the SCM policy was conducted in accordance with any National Treasury Regulations guidelines on supply chain management training as follows: Visual SCM Training Session by Provincial treasury will be held on the 10 July 2020 in preparation of 2020/21 Financial Year.

Procurement Plan

At the beginning of the financial year, the SCM Unit consolidated the procurement plan from end user departments, aligned to the budget and approved by the Accounting Officer, the procurement plan was also submitted to Council.

System of acquisition management

Range of Procurement Threshold

Goods and services are procured through the following processes –

Threshold Value (VAT inclusive)	Procurement method	Delegated Authority	Oversight role
0 – R2 000	Petty cash purchases	Heads of Departments	Chief Financial Officer
R2 001 to R29 999.99	Three (3) formal written quotations; Quotations must be sourced from the Central Suppliers Database (CSD)	Chief Financial Officer	Municipal Manager
R30 000 to R199 999.99	Formal written quotations be advertised for at seven (7) days on the Notice board and website of the Municipality. The 80/20 Preference Point system would apply. Specification approved by Municipal Manager. Evaluation and recommendations to be done through the technical team and making recommendations to the Chief Financial Officer for Municipal Manager for approval	Municipal Manager	Council

Bids above R 200 000 to R10 000 000	A competitive bidding process: (i) Advertise for at least 14 days on Lepelle Nkumpi notice boards, website and E-tenders; (ii) 80/20 Preference Point system would apply. Bid Adjudication Committee to make recommendation to the Accounting Officer.	Municipal Manager	Council
Bids above R 10 000 000.00	A competitive bidding process: (i) Advertise for at least 30 days on Lepelle Nkumpi notice boards and websites; (ii) Advertise for at least 30 days on locally circulating newspapers; (iii) 80/20 or 90/10 Preference Point system would apply. Bid Adjudication Committee to make recommendation to the Accounting Officer.	Municipal Manager	Council

Lists of accredited prospective providers

Lepelle Nkumpi Municipality is utilising the Central Supplier Database. The listing criteria is as per CSD requirements as the listing of suppliers on CSD is no longer controlled by the municipality but centralised to National Treasury Central Supplier Database.

Committee system for competitive bids

A committee system for competitive bids consists of:

- (a) Bid Specification Committee;
- (b) Bid Evaluation Committee; and
- (c) Bid Adjudication Committee;

The accounting officer has appointed in writing the chairpersons and members of each committee taking into account section 117 of the Act.

Composition of Bid Committees

The accounting officer appointed members of each committee based on the Municipal SCM Regulations and LNM SCM Policy:

Functions and Purpose of Committees

The committees has been appointed to execute the functions and purposes of the different committees based on the Municipal SCM Regulations and LNM SCM Policy.

Evaluation and Adjudication of bids on a point system

All bids are evaluated and adjudicated as per the Preferential Procurement Policy framework Act (Act No 5 of 2000) and PPR as amended in 2017 provides the framework within which the Council's preference points systems shall be established. The Act is amended by Preferential Procurement Regulations of 2011 and as amended again in 2017.

LNM has determine its SCM policy and implement it within the required framework.

Procurement of goods and services under contracts secured by other organs of state

The accounting officer procure goods or services under a contract secured by another organ of state, only if the requirements of Municipal SCM Regulations 32 and MFMA Circular no 96 are met. Lepelle Nkumpi Municipality has not procured any goods and services under a contract secured by another organ of state during the 4th Quarter.

Deviation from, and ratification of minor breaches of, procurement processes

Deviation from and ratification of minor breaches of, procurement processes are processed as per requirements of Municipal SCM Regulations and the Lepelle Nkumpi Municipality SCM Policy. (See Table 5)

Unsolicited bids

Lepelle Nkumpi Municipality has not considered any unsolicited bids and has not received any bid outside a normal bidding process.

Logistics management

The accounting officer has established and implemented an effective system of logistics management. Bi-annual stock take has been conducted In 18th and 19th December 2019. Annual stock taking w conducted from 23 to 24 June 2019.

Prohibition on awards to persons whose Tax matters are not in order

No award has been made to a person whose tax matters have not been declared by the South African Revenue Service to be in order. These was verified through the Central Suppliers Database (CSD).

Prohibition on awards to persons in the service of the state

No award that were made to persons in the service of the State, this is verified through the CSD summary report. Although there were awards that were made to CIGFARO and other professional bodies who have nominated officials serving as board of directors who are employees of the state. National Treasury has issued a communique Ref: 43/1/2/5/1 which indicates that the employees who are serving as board of directors are not receiving any remuneration. The employees serving as board of directors cannot be regarded as possible conflict of interest.

Awards to close family members of persons in the service of the state

No identified award made to close family members of persons in the service of the state as per MBD 4 disclosure forms.

Ethical standards

All the SCM Practitioners, and other role players have signed the Code of Conduct.

Inducements, rewards, gifts and favours to officials and other role players

The Gift Register is available in the Office of the Municipal Manager and facilitated by the Risk Officer.

Sponsorships

No sponsorships were received.

Assessment / Measurement of Supply Chain Management

Lepelle - Nkumpi Municipality monitors and assess the performance of all contractors during the contract period, through the end user departments and facilitated by PMS Unit.

Contractor Assessment

Lepelle - Nkumpi Municipality monitors and assess the performance of all contractors during the contract period, through the end user departments and facilitated by PMS Unit.

Access to bidding information

All bidding information are made available to all interested and affected parties including the Council of Lepelle – Nkumpi Municipality. Bidders are informed of the final bid results through the municipal website. The Accounting Officer submits a report to the next Council meeting after the end of every quarter.

Amendment of the supply chain management policy

The accounting officer has at least annually review the implementation of the SCM Policy.

Irregular Expenditure

Lepelle-Nkumpi Local Municipality has incurred irregular expenditures in the financial year 2019/2020 for the 3rd Quarter ending 31 March 2020 relating mostly to subsequent payment of contracts that were extended without the approval of council, suppliers not declaring interests, non-submission of original tax certificates, goods and services being procured from suppliers who are not on the supplier's list, tender incorrectly not awarded to bidder with highest points, SCM practitioner not been part of the bid adjudication committee(BAC), tender being awarded to disqualified bidder, accounting officer not ratifying appointment of different bidders, a technical expert not been part of BAC, tenders not advertised for at least 14 days, and the reasons for deviations not been justifiable at an amount of **R 2 680 082.31** (See attached Annexures).

Table 1: Purchase orders issued April, May, and June 2020

REPORT OF ORDERS ISSUED FOR THE MONTH						
APRIL						
DATE	RFQ NO	ORDER NO	SERVICE PROVIDER	DESCRIPTION	AMOUNT	SCM PROCESS
21/04/2020	1317	LNMO1317	Thalema Trading Enterprise	Supply and delivery of protective clothing for Covid-19 for Councilors and Executive Managers	13340	Long-term Contract
				Total	13340.00	

REPORT OF ORDERS ISSUED FOR THE MONTH

MAY

DATE	RFQ NO	ORDER NO	SERVICE PROVIDER	DESCRIPTION	AMOUNT	SCM PROCESS
11/05/2020	1318	2012016	MJA BROTHERS SUPPLIERS	Supply and delivery of hand held temperature scanners (infrared thermometer)	17600	Deviation
07/05/2020	50257	2012015	Nora Elle pty ltd	Supply and delivery of surgical gloves, masks, apron and sanitizers	59962	Deviation
28/05/2020	2509	2012019	Manapyane Holdings	Advertisement of 2020/2021 IDP and Budget consultations to be advertised on National and Local Newspaper	14270	Quotation
15/05/2020	1322	LNMO1322	Mothokwa Pest Control and projects	Fumigation of municipal offices	86800	Deviation
21/05/2020	1319	2012017	Mmamaru PTY LTD	Supply and delivery of 622 x 3 ply cloth musk	10574	Quotation
				Total	189206	

REPORT OF ORDERS ISSUED FOR THE MONTH						
JUNE						
DATE	RFQ NO	ORDER NO	SERVICE PROVIDER	DESCRIPTION	AMOUNT	SCM PROCESS
12/06/2020	1852	2012050	Malope Civil Contractors pty ltd	Supply and delivery of 30 standard staplers and 300 storage filling box.	23566.56	Quotation
12/06/2020	2654	2012047	H AND S Labour Brokers	Qualification Verification for six individuals for the position of Chief financial Officer	2314.89	Quotation
29/06/2020	2505	LNMO2505	Hlengiwe Sanitary Loo	Supply and delivery of sound system	20000	Quotation
23/06/2020	1552	2012054	Buti Lesego Infrastructures	Refurbishment of ablution facilities at Municipal Offices	173886.04	Quotation
23/06/2020	2012053	2012053	Buti Lesego Infrastructures	Refurbishment of ablution facilities at Civic Hall	195144.08	Quotation
29/06/2020	5112	LnM5112	Bakgaditse General Trading	Supply and delivery of Cold mix and 50 kg Cement 42,5 OPC minimum	643235	Term Contract
1/6/2020	2507	2012021	Zebediela Community radio station	advertisment of IDP of radio advert (02-05 June 2020 and interview of the mayor (for 45 minutes) on Draft IDP and budget 2020/21	14400	deviation
10/6/2020	2979	201236	Tebzen connect	advertisment of IDP of radio advert (02-05 June 2020 and interview of the mayor (for 45 minutes) on Draft IDP and budget 2020/21	15500	deviation
10/6/2020	1867	2012041, 2012039, 2012042	Ngwanakadiaka Trading and Projects	supply and delivery of cleaning materials	155765	Term Contract

5/6/2020	2975	2012031	Boledi ba Phake Trading and Supply	advertisement of 2012/20 IDP ammendment notice	9885	Quotation
4/6/2020	2507	2012028	Capricorn FM	advertisemnent of IDP of radio advert (02-05 June 2020 and interview of the mayor (for 45 minutes) on Draft IDP and budget 2020/21	69010.35	deviation
4/6/2020	1872	2012024	Molaba Investment	Supply and delivery of 100 A4 boxes Photocopy papers	31116	Term Contract
				Total	1 353 822.92	

Table 2: Bids Advertised April, May, and June 2020

April 2020

BID NUMBER	BID DESCRIPTION	CLOSING DATE	STATUS
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NO BIDS ADVERTISED APRIL

MAY 2020

BID NUMBER	BID DESCRIPTION	CLOSING DATE	STATUS
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NO BIDS ADVERTISED MAY

JUNE 2020

BID NUMBER	BID DESCRIPTION	CLOSING DATE	STATUS
LN034/2020/21	Supply and delivery of ICT equipment	09 July 2020	Advertised
LN028/2020/21	Professional service provider for provision of insurance for a period of 36 months	24 July 2020	Advertised
LN023/2020/21	Supply and delivery of Twin Drum Walk Behind Roller	13 July 2020	Advertised
LN027/2020/21	Panel of three Professional Service Providers for Travel Management for	27 July 2020	Advertised
LN033/2020/21	Professional Service Provider for VAT consistency review of Lepelle-Nkumpi Municipality for a period of 36 months	24 July 2020	Advertised

Table 3: Bids withdrawn April, May June March 2020

APRIL 2020

BID NUMBER	BID DESCRIPTION	REASONS FOR WITHDRAWAL
No bids withdrawn		

MAY 2020

BID NUMBER	BID DESCRIPTION	REASONS FOR WITHDRAWAL
No bids withdrawn		

JUNE 2020

BID NUMBER	BID DESCRIPTION	REASONS FOR WITHDRAWAL
No bids withdrawn		

Table 4: Bids awarded April, May and June 2020

AWARDED BIDS MONTHLY REPORT APRIL 2020

ITEM	Bid Description	Bid Amount	Successful Bidder	B-BBEE Level	Reasons for Award	Municipality
NO BIDS WERE AWARDED IN APRIL						

MONTHLY REPORT AWARDED BIDS MAY2020

ITEM	Bid Description	Bid Amount	Successful Bidder	B-BBEE Level	Reasons for Award	Municipality
1	Contractor for Installation of 12 high mast lights (LNM010/2019/20)	R 4 535 225.10	Mobofa Trading Services	01	The service provider fully met our specification The highest scorer at 100 Points Bidder B= 93.64	Magatle village
2	Upgrading of access road from Gravel to Kliphuiwel (Ward 1) LNM002/2019/20	R 5 303 420.45	MorwaMogale Trading Enterprise	01	The service provider fully met our specification The highest scorer at 100 Points Bidder B= 97 Bidder C= 95 Bidder D= 78	Polokwane
3	Preparation of annual financial statement for a period of 12 months (LNM078/2019/20)	R 1 647 997.50	Shumba Inc	01	The service provider fully met our specification The second highest point scorer at 82.80 Points	Polokwane

4	Construction of Maralaleng community hall (LNM009/2019/20)	R 5 175 000.00	Thalema Trading Enterprises	01	The service provider fully met our specification The highest scorer at 100 Points	Polokwane
5	Upgrading of Hweleshaneng access road from gravel to TAR (LNM024/2019/20)	R 6 933 540.05	Bateline investment	01	The service provider fully met our specification The highest scorer at 100 Points Bidder B= 96.93 Bidder C= 95.05 Bidder D= 85.53	Polokwane

AWARDED BIDS MONTHLY REPORT JUNE 2020

ITEM	Bid Description	Bid Amount	Successful Bidder	B-BBEE Level	Reasons for Award	Municipality
NO BIDS WERE AWARDED IN JUNE						

Table 5: Deviations April, May, June 2020

DEVIATION REPORT FOR APRIL 2020

DEVIATION REPORT FOR APRIL 2020: SOLE SUPPLIER

NO	DESCRIPTION	REQUEST NUMBER	NAME OF SERVICE PROVIDER	APPROVAL DATE	CONTRACT VALUE	REASON FOR DEVIATIONS
NONE						

DEVIATION REPORT FOR APRIL 2020: EXCEPTIONAL OR IMPRACTICALLY

NO	DESCRIPTION	REQUEST NUMBER	NAME OF SERVICE PROVIDER	APPROVAL DATE	CONTRACT VALUE	REASON FOR DEVIATIONS
NONE						

DEVIATION REPORT FOR APRIL 2020: EMERGENCY

NO	DESCRIPTION	REQUEST NUMBER	NAME OF SERVICE PROVIDER	INVOICE DATE	CONTRACT VALUE	REASON FOR DEVIATIONS
02	Supply and delivery of COVID -19 Protective equipments 100 boxes of medical examination gloves ,100 Saniters (1 litre)	502874	Lesego rato Legacy Pty ltd	21/04/2020	R 48 790.00	Due to outbreak of the COVID 19 that was declared a national disaster, an urgent request to protective equipment's in order to flatten the curve of infections was received, service providers were invited and advertising for 7 days on the notice board and website was impractical due of the urgency of the request

TOTAL DEVIATION AMOUNT FOR MONTH ENDING APRIL 2020= R 48 790.00

DEVIATION REPORT FOR MAY 2020

DEVIATION REPORT FOR MAY 2020: SOLE SUPPLIER

NO	DESCRIPTION	REQUEST NUMBER	NAME OF SERVICE PROVIDER	APPROVAL DATE	CONTRACT VALUE	REASON FOR DEVIATIONS
NONE						

DEVIATION REPORT FOR MAY 2020: EXCEPTIONAL OR IMPRACTICALLY

NO	DESCRIPTION	REQUEST NUMBER	NAME OF SERVICE PROVIDER	APPROVAL DATE	CONTRACT VALUE	REASON FOR DEVIATIONS
NONE						

DEVIATION REPORT FOR MAY 2020: EMERGENCY

NO	DESCRIPTION	REQUEST NUMBER	NAME OF SERVICE PROVIDER	INVOICE DATE	CONTRACT VALUE	REASON FOR DEVIATIONS
01	Procurement of 08 infrared thermometer temperature scanners (hand held)	01318	MJA Brothers Suppliers	11 May 2020	R 17 600.00	Due to outbreak of the COVID 19 that was declared a national disaster, an urgent request to procure temperature scanners in order to flatten the curve of infections for the virus was received hence obtaining three quotations became impractical due of the urgency of the request.
02	Supply and delivery of COVID 19 Protective equipment's 1000 Surgical clothes,1500 Surgical mask,100 Apron ,20 Saniters and disinfectants (20 liter)and 50 spray bottles (500ml)	50257	Nora Elle Pty Ltd	11/05/2020	R 59 962.00	Due to outbreak of the COVID 19 that was declared a national disaster, an urgent request to protective equipment's in order to flatten the curve of infections was received, service providers were invited and advertising for 7 days on the notice board and website was impractical

						due of the urgency of the request
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TOTAL DEVIATION AMOUNT FOR MONTH ENDING MAY 2020= R 77 562.00

DEVIATION REPORT FOR JUNE 2020

DEVIATION REPORT FOR JUNE 2020: SOLE SUPPLIER

NO	DESCRIPTION	REQUEST NUMBER	NAME OF SERVICE PROVIDER	APPROVAL DATE	CONTRACT VALUE	REASON FOR DEVIATIONS
NONE						

DEVIATION REPORT FOR JUNE 2020: EXCEPTIONAL OR IMPRACTICALLY

NO	DESCRIPTION	REQUEST NUMBER	NAME OF SERVICE PROVIDER	INVOICE DATE	CONTRACT VALUE	REASON FOR DEVIATIONS
1	Advertisement of IDP of radio advert (02-05 June 2020 and interview of the mayor (for 45 minutes) on Draft IDP and budget 2020/21	2507	Zebediela Community radio station	11 June 2020	R 14 400.00	Advertising on local radio station to attract local residents within Lepelle-nkumpi Municipality area of jurisdiction on call for inputs and comments on 2020/21 draft IDP and budget and 2019-2020 amended process plan hence obtaining three quotations was impractical
2	Advertisement of IDP of radio advert (02-05 June 2020 and interview of the mayor (for 45 minutes) on Draft IDP and budget 2020/21	2979	Tebzen connect	04 June 2020	R15 500.00	Advertising on local radio station to attract local residents within Lepelle-nkumpi Municipality area of jurisdiction on call for inputs and comments on 2020/21 draft IDP and budget and 2019-2020 amended process plan hence obtaining three quotations was impractical

3	Advertisement of IDP of radio advert (02-05 June 2020 and interview of the mayor (for 45 minutes) on Draft IDP and budget 2020/21		Capricorn Voice	17 June 2020	R69 010.35	Advertising on local radio station to attract local residents within Lepelle-nkumpi Municipality area of jurisdiction on call for inputs and comments on 2020/21 draft IDP and budget and 2019-2020 amended process plan hence obtaining three quotations was impractical
4	The Municipality obtained a court order at Polokwane high court against illegal occupiers of the farm Voorspoed 458 KS	N/A	Sherrif Phalalang	16 June 2020	R 132 161.00	The Municipality obtained a court order at Polokwane high court against illegal occupiers of the farm Voorspoed 458 KS hence advertising for 7 days on the website was not practical

DEVIATION REPORT FOR JUNE 2020: EMERGENCY

NO	DESCRIPTION	REQUEST NUMBER	NAME OF SERVICE PROVIDER	INVOICE DATE	CONTRACT VALUE	REASON FOR DEVIATIONS
01	Fumigation of all municipal offices (Cultural Centre, civic Centre, Traffic Department, Library, Technical services, pound and civic hall) also the passages and entrances including 62 Municipal vehicles for the purpose of disinfecting the Corona Virus	01322	Mothokwa pest control and Projects	27 May 2020	R86 800.00	Due to outbreak of the COVID 19 that was declared a national disaster, an urgent request to protective equipment's in order to flatten the curve of infections was received, service providers were invited and advertising for 7 days on the notice board and website was impractical due of the urgency of the request

TOTAL DEVIATION AMOUNT FOR MONTH ENDING JUNE 2020= 317 871.35

TOTAL DEVIATION AMOUNT FOR THE QUARTER ENDING 31 MARCH 2020 = R 444 223.35

Table 6: irregular expenditure April, May and June 2020

Lepelle Nkumpi Local Municipality - 30 April expenditure register

No	Service provider	Description (of service rendered)	Tender no (Only for tenders)	Awarded amount	Reason for Irregular	Reason for Irregular (Summarised)	Tender or quotation	Period identified	Total Irregular 2017/18	General Comments
NO IRREGULAR EXPENDITURE INCURRED FOR THE MONTH OF APRIL										

Lepelle Nkumpi Local Municipality - 31 May expenditure register

No	Service provider	Description (of service rendered)	Tender no (Only for tenders)	Awarded amount	Reason for Irregular	Reason for Irregular (Summarised)	Tender or quotation	Period identified	Total Irregular 2017/18	General Comments
NO IRREGULAR EXPENDITURE INCURRED FOR THE MONTH OF MAY										

Lepelle Nkumpi Local Municipality - 30 June Irregular expenditure register

No	Service provider	Description (of service rendered)	Tender no (Only for tenders)	Awarded amount	Reason for Irregular	Reason for Irregular (Summarised)	Tender or quotation	Period identified	Total Irregular 2017/18	General Comments
1	Mahlatji Mmetji Trading and Projects	Electrification of Makgoopong Village	LNMO132017/18	1 471 336,69	there were no invitation and evaluation of the local production and content in the bid specification of the tender	invitation and local content not part of specification	Tender	2017/18	211 686,60	appointed Manco Business enterprise and the service provider made a cession with Mahlatji Mmaetji for Electrification of Makgoopong and internal audit has during its 2017/18 audit identified some irregularities.
2	Mahlatji Mmetji Trading and Projects	Electrification of Makgoopong Village	LNMO132017/18	1 471 336,69	there were no invitation and evaluation of the local production and content in the bid specification of the tender	invitation and local content not part of specification	Tender	2017/18	414 502,39	appointed Manco Business enterprise and the service provider made a cession with Mahlatji Mmaetji for Electrification of Makgoopong and internal audit has during
	Kanas Consulting Engineers	Professional Service Provider for the Electrification of Mahlatjane	LNMO05/2016/17	75 000,00	Request for quotation not sent out at least 14 days before the closing date	Bid below R10 million (above R200 000) not advertised for at least 14 days before the closing date	Tender	2016/2017	104 500,00	appointed Kanas Consulting Engineers Professional Service Provider for the Electrification of Mahlatjane and AG has during its 2016/17 audit identified some irregularities. he expenditure incurred for February is as result of the irregular expenditure
	Kanas Consulting Engineers	Professional Service Provider for the Electrification of Mahlatjane	LNMO05/2016/17	75 000,00	Request for quotation not sent out at least 14 days before the closing date	Bid below R10 million (above R200 000) not advertised for at least 14 days before the closing date	Tender	2016/2017	66 500,00	The municipality has appointed Kanas Consulting Engineers Professional Service Provider for the Electrification of Mahlatjane and AG has during its 2016/17 audit identified some irregularities. he expenditure incurred for February is as result of the
	Baweliile consulting	Professional Service Provider for U	LNMO37/2014/15	2 305 855,00	Request for quotation not sent out at least 14 days before the closing date	Bid below R10 million (above R200 000) not advertised for at least 14 days before the closing date	Tender	2015/2016	106 431,35	The municipality has appointed Baweliile Consulting Engineers for Professional Service Provider for Upgrading of Access Road from Unit S to Q LNMO37/2014/15 and the and AG has during its 2015/16
	Mahlatji mmetji	electrification of makgoopong (cession)	LNMO13/2017/18	1 471 336,69	there were no invitation and evaluation of the local production and content in the bid specification of the tender	invitation and local content not part of specification	Tender	2017/18	100 079,47	The municipality has appointed Manco Business enterprise and the service provider made a cession with Mahlatji Mmaetji for Electrification of Makgoopong and internal audit has during its 2017/18 audit identified some irregularities.

Mahlatji mmetji	electrification of makgopong (cession	LNMO132017/18	1 471 336,69	there were no invitation and evaluation of the local production and content in the bid specification of the tender	invitation and local content not part of specification	Tender	201718	211 686,60	The municipality has appointed Manco Business enterprise and cession with Mahlatji Mmaetji for Electrification of Makgoopong and internal audit has during its 2017/18 audit identified some irregularities.
Mahlatji mmetji	electrification of makgopong (cession	LNMO13/2017/18	1 471 336,69	there were no invitation and evaluation of the local production and content in the bid specification of the tender	invitation and local content not part of specification	Tender	201718	64 552,99	The municipality has appointed Manco Business enterprise and the service provider made a cession with Mahlatji Mmaetji for Electrification of Makgoopong and internal audit has during its 2017/18 audit identified some irregularities.
Manco business enterprise	Eletrification of Makgoopong	LNMO13/2017/18	1 471 336,69	there were no invitation and evaluation of the local production and content in the bid specification of the tender	invitation and local content not part of specification	Tender	201718	115 000,00	The municipality has appointed Manco Business enterprise and the service provider made a cession with Mahlatji Mmaetji for Electrification of Makgoopong and internal audit has during its 2017/18 audit identified some irregularities.
Ralema Consulting Engineers (P	construction of stormwater drainage at Sehlabeng /Hlakano		Panel of Consultants	Bid committees were not involved in the awarding of the bid	Bid committees were not involved in the awarding of the bid	Tender	2018/2019	1 234 043,48	Ralema Consulting Engineers was appointed for Development of Recreational Facilities at Majane and AG has during its 2018/19 audit identified some irregularities in the appointment of Panel of Consultants.
Babirwa travel	Accommodation and meals for Cllr Ramokolo in Tzaneen check in 10-11 February 2020 attending Municipal finance fiscal policy	LNMO90/2017/18	20% commission	bookings arranged for overnight accomodation for less than 500km (to and from destination) not in line with the cost containment	bookings arranged for overnight accomodation for less than 500km (to and from destination) not in line with the cost containment	Quotation	2019/20	1 635,90	The Municipality made bookings for overnight accomodation for travel trip less than 500km as per cost containment

Babirwa travel	Accommodation and meals for Rampuru Setati attending SALGA EU funded training programme in Thulamela Municipality check in 3-4 February 2020	LNMO90/2017/18	20% commission	bookings arranged for travel arrangement before approval by delegated officials	bookings arranged for travel arrangement before approval by delegated officials	Quotation	2019/20	1 734,30	The Municipality made bookings without approval by delegated officials
Babirwa travel	Accommodation, meals and conference package for ethics and integrity committee working session check in 21-22 January 2020	LNMO90/2017/18	20% commission	bookings arranged for overnight accommodation for less than 500km (to and from destination) not in line with the cost containment	bookings arranged for overnight accommodation for less than 500km (to and from destination) not in line with the cost containment	Quotation	2019/20	18 031,80	The Municipality made bookings for overnight accommodation for travel trip less than 500km as per cost containment
Babirwa travel	Accommodation and meals for Clr Mollo and Speaker attending Capacity building programme for MPAC chairpersons check in 17-02 February 2020 in Peter Mokaba.	LNMO90/2017/18	20% commission	bookings made without approval by delegated officials	bookings made without approval by delegated officials	Quotation	2019/20	6 568,20	The Municipality made bookings without approval by delegated officials
Babirwa travel	Accommodation and meals for Gagane LA attending 2 nd annual legal government talent management seminar check in 29-31 January 2020	LNMO90/2017/18	20% commission	bookings made without approval by delegated officials	bookings made without approval by delegated officials	Quotation	2019/20	1 771,20	The Municipality made bookings without approval by delegated officials
Babirwa travel	Accommodation and meals for Mayor, Clr Lina Mphahlele and Speaker attending SALGA capacity building programme on the 4-6 February 2020	LNMO90/2017/18	20% commission	bookings made without approval by delegated officials	bookings made without approval by delegated officials	Quotation	2019/20	1 771,20	The Municipality made bookings without approval by delegated officials
Babirwa travel	Accommodation and meals for Mayor, Clr Lina Mphahlele and Speaker attending SALGA capacity building programme on the 4-6 February 2020	LNMO90/2017/18	20% commission	bookings made without approval by delegated officials	bookings made without approval by delegated officials	Quotation	2019/20	17 815,63	The Municipality made bookings without approval by delegated officials
Babirwa travel	Accommodation and meals for Mayor attending 2 nd annual local government talent management seminar check in 29-30 at Birchwood	LNMO90/2017/18	20% commission	bookings made without approval by delegated officials	bookings made without approval by delegated officials	Quotation	2019/20	1 771,20	The Municipality made bookings without approval by delegated officials
TOTAL								2 680 082,31	

RECOMMENDATIONS

1. That cognizance be taken of the content of the report including:
 - 1.1. Detailed list of SCM processes and transactions
 - 1.2. Detailed list of purchase orders issued for the period ended 31 June 2020 (Table 1)
 - 1.3. Detailed list of bids advertised for the period ended 31 June 2020 (Table 2).
 - 1.4. Detailed list of bids withdrawn for the period ended 31 June 2020 (Table 3).
 - 1.5. Detailed list of bids awarded for the period ended 31 June 2020 (Table 4).
 - 1.6. Detailed list of deviations approved by the accounting officer for the period ended 31 June 2020 (Table 5)
 - 1.7. Detailed list of irregular expenditures for the period ended 31 June 2020 (Table 6).
 - 1.8. That the Accounting Officer, in compliance with Regulation 6(4) of the Supply Chain Management Regulations issued in terms of the Local Government: Municipal Finance Management Act 56 of 2003, makes this report public in the manner prescribed in section 21A of the Local Government: Municipal Systems Act No 32 of 2000, for access thereof by the public.