



## **SCM REPORT 2025/2026 FINANCIAL YEAR**

**Q1**

**2025/2026**

## **TABLE OF CONTENT**

- 1. INTRODUCTION**
- 2. MEMBERS OF BID COMMITTEES**
- 3. RANGE OF PROCUREMENT PROCESSES**
- 4. AWARDS ABOVE R100,000.00**
- 5. SCM REGISTERS – UIF&W**
- 6. TENDER REPORTS (BSC, BEC & BAC)**
- 7. REPORT IMPLEMENTATION OF PROCUREMENT PLAN**
- 8. DEVIATION REGISTER**

## **1. INTRODUCTION**

The municipality must, in terms of section 111 of the MFMA must implement a supply chain management policy that;

- (a) Gives effect to;
  - (i) Section 217 of the Constitution and
  - (ii) Part 1 of Chapter 11 and other applicable provisions of the act
- (b) Is fair, equitable, transparent, competitive and cost effective.

The accounting officer must in terms of section 62(f) (iv) of the MFMA take all reasonable steps to ensure that the municipality implements a supply chain management policy as set out in regulation 2. The accounting officer must further report any deviation from the guideline standard of the SCM to the National Treasury and Provincial Treasury.

The accounting officer in terms of SCM policy must, within 10 working days after the end of each quarter, submit a report on the implementation of the supply chain management policy to the Council to exercise oversight role in the implementation of the Supply Chain management Policy.

The SCM report is brought to council for consideration and condones any deviation to the Supply Chain Management policy, for the accounting officer to report those deviations to National and Provincial Treasury as stated in Paragraph 2.

## 2. MEMBERS OF BID COMMITTEES

The members of the bid committees as appointed by the accounting officer for 2025/2026 financial year are as follows:

### 2.1. Members of the Bid Specification Committee

- |                      |                     |               |
|----------------------|---------------------|---------------|
| (a) Mr S.M Ngubane   | - Finance manager   | [Chairperson] |
| (b) Mr NJ Mpontshane | - PMS Manager       | [Member]      |
| (c) Mrs F Msabala    | - Technical Manager | [Member]      |
| (d) Ms L Sithole     | - HR manager        | [Member]      |
| (e) Mrs FXH Khumalo  | - Budget Manager    | [Member]      |

### 2.2. Members of the Bid Evaluation Committee

- |                       |                         |               |
|-----------------------|-------------------------|---------------|
| (a) Mr N.M. Mthembu   | - SCM Manager           | [Chairperson] |
| (b) Ms SB Mhlongo     | - DCFO                  | [Member]      |
| (c) Mrs NF Mngomezulu | - DD Community services | [Member]      |
| (d) Mrs TS Mkhabela   | - DD Corporate Services | [Member]      |
| (e) Mr SN Zikhali     | - DD Technical services | [Member]      |

### 2.3. Members of the Bid Adjudication Committee

- |                      |                      |               |
|----------------------|----------------------|---------------|
| (a) Mrs N.P Mkhabela | - CFO                | [Chairperson] |
| (b) Mr CR Khumalo    | - Director Corporate | [Member]      |
| (c) Mr WS Nhlenyama  | - Director Community | [Member]      |
| (d) Mr DI Tembe      | - Director Technical | [Member]      |
| (f) Mr S.S. Mhlongo  | - SCM Practitioner   | [Member]      |

### 3. RANGE OF PROCUREMENT PROCESSES

In terms of the Supply Chain Management Policy Adopted by Council, the following Procurement Process must be followed:

<b>Range of Procurement Process</b>	<b>Type of Transaction</b>	<b>Requirement for Transaction</b>
R1 up to R2 000.00	Petty Cash	Till Slip and request
All transaction exceeding R2 000 below R300 000	Quotations	Minimum of 3 formal written Quotations, Valid Tax and they must all be advertised at least 7 days on no and website.
R300 000 above	Tender	Competitive Bidding Process to be followed.

#### 4. AWARDS ABOVE R100,000

DATE	COMPANY NAME	STATUS	ORDER NUMBER	AMOUNT
11-Jul-25	LEAD XAVIER PTY LTD		PO10212	R168 979.12
05-Aug-25	MAKALANYANA CONSTRUCTION (PTY)LTD		PO10333	R182 950.00
21-Aug-25	YONKINSIPHO IYAWASHA TRADING PTY LTD		PO10389	R296 400.00
29-Aug-25	PS KHULU TRADING AND PROJECTS		PO10392	R110 000.00
12-Aug-25	LOLIZWI PTY LTD		PO10393	R160 000.00
20-Aug-25	FURBISH SOLUTION (PTY) LTD		PO10395	R100 000.00
25-Aug-25	PENOM TRADING ENTERPRISE (PTY) LTD.		PO10408	R165 000.00
13-Aug-25	AME HOLDINGS PTY LTD		PO10449	R273 024.00
13-Aug-25	SENGWENI ENTERPRISE		PO10450	R107 600.00
22-Sept-25	HOME BOYS TECHNOLOGY		PO10454	R198 857.90
23-Sept-25	CNM IT SOLUTIONS		PO10458	R179 400.00
13-Aug-25	U-TURN INVESTMENTS PTY LTD		PO10471	R135 132.00
12-Aug-25	LANGENI MULTIPROJECTS PTY LTD		PO10472	R123 900.00
	TOTALS			<b>2 201 243.02</b>

#### 5. SCM REGISTERS

### 5.1 Fruitless expenditure

No	Date of discovery	Date Reported to Accounting Officer	Transaction details				Project	Person Liable (Official or Political Office Bearer)	Type of Prohibited Expenditure
			Date of Payment	Payment Number	Amount	Description of Incident			
1	08-Jul-25		05-Sept-25	944676950241.	R2.48	ESKOM LIMITED -PH	Water & eletricity	Accounting Officer	Fruitless & Wastefull Ependiture
2	08-Jul-25		05-Sept-25	972106694402	R2 605.73	ESKOM LIMITED-THENGANI HALL		Accounting Officer	Fruitless & Wastefull Ependiture
3	08-Jul-25		05-Sept-25	972106694402.	R4.50	ESKOM LIMITED -PHELANDABA HALL		Accounting Officer	Fruitless & Wastefull Ependiture
4	15-Jul-25		05-Sept-25	507D2000120Y.	R7.43	TELKOM LIBRARY-IN	TELEPHONE	Accounting Officer	Fruitless & Wastefull Ependiture
5	31-Aug-25		05-Sept-25	FC-91370	R449.24	AG-INV426340(INTR	AUDITING	Accounting Officer	Fruitless & Wastefull Ependiture
6	08-Sept-25		05-Sept-25	944428040844.	R36.00	ESKOM- PHELANDAB	Water & eletricity	Accounting Officer	Fruitless & Wastefull Ependiture
7	08-Sept-25		05-Sept-25	882702410888.	R126.18	ESKOM- PREPAID FB	Water & eletricity	Accounting Officer	Fruitless & Wastefull Ependiture
8	27-Sept-25		05-Sept-25	509H2000842C.	R945.24	TELKOM-INTEREST	TELEPHONE	Accounting Officer	Fruitless & Wastefull Ependiture
					<b>R4 176.80</b>				

### 5.2 Irregular Expenditure

No	Date of discovery	Date Reported to Accounting Officer	Amount	Description of Incident	Project	Person Liable (Official or Political Office Bearer)	Type of Prohibited Expenditure
1	17-Jul-25	05-Sept-25	R1 378 802.00	CHIRWA INVESTMENTS PTY LTD	Security services	Accounting officer	Irregular Expenditure
2	17-Jul-25	05-Sept-25	R477 112.19	CHIRWA INVESTMENTS PTY LTD	Security services	Accounting officer	Irregular Expenditure
3	25-Jul-25	05-Sept-25	R309 925.00	VUSA -ISIZWE SECURITY	Security services	Accounting officer	Irregular Expenditure
4	17-Aug-25	05-Sept-25	R1 378 802.00	CHIRWA INVESTMENTS PTY LTD	Security services	Accounting officer	Irregular Expenditure
5	17-Aug-25	05-Sept-25	R477 112.19	CHIRWA INVESTMENTS PTY LTD	Security services	Accounting officer	Irregular Expenditure
6	25-Aug-25	05-Sept-25	R309 925.00	VUSA -ISIZWE SECURITY	Security services	Accounting officer	Irregular Expenditure
7	19-Sept-25	05-Sept-25	R1 378 802.00	CHIRWA INVESTMENTS PTY LTD	Security services	Accounting officer	Irregular Expenditure
8	20-Sept-25	05-Sept-25	R477 112.19	CHIRWA INVESTMENTS PTY LTD	Security services	Accounting officer	Irregular Expenditure
9	25-Sept-25	05-Sept-25	R309 925.00	VUSA -ISIZWE SECURITY	Security services	Accounting officer	Irregular Expenditure
			<b>6 497 517.57</b>				

**TENDER REPORT**

<b>6.2 TENDERS IN SPECIFICATION COMMITTEE</b>		
<b>TENDER NUMBER</b>	<b>STATUS</b>	<b>DESCRIPTION</b>
UMHL01/2025/2026	In progress	Mafa to mboza gravel road
UMHL02/2025/2026	In progress	Manguzi sportfield Phase 2
UMHL04/2025/2026	In progress	Construction of mbubeni to majola
UMHL05/2025/2026	In progress	Construction of inkosi justice to njinji
UMHL06/2025/2026	In progress	Construction of Mazambane eletrification phase 2
UMHL07/2025/2026	In progress	Construction of Ndondlweni to to mqhiyama eletrification phase 2
UMHL08/2025/2026	In progress	Construction of Oqondweni eletrification phase 3
UMHL09/2025/2026	Advertised	Provision of Voucher cards for a periods of 36 months
UMHL03/2025/2026	Advertised	Website delepment & hosting
UMHL10/2025/2026	Advertised	Internal Audit
<b>6.2 TENDERS IN EVALUATION COMMITTEE</b>		
<b>TENDER NUMBER</b>	<b>STATUS</b>	<b>DESCRIPTION</b>
<b>6.3 TENDERS IN ADJUDICATION COMMITTEE</b>		
<b>TENDER NUMBER</b>	<b>STATUS</b>	<b>DESCRIPTION</b>
<b>6.4 AWARDED TENDERS</b>		
<b>TENDER NUMBER</b>	<b>DESCRIPTION</b>	

## **6. REPORT ON IMPLEMENTATION OF PROCUREMENT PLAN**

### **7.1 INTRODUCTION**

The Municipal Finance Management Act (No. 56 of 2003), (MFMA) requires that the resources of municipalities are used effectively, efficiently and economically. This report aims to give overview of implementation of procurement plans proposed by end-user departments. Procurement planning should take place at the beginning of the financial year when the institution's IDP, Service Delivery and Budget Implementation Plan (SDBIP) and annual budget have been approved. Procurement plans cannot be developed in isolation; it should instead form part of the institution's and other functional strategies. The SCM Unit must perform hand-in-hand with user departments/ directorates in the formulation of procurement plans

### **7.2 REPORT**

Quarter one 2025/2026 report on implementation of procurement plan, procurement activities were a result of implementation of municipal approved procurement plan, however there are still gaps to be filled as there are goods/ services procured which were not planned for/ were not shown in departmental plans. End user departments do not implement their own plans when it comes to procurement. SCM procures as and when it becomes need without proper following plan on place approved by accounting officer. It can be reported that more than 50% of goods/ services are procured without following procurement plan. In this Quarter alone, we have encountered number of requisitions which were approved by HODs even though they do not appear anywhere in procurement plan.

## 7. DEVIATION REGISTER

Deviations are in accordance with SCM Regulation 36 and SCM Policy of uMhlabuyalingana Municipality.

DATE	ORDER NO	SERVICE PROVIDER	DESCRIPTION	REASON FOR DEVIATION	STATUS	AMOUNT
11-07-2025	PO10179	ILANGA NEWS PAPER	ADVERTISING	RECOMMENDED SUPPLIER	APPROVED	R3 353.51
02-09-2025	PO10402	ILANGA NEWS PAPER	ADVERTISING	RECOMMENDED SUPPLIER	APPROVED	R5 961.72
26-09-2025	PO10464	ILANGA NEWS PAPER	ADVERTISING	RECOMMENDED SUPPLIER	APPROVED	R11 179.12
				TOTAL		<b>R20 494.35</b>