



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

**Q2**

**2025/2026**

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## 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>	<b>Official Authorising</b>
R1 up to R2 000.00	Petty Cash	Till Slip and request	Departmental HOD/MM
All transaction exceeding R2 000 below R300 000	Quotations	Minimum of 3 formal written Quotations, Valid Tax clearance and they must all be advertised at least 7 days on notice boards and website.	Departmental HOD/MM
R300 000 above	Tender	Competitive Bidding Process to be followed.	MM

#### 4. AWARDS ABOVE R100,000

DATE	COMPANY NAME	STATUS	ORDER NUMBER	AMOUNT
07-Oct-25	MENZELOKUHLE BROTHERS		PO10643	R110 000.00
07-Oct-25	ZIBLE TRADING AND PROJECTS		PO10627	R165 000.00
09-Oct-25	MEVUMA TRADING		PO10527	R135 763.90
10-Oct-25	THOLUMUSA CONSULTING		PO10526	R146 944.00
10-Oct-25	NDAWANIKA PTY LTD		PO10570	R146 064.50
23-Oct-25	YONKINSIPHO IYAWASHA TRADING PTY LTD		PO10559	R199 987.50
23-Oct-25	NTABENDE TRADING		PO10567	R167 400.00
24-Oct-25	MBULAZI TRADING		PO10591	R159 980.00
27-Oct-25	REVOLUTIONAL GENERAL TRADING		PO10573	R144 900.00
29-Oct-25	QHABULA BUSINESS SOLUTIONS		PO10702	R220 106.52
31-Oct-25	TRAVEL WITH FLAIR (TWF)		PO10569	R128 903.69
31-Oct-25	LEGENDARY RILM		PO10629	R244 600.00
03-Nov-25	BOMBO STONE		PO10597	R128 804.35
11-Nov-25	STAH TRADING PTY LTD		PO10706	R260 000.00
11-Nov-25	SPHUMENOTHO (PTY) LTD		PO10707	R166 964.00
11-Nov-25	NASU HOLDINGS PTY LTD		PO10687	R121 500.00
13-Nov-25	MYEKENI002 TRADING ENTERPRISE (PTY)LTD		PO10606	R169 830.00
14-Nov-25	LEAD XAVIER PTY LTD		PO10666	R246 500.00
17-Nov-25	GOLDEN TRINITY PTY LTD		PO10628	R189 000.00
25-Nov-25	MHLEHLWA TRADING		PO10731	R114 000.00
24-Nov-25	MEHLOKAZI PLANT HIRE		PO10671	R173 900.00
02-Dec-25	TRAVEL WITH FLAIR (TWF)		PO10685	R145 679.27
03-Dec-25	SPECY DISTRIBUTION		PO10705	R198 525.30
03-Dec-25	EXCLUSIVE BUSINESS SERVICES		PO10730	R140 186.00
24-Dec-25	TRAVEL WITH FLAIR (TWF)		PO10742	R139 260.00
	TOTALS			<b>4 299 799.03</b>

- This report is not limited to the extract above.

#### 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-INT	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
9	08-Oct-25		08-Oct-25	882842010211.	R0.48	ESKOM HOLDINGS-IT	Water & eletricity	Accounting Officer	Fruitless & Wastefull Ependiture
10	20-Oct-25		20-Oct-25	524875999500.	R308.22	ESKOM LIMITED-INT	Water & eletricity	Accounting Officer	Fruitless & Wastefull Ependiture
12	20-Oct-25		20-Oct-25	67068535518.	R252.25	ESKOM LIMITED-INT	Water & eletricity	Accounting Officer	Fruitless & Wastefull Ependiture
13	27-Oct-25		27-Oct-25	510H2000832C.	<b>91.01</b>	TELKOM SA	TELEPHONE	Accounting Officer	Fruitless & Wastefull Ependiture
14	16-Nov-25		16-Nov-25	511D2000120Z	<b>19.01</b>	TELKOM SA-LIB	TELEPHONE	Accounting Officer	Fruitless & Wastefull Ependiture
15	20-Nov-25		20-Nov-25	670479018335	<b>371.68</b>	ESKOM HOLDINGS LI	Water & eletricity	Accounting Officer	Fruitless & Wastefull Ependiture
16	20-Nov-25		20-Nov-25	524284105624	R234.34	ESKOM HOLDINGS LI	Water & eletricity	Accounting Officer	Fruitless & Wastefull Ependiture
					<b>R5 453.79</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-Oct-25	R1 378 802.00	CHIRWA INVESTMENTS PTY LTD	Security services	Accounting officer	Irregular Expenditure
8	20-Sept-25	05-Oct-25	R477 112.19	CHIRWA INVESTMENTS PTY LTD	Security services	Accounting officer	Irregular Expenditure
9	25-Sept-25	05-Oct-25	R309 925.00	VUSA -ISIZWE SECURITY	Security services	Accounting officer	Irregular Expenditure
10	17-Oct-25	05-Nov-25	R1 378 802.00	CHIRWA INVESTMENTS PTY LTD	Security services	Accounting officer	Irregular Expenditure
11	17-Oct-25	05-Nov-25	R477 112.19	CHIRWA INVESTMENTS PTY LTD	Security services	Accounting officer	Irregular Expenditure
12	25-Oct-25	05-Nov-25	R309 925.00	VUSA -ISIZWE SECURITY	Security services	Accounting officer	Irregular Expenditure
13	17-Nov-25	05-Dec-25	R1 378 802.00	CHIRWA INVESTMENTS PTY LTD	Security services	Accounting officer	Irregular Expenditure
14	17-Nov-25	05-Dec-25	R477 112.19	CHIRWA INVESTMENTS PTY LTD	Security services	Accounting officer	Irregular Expenditure
15	25-Nov-25	05-Dec-25	R309 925.00	VUSA -ISIZWE SECURITY	Security services	Accounting officer	Irregular Expenditure
16	10-Dec-25	05-Jan-26	R1 378 802.00	CHIRWA INVESTMENTS PTY LTD	Security services	Accounting officer	Irregular Expenditure
17	10-Dec-25	05-Jan-26	R477 112.19	CHIRWA INVESTMENTS PTY LTD	Security services	Accounting officer	Irregular Expenditure
18	10-Dec-25	05-Jan-26	R309 925.00	VUSA -ISIZWE SECURITY	Security services	Accounting officer	Irregular Expenditure

**R12 995 035.14**

Opening balance	<b>13 137 409.00</b>
Irregular for the year	<b>12 995 035.14</b>
Written Off	<b>12 995 035.14</b>
Closing balance	<b>13 137 409.00</b>

## TENDER REPORT

<b>6.2 TENDERS IN SPECIFICATION COMMITTEE</b>		
<b>TENDER NUMBER</b>	<b>STATUS</b>	<b>DESCRIPTION</b>
UMHL10/2025/2026	In Progress	Provision on internal auditors
UMHL22/2025/2026	In Progress	Simanjemanje access road
UMHL23/2025/2026	In Progress	Sibonokuhle-Siphahleni accessroad
UMHL24/2025/2026	In Progress	Mbazwana education centre tar road
UMHL25/2025/2026	In Progress	Mathe access road
UMHL26/2025/2026	In Progress	Esicabazini Community hall
UMHL27/2025/2026	In Progress	Esicabazini Market stalls
<b>6.2 TENDERS IN EVALUATION COMMITTEE</b>		
<b>TENDER NUMBER</b>	<b>STATUS</b>	<b>DESCRIPTION</b>
UMHL16/2025/2026	Waiting for evaluation	Resurfacing of Manguzi hospital road
UMHL14/2025/2026	Waiting for evaluation	Microsoft 365 upgrade & renewal
UMHL18/2025/2026	Waiting for evaluation	Consultand for DLTC Tar testing road
<b>6.3 TENDERS IN ADJUDICATION COMMITTEE</b>		
<b>TENDER NUMBER</b>	<b>STATUS</b>	<b>DESCRIPTION</b>
UMHL3 2025/2026	Waiting for adjudication	Website development
<b>6.4 AWARDED TENDERS</b>		
<b>TENDER NUMBER</b>	<b>DESCRIPTION</b>	<b>SUPPLIER NAME</b>
UMHL1/2025/2026	Construction of Mafa to mboza gravel road	Mlandomuhle (pty) ltd
UMHL2/2025/2026	Refurbishment of manguzi sportsfield Phase 2	Ezinhle Suppliers (pty) ltd
UMHL4/2025/2026	Mbubeni to majola gravel road	ZE Nxumalo Transport
UMHL5/2025/2026	Inkosi justice to njinji gravel road	Zabalaza group CC
UMHL6/2025/2026	Mazambane Phase 2 eletrification	Igoda Projects (pty) ltd
UMHL7/2025/2026	Ndlondweni Mnqiyama Phase 2	Nhlansi Projects (pty) ltd
UMHL8/2025/2026	Oqondweni phase 3 eletrification	A1 Eletrical
UMHL13/2025/2026	Mbazwana solar street light	Thokomela Enginnering (pty) ltd
UMHL15/2025/2026	Maintenance of eletricity in main building	PQ Eletrical

## 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 institutions 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 two 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
06-10-2025	PO010587	ILANGA NEWS PAPER	ADVERTISING	RECOMMENDED SUPPLIER	APPROVED	R11 178.22
22-10-2025	PO010553	ILANGA NEWS PAPER	ADVERTISING	RECOMMENDED SUPPLIER	APPROVED	R8 197.32
05-11-2025	PO10587	ILANGA NEWS PAPER	ADVERTISING	RECOMMENDED SUPPLIER	APPROVED	R11 178.12
17-11-2025	PO10638	ILANGA NEWS PAPER	ADVERTISING	RECOMMENDED SUPPLIER	APPROVED	R4 471.30
19-11-2025	PO10641	ILANGA NEWS PAPER	ADVERTISING	RECOMMENDED SUPPLIER	APPROVED	R9 687.72
21-11-2025	PO10660	ILANGA NEWS PAPER	ADVERTISING	RECOMMENDED SUPPLIER	APPROVED	R3 353.52
25-11-2025	PO10662	ILANGA NEWS PAPER	ADVERTISING	RECOMMENDED SUPPLIER	APPROVED	R7 452.12
25-11-2025	PO10661	ILANGA NEWS PAPER	ADVERTISING	RECOMMENDED SUPPLIER	APPROVED	R8 197.32
25-11-2025	PO10663	ILANGA NEWS PAPER	ADVERTISING	RECOMMENDED SUPPLIER	APPROVED	R8 942.52
03-12-2025	PO10708	ILANGA NEWS PAPER	ADVERTISING	RECOMMENDED SUPPLIER	APPROVED	R4 471.32
				TOTAL		<b>R97 623.83</b>

