



**Implementation of the supply chain management policy of the
Emadlangeni Local Municipality**

(As per Section 6(1) (3) of the Municipal SCM Regulations)

SCM MONTHLY REPORT

November 2025

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1. Introduction

In terms of paragraph 6(3) of the Municipal Supply Chain Management Regulations, the council must maintain an oversight role over the implementation of the Municipal Supply Chain Management policy. The accounting officer must within 10 days of the end of each quarter, submit a report on the implementation of this policy to the mayor.

2. SCM Policy and procedures

2.1 Items for consideration in the policy review

All the items in the policy review should be considered.

2.2 Delegations

The delegations are in the SCM policy but there are no financial delegations.

2.3 Implementation of the procedure manual

SCM procedure manuals are in place.

3. Functioning of the SCM Unit

3.1 Declaration of interest by SCM personnel

- All SCM personnel have declared interest.

3.2 Adequacy of personnel within SCM

- The personnel is not adequate within the SCM Unit.

4. Functioning of bid committees

4.1 Bid committees constituted

- Bid committee are established as per SCM regulations.

4.2 Adequacy of Bid committees

- SCM bid committees are functioning.

4.3 Bid committees declarations

- Bid committees declare their interest before any bid committee meeting commences.

5. SECTION 114 DEVIATIONS

Section 114 of the MFMA permits the Accounting Officer to approve a tender “other than the one recommended through a normal procurement process”. The Accounting Officer is required to report such a deviation to the Auditor –General, the Provincial Treasury, and the National Treasury within 10 working days (in terms of Regulation 29(7) of the Municipal SCM Regulations, 2005), stating the reasons that necessitated such a decision.

| DATE OF AWARD | CONTRACT DESCRIPTION (TO INCLUDE BID/QUOTATION NUMBER) | AWARD VALUE | BEC RECOMMENDATION | BAC RECOMMENDATION | REASON FOR DEVIATION | NOTIFICATIONS | | |
|---------------|--|-------------|--------------------|--------------------|----------------------|---------------|-----|-----|
| | | | | | | A G | NT | PT |
| N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

6. REGULATION 36 DEVIATION

Regulation 36 of the Municipal SCM Regulations of 2005 permits the Accounting Officer to “dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process”. This would typically include urgent and emergency cases, single –source goods, and any other cases where it is impractical to follow normal SCM process. In the event of such a decision, the accounting officer is required to report this to the next Council meeting.

| No. | DESCRIPTION (INCLUDING QUOTATION / BID NUMBER) | DATE OF AWARD | AWARDED TO | AWARD VALUE | REASON FOR DEVIATION | DATE REPORTED TO COUNCIL |
|-----|--|---------------|---------------------------|-------------|---|--------------------------|
| 1. | PO03714 - Advertising MPRA Section 14(1) and (2) notice on government gazette. | 18/06/2025 | Government Printing Works | R 2 017.56 | Government Printing Works is sole provider for publishing the requested publication in government gazette. It is impractical to follow SCM processes. | |

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|----|--|------------|---|-------------|--|
| 2. | <p>PO03836 - Two (2) x 15 seater Taxis to Transport People from Various EmaLangeni Areas to Osizweni for Disability Sports according to these days: 28 August 2025; 18 September 2025; 02 October 2025 and 27 November 2025</p> | 27/08/2025 | Osizweni, Utrecht and Boundaries Taxi Association | R 66 800.00 | <p>Two (2) x 15 seater Taxis Requested from the taxi association to transport people to Osizweni Disability Sports from Various EmaLangeni Areas to Osizweni and Return Trip. This is the only Recognized taxi association under Amajuba District for the Requested Routes. It is Impractical to follow SCM processes.</p> |
| 3. | <p>PO03896 - One (1) x 15 seater taxi to transport grade 4s from five local schools to the International Reading for Meaning Programme scheduled for the 16 of October 2025.</p> | 15/10/2025 | Osizweni, Utrecht and Boundaries Taxi Association | R 4 480.00 | <p>The one (1) taxi is requested from the taxi association to transport people from the various EmaLangeni area and return trip. This is the only recognized taxi association under Amajuba district for the requested routes. It is impractical to follow SCM processes.</p> |
| 4. | <p>PO03910 - Procuring 2000 x Confidential laser pay slips.</p> | 16/10/2025 | Payday Software Systems (Pty) Ltd | R 5 733.46 | <p>The Municipality is currently using Payday Software systems. Payday is the sole provider because they are the owners of the software and they design & produce their own pay slips for their software. It is impractical to follow SCM process.</p> |
| 5. | <p>PO03932 - Carry out 250 normal hours service and Replace Bucket Teeth (Back & Front) for TLB CK 83 NK ZN.</p> | 31/10/2025 | Bell Equipment | R 21 280.06 | <p>All municipal vehicles and machines are repaired and serviced from where they were initially bought, because the original dealers have the necessary parts and have good knowledge of their products. It is recommended that the vehicle to be</p> |

| | | | | | | |
|----|---|------------|---|-------------|--|--|
| | | | | | taken to the original seller for a strip and quote. It is impractical to follow SCM processes. | |
| 6. | PO03931 - Carry out 250 hour services for ELB Grader MG460 BH 22 HT ZN. | 31/10/2025 | ELB Equipment | R 36 420.05 | All municipal vehicles and machines are repaired and serviced from where they were initially bought, because the original dealers have the necessary parts and have good knowledge of their products. It is recommended that the vehicle to be taken to the original seller for a strip and quote. It is impractical to follow SCM processes. | |
| 7. | PO03937 - One (1) x 15 seater taxi to transport grade 4s from five local schools to the International Reading for Meaning Programme at Newcastle town hall scheduled for the 05 November 2025. | 04/11/2025 | Osizweni, Utrecht and Boundaries Taxi Association | R 6 000.00 | The one (1) taxi is requested from the taxi association to transport learners from the various local schools to Newcastle and return trip. This is the only recognized taxi association under Amajuba district for the requested routes. It is impractical to follow SCM processes by obtaining a minimum of three quotations as per SCM policy. | |
| 8. | PO03944 - Procuring New Traffic Fine Books. | 10/11/2025 | Government Printing Works | R 16 025.08 | Government Printing Works is sole mandated state printer for AARTO-related Stationery materials throughout the country. | |

| | | | | | | |
|-----|---|------------|---|--------------|---|--|
| 9. | PO03945 - Calibration of Prolaser 4 Speed Equipment. | 10/11/2025 | Truvelo Africa Electronics Division (PTY) LTD | R 6 881.65 | Truvelo Africa Electronics Division (PTY) LTD is sole provider for suppling and manufacturing Truvelo Range Product. This includes Service, repair Maintenance, training and installation. | |
| 10. | PO03961 - Procurement of electrical spare parts for 124B Plein Street electrical connection point. | 24/11/2025 | Voltex Newcastle | R 3 131.52 | This request is based on an emergency following a cable theft incident at 124B Plein Street connection point, which has left the residents at 124A & B, 126A and 128 Plein Street without electricity. Extended outage affects the basic rights of residents to electricity and prolonged darkness increases the risk of crime and vandalism to municipal infrastructure. Therefore, the restoration of power is our immediate priority to ensure public safety, mitigate further network damage and restore services to our customers. It is impractical to follow SCM processes by obtaining a minimum of three quotations as per SCM policy. | |
| 11. | PO03964 - Emergency purchase of 1 x 315kVA 11kV/400V mini substation. | 26/11/2025 | BKM Zone.28 Enterprise (Pty) Ltd | R 850 942.50 | This request is based on an emergency following a catastrophic lightning strike that left the residents and business customers at Kerk, Bloem, Van Rooyen, Plein, Marchalk, De Kock, General, Naude, Hugo, Jooste, Scheefer and | |

| | | | | | |
|--|--|--|--|--|--|
| | | | | <p>Marhebe Streets without electricity. On 20 November 2025, the 315kVA mini substation located at Voor Street opposite Rally Supermarket suffered a direct lightning strike. The technical assessment confirmed that the core windings have shortened, and the unit is beyond economical repair and must be replaced. Approximately 30% of residents, including businesses, are without electricity. This outage poses significant risks to public safety, security and essential services, as the whole Utrecht Town, White City, Bendsorp and Aggrivillage have limited water supply. Extended outage affects the basic rights of residents to electricity and prolonged darkness increases the risk of crime and vandalism to municipal infrastructure. Therefore, the restoration of power is our immediate priority to ensure public safety, mitigate further network damage and restore services to our customers. Although a minimum of three quotations was obtained, it was impractical to follow the process for competitive bidding as per SCM policy.</p> | |
|--|--|--|--|--|--|

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|--------------|--|------------|---|-----------------------|--|
| 12. | PO03967 - Thirty (30) x 15-seater Taxis to Transport People from Various Emadlangeni Areas (all six (6) wards) to Bersig Sport Ground for Emadlangeni Disaster Emergency Centre opening on the 02nd of December 2025. | 27/11/2025 | Osizweni, Utrecht and Boundaries Taxi Association | R 87 500.00 | Thirty (30) x 15-seater Taxis were requested from the taxi association to transport people from Various Emadlangeni Areas (all six (6) wards) to Bersig Sport Ground and return trip, for the opening of Emadlangeni Disaster Emergency Centre. This is the only Recognized taxi association under Amajuba District for the requested routes. It is impractical to follow SCM processes. |
| TOTAL | | | | R 1 107 211.88 | |

7. SECTION 32 APPOINTMENTS

Regulation 32 of the Municipal SCM Regulations of 2005 allows the Accounting Officer to procure goods or services for the municipality under a contract secured by another organ of state.

| DATE OF AWARD | CONTRACT DESCRIPTION | AWARD VALUE | CONTRACT AWARDED TO | NAME OF DEPARTMENT/ MUNICIPALITY | CONSENT OBTAINED FROM BOTH ORGAN OF STATE AND SERVICE PROVIDER | REASON FOR DEVIATION |
|---------------|----------------------|-------------|---------------------|----------------------------------|--|----------------------|
| n/a | n/a | n/a | n/a | n/a | YES NO | n/a |

8. SECTION 33 APPOINTMENTS

Section 33 of the Municipal Finance Management Act (MFMA) requires municipalities to make long-term contracts (lasting over three financial years) public and to seek public and government input on them. This process involves the municipality publishing background information and a draft contract to allow for public comment, and obtaining comments from relevant government bodies like the National Treasury.

| NO. | BID REFERENCE NUMBER | NAME OF CONTRACTOR | DESCRIPTION OF CONTRACT | VALUE OF CONTRACT | APPOINTMENT DATE | START DATE | END DATE |
|-----|----------------------|--------------------------|---|---|--|--|--|
| 1. | MN10/2021-22 | Umhlaba Geomatics Inc. | General Valuation and Preparation of the Valuation Roll for 1 July 2023 and Preparation and Updating of Valuation Rolls for Period 1 July 2023 to June 2028 | <ul style="list-style-type: none"> ● Phase 1 (Year1) =R 700 000.00 ● Phase 2 (Year2-5) =R 770 000.00 ● Total Value =R 1 470 000.00 | <ul style="list-style-type: none"> ● 08/09/2022 ● Phase 1 (Year1) Compiling General Valuation Roll. ● Phase 2 (Year2-5) Maintenance of Valuation Roll | <ul style="list-style-type: none"> ● Phase 1 (Year1) =01/09/2022 ● Phase 2 (Year2-5) =01/07/2023 | <ul style="list-style-type: none"> ● Phase 1 (Year1) =01/06/2023 ● Phase 2 (Year2-5) =30/06/2028 |
| 2. | MN01/2024-25 | Firststrand Bank Limited | Banking Services for a Period of 5 Years | R 105.39/rate based | 08/04/2025 | 01/05/2025 | 30/04/2030 |

9. REGULATION 17(1)(c)(d) APPOINTMENT

8.1 The Municipal SCM Regulation 17(1)(c)(d); provide that a Supply Chain Management Policy must stipulate the conditions for the procurement of goods or services through formal written price quotations, which must include conditions stating:

- that if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the Chief Financial Officer or an official designated by the Chief Financial Officer;
- that the Accounting Officer must record the names of the potential providers and their written quotations.

8.2 In compliance with the above-mentioned prescripts, request for quotations / invitation to quote for the required goods was advertised and received as per the table below:

| No. | Description | Total number of days the RFQ was advertised | Number of price quotations or offers received | Awarded service provider | Amount |
|-----|-------------|---|---|--------------------------|--------|
| 1. | N/A | N/A | N/A | N/A | N/A |

10. Reports on unauthorized, irregular, fruitless and wasteful expenditure

Section 32(4) of the MFMA requires that the Accounting Officer "promptly" inform the Mayor, MEC for Local Government, and the Auditor-General of any unauthorized, irregular, and fruitless and wasteful expenditure that the municipality has incurred. Only Council can deal with these matters in the manner prescribed.

| No. | TYPE OF EXPENDITURE INCURRED | RECIPIENT OF THE PAYMENT | EXPENDITURE AMOUNT | REPORTING | | DETAILED EXPLANATION OF THE EXPENDITURE | DEPARTMENT RESPONSIBLE |
|-----|------------------------------|--------------------------------------|--------------------|------------|------|--|------------------------|
| | | | | MEC: COGTA | A- G | | |
| 1. | Irregular expenditure | Microsoft Ireland Operations Limited | R 19 243.98 | Yes | | Billing Period 01/10/2025 - 31/10/2025. The SCM processes were not followed because the SCM unit did not receive a requisition for this request, and services were rendered without following the SCM processes. A minimum of three quotations was not obtained. The procedure for the procurement of goods or services through written quotations or formal written price quotations were not followed as per SCM policy. | Corporate |
| 2. | Irregular expenditure | Fountain Lane | R 1 339.33 | Yes | | Procuring 400 x 500ml Still Bottled Water. The end user initially requested petty cash for the procurement of 400 x 500 ml still bottled water. However, the Expenditure Unit did not issue the petty cash as requested and instead processed payment directly to the service provider via EFT. The goods were procured without adherence to the prescribed SCM procedures. The procedure | BTO |

| | | | | | | | |
|-----------|-----------------------|-------------|-------------|-----|--|---|-----|
| | | | | | | for the procurement of goods or services through written quotations or formal written price quotations were not followed as per SCM policy. | |
| 3. | Irregular expenditure | | R 4 675.00 | Yes | | Additional Support - Remote Assistance (Supplementary Valuation Roll upload & Assist with billing of review and billing of Interest for month of March 2024) - Consultants: Mbuso Ndwane - 02 & 09 April 2024. The preference points system was not used for the awarded bidders in the panel for the financial system. | BTO |
| 4. | Irregular expenditure | CCG Systems | R 6 650.00 | Yes | | Additional Support - Remote Assistance (Rectifying accounts and inventory consumed and acquisitions; Reviewing and assisting with the supporting tables & Inventory meeting) - Consultants: Natasha Ramlal - 23 - 24 May 2024. The preference points system was not used for the awarded bidders in the panel for the financial system. | BTO |
| 5. | Irregular expenditure | CCG Systems | R 17 280.00 | Yes | | EAMS360 Asset Training 2024. - Consultant: Karabo Sibisi - 22 - 23 April 2024. The preference points system was not used for the awarded bidders in the panel for the financial system. | BTO |
| 6. | Irregular expenditure | CCG Systems | R 5 950.00 | Yes | | Additional Support - Remote Assistance (Customization of letter of Demands requested by Spha & Session for progress Report with Ntobeko and Spha) - Consultants: Mbuso Ndwane - 20 May 2024. The preference points system was not used for the awarded bidders in the panel for the financial system. | BTO |

| | | | | | | |
|----|-----------------------|-------------|-------------|-----|---|-----|
| 7. | Irregular expenditure | CCG Systems | R 1 700.00 | Yes | Additional Support - Remote Assistance (Supplementary GV) - Consultants: Mbuso Ndwalane - 01 July 2024. The preference points system was not used for the awarded bidders in the panel for the financial system. | BTO |
| 8. | Irregular expenditure | | R 14 350.00 | Yes | Additional Support - Remote Assistance (Assisting Ntobeko with correcting the opening reading for a meter and reversals of billing; Assisting Thando with Interest Billing & Session with revenue team) - Consultant: Mbuso Ndwalane - 03 & 05 & 12 July 2024. Remote Assistance (Debtors Recon review; Unallocated account review and clearing; Unallocated account review & Debtors recon differences review) - Consultant: Mondli Misimango - 11 & 12 July 2024. The preference points system was not used for the awarded bidders in the panel for the financial system. | BTO |
| 9. | Irregular expenditure | CCG Systems | R 34 325.00 | Yes | Additional Support - Remote Assistance (Session with AG and Revenue Team for Meter Readings; Extraction of Requested Report; Interest working session; COMAF29; Discussing the meter Adjustments in the system; Session on how the system does the reversal for incorrect meter readings; Discussing the interest calculated in the system; Assisting Linda with balancing Bank Reconciliation for October 2024 and Printing it; Assisting with reviewing the C Schedule and fixing the figures & Assisting with account creation and viewing the AR TRcodes to fix Interest TRcodes) - Consultant: Mbuso Ndwalane; | BTO |
| | | CCG Systems | | | | |

| | | | | | | |
|-----|-----------------------|--|-------------|-----|--|---------------------------|
| | | | | | Phindile Mzelemu & Samukelo Mahlaba - 11 - 15 November 2024. The preference points system was not used for the awarded bidders in the panel for the financial system. | |
| 10. | Irregular expenditure | | R 3 375.00 | Yes | Additional Support - Remote Assistance (Assist with updating all customers that have emails to receive statements via emails; Assist importing of journals on job training; Discussion meeting for revenue journal for in year reporting & Assisting with User unable to import GL Journal Batch) - Consultants: Natasha Ramlal & Zingiwe Mfazwe - 29 & 31 January 2024. The preference points system was not used for the awarded bidders in the panel for the financial system. | BTO |
| 11. | Irregular expenditure | CCG Systems Oranje Projects (Pty) Ltd t/a Silent Wheels | R 18 256.25 | Yes | Breakdown call out for Grader CK83GRZN and perform a strip and quote. Based on the Auditor-General's audit opinion regarding the appointment of MN02/2024-25: PANEL OF SERVICE PROVIDERS TO RENDER REPAIRS, MAINTENANCE & SERVICING OF MUNICIPAL FLEET AS AND WHEN NEEDED BASIS FOR A PERIOD OF 3 YEARS, the bid document and the advert invitation, only states that the bid shall be evaluated on a 1-stage evaluation system functionality criteria. The applicable preference point system was not stipulated in the tender documents and the advert which results to irregular expenditure. | Infrastructure & Planning |
| 12. | Irregular expenditure | Oranje Projects (Pty) Ltd t/a Silent Wheels | R 21 354.19 | Yes | Full Service and Repairs of Faulty Parts for Nissan NP200 Bakkie CK83LZN. Based on the Auditor-General's audit opinion regarding the appointment of MN02/2024-25: PANEL OF | Infrastructure & Planning |

| | | | | | | | | | |
|------------|-----------------------|--|--|---------------------------------|------------|-----|--|---|-----------|
| | | | | | | | | | |
| 13. | Irregular expenditure | | | | R 1 134.00 | Yes | | <p>SERVICE PROVIDERS TO RENDER REPAIRS, MAINTENANCE & SERVICING OF MUNICIPAL FLEET AS AND WHEN NEEDED BASIS FOR A PERIOD OF 3 YEARS, the bid document and the advert invitation, only states that the bid shall be evaluated on a 1-stage evaluation system functionality criteria. The applicable preference point system was not stipulated in the tender documents and the advert which results to irregular expenditure.</p> <p>Emergency Repairs of Three (3) Punctured Tyres for Refuse Truck. Based on the Auditor-General's audit opinion regarding the appointment of MN02/2024-25: PANEL OF SERVICE PROVIDERS TO RENDER REPAIRS, MAINTENANCE & SERVICING OF MUNICIPAL FLEET AS AND WHEN NEEDED BASIS FOR A PERIOD OF 3 YEARS, the bid document and the advert invitation, only states that the bid shall be evaluated on a 1-stage evaluation system functionality criteria. The applicable preference point system was not stipulated in the tender documents and the advert which results to irregular expenditure.</p> | Community |
| 14. | Irregular expenditure | | | Utrecht Auto & General CC (UAG) | R 2 975.00 | Yes | | <p>Urgent Repairs for Tipper Mechanism for the Refuse Truck. Based on the Auditor-General's audit opinion regarding the appointment of MN02/2024-25: PANEL OF SERVICE PROVIDERS TO RENDER REPAIRS, MAINTENANCE & SERVICING OF MUNICIPAL FLEET AS AND WHEN NEEDED BASIS FOR A PERIOD OF 3 YEARS, the bid document and the advert invitation, only states that the bid shall be evaluated on a 1-stage evaluation system functionality criteria. The applicable preference point system was not stipulated in the tender documents and the advert which results to irregular expenditure.</p> | Community |
| | | | | Utrecht Auto & General CC (UAG) | | | | | Community |

| | | | | | | |
|-----|-----------------------|---------------------------------|------------|-----|---|---------------------------|
| 15. | Irregular expenditure | | R 4 790.00 | Yes | <p>stipulated in the tender documents and the advert which results to irregular expenditure.</p> <p>Repairs on Non-Starting Grader BH22HTZN. Based on the Auditor-General's audit opinion regarding the appointment of MN02/2024-25: PANEL OF SERVICE PROVIDERS TO RENDER REPAIRS, MAINTENANCE & SERVICING OF MUNICIPAL FLEET AS AND WHEN NEEDED BASIS FOR A PERIOD OF 3 YEARS, the bid document and the advert invitation, only states that the bid shall be evaluated on a 1-stage evaluation system functionality criteria. The applicable preference point system was not stipulated in the tender documents and the advert which results to irregular expenditure.</p> | Infrastructure & Planning |
| 16. | Irregular expenditure | Utrecht Auto & General CC (UAG) | R 941.00 | Yes | <p>Emergency Repairs of Punctured Tyres for Refuse Truck. Based on the Auditor-General's audit opinion regarding the appointment of MN02/2024-25: PANEL OF SERVICE PROVIDERS TO RENDER REPAIRS, MAINTENANCE & SERVICING OF MUNICIPAL FLEET AS AND WHEN NEEDED BASIS FOR A PERIOD OF 3 YEARS, the bid document and the advert invitation, only states that the bid shall be evaluated on a 1-stage evaluation system functionality criteria. The applicable preference point system was not stipulated in the tender documents and the advert which results to irregular expenditure.</p> | Community |
| 17. | Irregular expenditure | Utrecht Auto & General CC (UAG) | R 513.00 | Yes | <p>Tyre Repairs for TLB CK83NKZN. Based on the Auditor-General's audit opinion regarding the appointment of MN02/2024-25: PANEL OF SERVICE PROVIDERS TO RENDER REPAIRS, MAINTENANCE & SERVICING OF MUNICIPAL FLEET AS AND WHEN NEEDED BASIS FOR A PERIOD OF 3 YEARS, the bid document and the advert invitation, only states that the bid shall be evaluated on a 1-stage evaluation system functionality criteria. The applicable preference point system was not stipulated in the tender documents and the advert which results to irregular expenditure.</p> | Infrastructure & Planning |

| | | | | | | | |
|-----|----------------------------------|-------|---------------------|-----|--|--|-----|
| | | | | | | be evaluated on a 1-stage evaluation system functionality criteria. The applicable preference point system was not stipulated in the tender documents and the advert which results to irregular expenditure. | |
| 18. | Fruitless & Wasteful expenditure | Eskom | R 108.70 | Yes | Interest on overdue account - October 2025. (Account No. 7289864497). Invoice was not paid on time. The municipality could not make payment due to financial challenges. | | BTO |
| | TOTAL | | R 158 960.45 | | | | |

11. Spend Analysis

In order for the Council to have an oversight role the following information is supplied.

1. All bids awarded above R 100 000
2. Top 10 suppliers by value of contracts awarded
3. Top 10 suppliers by number of contracts awarded

11.1 Bids awarded – Above R 100 000

| NO. | SERVICE PROVIDER | DESCRIPTION OF GOODS/SERVICE | CONTRACT AMOUNT |
|-----|--|---|-----------------|
| 1. | Sibangwane Trading and Projects | Provide the Services of Printing Newsletter x1000 copies: Design, Layout, Editing, Proof-Reading, Translation, Printing, Delivery and Distribution of the Emadlangeni Municipality Newsletter | R 110 000.00 |
| 2. | TS Media Infinite Creativity (Pty) Ltd | Graphic Design services for a period of 6 months as-and-when required | R 108 000.00 |

| | | | |
|----|--|---|--------------|
| 3. | Prosperous Positive Projects (Pty) Ltd | Physiotherapy and Medical Services for SALGA Games taking place on 05-08 December 2025 at Umgungundlovu District Municipality | R 194 000.00 |
| 4. | Goli Group (Pty) Ltd t/a Paper House | Supply And Delivery of Municipal Employees Uniform | R 631 371.06 |
| 5. | BKM Zone 28 Enterprise (Pty) Ltd | Supply, Deliver, Install and Commission 315kva 11kv/400v Four Compartment Minisubstation | R 850 942.50 |

11.2 Top 10 suppliers by value of payment (bids and quotations)

| NO. | SERVICE PROVIDER | AMOUNT | DATE OF PAYMENT |
|-----|--|----------------|--|
| 1. | Mbogz Civils (Pty) Ltd | R 1 621 925.43 | 11/11/2025 29/11/2025 |
| 2. | Fezile Security Services (Pty) Ltd | R 318 485.69 | 11/11/2025 |
| 3. | Khanyisa (Pty) Ltd | R 266 555.00 | 21/11/2025 21/11/2025 28/11/2025 |
| 4. | Goli Group (Pty) Ltd t/a Paper House | R 165 547.10 | 17/11/2025 21/11/2025 |
| 5. | Urban and Rural Construction (Pty) Ltd | R 154 628.02 | 12/11/2025 |
| 6. | Ocean Dawn Trading & Projects CC | R 136 128.87 | 21/11/2025 |
| 7. | Jumbo Holdings (Pty) Ltd | R 103 235.02 | 11/11/2025 |
| 8. | Komani Projects (Pty) Ltd | R 93 648.82 | 21/11/2025 |
| 9. | Camelsa Consulting Group (Pty) Ltd | R 83 630.00 | 21/11/2025 21/11/2025 21/11/2025 21/11/2025 21/11/2025 21/11/2025 21/11/2025 |

| | | | |
|-----|---|-------------|--|
| 10. | Uzwano Investments 26 t/a Buffalo Group | R 78 552.95 | 11/11/2025 21/11/2025 21/11/2025 |
|-----|---|-------------|--|

11.3 Top 10 suppliers by number of orders made

| NO. | SERVICE PROVIDER | AMOUNT | NUMBER OF ORDERS |
|-----|---|----------------|------------------|
| 1. | UAG | R 12 880.00 | 5 |
| 2. | Osizweni, Utrecht & Boundaries Taxi Association | R 169 500.00 | 3 |
| 3. | Goli Group (Pty) Ltd t/a Paper House | R 633 271.06 | 2 |
| 4. | Mr Mzansi Enterprises | R 145 000.00 | 2 |
| 5. | Auditor- General | R 1 842 077.10 | 2 |

12. Performance management

The Section 116 (2) (d) report is submitted by the relevant user departments on the management and performance on the appointed contractors whose contracts are still in progress.

| NO. | BID REFERENCE NUMBER | NAME OF CONTRACTOR | DESCRIPTION OF CONTRACT | VALUE OF CONTRACT | PAYMENT S TO DATE | DATE OF PAYMENT | APPOINTMENT DATE | SUPPLIER PERFORMANCE ASSESSMENT / PERFORMANCE RATING | | |
|-----|----------------------|-----------------------------|--|---------------------------------------|-------------------------------------|--|------------------|--|-----|---------------|
| | | | | | | | | SUPPLIER PERFORMANCE ASSESSMENT REPORT COMPILED | Yes | No |
| 1. | MN03/2021-22 | Konica Minolta South Africa | Leasing of printers for a period of 3 years. | 575 692.92 (fixed amount) for 3 years | 31 983.02 15 991.51 15 991.51 | 31/10/2022 30/11/2022 30/12/2022 | 31/05/2022 | No | No | Not submitted |

| | | | | | | | | | | |
|----|---------------------------|---|--|---------------|---|--|------------|-----|---------------|---------------|
| 5. | MN09/2018-19 (Turnkey) | NWS consulting engineering (Pty)Ltd | Kwa Ntaba Electrification | 2 866 194.41 | 497 878.29 144 538.47 823 018.13 925 881.73 327 892.60 103 348.53 361 750.56 | 05/07/2023 29/04/2022 15/11/2022 14/12/2022 28/02/2023 28/02/2023 06/05/2023 | 18/09/2022 | | No | Not submitted |
| 6. | MN09/2022-23 | SDM Asset Management and Consulting (Pty) Ltd | Appointment of Service Provider for the Verification of Immovable & Biological Assets (including valuation of Biological Assets) and Updating of Fixed Assets Register for a Period of 3 Years | 1 852 389.54 | 410 385.14 83 724.23 38 674.59 261 498.19 378 774.56 31 564.54 63 129.09 42 190.56 214 138.38 152 287.99 191 135.70 | 20/09/2023 30/11/2023 03/06/2024 24/07/2024 26/09/2024 04/10/2024 31/10/2024 24/04/2025 20/06/2025 27/08/2025 12/09/2025 | 10/08/2023 | No | Good | |
| 7. | MN09/2018-19 (Turnkey) | Afrilectrical Consulting Engineers (Pty) Ltd | Dorothea Electrification Project | 16 863 683.84 | 4 271 529.59 2 249 254.12 2 316 651.40 2 758 657.31 3 049 396.34 151 095.46 1 359 974.42 | 18/12/2023 05/03/2024 15/08/2024 05/09/2024 29/11/2024 25/04/2025 29/08/2025 | 17/04/2023 | Yes | Fair | |
| 8. | MN11/2022-23 | Loma Business Enterprises (Pty) Ltd | Appointment of Service Provider to Provide Pound Keeper Services for a Period of 36 Months | 538 200.00 | 14 950.00 14 950.00 14 950.00 14 950.00 14 950.00 14 950.00 14 950.00 14 950.00 | 29/02/2024 29/02/2024 29/02/2024 29/02/2024 03/06/2024 03/06/2024 08/08/2024 08/08/2024 | 17/10/2023 | No | Not submitted | |

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|-----|--------------|------------------------------------|--|--------------|--|--|------------|-----|---------------|
| 11. | MN21/2018-19 | Ocean Dawn Trading and Projects CC | Security Services for Emadlangeni Local Municipality for a period of 24 months | 6 534 185.46 | 136 128.87 136 128.87 136 128.87 136 128.87 136 128.87 136 128.87 272 257.73 136 128.87 272 257.73 136 128.87 272 257.73 136 128.87 | 26/03/2025 04/04/2025 19/05/2025 10/06/2025 18/06/2025 14/07/2025 14/07/2025 07/08/2025 29/08/2025 29/08/2025 16/10/2025 21/11/2025 | 01/02/2025 | Yes | Good |
| 12. | MN11/2024-25 | Siyaroro Trading CC | Construction of Luthilunye Access Road in Ward 1 | 5 787 944.25 | 671 772.50 3 243 063.48 821 022.80 203 022.07 | 31/07/2025 27/08/2025 30/09/2025 29/10/2025 | 03/06/2025 | Yes | Good |
| 13. | MN05/2024-25 | Kunene Makopo Risk Solutions | Provision of Short-Term Insurance for a period of three (3) years. | 2 509 639.33 | 358 971.90 | 27/08/2025 | 03/06/2025 | No | Not submitted |
| 14. | | Igoda Projects (Pty) Ltd | Energy Efficiency Services under EEDSM Programme | 3 850 000.00 | 1 073 300.00 | 31/10/2025 | 07/08/2025 | Yes | Good |

13. Risk Management




From the audits done by the Auditor-General and Internal Audit and the Provincial assessment the following issues were noted which requires monitoring before the municipality is exposed.

| NO. | ISSUE RAISED | ISSUE RAISED BY | PROPOSED ACTION TO ADDRESS ISSUE | DUE DATE | CURRENT STATUS ON REPORT DATE |
|-----|--|-----------------|---|----------|---|
| 1. | <p>Auditor General</p> <p>Some goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by the Regulation 19(a) of the Municipal Supply Chain Regulations (SCM regulations). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1). Similar non-compliance was reported in the prior year. This non-compliance was identified in the procurement processes for various electrification projects.</p> <p>Some good and services procured under contracts secured by other organs of state were not procured in accordance with SCM regulation 32, as there were no demonstrable benefits and discounts for participating in these contracts. Some goods or services procured under contracts secured by other organs of state and the provider did not consent to such procurement in writing. This non-compliance was identified in the procurement</p> | Auditor General | <p>Management will ensure strict adherence to the SCM Policy and Regulations by ensuring that:</p> <ul style="list-style-type: none"> - For all bids above R200 000, competitive bidding is implemented. - Cost / benefit analyses will be conducted prior to the appointment of Regulations 32 contracts. - All Regulation 32 appointments will be supported by written consent obtained from the other organ of state, however management has no intention to enter into any regulation 32 contract. | Ongoing | The municipality has not entered into any Regulation 32 contract. |

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| | processes for various electrification projects. Some goods and services procured under the contracts secured by other organs of state were not procured in accordance with SCM regulations 32, as the prices paid were not the same as the original contract. This non-compliance was identified in the procurement process for various electrification projects. | | | | | |
| | INTERNAL AUDIT | | | Management responses: | | |
| 1. | Some goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by Regulation 19(a) of the Municipal Supply Chain Regulations (SCM regulations). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1). Similar non-compliance was reported in the prior year. This non-compliance was identified in the procurement processes for various electrification projects. | Internal Audit | | All procurement must go through the Supply Chain Management office. No procurement should be authorized where procurement processes were not followed. Seek advice from the SCM office on the necessary steps to be followed on procurement processes. | Ongoing | Currently the municipality has not procured any goods and services of a transaction value above R200 000 without inviting competitive bids, as required by Regulation 19(a) of the Municipal Supply Chain Regulations (SCM regulations). |
| 2. | 1. Some goods and services procured under contracts secured by other organs of state were not procured in accordance with SCM regulation 32, as there were no demonstrable benefits and | Internal Audit | | SCM regulation 32 should be avoided at all times because of its strict conditions. Proper planning must be done for all procurement, and requisitions must be submitted on time to allow all necessary steps for competitive bidding processes to be followed. | Ongoing | The municipality has not entered into any Regulation 32 contract. |

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| | <p>discounts for participating in these contracts.</p> <p>2. Some goods or services procured under contracts secured by other organs of state and the provider did not consent to such procurement in writing. This non-compliance was identified in the procurement processes for various electrification projects.</p> <p>3. Some goods and services procured under the contracts secured by other organs of state were not procured in accordance with SCM regulations 32, as the prices paid were not the same as the original contract. This non-compliance was identified in the procurement process for various electrification projects.</p> | | <p>Seek advice from the SCM office on the necessary steps to be followed on procurement processes.</p> | | |
| <p>1.</p> | <p><u>Risk Management</u></p> <p>Poor implementation of Supply Chain Management processes:</p> <ol style="list-style-type: none"> 1. Increase in Irregular, Unauthorised, Fruitless and Wasteful expenditure. 2. Exceeding threshold for variation orders. 3. Compromised service delivery. <ul style="list-style-type: none"> -Delays in implementation of projects. -Municipal performance targets might not be achieved | <p>Risk Management</p> | <p><u>Action plan to improve the management of the risk:</u></p> <ol style="list-style-type: none"> 1. To submit inputs for the SCM Clerks position during the review processes of the municipal organogram. 2. To enforce the SCM policy and standard operating procedures, to review all transactions to ensure compliance. 3. To prepare and monitor the Procurement Plan on a quarterly basis and communicate progress to User Departments and submit to the Provincial treasury. 5. To develop a schedule plan for the for bid committee sittings. | | <ol style="list-style-type: none"> 1. Inputs were submitted in regards of the SCM CLERKS position. SCM clerk position has been filled. 2. There is an existing SOP which is reviewed annually. 3. Procurement plan was consolidated and submitted to Provincial treasury. 4. Procurements plans are monitored and submitted to PT next quarter will be sent to user departments. 5. Schedule plan is part of the Procurement plan. 6. Contact register is in place and updated. Variations are being |

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| | <p>-Underspending on allocated budget and subsequent withdrawal of grant funding.</p> | Risk Management | | authorised by the accounting officer and monitored not to exceed stipulated threshold. |
| 2. | <p>Financial Management: Unauthorised, Irregular, Fruitless and Wasteful Expenditure:</p> <ol style="list-style-type: none"> 1. Overspending on allocated budget. 2. Financial Loss. . Adverse Audit opinion. 3. Non-Compliance with the provisions of the Municipal Finance Management Act. | <ol style="list-style-type: none"> 1. To develop the unauthorised, irregular or fruitless and wasteful expenditure strategy and procedures. 2. Implementation of the unauthorised, irregular or fruitless and wasteful expenditure strategy and procedures. 3. Strict Budget monitoring controls <ul style="list-style-type: none"> - UJFWE will be supported by memorandum approved from the Accounting Officer 4. Strict implementation of the updated SCM policy <ul style="list-style-type: none"> - Procurement Plans - Adherence to provincial and national treasury circulars 5. MDB and MPAC to investigate and Implement consequence management which may include recovery or disciplinary action. | | <ol style="list-style-type: none"> 1. SCM unit is continuously monitoring budget for all requisitions. 2. SCM unit ensures that all processes are followed for all requisitions. 3. SCM unit ensures that SCM policy is followed, and it is up to date and in line with the latest regulations and circulars. 4. Invoices are submitted on time for payments. |

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| PREPARED BY SCM Practitioner | S.I Mpanza | REVIEWED BY SCM Manager | T.N.S Madondo | APPROVED BY CFO | P.P Sithole |
| SIGNATURE |  | SIGNATURE |  | SIGNATURE |  |
| DATE | 11/12/2025 | DATE | 11/12/2025 | DATE | 12/12/2025 |