

AGENDA: COUNCIL: 31 JANUARY 2017

18. SUPPLY CHAIN MANAGEMENT: APPROVED DEVIATIONS DECEMBER 2016

(Directorate: Budget and Treasury)

1. STRATEGIC THRUST

To promote sound financial management and good governance.

2. PURPOSE OF THE REPORT

To report on the deviations approved by the accounting officer in terms of the council's supply chain policy for the month of December 2016.

3. BACKGROUND

Paragraph 36(2) of the council's supply chain management policy gives the accounting officer the responsibility to record and report all deviations approved as per sub paragraph 36(1) (a) and (b) of the SCM policy.

NO	REASON FOR DEVIATION	DESCRIPTION FOR SERVICE PROVIDED	SUPPLIER	DIRECTORATE	AMOUNT VAT INCL	DATE
18	Emergency (Not as a result of poor planning)	Sanitary Collection and Conveyance Systems	Averda South Africa (Pty) Ltd K & D Min	DTIS: Water	R250 800.00	01/12/2016
19	Emergency (Not as a result of poor planning)	Sanitary Collection and Conveyance Systems of trucks	K & D Mine Suppliers (PTY) Ltd	DTIS: Water	R661 827.00	22/11/2016
20	Exceptional case where it is impractical or impossible to follow the Supply Chain Management Policy	Meter Readings	African Meter Readings(PTY) Ltd	BTO: Billing	R1 300 000.00	08/11/2016
21	Emergency (Not as a result of poor planning)	Water Specialist	Ubuntu Water Quality	DTIS: Water	R706 800.00	05/12/2016
22	Produced from a single provider only	Scale/Weight Bridge	Masskot Scale(Mass Measureing Systems)(PTY) Ltd	Public Safety: Traffic & Licensing	R43 605.00	08/12/2016
23	Exceptional case where it is impractical or impossible to follow the Supply Chain Management Policy	Install & Preform the automated meter reading systems	Reonet (PTY) Ltd	DTIS: Water	R232 200.00	28/11/2016

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24	Exceptional case where it is impractical or impossible to follow the Supply Chain Management Policy	Repairs & servicing of vehicles	Hennies Motors (PTY) Ltd	DTIS: Vehicle Workshop	R686 677.34	22/11/2016
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Regulation 36(1)(a) of the Municipal Supply Chain Management Regulations provide that the Accounting Officer may dispense with the normal procurement processes and procure the required goods or services through any convenient process, which may include direct negotiations, but only:

- 3.1 in an emergency
- 3.2 if goods or services are available from single supplier only;
- 3.3 in respect of acquisitions of special works of art;
- 3.4 in respect of acquisitions of animals for Zoo's
- 3.5 In any other exceptional case where it is impossible or impractical to follow official procurement processes.

In terms of Regulation 36(1) (b) the Accounting Officer may ratify any minor breaches of the procurement processes by an official or a committee acting in terms of delegated powers, which are of a purely technical nature.

4. LEGAL AND CONSTITUTIONAL IMPLICATIONS

In terms of Regulations 6(1) of the Local Government: Municipal Finance Management Act, the Council of a Municipality must maintain oversight over the implementation of its Supply Chain Management Policy. By virtue of Regulation 36(2), the Accounting Officer must record the reasons for any deviation, must report the deviations to the next meeting of the Council and must include them as notes in the annual financial statements. Regulation 6(4) further requires the Council to make 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.

5. DISCUSSION

The approved total number of deviations for the month of December 2016 is standing at seven (07) amounting to **R 3 881 909.34**

Below is the spending per directorate:

Technical & Infrastructure Services	R 2 538 304.34
Budget & Treasury Office	R 1 300 000.00
Public Safety	R 43 605.00
	R 3 881 909.34

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RECOMMENDED:

ACTION

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| 1. | That the list of deviations approved by the accounting officer on grounds as specified on paragraph 36(1) a or b of the SCM Policy for the Month of December 2016 be noted; | BTO |
| 2. | That the report be forwarded to the Provincial Treasury and National Treasury as per MFMA; | BTO |
| 3. | That the Director: Budget and Treasury Office, in compliance with Regulation 6(4), makes this report public in the manner prescribed in Section 21(a) of the Local Government: Municipal System Act No 32 of 2000, for access therefore by the public. | BTO |
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