

AGENDA: COUNCIL: 31 JANUARY 2017

17. SUPPLY CHAIN MANAGEMENT: APPROVED DEVIATIONS

NOVEMBER 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 November 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.

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 November 2016 is standing at four (04) amounting to **R 517 385.60**
Below is the spending per directorate:

AGENDA: COUNCIL: 31 JANUARY 2017

Technical & Infrastructure Services
Corporate Support Services

R 510 885.60

R 6 500.00

R 517 385.60

NO	REASON FOR DEVIATION	DESCRIPTION FOR SERVICE PROVIDED	SUPPLIER	DIRECTORATE	AMOUNT VAT INCL	DATE
14	Exceptional case where it is impractical or impossible to follow the Supply Chain Management Policy Emergency (Not as a result of poor planning)	Actuator SA 14.90RPM Supply Voltage: 400VAC 3 PH %0HZ Control: 24VDC Gearbox: 8:1	Bakone Bophirima construction & projects	DTIS: Water	R 316 920.00	14/11/2016
15	Produced or available from a single provider only	Bizard countless cards	ADO Research Labs (PTY) Ltd	DTIS: Electrical	R116 965.60	15/11/2016
16	Emergency (Not as a result of poor planning)	Hiring of high pressure combination Jet Cleaner Unit	Averda South Africa (Pty) Ltd	DTIS: Water	R77 000.00	11/11/2016
17	Exceptional case where it is impractical or impossible to follow the Supply Chain Management Policy	Physician Specialist	Dr I.S.J Mokgosi	Corporate support services :OHHS	R6 500.00	18/11/2016

AGENDA: COUNCIL: 31 JANUARY 2017

RECOMMENDED:

ACTION

1. That the list of deviations approved by the accounting officer on ground as specified on paragraph 36(1A or B of the SCM Policy for the Month of November 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
