

## AGENDA: VIRTUAL COUNCIL: 24 NOVEMBER 2020

### 230. SUPPLY CHAIN MANAGEMENT: APPROVED DEVIATIONS FOR JULY 2020-SEPTEMBER 2020

(Directorate: Budget and Treasury)                      KP                      6/1/1/2 (0013235)

#### 1. STRATEGIC THRUST

The Rustenburg Local Municipality has adopted amongst others “To ensure sustainable municipal financial viability and management including good governance and public participation.”

#### 2. PURPOSE OF THE REPORT

The purpose of this report is to report to council on the deviations from the procurement processes approved by the accounting officer for the period July 2020 -September 2020, in terms of the Rustenburg Local Municipality’s (RLM) Supply Chain Management Policy (SCM) and the Municipal Supply Chain Management Regulations (MSCMR) of the Municipal Financial Management Act 56 of 2003 (MFMA).

#### 3. EXECUTIVE SUMMARY

Regulation 36(2) of the MSCMR requires the accounting officer to record the reasons for any deviations from the procurement process and report the, to the next council and include the note to the annual financial statements.

#### 4. DISCUSSION

Accounting officer exercised legislative powers to approve the deviations from the official procurement process.

- a. The municipality could not avoid incurring these expenses in relation to these services. The deviation was not because of poor planning or any related negligence, but it was necessitated by emergencies, single service provider and were it was impractical to follow the official procurement processes.
- b. Four (recurring deviation number 9 from prior year) deviations from the normal procurement process of R 1 532 862.13 were approved for the month ending July 2020-September 2020.
- c. Refer to *Annexure A* for details of the deviation

**Below is summary of the deviations per directorates:**

Directorate Community Development	R 266 730.77
Directorate Public Safety	R 201 380.32
Directorate Technical and Infrastructure	R 1 038 869.45
Directorate Roads and Transport	R 18 319.76
Office of the Executive Mayor	R 7 561.83

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**5. FINANCIAL IMPLICATION**

The project will be funded from the following MSCOA vote numbers with the following available Budget

<u>DEVAITION NUMBER</u>	<u>DIRECTORA TE</u>	<u>DESCRIPTIO N FOR SERVICE PROVIDED</u>	<u>VOTE NUMBER</u>	<u>AVAILABLE BUDGET</u>
1	Community Development	System license renewal	O0001/IE00690/F2496/X131/R0332/001/360	R 3 794 000.00
9	Directorate Technical and Infrastructure Services, Directorate Community Development, Directorate Public Safety and Directorate Road and Transport	Service and Maintenance of Municipal Vehicles	Funded from UPS Budget	Funded from Various Votes
02	Directorate Technical and Infrastructure Services	Supply of spare pumps ,installation, automisation ,service and maintenance of pumps	02410-1/IE00651/F0931/X139/R0333/001/345	R2 000 000.00

**6. LEGAL IMPLICATIONS**

Regulation 36(2) of the Supply Chain Management Regulations mandates the Accounting Officer to record the reasons for any deviations and report them to the next meeting of the council and include as a note in the Annual Financial Statements.

In the case there is a failure to comply with this statutory requirement this will amount to an irregular expenditure as defined by section 1 of the MFMA.

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**This item served before the Mayoral Committee:**

**RECOMMENDED:**

**ACTION**

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| 1. That the list of deviations approved by the accounting officer on grounds as specified by Regulation 36(1) of the MFMA Regulations and/or the SCM Policy for the Financial year 2020/21 be noted.                              | <b>CC</b>  |
| 2. That the report be made available to the Provincial and Nations Treasury as per the MFMA   | <b>BTO</b> |
| 3. That the Chief Financial Officer, 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 by the public. | <b>BTO</b> |

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