

AGENDA: VIRTUAL COUNCIL: 25 MAY 2021

135. SUPPLY CHAIN MANAGEMENT: APPROVED DEVIATIONS FOR 01 JANUARY 2021 – 31 MARCH 2021

(Directorate: Budget and Treasury)

(0013733)

(DM)

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 quarter **01 January 2021 - 31 March 2021**, 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. 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.

--- Seven deviations from the normal procurement process of **R 62 473 643.26** were approved for the month ending **01 January 2021 - 31 March 2021**. Refer to *Annexure A* for details of the deviation.

Below is summary of the deviations per directorates:

Directorate Public Safety	R 111 941.17
Office of the Executive Mayor	R 64 889.06
Office of the municipal manager	R 14 326.99
Directorate Technical and Infrastructure Services	R 61 958 286.04
Budget and Treasury Office	R 108 740.00
OMM (Legal and Valuation)	Price per rates

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Directorate Corporate Support Services	R 215 460.00
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5. FINANCIAL IMPLICATION

<u>DEVAITIO N NUMBER</u>	<u>DIRECTORATE</u>	<u>DESCRIPTION FOR SERVICE PROVIDED</u>	<u>VOTE NUMBER</u>	<u>AVAILABLE BUDGET</u>
12	Directorate Technical and Infrastructure Services	Water demand and water conservation	C0122- 1/IA06173/F0803/X139/R3520/001/340	R 20 840 000.00
13	Budget and Treasury Office	Meter reading software	O0001/E00689/F2496/X049/R0333/001/0 76	R 2 185 937.69
14	Legal and Valuation	Appointment of firm of Attorneys	O0001/IE0008/F2496/X053/R0333/001/05 0	R 7 066 670.24
15	Directorate Technical and Infrastructure Services	Service and repairing of Heavy-duty trucks	Funded from various vehicle votes	R 22 000 000.00
16	Directorate Corporate Support Services	Network Data	O0001/IE00778/X052/R0333/001/015	R 1 585 277.33
17	Directorate Technical and Infrastructure Services	Service and repairing of Heavy-duty trucks	Funded from various vehicle votes	R 9 151 387.02
18	Budget and Treasury Office	Technical Support	O0001/IE00835/F2496/X049/R0333/001/0 70	R 860 000

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; | CC |
| 2. That the report be made available to the Provincial and Nations Treasury as per MFMA; | BTO |
| 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. | BTO |
