

ITEM K(ii) (10/2009)

Municipal Manager's Report to Council on the Deviation from and ratification of breaches from the Procurement processes for the period ending 30 September 2008 (see annexure A pp1)

PURPOSE

To submit a report to Council on the deviation from procurement processes for the quarter ending 30 September 2008.

BACKGROUND

In terms of Section 36 of the Supply Chain Management Policy: Deviation from, and ratification of minor breaches of, procurement processes:

(1) *"The accounting officer may –*

(a) *dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*

(i) *in an emergency;*

(ii) *if such goods or services are produced or available from a single provider only;*

(iii) *for the acquisition of special works of art or historical objects where specifications are difficult to compile;*

(iv) *acquisition of animals for zoos and/or nature and game reserves;*

(v) *in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and*

(b) *ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.*

(2) *The accounting officer must record the reasons for any deviations in terms of subparagraphs (1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements."*

Attached as Annexure A (pp1) please find the instances for the quarter July to September 2008, where the prescribed procurement processes were not followed but approved in terms of the Municipal Manager's delegated powers.

REPORT BACK

During the quarter April to June 2008, a deviation was reported by the Department: Infrastructure Services, with regard to Emergency repairs at the Chamdor Substation by Siemens Power. At the time of reporting the final invoice could not be provided by Siemens. The final invoice has now been received and a payment in the amount of R 204 946.92 (including VAT) has been made to Siemens.

RECOMMENDED TO THE MUNICIPAL COUNCIL:

1. that the Council takes note of the item as per Annexure A (pp1) where the official procurement processes were dispensed with for reasons as mentioned in the report, with the approval of the Municipal Manager, for the period ending 30 September 2008.
2. that the item in 2 above be included by the Chief Financial Officer as a note to the 2008/2009 annual financial statements.

DISPENSING WITH CALLING FOR TENDERS FOR THE PERIOD ENDING 30 SEPTEMBER 2008:

ANNEXURE A

Department	Description	Reason	Approved Company	Amount
Corporate Support Services (31-07-2008)	Appointment of Service Provider for the Rendering of Cleaning Services to MCLM for a period of three months.	<p>In terms of legislation, an existing tender can only be extended once. As the cleaning tender had already been extended, the department was not allowed to extend it again.</p> <p>Dispensed with official procurement processes, as it is impractical to official processes in terms of section 36(1)(a)(v) as a new tender process has already been embarked upon, but has not been finalized due to large volume of submissions received.</p> <p>The existing service provider was again appointed for a period of 3 months as they are already familiar with the scope of work and services required.</p>	<p>Isithwalandwe Cleaning and Hygiene Services</p> <p>1 August 2008 to 30 October 2008</p>	R 104 834 per month (excluding VAT)
Financial Services (23-07-2008)	Appointment of Consultant to Perform Reconciliation of Leave Provision	<p>Dispensed with advertising for 7 days on website, due to urgency, as the timely finalization of the 2007/08 Financial Statements are dependent on this information:</p> <ul style="list-style-type: none"> • Determine the Leave Provision as at 30 June 2008 • Reconcile the manual leave provision reconciliation to the BIQ system as at 30 June 2008 	Integrasol Finance (Pty) Ltd	R 197 983.80 (including VAT)

