

ITEM (10/2010)

Municipal Manager's Report to Council on the Deviation from and ratification of breaches from the Procurement processes for the period 1 July to 30 September 2010

PURPOSE

To submit a report to Council on the deviation from procurement processes for the quarter ending 30 September 2010.

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 instance for the quarter July to September 2010 where the prescribed procurement processes were not followed but approved in terms of the Municipal Manager's delegated powers.

RECOMMENDED TO MUNICIPAL COUNCIL:

1. that Council takes note of the item as per Annexure A (pp1) where the official procurement processes were dispensed with, condonation of expenditure incurred and extension of contracts for reasons as mentioned in the report, with the approval of the Municipal Manager, for the quarter ending 30 September 2010.
2. that the items in 1 above be included by the Chief Financial Officer as a note to the 2010/2011 annual financial statements.

DISPENSING WITH CALLING FOR TENDERS FOR THE PERIOD FROM 1 JULY TO 30 SEPTEMBER 2010

ANNEXURE A

Department	Description	Reason	Approved Company	Amount
Office of the Chief Operating Officer	Payment of ArcGIS and ArcVIEW license fees for the GIS software for the period 1 July 2010 to 30 June 2011	Computer Foundation is the sole supplier of licenses in South Africa	Computer Foundation (Pty) Ltd PO Box 10229 Centurion 0046	R 114 342.00 (including VAT)

EXTENSION OF TENDER

Department	Description	Reason	Approved Company	Amount
Social Services	Extended rental of speed camera equipment, software and back office support for a period of 18 months or until the implementation of the AARTO Act, whichever one commence first (extension July 2010 to Jan 2012)	A three year contract was signed for the rental of speed equipment with TCS for the period April 2007 to March 2010, thereafter an extension of three months until 30 June 2010 was granted. The addendum to this contract was never finalized and meetings was held between the Council and the contractor. The contractor promised to rectify mistakes made and to supply sufficient equipment and it was agreed to extend the contract for a period of 18 months or until the implementation of the AARTO Act.	Total Client Services PO Box 868 Wingate Park 0153	43% payment towards contractor depending on the income per month (43/57 split)

SUMMARY FOR THE PERIOD 1 JULY TO 30 SEPTEMBER 2010:

TOTAL NUMBER OF DEVIATIONS: 1
TOTAL NUMBER OF EXTENSIONS: 1
TOTAL NUMBER OF CONDONATIONS:

