

ITEM (10/2009)

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 2009

PURPOSE

To submit a report to Council on the deviation from procurement processes for the quarter ending 30 September 2009.

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 - 3) please find the instances for the quarter July to September 2009 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 - 3) 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 2009.
2. that the items in 1 above be included by the Chief Financial Officer as a note to the 2009/2010 annual financial statements.

DISPENSING WITH CALLING FOR TENDERS FOR THE PERIOD FROM 1 JULY TO 30 SEPTEMBER 2009:

ANNEXURE A

Department	Description	Reason	Approved Company	Amount
Finance / Corporate Support Services	Development and Implementation of an enhanced Leave Management System for MCLM	In 2007/08 MCLM received a qualified audit opinion of their AFS, and one of the reasons were due leave records that could not be traced. In order to address this query, Integrasol was appointed in Aug 2008 and completed project in Febr 2009. Integrasol is now appointed to develop and implement a reliable system of leave record keeping.	Integrasol (Pty) Ltd PO Box 2498 Rivonia	R 121 325.00 (including VAT)
Integrated Environmental Management	Appointment of service provider for waste collection and street cleaning during the municipal strike period.	As a result of an emergency and urgent situation that emanated from the strike of 18/8 to 26/8/2009 a serious backlog for waste collection and street cleaning were experienced that could lead to possible health related problems and rodent infestation. Due to high levels of intimidation, Red Ant was appointed for this function.	Willturnkey Construction and Refurbishment Services (Red Ant) 6 5 th Street Marlboro	R 886 045.16 (including VAT)
Infrastructure Services (Water & Sanitation)	Approval to conduct a Leica LiDAR Topographical Survey for MCLM	Only 3 service providers in SA who are able to render this highly specialized service. Quotations were obtained from them. The Leica LiDAR Geo System ALS 50 (topographical Survey) is mandatory for all current and future sanitation projects. Project funded by MIG – Muldersdrift Bulk Outfall Sewer (R 17.5m)	Southern Mapping (Pty) Ltd	Amount not to exceed R 2 500 000 (excluding VAT)
Infrastructure Services (Fleet)	Deviation for utilization of 10 x sedan vehicles	Contract for FML of 10 sedan vehicles for Public Safety was extended until 30	Avis Car Rentals Rivonia Crossing	R 120 000 (including VAT)

	for Public Safety from Avis Car rentals for a period of 4 months	September 2009. As a contract can only be extended once, permission is requested to deviate from official procurement processes as the new fleet tender has already been awarded, but the new vehicles can only be delivered end of Jan 2010. As the existing vehicles are customized with light, communication controls and decals it serves to purpose to involve another service provider for a period of only 4 months.	Cnr Witkoppen and Acher Road Rivonia	
CONDONATION				
Corporate Support Services	Placement of advertisement in the City Press on 14 June 2009 for the filling of vacancies in MCLM	The previous tender with Messrs Park Communications for the advertisement of vacancies has expired. Three quotations were obtained by the Unit: Recruitment and Selection. As the expenditure exceeded the R 30 000 threshold, this request had to be advertised on the website for 7 days. (Disciplinary steps were taken)	Parks Communications PO Box 8977 Johannesburg	R 105 636.96 (including VAT)
Corporate Support Services	Condonation of expenditure incurred in terms of the extension of the Least Cost routing contract	Tender for LCR expired end of November 2008. Permission was requested to extend the contract until end of May 2009. The new tender for the upgrading of the telephone system and LCR was awarded on 4 Sept 2009. Brilliant was however still on site for the months of July, August and Sept as the removal of the routers would cause a huge increase in the monthly telephone bill.	Brilliant Telecommunications (Pty) Ltd 22 Hornbill Street Meadowhurst Randburg	July 2009 R 278 086.35 Aug 2009 R 320 303.25 Sept 2009 R 9 616.08 (maintenance only)
EXTENSION				
Infrastructure Services (Fleet)	Extension of tender I (F) 01/2006 Leasing of 14 vehicles from	Current contract for 9 x trucks expired 20 June 2009 and 5 x tractors expired 31 July 2009. New Fleet tender has been awarded on 18	Amasondo Fleet Services	R 778 241.04

	Amasondo Fleet Services for a period of six months	September 2009 – but delivery of the first vehicles in terms of this contract is only expected during Jan 2010.		
Finance	Extension of contract for the Implementation of the BIQ Financial system for MCLM for a period of one year	As part of a West Rand District Initiative, a decision was taken to implement the BIQ financial system in all municipalities in the West Rand during 2006. WRDM paid for the initial implementation of the system. The contract expired 31 July 2009. Extension was requested for a one year period as there were various successes with the system and all the modules have not been implemented yet.	Molele LGS (Pty) Ltd PO Box 384 Witkoppen 2068	

