

ITEM (01/2010)

Municipal Manager's Report to Council on the Deviation from and ratification of breaches from the Procurement processes for the period 1 October to 31 December 2009

PURPOSE

To submit a report to Council on the deviation from procurement processes for the quarter ending 31 December 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 October to December 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 31 December 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 OCTOBER TO 31 DECEMBER 2009:

ANNEXURE A

Department	Description	Reason	Approved Company	Amount
Office of the Chief Operating Officer	Facilitation of a 2 day Strategic Planning Workshop for review of MCLM's strategic plan.	MCLM in process of review of 2010/11 IDP and compilation of 2010/11 Budget. The review of the strategic plan is one of the critical steps in reviewing the IDP. Quotations were obtained from three service providers and due to the fact that Group Dynamics prepared the initial Strat Plan they were better placed to undertake this project.	Group Dynamics PO Box 2167 Montana Park 0159	R 57 000 (including VAT)
Corporate Support Services	Hosting of 13 th iLGM Annual National Conference 18 – 20 November 2009	Mogale City hosted the 13 th iLGM Annual national Conference – this is a professional body of Municipal Managers and senior managers in Local Government. Two Gala Dinners for a total number of 500 delegates including international guests were hosted by MCLM. Silver Star Casino was selected due to its locality and ability to cater for 500 VIP guests.	Silver Star Casino Muldersdrift Mogale City	R 727 466.00 (including VAT)
Infrastructure Management Services (Electricity Section)	Appointment of Consulting engineer for the Design, specifications of material & equipment and project management for projects related to the 33 000 volt Main Distribution Network	The Electricity Distribution Master Plan was updated recently and indicates overloading and future overloading of the main distribution system. SSI has extensive knowledge & experience of the distribution network of MCLM. They were also responsible for the master plan. They have executed various projects in the past and are familiar with the status as well as risks with regard to the MCLM electricity network.	Steward Scott Industrial Engineers (SSI) PO Box 25302 Monument Park 0105	Consulting engineering fees will be lower than the normal SAACE fees and exact cost will be based on professional time and cost.

<p>Infrastructure Management Services (Water and Waste Water Section)</p>	<p>Additional work required in the Sealing for Water Tightness of the Munsieville Reservoir in terms of tender I (W&S) 35/2009</p>	<p>At the time of award of the tender to Con Solve, the reservoir was still in commission and assumptions had to be made. On inspection of the drained and cleaned reservoir; the scope of the work had to be extended to include structural repairs to column heads, beams and walls, joint sealing, refurbishment of valves and repair and waterproofing of roof.</p>	<p>Con Solve Civils cc Unit F 82 Allendale Park Midrand</p>	<p>R 575 529.00 (including VAT)</p>
<p>Infrastructure Management Services (Electricity Section)</p>	<p>Ad-hoc Replacement and/or repair of specialized distribution equipment</p>	<p>Emergency situation on 23/20 2009 - two pole mounted transformers destroyed by hail and rain and in Chancliff a gum tree were blown over by wind on top of high voltage transmission lines. No stock of specific transformer available in stores. Permission was also granted to utilize Radikhudu for emergency work in future with regard to labour and equipment</p>	<p>Radikhudu Construction Projects 5 Pienaar Street Dan Pienaarville Krugersdorp</p>	<p>R 73 680.00 (including VAT)</p>
<p>Infrastructure Management Services (Fleet)</p>	<p>Extension of contracts with Multi-Waste, AVIS, Debis Fleet until 30 June 2010 and secure 6 additional compactor trucks</p>	<p>Contract awarded to G-Fleet for the supply and delivery of 103 vehicles to MCLM. Delivery schedule however not yet provided to MCLM and SLA not concluded. Letter issued to G-Fleet with final requirements to be met by 15 Jan 2010 or contract will be cancelled. Extension of existing contracts until 30 June 2010.</p>	<p>Multi-Waste – 6 x compactor trucks AVIS – 10 x sedans Landfill Equipment – 1 landfill compactor Debis Fleet – 3 x Roll-on trucks and 1 crane truck Sula Smart Supplier Services – 6 compactor trucks</p>	<p>R 97 470 per month (excluding VAT) and R 510 per hour for overtime and public holidays R 126 000 per month excluding VAT R 94 000 per truck (including VAT, insurance, maintenance and driver)</p>

Corporate Support Services	Appointment of a Human Resource Administrator on a temporary basis until 30 June 2010.	Due to the resignation of the Specialist: Administration there was an urgent need to appoint an experienced Human Resource Administrator until the vacant position has been filled. The main performance areas will be formulation of all HR administration guidelines & procedures, set accurate payroll systems, update the approved organizational structure in relation to placement process, amongst others.	Madyatshamile Holdings (Pty) Ltd PO Box 3178 Montana Park 0159	R 48 000 per month including agency fees but excluding VAT and work-related traveling outside Gauteng (until 30 June 2010)
Integrated Environmental Management	Compliance Monitoring as an Independent Environmental Control Officer with regard to Rangeview Water Reservoir Project – Q DIEM 03/2007	SiVest was appointed in terms of Q DIEM 03/2007 to undertake compliance monitoring for a period of 14 months in the amount of R 200 000 for the reservoir and pipeline. Reservoir completed by contractor in March 2009, but pipeline tender had to be re-advertised – construction started in Apr 09. Delays in project were unforeseen and were beyond Messrs SiVest's control.	SiVest Environmental PO Box 2921 Rivonia	Condonation for exceeding approved quotation by R 70 205.08 Extension of contract with R 47 406 for finalisation
Office of the Executive Mayor	Yusuf Dadoo Centenary celebrations hosted by Executive Mayor on 26 September 2009.	Venue: Usambara Conference Centre – 26 September 2009 Service provider Exclusive Management Services was appointed for the performance of Theo Kgosinkwe at the event.	Oratilwe Consultants trading as Exclusive Management Services 12 Leogem Commercial Park, Halfway House Midrand	R 45 000

