

**ITEM (07/2012)**

**Municipal Manager's Report to Council on the Deviation from and ratification of breaches from the Procurement processes for the period 1 April 2012 to 30 June 2012**

**PURPOSE**

To submit a report to Council on the deviation from procurement processes for the quarter ending 30 June 2012.

**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 (pp1-2) please find the instances for the quarter April to June 2012 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 (pp1-2) where the official procurement processes were dispensed with, for reasons as mentioned in the report, with the approval of the Municipal Manager, for the quarter ending 30 June 2012.
2. that the items in 1 above be included by the Chief Financial Officer as a note to the 2011/2012 annual financial statements.

## DISPENSING WITH CALLING FOR TENDERS FOR THE PERIOD FROM 1 APRIL TO 30 JUNE 2012

## ANNEXURE A

Department	Description	Reason	Approved Company	Amount
Finance Department	Extension of BIQ Financial System for a period of six months as from 1 May to 31 October 2012	The LIMMS Financial module has not been rolled out to the Finance Department as yet. Finance year end procedures to still be performed on the BIQ financial system.	Quill Associates (Pty) Ltd 741 Petrus street Waterkloof Agricultural Holdings, Pretoria	R 330 000 pm (excluding VAT)
Infrastructure Services	Appointment of Erwat (an accredited laboratory) to analyze five samples of wastewater effluent per week for a period of one year as prescribed in the green drop.	An accredited laboratory is required to externally verify the test results as prescribed by the green drop system. A quotation was placed on the website for 7 days RFQ: I (W&S) 20/2012 but no responses was received. A decision was taken to utilize Erwat as the Dept of Water Affairs also makes use of them for this purpose	ERWAT 1631 Bapsfontein Road Kempton Park	Expenditure per week R 3 904.50 (including VAT) Total will not exceed R 200 000 for period of one year
Chief Operating Officer	Extension of scope of work to for the review of the organizational transactional data by Comperio Forensic Services	Extension of scope of work to include securing of complete set of data and the reconstruction of same - this will enable Comperio to interrogate and determine the current situation and level of possible abuse of the system by interrogating available data to examine specified activities.	Comperio Forensic Services	Fixed rate of R 180 000 (excluding VAT)
Financial Services	Extension of scope of work for tender F (R) 06/2009: Management of Credit Control and Revenue Protection Administration and related field actions for a period of three years.	Emphasis was placed by Council on the kerbing of water losses and the increasing of revenue as a matter of urgency. UMS's appointment was extended to kerb the water losses in the Featherbrook estate by the replacement of dysfunctional water meters and the replacing thereof with pre-paid water meters	UMS (IPES-Utility Services) Unit 15 Cambridge Park Centurion	Part of existing tender which allows for replacement of credit type water meters, repair of water leaks and cleaning of meter boxes.

<b>CONDONATION</b>				
Social Services	Training on HIV Counseling and Testing for cluster supervisors and ward based volunteers	Three quotations were obtained by Social Services but due to an oversight, it was not advertised on the website. Condonation was obtained from the MM for not following the prescribed procurement procedure.	Empirical Training Agency 195 Main Street Johannesburg	R 69 654.00 (including VAT)
Financial Services	Procurement of 3-way Electrical meter boxes by Stores for Electrical Section	Tender I (E) 08/2009: Supply, delivery and offloading of meter boxes to MCLM on an as and when required basis for a period of three years has expired but the Stores placed an order with Power Process Systems - it was too late to cancel the order as they have started with the manufacturing of the meter boxes. A new tender process has been embarked upon by Electrical Section.	Power Process System PO Box 4172 Johannesburg	R 114 570.00 (including VAT)

