

ITEM (10/2012)

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

PURPOSE

To submit a report to Council on the deviation from procurement processes for the quarter ending 30 September 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 July to September 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 September 2012.
2. that the items in 1 above be included by the Chief Financial Officer as a note to the 2012/2013 annual financial statements.

DISPENSING WITH CALLING FOR TENDERS FOR THE PERIOD FROM 1 JULY TO 30 SEPTEMBER 2012

ANNEXURE A

Department	Description	Reason	Approved Company	Amount
Finance Department: Budget & Treasury	Extension of scope of work on Caseware system - procured by means of a deviation in 2009/10 due to sole provider status	Extension of scope of work on Caseware system to include National Treasury Budget templates and training of Budget and Treasury officials. Section 36 (1) (a) (ii) – Sole Provider	CQS Technology Holdings (Pty) Ltd PO Box 598 Parklands Not Mogale based	R 59 838.60 (including VAT)
Office of the Executive Mayor	Services rendered at the Public meeting organized to address the Tudor Shaft upheavals on 5 August 2012	30 July 2012 two children were the victims of 2 separate incidents of reckless driving on Tudor Rd, next to Tudor Shaft/Soul City informal settlements. The community reacted angrily to these incidents. There was substantial damage to municipal property, barricading of roads as well as attacks on private vehicles. Various meetings were held subsequently and on 5 August 2012 a public meeting was called to report on the approach in addressing these issues. Section 36 (1) (a) (i) - Emergency	Mbatha Suppliers and Events • Marquee • Stage • Sound system, chairs, loud-hailing 3172 Thandekile Street Kagiso II Not Mogale based	R 195 890.00 (including VAT)
Office of the COO	Renewal of LucidView Proxy server	The LucidView was installed by Lefathse as part of the Network Upgrade project. The contract with Lefatshe ended Nov 2011. The proxy server is a critical business system which has to work effectively at all times as it protects the MCLM's internal network from outside hacking, spamming and others forms of malicious damage to the MCLM system design Section 36 (1) (a) (ii) – Sole Provider	Lucidview (Pty) Ltd Unit C, Building 3 Bondev Office Park Eldoraigue Centurion Not Mogale based	Refurbishment of LucidView equipment: R 273 857.77 Licensing of equipment: R 159 307.61

Condonation of deviation				
Office of the COO	RPG/BIQ system analysis and support for MCLM	The support contract for BIQ with Quill and Associates is terminating on 31 Oct 2012. With BIQ as the financial and billing system of the municipality, it is imperative that continuity of the system is maintained. Comperio has been requested to analyse the system, as well as for the cleansing and validation of data. Section 36 (1) (a) (v) – Exceptional circumstances	Comperio Forensic Services (Pty) Ltd Stonebridge House Stonemill Office Park Acacia Road Randburg Not Mogale based	R 89 877.60 (including VAT and excluding expenses)

