

ITEM (10/2007)

Municipal Manager's Report to Council on the Deviation from, and ratification of breaches from the Procurement processes for the period ending 30 September 2007 (see pp1 and annexure A)

PURPOSE

To submit a report to Council on the deviation from procurement processes for the quarter ending 30 September 2007.

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 instances for the quarter July to September 2007, where the prescribed procurement processes were not followed but approved in terms of the Municipal Manager's delegated powers:

RECOMMENDED TO THE MUNICIPAL COUNCIL:

1. that the Finance Portfolio takes note of the item as per Annexure A (pp1) where the official procurement processes were dispensed with for reasons as mentioned in the report, with the approval of the Municipal Manager, for the period ending 30 September 2007.
2. that the item in 2 above be included by the Chief Financial Officer as a note to the 2007/2008 annual financial statements.

DISPENSING WITH CALLING FOR TENDERS FOR THE PERIOD ENDING 30 SEPTEMBER 2007:

ANNEXURE A

| Department | Description | Reason | Approved Company | Amount |
|----------------------------|--|---|---|--|
| Corporate Support Services | Lease of Office Space at Ellerines Building and Subsequent Installation of Telephone System and IT related network points. | Due to the critical need for additional office space, Corporate Support Services was able to secure office space at the Ellerines Building. The lease of the Ellerines Building did not include the telephones and network points, and the Municipality had to install the IT services before the staff could occupy the said building. MCLM has two BABX systems; one is used to its full capacity, whereas the other is mainly used by the political offices. Due to the urgent and critical need for communication facilities, it was approved that the Mitel PABX system that is not optically used in the political offices be extended to the Ellerines Building. | <ul style="list-style-type: none"> • Leasing of Ellerines Building: Azaad Aswat Investments CC • Installation of network points, telephone system and fibre optic link: Brilliant Telecommunication (Pty) Ltd | <ul style="list-style-type: none"> • R 89 775.00 per month (excl VAT) period of three years • R 1 340 718.51 |

