

**ITEM (01/2011)**

**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 2010**

**PURPOSE**

To submit a report to Council on the deviation from procurement processes for the quarter ending 31 December 2010.

**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 instance for the quarter October to December 2010 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 ) 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 2010.
2. that the items in 1 above be included by the Chief Financial Officer as a note to the 2010/2011 annual financial statements.



## DISPENSING WITH CALLING FOR TENDERS FOR THE PERIOD FROM 1 OCTOBER TO 31 DECEMBER 2010

## ANNEXURE A

Department	Description	Reason	Approved Company	Amount
Finance	Appointment of Integrasol for Legal Opinion in terms of Councils Common Law Responsibility towards current and former Councillors outstanding Tax issues with SARS	Due to the urgency with which the services are required, as well as the specialized nature of the scope of work, Integrasol was appointed as a firm that specializes in the Income Tax Act and the Remuneration of Public Office Bearers Act, to provide Council with a Legal Opinion in terms of Councils Common Law responsibility towards affected Councillors	Integrasol	
Finance	Appointment of Integrasol Continuum CA (SA) to provide Council with Leave Management Services, encompassing staff query resolution, Implementation of an effective leave management system and control system as well as Training and Handover to identified personnel in the operation and Management of the Leave Management System	Due to the urgency of the services required, as well as Integrasol's past experience and knowledge of the MCLM leave management system, as well as the sensitive nature of the scope of work – the Municipal Manager approved their appointment without embarking on a tender process for the: <ul style="list-style-type: none"> <li>• Management &amp; processing of leave queries from employees</li> <li>• Implementation of an effective leave management and control system</li> <li>• Training of identified personnel in the operation and management of the system.</li> </ul>	Integrasol Continuum CA (SA)	
Infrastructure Services	Rental of a Landfill Compactor for a period of six months.	The landfill compactor tender was awarded to Aqua Transport and Plant Hire for a period of three years and was to be delivered on 1 November 2010. The temporary landfill compactor to be provided by Aqua in the interim was however unreliable. Availability of	Mykatrade 210 cc PO Box 32890 Waverley 0135	R 134 000 (excluding VAT, diesel and driver) per month  =R 916 560 (including VAT) for

		landfill compactors is scarce and when renting one the normal period is 6 months. Upon arrival of the Aqua landfill compactor, the rented compactor will be used at the Magaliesburg Landfill Site where a landfill compactor is also required.		six month period.
Social Services	Supply of branded clothing for the 2010 OR Tambo Inter-Municipal Games hosted by WRDM on 19 November 2010	WRDM indicated some challenges with hosting the event, and SALGA proposed that the games be cancelled because of insufficient budget and lack of readiness. Very late notification was received to proceed with the games. Only one service provider could be found that was able to deliver the required quantity and sizes within the short timeframe.	Sedgars 9c Market Avenue Vereeniging	R 108 000
Political Office	Public Participation Unit to utilize the same service providers for Buses, Marquees and Bill Boards for loud hailing, postering and pamphlet distribution for IDP and Budget Statutory Public Participation Roadshows of 2011/12 in November 2010	Due to the importance of these roadshows, and more specifically because of the nearing of the end of term and coming elections, the Public Participation Unit was weary to experiment with new service providers who may not understand the complexities of the IDP roadshows and therefore for consistency and maximum effort, the current service providers were once again appointed.	Thaku Thaku Transport cc 5390 Rankoka Street Kagiso 2 Rental of Buses  Lenthatile Events and Marketing cc for Marquees tent and chairs  CheckCoast Productions 3613 Mzimela Street Hillsview Kagiso 2 Production of bill board adverts, loud hailing, postering, pamphlet distribution, removal of posters after roadshows.	R 42 560.00  R 85 500.00  R 166 212.00

			Maimane Construction and Projects 278 Voortrekker Road, Krugersdorp Production of 1600 posters mounted on corrugated boards	R 59 500.00
--	--	--	---	-------------

#### EXTENSION OF CONTRACT

Department	Description	Reason	Approved Company	Amount
Infrastructure Services	Extension of current contracts for the Hiring of 6 x refuse Compactors and 12 x Leased vehicles until end of March 2011 or until new vehicles are delivered.	Bid I (F) 40/2010 and 43/2010 was awarded to SMM Telematics – original delivery date was Dec 2010. Delivery dates have now been extended to end of Feb 2011. Existing contracts with Multi- Waste and Amasondo extended until end of Feb 2011 or until new vehicles are delivered.	Multi-Waste Florida cc (6 x Refuse Compactors)  Amasondo Fleet Services (3 x Tipper Trucks, 5 x Drop side Trucks, 1 x Cherry Picker and 3 x Tractors)	Approx R 1.4m (including VAT, overtime, drivers and driver assistants) for 2 month period  Approx R 300 000 (including VAT) for two month period

#### CONDONATION OF DEVIATION FROM PROCUREMENT PROCESSES

Department	Description	Reason	Approved Company	Amount
Office of the Speaker	Condonation of deviation from procurement processes for the purchase of 100 branded copies of		LexisNexis	R 63 912.27 (including VAT)

	Municipal Acts, Legislation and Local Government Library			
--	--	--	--	--

**SUMMARY FOR THE PERIOD 1 OCTOBER TO 31 DECEMBER 2010:**

**TOTAL NUMBER OF DEVIATIONS: 5**  
**TOTAL NUMBER OF EXTENSIONS: 1**  
**TOTAL NUMBER OF CONDONATIONS: 1**

