

ITEM (04/2012)

Municipal Manager's Report to Council on the Deviation from and ratification of breaches from the Procurement processes for the period 1 January 2012 to 31 March 2012

PURPOSE

To submit a report to Council on the deviation from procurement processes for the quarter ending 31 March 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 instance for the quarter January to March 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,
2. for reasons as mentioned in the report, with the approval of the Municipal Manager, for the quarter ending 31 March 2012.
3. 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 JANUARY TO 31 MARCH 2012

ANNEXURE A

Department	Description	Reason	Approved Company	Amount
Social Services	Extension of Fidelity Security Services contract for a period of two months	Extension of current contract for February and March 2012 – new service provider (in terms of new tender) to officially start on 1 April 2012	Fidelity Security Services Park 104D Mimosa Road Helderkruijn Roodepoort Not Mogale based	R 1 114 000 pm
Integrated Environmental Management	Extension of contract with Protea Eco Adventures for management of Game Reserve	MCLM terminated lease agreement with African Bush Adventures in July 2011. Protea Eco Adventures was then appointed for a period of six months, while a tender process was to be embarked upon. Permission was requested to extend appointment until end of April 2012 and award of new tender.	Protea Eco Adventures 16 Kransalwyn street Rangeview X4 Mogale based	R 80 000 pm
Chief Operating Officer	Extension of contract for the review of Organizational Transactional data and the recovery of money	Comperio Technologies was appointed to review the transactional data for the previous 3 financial years. An SLA was concluded in July 2011 to perform this review for a period of six months. Permission was requested from the MM to extend the current SLA to 18 months in order to conclude the review.	Comperio Technologies (Pty) Ltd 33 Mark Avenue Northcliff Ext 12 Johannesburg Not Mogale based	The fee (exclusive of VAT) is based on actual recoverables facilitated and is calculated on 20% of all recoverables.
Corporate Support Services	Provision of an Electronic Local Government Performance and Compliance Manual.	Dr Annette de Klerk is the Sole Provider/owner of the Electronic Local Government Performance and Compliance Manual. This legal compliance manual provides for the duties and responsibilities of the legal compliance officer.	Local Government Performance and Compliance Solutions e-mail: cwerth@telkomsa.net 012-361-6656	R 24 000 (excluding VAT) Subscription for 2 officials for 12 months
Financial Services	Appointment of Aloe Cap as Sole Advisor on the Risk-Sharing model to enhance	AloeCap was appointed by Gauteng Provincial Department of Local Government to assist municipalities with regard to	AloeCap Postnet Suite 327 Private Bag X 30500	Provincial Government is financing the project.

	collection of Debtors Book for a period of three years	enhancement of debtor's books. They have already done due diligent analysis of the debtors book for all West Rand Municipalities. AloeCap will assist with compilation of specifications for tender process as well as to assist with evaluation of tenders.	Houghton Not Mogale based	An admin fee of 1% of gross collection received by MCLM payable to AloeCap for duration of contract (to be negotiated).
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