

MIDVAAL LOCAL MUNICIPALITY

MINUTES OF THE 10TH ORDINARY MEETING OF 2021 HELD ON THURSDAY,
25 NOVEMBER 2021 AT 14:00 IN THE COUNCIL CHAMBERS

C 2732/11/2021
MC A/5672/11/2021

**9.A.15 [FS]: REPORT ON DEVIATIONS FROM THE SUPPLY CHAIN MANAGEMENT
POLICY AS REQUIRED BY THE MUNICIPAL SUPPLY CHAIN MANAGEMENT
REGULATIONS: MONTH OF OCTOBER 2021**

8/1/1

COMPETENCY: COUNCIL

RESOLVED

That the report on the deviations from the MFMA Supply Chain Management Policy, as required by the Municipal Supply Chain Regulations, for the month of October 2021, be noted.

C 2732/11/2021
MC A/5672/11/2021

9.A.15 [FS]: REPORT ON DEVIATIONS FROM THE SUPPLY CHAIN MANAGEMENT POLICY AS REQUIRED BY THE MUNICIPAL SUPPLY CHAIN MANAGEMENT REGULATIONS: MONTH OF OCTOBER 2021

8/1/1

COMPETENCY: COUNCIL

PURPOSE

To report on deviations from the supply chain management policy as required by the Municipal Supply Chain Management (MFMA) Regulations for the month of October 2021.

RECOMMENDATION

That the report on the deviations from the MFMA Supply Chain Management Policy, as required by the Municipal Supply Chain Regulations, for the month of October 2021, be noted.

REPORT

The Municipal Supply Chain Management Regulations published under General Notice 868 in Government Gazette 27636 of 30 May 2005, inter alia, contains the following reporting requirements:

“Regulation 6 provides that the council of a municipality has an oversight role over the implementation of its supply chain management policy.

- (1) *The council of a municipality must maintain oversight over the implementation of its supply chain management policy.*
- (2) *For the purposes of such oversight the accounting officer must –*
 - (ii) *Whenever there are serious and material problems in the implementation of the supply chain management policy, immediately submit a report to the council of the municipality.”*

The following Regulations are applicable to the implementation of the SCM policy and reported on as per the SCM regulations:

REPORT	SCM REGULATION NO	REPORT TO	FREQUENCY	RESPONSIBLE PERSON
Report on deviations from SCM Policy	36(2)	Council	Monthly (next Council meeting)	DD SCM
Report whenever there are serious and material problems in the implementation of the SCM Policy, immediately submit a report to the Council	6 (2) (a) (iii)	Council	Immediately (as and when applicable)	DD SCM

MIDVAAL LOCAL MUNICIPALITY: MFMA SCM REGULATIONS - REGULATION 36 (1) & (2) OF THE: DEVIATIONS AND RATIFICATION OF MINOR BREACHES OF PROCUREMENT PROCESS

1. The Accounting Officer may dispense with the official procurement processes established by Midvaal Local Municipality's SCM policy and procure goods or services through a convenient process which includes:

- i) Emergency;
- ii) Goods and services produced or available from a single provider only;
- iii) Special works of art, historical objects;
- iv) Animals for zoos;
- v) Exceptional cases where it is impractical or impossible to follow the official procurement process.

Herewith the report to Council on purchases that could not follow the official procurement process for the month of **October 2021:**

		(i) PURCHASES ACQUIRED IN EMERGENCY CASES				
R/N	DEP	DESCRIPTION	DATE	REASON	AMOUNT	
		NONE				TOTAL
		(ii) PURCHASES ACQUIRED WHERE GOODS AND SERVICES PRODUCED OR AVAILABLE ARE FROM A SINGLE PROVIDER ONLY/AGENTS				
R/NR	DEP	DESCRIPTION	DATE	REASON	AMOUNT	
OCT001/2021-2022	COMM SERV	The Rescue Tool Guys (Pty) Ltd - exclusive dealer in RSA for Holmatro products	2021/10/07	Regulation (1)(a)(ii) i) Goods and services produced or available from a single provider only; Holmatro is an exclusive dealer for RAM parts in SA. Letter submitted that supplier is the exclusive dealer in RSA.	R 18 862,65	
OCT004/2021-2022	FS	Ratings Afrika - extended financial sustainability service and subscription	2021/10/19	Regulation (1)(a)(ii) i) Goods and services produced or available from a single provider only; MFSI evaluates and measures the financial stability of a Municipality, and we are required to be compliant with the sustainability evaluations. Service provider is the only governance ratings agency in Africa and only one of three in the world.	R 73 312,50	
TOTAL					R 92 175,15	
		(iii) SPECIAL WORKS OF ART OR HISTORIC OBJECTS				
R/N	DEPT	DESCRIPTION	DATE	REASON	AMOUNT	
		NONE				

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(iv) ACQUISITION OF ANIMALS FOR ZOOS AND/OR NATURE AND GAME RESERVES					
R/N	DEPT	DESCRIPTION	DATE	REASON	AMOUNT
		NONE			
(v) IMPRACTICAL OR IMPOSSIBLE					
R/N	DEPT	DESCRIPTION	DATE	REASON	AMOUNT
OCT006/2021-2022	COMM SERV	Mfangano Solutions (Pty) Ltd - strip and quote	2021/10/28	Regulation (1)(a)(v) Exceptional cases where it is impractical or impossible to follow the official procurement process. Service and repair of the Wallenstein Woodchipper that involves strip and quote of the machine. Impractical to follow the procurement process and costly for one service provider to diagnose and for another to repair.	R 29 348,16
OCT005/2021-2022	ENG SERV	Dotcom Trading 318 (Pty) Ltd - repair of traffic light at Johan le Roux crossing	2021/10/21	Regulation (1)(a)(v) Exceptional cases where it is impractical or impossible to follow the official procurement process. The Electrical department approached several service providers for the repair of the traffic light, but they indicated that due to the age of the light, the parts are obsolete, and the entire structure needs to be replaced. Due to the urgency and safety concerns, it was thus impossible to follow procurement process it was best to repair the existing unit with the service provider that was willing to strip and repair.	R 39 560,00
OCT002/2021-2022	COMM SERV	Sysman Public Safety Systems (Pty) Ltd - installation of bell on ESS	2021/10/08	Regulation (1)(a)(v) Exceptional cases where it is impractical or impossible to follow the official procurement process. It was thus impractical to follow the procurement process as the ESS is the product of Sysman, and they are best suited to complete the installation of the bell so that fire fighters can be informed about emergency calls.	R 9 804,90
OCT003/2021-2022	ENG SERV	Powerdek (Pty) Ltd - strip and quote for Wacker Neuson drum roller	2021/10/18	Regulation (1)(a)(v) repair of Wacker Neuson drums which involves strip and quote of the unit to determine the damage and results in costs, therefore it is impractical to use different service providers.	R 148 218,79
				TOTAL	R 226 931,85

Implementation of the SCM policy Regulation 6 (2) (a) (iii)

That it be noted that there are no serious or material problems in the implementation of the MFMA SCM policy.

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PREPARED BY:



MRS. N GITE
DEPUTY DIRECTOR: SCM
03 NOVEMBER 2021

RECOMMENDED / NOT-RECOMMENDED



MR. F JONAS
ACTING CHIEF FINANCIAL OFFICER
03 NOVEMBER 2021

APPROVED / NOT-APPROVED



MR. SM MOSIDI
ACTING MUNICIPAL MANAGER
03 NOVEMBER 2021

COMMENTS: MEETING OF THE MUNICIPAL MANAGER AND HEADS OF
DEPARTMENT: 16 NOVEMBER 2021

Resolved to Recommend

That the Item be referred to the Mayoral Committee.