

MIDVAAL LOCAL MUNICIPALITY

**MINUTES OF THE 1ST ORDINARY MEETING OF 2022 HELD ON THURSDAY,
27 JANUARY 2022 AT 14:00 IN THE COUNCIL CHAMBERS**

C 2745/01/2022
MC A/5681/01/2022

**9.A.10 [FS]: REPORT ON DEVIATIONS FROM THE SUPPLY CHAIN MANAGEMENT
POLICY AS REQUIRED BY THE MUNICIPAL SUPPLY CHAIN MANAGEMENT
REGULATIONS: MONTH OF DECEMBER 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 December 2021, be noted.

C 2745/01/2022
MC A/5681/01/2022

9.A.10 [FS]: REPORT ON DEVIATIONS FROM THE SUPPLY CHAIN MANAGEMENT POLICY AS REQUIRED BY THE MUNICIPAL SUPPLY CHAIN MANAGEMENT REGULATIONS: MONTH OF DECEMBER 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 December 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 December 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 **December 2021:**

(i) PURCHASES ACQUIRED IN EMERGENCY CASES					
R/N	DEP	DESCRIPTION	DATE	REASON	AMOUNT
DEC002-2021/2022	ENG SERV	Flock It Furnishers t/a The Big Time	2021/12/22	Regulation 36(1)(a)(i) Breakdown of the generator at the call centre which required an urgent strip and quote to repair. Our call centre is operational 24/7 and with the frequent load shedding we require an operational generator.	R 4 341,25
DEC003-2021/2022	ENG SERV	Revive Electrical Transformers Pty Ltd - supply of 30 new transformers	2021/12/24	Regulation 36(1)(a)(i) There was a storm in the first week of December and 40 Transformers were damaged by storm. Of the 40 damaged transformers, 31 could not be repaired and had to be replaced. The municipality only has a tender to repair, so service provider had to be sourced to replace. This was critical as affected areas were without power.	R 1 345 500,00
TOTAL					R 1 349 841,25
(ii) PURCHASES ACQUIRED WHERE GOODS AND SERVICES PRODUCED OR AVAILABLE ARE FROM A SINGLE PROVIDER ONLY/AGENTS					
R/NR	DEP	DESCRIPTION	DATE	REASON	AMOUNT
		NONE			
(iii) SPECIAL WORKS OF ART OR HISTORIC OBJECTS					
R/N	DEPT	DESCRIPTION	DATE	REASON	AMOUNT
		NONE			
(iv) ACQUISITION OF ANIMALS FOR ZOOS AND/OR NATURE AND GAME RESERVES					
R/N	DEPT	DESCRIPTION	DATE	REASON	AMOUNT
		NONE			

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(v) IMPRACTICAL OR IMPOSSIBLE					
R/N	DEPT	DESCRIPTION	DATE	REASON	AMOUNT
DEC001/2021-2022	D&P	HBM Survey Projects –Additional pegging	2021/12/21	Regulation 36(1)(a)(v) Siculo informal settlements was surveyed and pegged by HBM Projects. The process was done through a 7-day tender. Additional pegging needs to be done to enable the engineering department to plan for infrastructure in the area. It is impractical to appoint another service provider as they would need to re-survey the area which will result in unnecessary costs.	R 33 810.00
TOTAL					R 33 810.00

36 (1)(b) RATIFICATION OF MINOR BREACH BY ACCOUNTING OFFICER					
R/N	DEPT	DESCRIPTION	DATE	REASON	AMOUNT
04 th SPECIAL BAC	ENG SERV	Pricewaterhouse Coopers Inc- confirmation of the additional process undertaken by PWC Inc to ensure respondents were given an equal opportunity to qualify.	2021/12/21	Regulation 36(1)(b) Bid 8/2/21/176 for the appointment of a transaction advisor for the procurement of a private section party for the finance, design, management, operation and maintenance of electricity distribution services in Midvaal Local Municipality. The transaction advisor was required to do additional work to clarify and address situations where the RFO may have been misinterpreted, misread and to ensure respondents are given adequate and equal opportunity to qualify. The SLA granted the PSC and MM to approve the variation order however in terms of MLM policies, any variation must be done through the tender committees hence, the approval of the minor breach. This has no financial implication on the Municipality as DBSA is the funder.	R -
TOTAL					R -

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

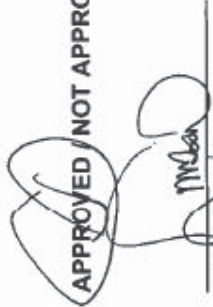
That it be noted that there are no serious or material problems in the implementation of the MFMA SCM policy.

REVIEWED BY:



MR. F. JONAS
DIRECTOR: EXPENDITURE
03 JANUARY 2022

APPROVED / NOT APPROVED



MR. SM MOSIDI
ACTING MUNICIPAL MANAGER
03 JANUARY 2022

PREPARED BY:



MRS. N. GITE
DEPUTY DIRECTOR: SCM
03 JANUARY 2022

RECOMMENDED / NOT RECOMMENDED



MRS. J. TAIT
ACTING CHIEF FINANCIAL OFFICER
03 JANUARY 2022

**COMMENTS: MEETING OF THE MUNICIPAL MANAGER AND HEADS OF
DEPARTMENT: 18 JANUARY 2022**

Resolved to Recommend

That the Item be referred to the Section 80 Finance Services Portfolio Committee.

**COMMENTS: SECTION 80 FINANCE SERVICES PORTFOLIO COMMITTEE: 17
JANUARY 2022**

The recommendation is supported.