

C 2776/03/2022
MC A/5713/03/2022

**9.A.4 [FS]: REPORT ON DEVIATIONS FROM THE SUPPLY CHAIN MANAGEMENT
POLICY AS REQUIRED BY THE MUNICIPAL SUPPLY CHAIN MANAGEMENT
REGULATIONS: MONTH OF FEBRUARY 2022**

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 February 2022, be noted.

C 2776/03/2022
MC A/5713/03/2022

9.A.4 [FS]: REPORT ON DEVIATIONS FROM THE SUPPLY CHAIN MANAGEMENT POLICY AS REQUIRED BY THE MUNICIPAL SUPPLY CHAIN MANAGEMENT REGULATIONS: MONTH OF FEBRUARY 2022

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 February 2022.

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 February 2022, 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 **February 2022:**

(i) PURCHASES ACQUIRED IN EMERGENCY CASES				REASON	AMOUNT
R/N	DEP	DESCRIPTION	DATE		
FEB002-2021/2022	ES	PNC Oil Pty Ltd - repair of substation at Graceview 88KV	2022/02/15	Regulation 36 (1)(a)(i) - PNC Oil was appointed to repair the Graceview 88KV substation, during stripping it was identified that essential parts were broken which if not replaced immediately would have led to an imminent failure in the breaker leading to further damage to the substation. Hence, an emergency repair needed to be done.	R 63 248,56
				TOTAL	R 63 248,56
(ii) PURCHASES ACQUIRED WHERE GOODS AND SERVICES PRODUCED OR AVAILABLE ARE FROM A SINGLE PROVIDER ONLY/AGENTS				REASON	AMOUNT
R/N/R	DEP	DESCRIPTION	DATE		
FEB001-2021/2022	FS	Adapt IT Pty Ltd - Caseware specialist support	2022/02/11	Regulation (1)(a)(ii) Adapt IT is the sole distributor of Caseware in SA and they are the sole providers in training. If the training is not received, the budget and treasury office will not be able to prepare the AFS s on the new module which would lead non submission to the AG imeously.	R 178 641,00
				TOTAL	R 178 641,00
(iii) SPECIAL WORKS OF ART OR HISTORIC OBJECTS				REASON	AMOUNT
R/N	DEPT	DESCRIPTION	DATE		
		NONE			
(iv) ACQUISITION OF ANIMALS FOR ZOOS AND/OR NATURE AND GAME RESERVES				REASON	AMOUNT
R/N	DEPT	DESCRIPTION	DATE		
		NONE			

AGENDA OF THE 3RD ORDINARY MEETING OF 2022 TO BE HELD ON THURSDAY,
24 MARCH 2022 AT 14:00 IN THE COUNCIL CHAMBERS

		(v) IMPRACTICAL OR IMPOSSIBLE			AMOUNT
R/N	DEPT	DESCRIPTION	DATE	REASON	
FEB003-2021/2022	CORP SERV	The Assessment Toolbox CC – competency assessment for Executive Director – Corporate Services	2022/02/18	Regulation 36(1)(a)(v) – the regulation relating to the appointment of senior managers requires the recommended person to undergo competency-based assessment from the panel of service providers appointed by COGTA, failing which would lead to non-compliance to the Local Government: regulations on appointment and conditions of employment of Senior Managers.	R 33 637,50
				TOTAL	R 33 637,50
		36 (1)(b) RATIFICATION OF MINOR BREACH BY ACCOUNTING OFFICER			AMOUNT
R/N	DEPT	DESCRIPTION	DATE	REASON	
				TOTAL	

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.

PREPARED BY:


MRS. N. GITE
DEPUTY DIRECTOR: SCM
02 MARCH 2022

REVIEWED BY:


MR. F. JONAS
DIRECTOR: EXPENDITURE
02 MARCH 2022

RECOMMENDED / NOT RECOMMENDED


DR. AR. NGWENYA
CHIEF FINANCIAL OFFICER
02 MARCH 2022

APPROVED / NOT APPROVED


MR. S.M. MOSIDI
ACTING MUNICIPAL MANAGER
02 MARCH 2022

MIDVAAL LOCAL MUNICIPALITY

AGENDA OF THE 3RD ORDINARY MEETING OF 2022 TO BE HELD ON THURSDAY,
24 MARCH 2022 AT 14:00 IN THE COUNCIL CHAMBERS

**COMMENTS: MEETING OF THE MUNICIPAL MANAGER AND HEADS OF
DEPARTMENT: 15 MARCH 2022**

Resolved to Recommend

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

**COMMENTS: SECTION 80 FINANCIAL SERVICES PORTFOLIO COMMITTEES:
14 MARCH 2022**

The recommendation is supported.