

MIDVAAL LOCAL MUNICIPALITY

**MINUTES OF THE 5TH ORDINARY MEETING OF 2022 HELD ON THURSDAY,
26 MAY 2022 AT 14:00 IN THE COUNCIL CHAMBERS**

C 2840/05/2022
MC A/5779/05/2022

**9.A.16 IFS]: REPORT ON DEVIATIONS FROM THE SUPPLY CHAIN MANAGEMENT
POLICY AS REQUIRED BY THE MUNICIPAL SUPPLY CHAIN MANAGEMENT
REGULATIONS: MONTH OF APRIL 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 April 2022, be noted.

C 2840/05/2022
MC A/5779/05/2022

9.A.16 [FS]: REPORT ON DEVIATIONS FROM THE SUPPLY CHAIN MANAGEMENT POLICY AS REQUIRED BY THE MUNICIPAL SUPPLY CHAIN MANAGEMENT REGULATIONS: MONTH OF APRIL 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 April 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 April 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

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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 April 2022:

(i) PURCHASES ACQUIRED IN EMERGENCY CASES					
R/N	DEP	DESCRIPTION	DATE	REASON	AMOUNT
APR003/2021-2022	Comm serv	Rilo Auto Electrical - electrical work for waste compactor	2022/04/07	Regulation 36 (1)(a)(i) - Emergency as the only waste compactor that was available for service delivery at the time required repairs of the indicator and break lights to be able to be on the road. Waste collection was going to be hampered if this service was not rendered urgently.	R 9 512.51
TOTAL					R 9 512.51
(ii) PURCHASES ACQUIRED WHERE GOODS AND SERVICES PRODUCED OR AVAILABLE ARE FROM A SINGLE PROVIDER ONLY/AGENTS					
R/NR	DEP	DESCRIPTION	DATE	REASON	AMOUNT
APR004-2021/2022	Comm Serv	Drager South Africa - Gas calibration	2022/04/12	Regulation (1)(a)(ii) Drager South Africa is the sole supplier of Drager products and services. Breath alcohol detectors need to calibrate for effective reading, if not done, traffic officer will not be able to screen and prosecute drunken driving offenders.	R 9 372.50
TOTAL					R 9 372.50
(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
APR001-2021/2022	Eng serv	Mow Construction CC - unforeseen repairs to 88kV Yard Circuit Breaker at Graceview Substation	2022/04/04	Regulation 36(1)(a)(v) – Impractical to follow the official procurement process as the circuit breaker (CB) had to be stripped for servicing, where it was then discovered that various mechanical components were damaged which caused mechanical faults, which could lead to explosions as the incoming breaker will not be responsive to clear any electrical faults.	R 90 145.00
APR002-2021/2022	Corp serv	Arena Holdings (Pty) Ltd - placement of ED-Comm Services and re-advert of Municipal Manager in Sunday Times	2022/04/08	Regulation 36(1)(a)(v) – The regulations to the appointment and employment conditions of senior managers specifies that the advert be placed in a national newspaper. Sunday Times (Arena Holdings) have been used prior with good response and it's impractical to source quotations due to different publications serving different readerships.	R 78 021.10
APR005/2021-2022	Comm serv	Schollings - Repair of 4 ride on Mowers, 2 chainsaw and 4 pole pruners	2022/04/19	Regulation 36(1)(a)(v) - It was impractical to follow the official procurement process as the ride on lawn mowers and pole pruners had broken down and required a strip, quote and repair process.	R 93 373.89
APR006/2021-2022	Comm serv	Hasler Business Systems (Pty) Ltd - leasing of franking machine with maintenance plan and consumables until 30 June 2025	2022/04/20	Regulation 36(1)(a)(v) – It is impractical to follow the official procurement process as the South African Post Office (SAPO) has four pre-approved suppliers to render the service of franking machines. Traffic department has a serious backlog on dispatching of infringements and by law, infringements are to be issued and printed within a certain timeframe. If not done, a magistrate can rule that offenders be refunded. Also, if offenders are not notified of their fine's revenue will be lost as offenders cannot be held liable for what they have not been informed of.	R1 700 000.00
TOTAL					R1 961 539.99
36 (1)(b) RATIFICATION OF MINOR BREACH BY ACCOUNTING OFFICER					
R/N	DEPT	DESCRIPTION	DATE	REASON	AMOUNT
		NONE			

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
03 MAY 2022

REVIEWED BY:



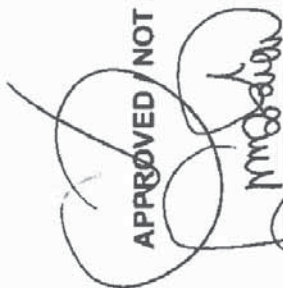
MR. F. JONAS
DIRECTOR: EXPENDITURE
03 MAY 2022

RECOMMENDED / NOT RECOMMENDED:



DR. AR. NGWENYA
CHIEF FINANCIAL OFFICER
03 MAY 2022

APPROVED / NOT APPROVED



MR. S.M. MOSIDI
ACTING MUNICIPAL MANAGER
03 MAY 2022

MIDVAAL LOCAL MUNICIPALITY

AGENDA OF THE 5TH ORDINARY MEETING OF 2022 TO BE HELD ON THURSDAY,
26 MAY 2022 AT 14:00 IN THE COUNCIL CHAMBERS

**COMMENTS: MEETING OF THE MUNICIPAL MANAGER AND HEADS OF
DEPARTMENT: 10 MAY 2022**

Resolved to Recommend

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

**COMMENTS: SECTION 80 FINANCE SERVICES PORTFOLIO COMMITTEE: 16
MAY 2022**

The recommendation is supported.