

MIDVAAL LOCAL MUNICIPALITY

MINUTES OF THE 9TH ORDINARY MEETING OF 2022 HELD ON
THURSDAY, 27 OCTOBER 2022 AT 14:00 IN THE COUNCIL CHAMBERS

C 2959/10/2022
MC A/5911/10/2022

**9.A.10 [FS]: REPORT ON DEVIATIONS FROM THE SUPPLY CHAIN MANAGEMENT
POLICY AS REQUIRED BY THE MUNICIPAL SUPPLY CHAIN MANAGEMENT
REGULATIONS: MONTH OF AUGUST 2022**

8/1/1

COMPETENCY: COUNCIL

IT WAS UNANIMOUSLY 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 August 2022, be noted.

Note: The EFF requested that their vote against this item be recorded.

C 2959/10/2022
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9.A.10 [FS]: REPORT ON DEVIATIONS FROM THE SUPPLY CHAIN MANAGEMENT POLICY AS REQUIRED BY THE MUNICIPAL SUPPLY CHAIN MANAGEMENT REGULATIONS: MONTH OF AUGUST 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 August 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 August 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)	ASD: 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)	ASD: 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 **August 2022:**

(i) PURCHASES ACQUIRED IN EMERGENCY CASES					
R/N	DEP	DESCRIPTION	DATE	REASON	AMOUNT
		NONE			
(ii) PURCHASES ACQUIRED WHERE GOODS AND SERVICES PRODUCED OR AVAILABLE ARE FROM A SINGLE PROVIDER ONLY/AGENTS					
R/NR	DEP	DESCRIPTION	DATE	REASON	AMOUNT
(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			
(v) IMPRACTICAL OR IMPOSSIBLE					
R/N	DEPT	DESCRIPTION	DATE	REASON	AMOUNT
Aug001-2022/2023	Corporate	Baritubanye Skill Training- Training on Minimum Competency Regulations	11.08/2022	Regulation 36(1)(a)(v) – Baritubanye Skills Training Company was appointed through a competitive tender to conduct the minimum competency regulations training. The training went up until August 2021 and was stalled pending a matter referred to the disciplinary board. During September 2021 classes still needed to	R 74 506.55





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					be concluded thus it would be impractical to appoint another service provider to conduct the outstanding classes as Bantubanye was the appointed to render the service.			
Aug002-2022/2023	Corporate	Guardian Forensic Services -Providing evidence on the case of P.B Ramong	17/08/2022		Regulation (1)(a)(v) Guardian Forensic was appointed via a competitive bid which expired 30 June 2021. The testimony in the proceedings exceeded the contract period. It would be impractical to appoint a different service provider to continue with the case as Guardian Forensic Services initiated the process.		R 34 960,00	
Aug003-2022/2023	Corporate	Arena Holding-Placement of Advert for Executive Director Public Safety and Roads Services	18/08/2022		Regulation (1)(a)(v) The regulations related to the appointment and employment conditions of senior managers specifies that the advertisement be placed in a National newspaper. Services of Arena Holdings (Sunday Times) have been used prior with a good response rate and it would be impractical to source quotations due to different publications serving different readership		R 50 811,60	
Aug004-2022/2023	Corporate	The Assessment Tool CC - Competency Assessment for Executive Director: Community Services position	19/08/2022		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 at pre-determined rates which makes it impractical to follow the SCM process.		R 40 365,00	
Aug005-2022/2023	Community	Meist-Chem –Swimming pool Chlorinator Machine	23/08/2022		Regulation 36(1)(a)(v) – The chlorinator machine at the swimming pool is not functional and needs to be repaired. It was impractical to follow the normal procurement process due to strip and quote to determine the extent of the repair.		R 7 688,27	
Aug006-2022/2023	Finance	Monica Jordaan -Assistance with the preparation of the 2021/2022 Financial Year, and any relevant findings as and when raised by the Auditor General @ R 1000 p/h limited to 200 hours and not exceeding 30 November 2022.	31/08/2022		Regulation 36(1)(a)(v) – The service provider has assisted MLM with the compilation and preparation of the Annual Financial Statements, thus the appointment of another service provider at this time would be impractical and result in the work already done being reviewed and this would also mean additional costs will be incurred as well as not being able to meet the set deadline for submission of Annual Financial Statements. Furthermore, it would not be appropriate to appoint a different service provider to respond to Ms. Jordaan's work when the Auditor General raises findings. Close out report will show actual hours worked		R200 000,00	
Aug007-2022/2023	Corporate	Arena Holding-Placement of Senior/Executive Managers Advert for Executive Director Community Services	31/08/2022		Regulation (1)(a)(v) The regulations related to the appointment and employment conditions of senior managers specifies that the advertisement be placed in a National newspaper. Services of Arena Holdings (Sunday Times) have been used prior with a good response rate and it would be impractical to source quotations due to different publications serving different readership		R 50 811,60	
					TOTAL		R 459 811,60	
		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. D SEMANO ASSISTANT DIRECTOR: SCM 02 AUGUST 2022	REVIEWED BY:  MR. F JONAS DIRECTOR: EXPENDITURE 02 AUGUST 2022
RECOMMENDED / NOT RECOMMENDED  MR. A MEIRING ACTING CHIEF FINANCIAL OFFICER 02 AUGUST 2022	APPROVED / NOT APPROVED  MR. AM GROENEWALD MUNICIPAL MANAGER 02 AUGUST 2022

COMMENTS: MEETING OF THE MUNICIPAL MANAGER AND HEADS OF DEPARTMENT: 26 SEPTEMBER 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 OCTOBER 2021

The recommendation is supported.