

MIDVAAL LOCAL MUNICIPALITY

MINUTES OF THE 1ST ORDINARY MEETING OF 2023 HELD ON TUESDAY,
31 JANUARY 2023 AT 14:00 IN THE COUNCIL CHAMBERS

C 3009/01/2023
MC A/5964/01/2023

9.A.8 [FS]: REPORT ON DEVIATIONS FROM THE SUPPLY CHAIN MANAGEMENT
POLICY AS REQUIRED BY THE MUNICIPAL SUPPLY CHAIN MANAGEMENT
REGULATIONS: MONTH OF NOVEMBER 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 November 2022, be noted.

C 3009/01/2023
MC A/5964/01/2023

**9.A.8 [FS]: REPORT ON DEVIATIONS FROM THE SUPPLY CHAIN MANAGEMENT
POLICY AS REQUIRED BY THE MUNICIPAL SUPPLY CHAIN MANAGEMENT
REGULATIONS: MONTH OF NOVEMBER 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 November 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 November 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.”*

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AGENDA OF THE 1ST ORDINARY MEETING OF 2023 TO BE HELD ON TUESDAY,
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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

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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 **November 2022**:

(i) PURCHASES ACQUIRED IN EMERGENCY CASES				REASON	AMOUNT
R/N	DEP	DESCRIPTION	DATE		
NOV007-2022-2023	Engineering	LTC Holdings- Emergency procurement of a 10 000 Litres water tanker to supply portable water to informal settlements	17/11/2022	Regulation (1)(a)(i) Risiville water supply was affected due to an Emfuleni Local Municipality burst pipe. This required in the Municipality to deploy water tanker to Risiville. An additional water tanker had to be provided to continue supplying water to informal settlements.	R 23 287,50
NOV008-2022-2023	Engineering	Dotcom Trading 318 Pty Ltd -Rental of two self-driven cherry picker trucks for 30 days	23/11/2022	Regulation (1)(a)(i) The municipality's cherry picker trucks are broken down and is affecting the repairing of streetlights leaving communities in the dark and subsequently impacting on hike in criminal activities in the dark streets.	R 595 700,00
(ii) PURCHASES ACQUIRED WHERE GOODS AND SERVICES PRODUCED OR AVAILABLE ARE FROM A SINGLE PROVIDER ONLY/AGENTS					
R/N/R	DEP	DESCRIPTION	DATE	REASON	AMOUNT
NOV011-2022-2023	Finance	Ratings Africa-Extended Financial Sustainability Service and Subscription 2022 Fee for Municipal Financial Sustainability index (MFSI), (scoring model that evaluates a number of financial and related components)	24/11/2022	Regulation (1)(a)(i) - Ratings Africa is sole supplier of Governance ratings and sustainability evaluation as well the Municipal Financial Sustainability Index (MFSI) in South Africa .	R 69 000,00
(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

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		NONE		(v)		IMPRACTICAL OR IMPOSSIBLE					
R/N	DEPT	DESCRIPTION	DATE	REASON	AMOUNT	R/N	DEPT	DESCRIPTION	DATE	REASON	AMOUNT
NOV002-2022-2023	Community	Kobus Otto & Associates Waste Management Consultants -Environmental legal advice on Walkerville Landfill Site S24g application	02/11/2022	Regulation (1)(a)(v) The service provider was initially appointed to appeal the decision taken by GDARD in 2019 thus, it will be difficult for any other service provider to assist on the matter as a lot of background information and knowledge of the problem is required before it can proceed to review. The Municipality does not have enough time for any other service provider to familiarise themselves with the project before taking it on review. Since there is a service provider who previously worked on the project, it was seen as prudent that they should be re-appointed to assist in the review application. Also, the review by another service provider will come at an additional cost	R100 800,00	NOV003-2022-2023	Public Safety and Roads	Marce Projects Pty Ltd -Diagnostics of Gearbox, Recovering of vehicle to Marce Workshop in Pretoria, Strip and Quote, install new Gearbox -KMD454CP	03/11/2022	Regulation (1)(a)(v) A strip, diagnosis and repair process.	R163 517.53
NOV006-2022-2023	Corporate	Arena Holdings Pty Ltd -Placement of Senior /Executive Manager Advertisement for Executive Director ; Road and Public Safety in the National Sunday Paper (Sunday Times)	08/11/2022	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	RT-57 2019	Public Safety and Roads	RT-57 -2019 & Regulation 360.0	15/11/2022	Regulation (1)(a)(v)The PS&R department are procuring a LCV Double Cab, 4x2 for Midvaal Local Municipality following the RT157-2019 process. They are additionally procuring a fibre glass canopy as an extra, which will be catered for under regulation 36 as it does not come standard with the vehicle and it would be impractical to source it via a different service provider as Ford is the only supplier of Ford	R16 523,20
					TOTAL	R 351 652,20					
		36 (1)(b)		RATIFICATION OF MINOR BREACH BY ACCOUNTING OFFICER							
R/N	DEPT	DESCRIPTION	DATE	REASON	AMOUNT	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 DECEMBER 2022

REVIEWED BY:



MR. F JONAS
DIRECTOR: SCM
02 DECEMBER 2022

RECOMMENDED / NOT RECOMMENDED



MR. ZN MHLONGO
CHIEF FINANCIAL OFFICER
02 DECEMBER 2022

~~APPROVED / NOT APPROVED~~



MR. A W GROENEWALD
MUNICIPAL MANAGER
02 DECEMBER 2022

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**COMMENTS: MEETING OF THE MUNICIPAL MANAGER AND HEADS OF
DEPARTMENT: 17 JANUARY 2023**

Resolved to Recommend

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

**COMMENTS: SECTION 80 FINANCIAL SERVICES PORTFOLIO COMMITTEE: 16
JANUARY 2023**

The recommendation is supported.