

AGENDA: COUNCIL: 25 OCTOBER 2016

240. SUPPLY CHAIN MANAGEMENT: APPROVED DEVIATIONS SEPTEMBER 2016 (Directorate: Budget and Treasury)

1. STRATEGIC THRUST

To promote sound financial management and good governance.

2. PURPOSE OF THE REPORT

To report on the deviations approved by the accounting officer in terms of the council's supply chain policy for the month of September 2016.

3. BACKGROUND

Paragraph 36(2) of the council's supply chain management policy gives the accounting officer the responsibility to record and report all deviations approved as per subparagraph 36(1) (a) and (b) of the SCM policy.

Regulation 36(1)(a) of the Municipal Supply Chain Management Regulations provide that the Accounting Officer may dispense with the normal procurement processes and procure the required goods or services through any convenient process, which may include direct negotiations, but only:

3.1 in an emergency

3.2 if goods or services are available from single supplier only;

3.3 in respect of acquisitions of special works of art;

3.4 in respect of acquisitions of animals for Zoo's

3.5 In any other exceptional case where it is impossible or impractical to follow official procurement processes.

In terms of Regulation 36(1) (b) the Accounting Officer may ratify any minor breaches of the procurement processes by an official or a committee acting in terms of delegated powers, which are of a purely technical nature.

4. LEGAL AND CONSTITUTIONAL IMPLICATIONS

In terms of Regulations 6(1) of the Local Government: Municipal Finance Management Act, the Council of a Municipality must maintain oversight over the implementation of its Supply Chain Management Policy. By virtue of Regulation 36(2), the Accounting Officer must record the reasons for any deviation, must report the deviations to the next meeting of the Council and must include them as notes in the annual financial statements. Regulation 6(4) further requires the Council to make this report public in the manner prescribed in section 21A of the Local Government: Municipal Systems Act No 32 of 2000, for access thereof by the public.

5. DISCUSSION

The approved total number of deviations for the month of August 2016 is standing at three (03) amounting to **R 212 922.58**

Below is the spending per directorate:

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Corporate Support Services	R 174 600.00
Chief Operating Officer	R 31 195.00
Public Safety	R 7 127.58
	R 212 922.58

REASON FOR DEVIATION	DESCRIPTION FOR SERVICE PROVIDED	SUPPLIER	DIRECTORATE	AMOUNT VAT INCL	DATE
8	Produced or available from a single provider only, to renew Dr DoC annual software licence	Detalink Consulting (Pty) Ltd	Corporate support services	R 174 600.00	07/09/2016
9	Exceptional case where it is impractical or impossible to follow the Supply Chain Management Policy (The appointed service provider rustenburg travel was offline and was unable to finalise the bookings)	Flight Centre Rustenburg	Chief Operations Officer	R31 195.00	20/09/2016
10	Produced or available from a single provider only.	Truvelo manufacturers (Pty) Ltd	Public safety	R7 127.58	08/09/2016

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RECOMMENDED:

ACTION

1. That the list of deviations approved by the accounting officer on grounds as specified on paragraph 36(1) a or b of the SCM Policy for the Month of September 2016 be noted; BTO
2. That the report be forwarded to the Provincial Treasury and National Treasury as per MFMA; BTO
3. That the Director: Budget and Treasury Office, in compliance with Regulation 6(4), makes this report public in the manner prescribed in Section 21(a) of the Local Government: Municipal System Act No 32 of 2000, for access therefore by the public. BTO

MINUTES: COUNCIL: 25 OCTOBER 2016

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PURPOSE OF THE REPORT

To report on the deviations approved by the accounting officer in terms of the council's supply chain policy for the month of September 2016.

IT WAS RESOLVED THAT:

- | | <u>ACTION</u> |
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| 1. That the list of deviations approved by the accounting officer on grounds as specified on paragraph 36(1) a or b of the SCM Policy for the Month of September 2016 be noted; | BTO |
| 2. That the report be forwarded to the Provincial Treasury and National Treasury as per MFMA; | BTO |
| 3. That the Director: Budget and Treasury Office, in compliance with Regulation 6(4), makes this report public in the manner prescribed in Section 21(a) of the Local Government: Municipal System Act No 32 of 2000, for access therefore by the public; | BTO |
| 4. That comments from the Chief Audit Executive be included in all future reports. | OMM
BTO |
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