

REPORT TO THE MAYORAL COMMITTEE BY THE DIRECTOR: FINANCE AND CORPORATE SERVICES: 13 APRIL 2016

1. BUDGET AND TREASURY BRANCH

1.1 MATTERS TO BE CONSIDERED IN TERMS OF DELEGATED AUTHORITY AND FOR INFORMATION

1.1.1 Supply Chain Management Report – Quarter ended March 2016

Introduction

In terms of paragraph 6 of the Supply Chain Management Policy, the Council must maintain oversight over the implementation of this policy to ensure that the accounting officer implements all supply chain management activities in accordance therewith.

In order to comply, the accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of this policy to the mayoral committee.

Relevant Legislation

Section 6(3) of the Supply Chain Management Regulations
Section 21A of the Municipal Systems Act: Documents to be made public

Compliance and Reporting

Workshops

Finance officials were made aware of the introduction of a Centralised Supplier Database (CSD), which requires all municipalities to utilize as from 1 July 2016 to comply with National Treasury requirements. As from November 2015, numerous requests were forwarded to Provincial Treasury requesting training and information.

On the 30 March 2016, SBDM officials were invited and attended the CSD workshop held by the Provincial Treasury in Port Elizabeth.

A number of concerns were raised by SBDM to the service provider, which include:

- No declaration of interest required
- No municipal billing clearance certificates required

Advertising for suppliers to register/re-register on database

In terms of Section 14(1)(a)(ii) of the Municipal Supply Chain Management Regulations, the municipality is required to annually advertise an invitation to prospective providers to register on our database.

Considering the implementation of the CSD, Provincial Treasury was requested to provide guidance on whether SBDM needs to advertise. Based on their response the required advertisements were prepared to be placed in various newspapers on 31 March 2016 and 1 April 2016.

Subsequent to the CSD workshop, it was evident that the content of the prepared adverts were contrary to the new requirements. As a result, advertisements were placed in 5 newspapers and were withdrawn for 2 newspapers.

Monthly Reports

Monthly Deviation Reports are submitted in terms of the SCM Policy for the procurement of goods and services. Awards above R100 000.00 are being submitted to the Provincial Treasury.

Improvements and Compliance to Internal Controls

The below mentioned committees are established and are functioning in accordance with SCM Policy. The committees are as listed below:

- Bid/Formal Quotation Specification Committee
- Bid/Formal Quotation Evaluation Committee
- Bid/Formal Quotation Adjudication Committee

The aforesaid committees are responsible to ensure that the required procurement processes are followed, and also to ensure that the value for money is received.

The following existing controls are in place and have proved beneficial and assist in compliance with SCM regulations:

- Bid/formal quotation checklists are completed before payment is made
- Checklist to the Bid Adjudication Committee to provide assurance that proper supply chain management processes have been followed
- Deviations system, including comments from SCM to assist authorisers
- Evaluation and adjudication of quotes between R30 000 and R200 000 by committee structures.

A system for the rotation of suppliers has been developed and implemented by the SCM unit in March 2016. Due to the fact that the system is still new there are some challenges that have occurred which are being addressed.

The total number of deviations authorised continues to decrease.

Challenges and Constraints

The following challenge and constraint still exists, but there has been improvement in the number of occurrences:

- Requestors are required to submit requests for quotations to the SCM Unit, who has 5 working days in which to process the request. This challenge still occurs for catering requests.

Solutions and Way Forward

Solutions and controls for the challenge and constraint above are:

- The departments are requested to submit their requests for quotations to the SCM unit, which has five days to process the request to eliminate unnecessary pressure which is put on the SCM unit.

Supply Chain Management Information for the quarter

- Awards above R200 000 (refer to **Annexure “ ”, page)**
- Awards between R30 000 and R200 000 (refer to **Annexure “ ”, page)**
- Awards between R2 000 and R30 000 per department and BBBEE Level (refer to **Annexure “ ”, page)**
- Awards above R30 000 per department and BBBEE Level (refer to **Annexure “ ”, page)**
- Progress on Procurement Plan for 2015/16
- Deviation Register (refer to **Annexure “ ”, page)**

A summary of the deviations approved during the quarter are as follows:

Deviation	Qty	Value
Emergency	2	R 1 086 571.95
Single Provider	1	R 55 678.15
Impractical or impossible to follow the official procurement processes	10	R 1 100 329.82
Total	13	R 2 242 579.92

Submitted for information.

AWARDS ABOVE R200 000,00 (JANUARY 2016 - MARCH 2016)

Bid No	Bid Description	Bid Awarded To	Bid Amount (VAT Incl)	Award Date	BBBEE Status Level
29/2015	Disaster Risk Assessment for the Sarah Baartman District Municipality Area	Aurecon South Africa (Pty) Ltd	R 2 262 758.31	20 January 2016	2
32/2015	Supply and Delivery of Fleet Vehicles	Algoa Toyota (Pty) Ltd	R 971 793.00	22 February 2016	0
3/2016	Valuation of land and buildings	DDP Valuation and Advisory Services(Pty) Ltd	R 492 480.00	17 March 2016	3
22/2015	Review and Implementation of SBDM Tourism Marketing strategy	Intengu Communications	R 2 245 615.32	23 March 2016	1
6/2016	Installation of lifts in the Sarah Baartman District Municipal offices	Otis (Pty) Ltd	R 1 842 167.04	23 March 2016	4
DEV 62/2016	Provision of internet service to Head Office and 32 libraries in the District	Rio Ridge 1205 T/A Baynet Solutions	R 557 477.10	02 February 2016	4*
DEV 66/2016	Air support for Kouga Municipality. St Francis Bay Fires	Savannah Helicopters Cc	R 615 828.00	08 March 2016	0*
DEV 67/2016	Air Support for Kouga Municipality. St Francis Bay Fires	EC Umbrella Fire Protection Association	R 470 743.95	08 March 2016	0*

* BBBEE Level as per supplier database. Level reflected is as at time of report

AWARDS BETWEEN R30 000 AND R200 000 (JANUARY 2016 - MARCH 2016)

REF NUMBER	SERVICE PROVIDER	CONTRACT DESCRIPTION	CONTRACT AMOUNT (INCLUDING VAT)	BBBEE LEVEL OF SERVICE PROVIDER*
P1940	LUKHONA CATERING CONSTRUCTION AND CLEANING SERVICES	Supply of Cleaning Services for the Standard Bank Building f	R 185 214.00	3
P1939	TRINK CONSUMABLES (PTY) LTD	Supply and delivery of Kiddies school furniture	R 57 624.65	2
P1916	SMADA SECURITY SERVICES (PTY) LTD	Supply of Security Services for the Standard Bank Building	R 196 213.36	2
P1929	ULTIMATE RECRUITMENT SOLUTIONS CC	Advert: Director Finance and Corporate Services Post: The He	R 57 287.48	1
DEV 57/2016	OTIS (PTY) LTD	Maintenance of elevators in Standard Bank Buildings Jan - June 2016	R 104 814.00	0*
DEV 63/2016	IMPUMELELO COMPUTERS (PTY) LTD	APPX annual licence	R 55 678.15	0*
			R 656 831.64	

* BBBEE Level as per supplier database. Level reflected is as at time of report

AWARDS (ORDERS) BETWEEN R2 000 TO R30 000

PER DEPARTMENT

Department	Qty	Amount
Office of the Mayor	85	R 531 828.18
Office of MM	59	R 485 971.20
Infrastructure and Planning	36	R 228 089.46
Economic Development	8	R 59 078.76
Finance and Admin	33	R 250 585.54
Development Facilitation	1	R 3 742.56
	222	R 1 559 295.70

AWARDS (ORDERS) BETWEEN R2 000 TO R30 000

BBBEE LEVEL

BBBEE Level*	No. of Orders made to Suppliers	Amount R
1	46	R 431 315.87
2	16	R 101 548.22
3	44	R 339 697.78
4	10	R 46 940.81
5	4	R 39 513.12
6	0	R 0.00
7	0	R 0.00
8	2	R 8 385.44
0	100	R 591 894.46
	222	R 1 559 295.70

* BBBEE Level as per supplier database. Level reflected is as at time of report

AWARDS (ORDERS) BETWEEN R2 000 TO R30 000

BBBEE LEVELS OF ALL STANDARD SERVICES PROVIDERS (DETAIL)

CREDITOR	BBBEE LEVEL *	TOTAL INCL VAT	NO OF ORDERS
DV SIGNS CC T/A SIGNTIFIC	3	R 3 089.40	1
CONTAINER WORLD (PTY) LTD	0	R 6 000.00	1
ALGOA OFFICE AUTOMATION (PTY) LTD	8	R 8 385.44	2
RENNIES TRAVEL (PTY) LTD	0	R 494 239.08	89
BIDVEST CAR RENTAL (PTY) LTD	2	R 6 202.84	2
JUST MACK OFFICE SUPPLIES T/A TOSHIBA LASERFAX	5	R 39 513.12	4
THE BODYMAN AUTO REPAIRERS CC	0	R 4 410.38	1
HANTLE INFRA PLANNING (PTY) LTD	3	R 9 196.38	1
BIDVEST PAPERPLUS (PTY) LTD	3	R 3 192.00	1
WOMEN IN THE KITCHEN	0	R 2 400.00	1
CSKD TRADING ENTERPRISE CC	3	R 21 660.00	1
V AND A AIRCONDITIONING CC	3	R 23 712.00	2
NKULI CONSTRUCTION	3	R 17 500.00	2
CIRCULAR OFFICE SUPPLIES & PRINTERS CC	1	R 44 929.97	7
SG GADENI T/A SIBOMAAKH TRADING	0	R 45 000.00	2
DEE'S PROMOTIONS CC	4	R 4 700.22	2
IVI-MIGCOBO TRADING	3	R 6 970.00	2
DISTICTIVE TRADING CC	1	R 5 500.00	1
DATACENTRIX (PTY) LTD	2	R 2 419.33	1
ZB MDA TRADING ENTERPRISE CC	3	R 2 550.00	1
CHM VUWANI COMPUTER SOLUTIONS (EC) PTY LTD	2	R 30 313.48	6
WEZISIWE TRADING CC	3	R 10 185.00	3
J D ADAMS TRADING CC	0	R 3 200.00	1
INGOBOZI BAFAZI TRADING CC	0	R 16 000.00	1
LUTHO KITCHENETTE	3	R 14 245.00	4
VUSISIZWE CONSTRUCTION	3	R 14 090.00	1
TRINK CONSUMABLES (PTY) LTD	2	R 23 287.20	5
SIYANQOBA GRASS SERVICES (PTY) LTD	3	R 6 000.00	1
ZETABLOX CC	4	R 18 000.00	1
BHAYIVOX CC	3	R 4 850.00	2
T CLAASEN	1	R 3 500.00	1
MATHEKE TRADING ENTERPRISE CC	1	R 3 400.00	1
HOT TRADING (PTY) LTD	3	R 15 500.00	2
SIYANCEDA TRADING ENTERPRISE	3	R 11 400.00	1
TACKLE BY FAITH TRADING CC	1	R 4 500.00	1
WORKSTATION	4	R 6 091.02	2
SYSTEMS SERVICES	2	R 27 565.20	1
NBK TRADING (PTY) LTD	3	R 10 500.00	1
NGOBE AND JOJO TRADING CC	3	R 32 070.00	2
CORPORATE PROMOTIONAL GIFTS CC T/A CORP. CONCEPTS	3	R 13 668.00	1
DAILY BRIGHT TRADING ENTERPRISE	3	R 23 750.00	2
BIZAMNA TRADING ENTERPRIZE CC	0	R 14 750.00	2
SOKUMA-NGAYO GENERAL TRADING	1	R 15 600.00	2
INDLUVO TRADING (PTY) LTD	3	R 3 500.00	1
MASIYE CONSTRUCTION	3	R 5 000.00	1
SAM SAM CIVILS AND ALLIED SERVICES	3	R 6 000.00	1
ABERDEEN COMMUNITY TRADING	3	R 19 420.00	2
SMADA SECURITY SERVICES (PTY) LTD	2	R 11 760.17	1
NIKIBIZ (PTY) LTD	3	R 6 250.00	1
MEDINDA TRADING CC	1	R 9 614.05	3

CREDITOR	BBBEE LEVEL *	TOTAL INCL VAT	NO OF ORDERS
EZITHATHWINI (PTY) LTD	0	R 3 500.00	1
VUKA UVUTHULULE TRADING CC	1	R 32 000.00	2
NHE CATERING AND GENERAL TRADING (PTY) LTD	3	R 3 250.00	1
AFRO ENTERPRIZE NETWORK	1	R 28 500.00	1
ULTIMATE RECRUITMENT SOLUTIONS CC	1	R 163 151.85	18
K2015031794(SOUTH AFRICA) (PTY) LTD	1	R 24 000.00	1
MATSIBISO SUPPLY AND TRADING CC	1	R 8 000.00	1
NGQOKOSHE TRADING (PTY) LTD	3	R 18 900.00	1
GRANDIREX	3	R 3 300.00	1
ZIGGY'S LABELS CC	4	R 11 949.57	3
NOVIZHLWELE GENERAL TRADING	3	R 14 250.00	2
IMP CHAIN ENTERPRISE (PTY) LTD	1	R 21 990.00	1
SPHELO GENERAL TRADING	3	R 4 500.00	1
IKHUTHALA TRADING AND PROJECTS (PTY) LTD	1	R 30 980.00	3
SIYAZAMA CENTRAL TRADING CO-OPERATIVE LIMITED	1	R 28 000.00	1
PORT ALFRED UNCEDO TRANSPORT PRIMARY CO-OPERATIVE LIMITED	1	R 2 400.00	1
LANGA AND NGALEKA (PTY) LTD	1	R 5 250.00	1
GERALDINE MOOS	3	R 11 200.00	1
VUSI-BUSI GENERAL PRIMARY CO-OPERATIVE LIMITED	4	R 6 200.00	2
J FERREIRA	0	R 2 395.00	1
		R 1 559 295.70	222

* BBBEE Level as per supplier database. Level reflected is as at time of report

AWARDS (ORDERS) ABOVE R30 000

PER DEPARTMENT

Department	Qty	Amount
Office of the Mayor	1	R 57 287.48
Office of MM	1	R 57 624.65
Infrastructure and Planning	1	R 664 636.80
Economic Development	0	R 0.00
Finance and Admin	2	R 381 427.36
	5	R 1 160 976.29

AWARDS (ORDERS) ABOVE R30 000

BBBEE LEVEL

BBBEE Level*	No. of Orders made to Suppliers	Amount R
1	1	57287.48
2	2	R 253 838.01
3	1	185214
4	1	664636.8
5	0	R 0.00
6	0	R 0.00
7	0	R 0.00
8	0	R 0.00
0	0	R 0.00
	5	R 1 160 976.29

* BBBEE Level as per supplier database. Level reflected is as at time of report

AWARDS (ORDERS) ABOVE R 30 000

BBBEE LEVELS OF ALL STANDARD SERVICES PROVIDERS (DETAIL)

CREDITOR	BBBEE LEVEL *	TOTAL INCL VAT	NO OF ORDERS
FIRE RAIDERS (PTY) LTD	4	R 664 636.80	1
LUKHONA CATERING CONSTRUCTION AND CLEANING	3	R 185 214.00	1
TRINK CONSUMABLES (PTY) LTD	2	R 57 624.65	1
SMADA SECURITY SERVICES (PTY) LTD	2	R 196 213.36	1
ULTIMATE RECRUITMENT SOLUTIONS CC	1	R 57 287.48	1
		R 1 160 976.29	

* BBBEE Level as per supplier database. Level reflected is as at time of report

PROCUREMENT PLAN - 2015/16

PROJECT	BUDGET	DPT	SECTION	RESPONSIBLE PERSON	SCM REQUIRED (YES/NO)	BID	FORMAL QUOTE	BELOW R30 000	COMPLETION DATE	AWARDED (YES/NO)	SCM PROCESS STATUS	COMMENTS
PROJECT BUDGET												
COMMEMORATION DAY CELEBRATION	200 000	MM	SPECIAL PROJECT UNIT	U DANIELS	YES			✓	June 2016	YES	On target	
DISABILITY EMPOWERMENT	300 000	MM	SPECIAL PROJECT UNIT	U DANIELS	YES			✓	June 2016	YES	On target	
WOMEN EMPOWERMENT	300 000	MM	SPECIAL PROJECT UNIT	U DANIELS	YES			✓	June 2016	YES	On target	
YOUTH DEVELOPMENT	300 000	MM	SPECIAL PROJECT UNIT	U DANIELS	YES			✓	June 2016	YES	On target	
LIBRARIES	2 200 000	MM	LIBRARIES	L NANCE	YES	✓		✓	31 August 2015	BID 12/2015	Complete	Bid Cancelled
IMPLEMENTATION OF THE HIV/AIDS PLAN	300 000	MM	HIV/AIDS	U DANIELS	YES			✓	June 2016	NO	On target	
TECHNICAL TOWN PLANNING ASSISTANCE	500 000	P&I	PLANNING UNIT	M MAGOKOLO	YES	✓		✓	BID 11/2015	YES	Complete	
EPWP PROJECT	1 133 000	P&I	FIRE SERVICES	M NOHASHE	YES	✓		✓	BID 7/2015	YES	Complete	
PLANNING AND FEASIBILITY STUDY	700 000	P&I	PROJECT MANAGEMENT	T BETHA	NO							
WASTE WATER TREATMENT SUPPORT TO LM'S	565 000	P&I	PROJECT MANAGEMENT	P SNYMAN	NO							
DISTRICT WIDE INFRASTRUCTURE PLAN	750 000	P&I	PROJECT MANAGEMENT	P SNYMAN	YES	✓		✓	BID 6/2015	YES	Complete	
REVIEW OF INTERGRATED WASTE MANAGEMENT PLANS	600 000	P&I	ENVIRONMENTAL HEALTH	K MAKGOKA	YES	✓		✓				
AIR QUALITY MANAGEMENT PLAN	250 000	P&I	ENVIRONMENTAL HEALTH	K MAKGOKA	YES	✓		✓	BID 21/2015	YES	Complete	
HOUSING TRANSFER AND BENEFICIARY	400 000	P&I	HOUSING COORDINATOR	T BETHA	NO				BID 20/2015	YES	Complete	
INFR DMA: ALIENATION	190 000	P&I	HOUSING COORDINATOR	F ANTONY	NO							
CONTRIBUTION TO MUNICIPALITIES	4 500 000	P&I	FIRE SERVICES	M NOHASHE	NO							
FIRE STATION - KOU KAMMA	2 208 000	P&I	FIRE SERVICES	M NOHASHE	YES	✓		✓	BID 32/2014	YES	Complete	
FIRE STATION - NDLAMBE	4 823 000	P&I	FIRE SERVICES	M NOHASHE	YES	✓		✓	BID 2/2015	YES	Complete	
FIRE STATION - BLUE CRANE ROUTE	250 000	P&I	FIRE SERVICES	M NOHASHE	YES	✓		✓	BID 9/2013	YES	Complete	
FIRE FIGHTING EQUIPMENT	800 000	P&I	FIRE SERVICES	M NOHASHE	YES	✓		✓	BID 18/2015	YES	Complete	
PATERSON INTERGRATED EMERGENCY CENTRE	5 000 000	P&I	FIRE SERVICES	M NOHASHE	YES	✓		✓	31 December 2015	NO	Lagging	Bid processes not commenced
RESTORATION OF FIRE HYDRANT DISTRICT WIDE	360 000	P&I	FIRE SERVICES	M NOHASHE	YES	✓		✓	BID 7/2015	YES	Complete	
REVIEW DISASTER RISK ASSESSMENT	2 000 000	P&I	DISASTER MANAGEMENT	M NOHASHE	YES	✓		✓	BID 29/2015	YES	Complete	
DISASTER RISK REDUCTION	1 000 000	P&I	DISASTER MANAGEMENT	M NOHASHE	YES	✓		✓	BID 16/2015	YES	Complete	
IRAMS PROJECT	2 200 000	P&I	TRANSPORT, ROADS	T BETHA	YES	✓		✓	BID 32/2013	YES	Complete	
JANSENVILLE WATER TREATMENT WORKS	200 000	P&I	WATER DISTRIBUTION	T BETHA	YES	✓		✓	BID 2/2014	YES	Complete	

*Service Providers appointed by LM's - transfer its SLA's
Assistance to LM's upon request - MC approval for transfer*

*Payments based on no. of transfers concluded
Payments based on no. of transfers concluded
Payments will be made in terms of signed Service Level Agreements*

PROJECT	BUDGET	DPT	SECTION	RESPONSIBLE PERSON	SCM REQUIRED (YES/NO)	BID	FORMAL QUOTE	BELOW R30 000	COMPLETION DATE	AWARDED (YES/NO)	SCM PROCESS STATUS	COMMENTS
AGRICULTURAL SUPPORT	1 500 000	ED	LED	D MAGXWALISA	NO							
DISTRICT DEVELOPMENT AGENCY	1 000 000	ED	ED: MANAGEMENT	P KATE	NO							Payments to be made in terms of Mentorship Agreements Funds to be transferred to CDA in terms of the Service Level Agreement
LED DISTRT SUPPORT	700 000	ED	LED	D MAGXWALISA	NO							MC approval - transfers effected in terms of SLA's
LED PROJECTS	300 000	ED	LED	D MAGXWALISA	NO							MC approval - transfers effected in terms of SLA's
CDM SMME SUPPORT PROGRAMME	2 000 000	ED	LED	D MAGXWALISA	NO							Call for proposals - payments made in terms of Service Level Agreements
TOURISM SECTOR DEVELOPMENT SUPPORT	1 500 000	ED	TOURISM	T MGUDLWA	NO							MC approval - transfers effected in terms of SLA's
SUPPORT TO LOCAL TOURISM ORGANISATIONS	800 000	ED	TOURISM	T MGUDLWA	NO							MC approval - transfers effected in terms of SLA's
TOURISM MARKETING	2 500 000	ED	TOURISM	T MGUDLWA	YES	✓			BID 22/2015	NO	Complete	Call for proposals - payments made in terms of Service Level Agreements
TOURISM INFRASTRUCTURE INVESTMENT	600 000	ED	TOURISM	T MGUDLWA	YES	✓			BID 4/2015	YES	Complete	Objection received
CREATIVE INDUSTRIES	900 000	ED	TOURISM	T MGUDLWA	NO							Call for proposals - payments made in terms of Service Level Agreements
SUPPORT TO DISTRICT FOR IMPROVING AUDIT OUTCOMES	2 500 000	FCS	FAD	R LORGAT	YES	✓			BID 29/2014	YES	Complete	
CAPITAL BUDGET												
IT EQUIPMENT	175 000	FCS	IT	R LORGAT	YES	✓			QUOTE 27/2015	YES	Complete	
MOTOR VEHICLES	750 000	P&I	ENVIRONMENTAL HEALTH	K MAKGOKA	YES	✓			30 September 2015	BID 32/2015	Complete	Objection received
BUILDING REFURBISHMENTS	4 000 000	P&I	PROJECT MANAGEMENT	B MAKEDAMA	YES	✓			30 September 2015	NO	Lagging	Bid 6/2016 Lifts awarded - Bid 7/2016 Closed 30 March 2016
ALL OTHER CAPITAL ITEMS	542 000	ALL	VARIOUS	MANAGERS	YES			✓	30 November 2015	NO	On target	
OPERATIONAL REQUIREMENTS												
FLEET CARD & MAINTENANCE	2 697 000	FCS	Asset Management	R Lorgat	YES	✓			BID 13/2015	YES	Complete	
3G MODEMS - INTERNET ACCESS	882 000	FCS	IT	R LORGAT	YES	✓			30 September 2015	BID 12/2015	Complete	Bid Cancelled
REVIEW OF ORGANISATIONAL STRUCTURE	500 000	FCS	HUMAN RESOURCES	Z STUURMAN	YES	✓			30 September 2015	NO	Lagging	Bid processes not commenced

DEVIATIONS REGISTER (JANUARY 2016 - MARCH 2016)

Date	Deviation No	Supplier Name	Description of goods/services	Amount	Dept	Type of deviation	Reason for deviations	Other Information
26/01/2016	56/2016	NASHUA EASTERN CAPE	Replacement of drawer and door of the Nashua Copier Machine on the first floor	2 438.06	Economic Development	3	The Nashua Copier machine on the first floor is broken and it requires a new paper tray and door. To ensure that the machine's quality and working condition is maintained it is not suitable to use parts provided by a different service provider. Due to the reasons provided it is impractical to follow the SCM processes and thus only one quote was sourced from Nashua.	3 Quotes not Obtained
25/01/2016	57/2016	OTIS (PTY) LTD	Maintenance of elevators in Standard Bank Buildings Jan - June 2016	104 814.00	Infrastructure and Planning	3	Otis is the agent for the elevators currently at Standard Bank Building, thus it is impractical to use another supplier for servicing the elevators. Period 6 months January 2016 - June 2016	3 Quotes not Obtained; Formal Quote process not followed
04/02/2016	58/2016	SMADA SECURITY SERVICES (PTY) LTD	Supply of security services for the Standard Bank Building for the period January 2016 until March 2016	196 213.36	Finance and Corporate Services	3	The security services tender process has not been finalised. A report was tabled at Mayoral Committee for consideration and the matter was deferred for a strategic session where the Senior Managers and Council will make a final decision on whether to continue outsourcing the function indefinitely or to try and insource the function over a period of time. It is impractical to procure services for a period of 3 months for security services using the normal SCM processes. It is therefore important to continue with the current security service provider for the period January 2016 until March 2016 until such time as the strategic session has been finalised.	3 Quotes not Obtained, Bid or quote process not followed.

Date	Deviation No	Supplier Name	Description of goods/services	Amount	Dept	Type of deviation	Reason for deviations	Other Information
04/02/2016	59/2016	SMADA SECURITY SERVICES (PTY) LTD	Supply of security services and guard house for the Chapel Street parking area for staff members.	11 760.17	Finance and Corporate Services	3	There was a series of meetings and an item to the LLF for consideration by the Council based on frustrations experienced by staff members using the Chapel Street parking area. The problem is compounded by the fact that the NMB Municipality staff members are utilising the parking area. One of the proposals was to obtain security services for the Chapel Street parking area to try and control SBDM parking users and to deter illegal parkers such as the general public and NMB Municipality staff members. Following a general staff meeting the Municipal Manager advised in a memorandum that security services should be procured for Chapel Street parking area on a trial basis. A quotation was obtained from our current security service provider to supply a security officer as well as a guard house on a trial period of 1 month to try and alleviate some of the frustrations experienced. To this end a quote for a period of 1 month (February 2016) has been obtained for security services and a guard house at Chapel Street parking area. Following the trial period the experience will be evaluated and further procurement options explored. Based on the aforementioned it is impractical to follow the official procurement processes the service is currently provided through a deviation as the matter of in-sourcing / out-sourcing must still be finalised in the strategic session planned. It will be impractical to follow SCM processes and appoint a different service provider for this trial period. Upon finalisation of the decision at the strategic session, proper SCM processes will be followed where necessary	3 Quotes not Obtained, formal bid/quote process not followed.
10/02/2016	60/2016	LUKHONA CATERING CONSTRUCTION AND CLEANING SERVICES	Supply of Cleaning services for the Standard Bank Building for the period January 2016 until June 2016.	185 214.00	Finance and Corporate Services	3	The cleaning services function is a matter that has been reserved for discussion at the proposed strategic session during 2016. In the interim pending an outcome on whether to insource or continue outsourcing the Council requires cleaning services to be continued. A proposal has been tabled for consideration but in the absence of the outcome the Council has to continue with the current cleaning service providers. It is impractical to follow normal procurement processes because the service is required for a period of 6 months.	3 Quotes not Obtained, bid or quote process not followed.

Date	Deviation No	Supplier Name	Description of goods/services	Amount	Dept	Type of deviation	Reason for deviations	Other Information
12/02/2016	61/2016	STEINER HYGIENE (PTY) LTD	Hygiene Services (machinery in toilet areas) for Standard Bank Building for a period of 3 months (January 2016 until March 2016.)	29 607.75	Finance and Corporate Services	3	The current contract expired and the new tender process is not completed. The deviation is required for a period of 3 months (January 2016 until March 2016) while the SCM process for formal quote can be concluded to identify service providers for this function. Cleaning services is currently an item for discussion at the strategic session and the likelihood of including this service in the total cleaning function will be explored. The bid/formal quote process is therefore dependent on the outcome of the strategic session and the process therefore impacts on the SCM process. The total cost is R29607.75 vat inclusive.	3 Quotes not Obtained, bid/quote process not followed
02/02/2016	62/2016	RIO RIDGE 1205 T/A BAYNET SOLUTIONS	Provision of internet service to Head Office and 32 libraries in the District	557 477.10	Office of the Municipal Manager	3	The Municipality had a contract with Rio Ridge/Baynet to provide internet services to its head office building and 32 libraries in the District since 2008. This contract terminated on 30 June 2015. Bids were invited for procurement of this service for the ensuing two financial years. In the meantime it became evident that Province is providing WiFi internet service to libraries, but this service is not linked to the Connect with Cacadu system of the SBDM. Negotiations are being entered into with Province to see if the WiFi service can be linked to the CwC system. The Municipality had to cancel the awarding of the bid because the matter needs to be dealt with at Provincial level first. In the interim a short term contract is being entered into with the supplier to ensure continuity of the service until this matter has been finalised. The deviation amount of R557477.10 is the cost of providing the service for three months. See full report attached. Based on the aforementioned, it is impractical to follow the official procurement processes.	3 Quotes not Obtained, Formal bid process on hold until outcome of negotiations with DSRAC regarding their provision of WiFi internet service
10/02/2016	63/2016	IMPUMELELO COMPUTERS (PTY) LTD	APPX annual licence	55 678.15	Finance and Corporate Services	2	The application software used by the municipality is APPX. Impumelelo Computers is the sole supplier of APPX software in South Africa. Annual licence fees are payable in order for the existing application software to be used.	3 Quotes not Obtained, Formal quotation process not followed
26/02/2016	65/2016	CONTAINER WORLD (PTY) LTD	Hiring of two containers for storage of material at Paterson	6 000.00	Infrastructure and Planning	3	The supplier, Container World is not properly registered on our database. Previous 3 quotes were obtained to safeguard materials for rainwater harvesting project. They quoted the lowest amount to hire two containers in Paterson. The job has not been completed and the two containers are still required for an additional 4 months to complete the project. As the containers are already on site, it is more economical to use the existing service provider, to eliminate any additional costs, eg transport. Based on the above it is impractical to follow the official procurement process.	Supplier Not Properly Registered on Database, 3 Quotes not Obtained

Date	Deviation No	Supplier Name	Description of goods/services	Amount	Dept	Type of deviation	Reason for deviations	Other Information
08/03/2016	66/2016	SAVANNAH HELICOPTERS CC	Air support for Kouga Municipality. St Francis Bay Fires	615 828.00	Infrastructure and Planning	1	Fires broke out in the St Francis Bay on the 23 February 2016. Local Municipalities were requested to assist. Due to inaccessibility by firefighting teams to some of the fires, it became clear that a helicopter was needed. A decision was taken to source a helicopter. This was as a result of thick vegetation and difficulty to walk over the dunes by firefighting teams in order to access some fires and more importantly to protecting properties and human lives. A helicopter was sourced from Savannah Helicopters CC. It was utilized from the 24/29-02-2016 in St Francis Bay and Cape St Francis areas.	Supplier Not Registered on Database , Formal bid process not followed
08/03/2016	67/2016	EC UMBRELLA FIRE PROTECTION ASSOCIATION	Air Support for Kouga Municipality. St Francis Bay Fires	470 743.95	Infrastructure and Planning	1	Fire broke out in St Francis Bay and Cape St Francis Bay on the 23 February 2016. Local Municipalities were requested to assist. Due to inaccessibility by firefighting teams to some of the fires, it became clear that a helicopter was needed. A decision was taken to source a helicopter. This was as a result of thick vegetation and difficulty to walk over the dunes by fire fighting teams to access some fires and more importantly to protecting properties and human lives. A helicopter and a spotter plane were sourced from Working on Fire. They were utilized for two days in both in St Francis Bay and Cape St Francis areas.	Supplier Not Properly Registered on Database, Formal bid process not followed
16/03/2016	68/2016	J FERREIRA	Towing of vehicle from Steytlerville to Manufacturer in P.E.	2 395.00	Infrastructure and Planning	3	During the delivery of goods donated by the Executive Mayor, the vehicle broke down near Steytlerville. Another municipal vehicle was used to tow the vehicle back to SBDM, but during the process the Isuzu with registration FHL132EC picked up problems with the power steering and brakes. The manufacturer (Isuzu) then advised us to make use of a pickup truck to deliver the vehicle to them. Three quotations were obtained from service providers in the area and J Ferreira t/a T&T Mechanical and Body Works quotation is the lowest. J Ferreira can provide the service. None of the suppliers are registered on our Database and none of them accept our First Auto Maintenance card. This vehicle is currently parked at the Police Office in Steytlerville and repairs to the vehicle must commence. J Ferreira is required to tow the vehicle from Steytlerville police station to the manufacturer in P.E. Based on the aforementioned it is considered impractical to follow the official supply chain processes.	Supplier Not Registered on Database

Date	Deviation No	Supplier Name	Description of goods/services	Amount	Dept	Type of deviation	Reason for deviations	Other Information
16/03/2016	69/2016	THE BODYMAN	Braded hose for water tank on fire vehicle	4 410.38	Infrastructure and Planning	3	During the recent Fire in Kouga, the water tank of FCW646EC was damaged beyond repair. An insurance claim was registered and Indwe Risk awarded the work to be done by The Bodyman. The quote included a replacement hose that was recommended and approved as part of the claim. On completion of the work it was discovered that the hose fitted would not be suitable as it would not be able to function as required under high temperatures. The Disaster Management Fire Fighting Section requested for a steel braded hose to be fitted and this request was forwarded to the supplier. There is a difference in the price of the two types of hoses. Due to the above it is impractical to follow the SCM processes and appoint a different service provider as the supplier was awarded the work by the insurers. The supplier is not registered on SBDM's database. The difference between the insurance approved amount and the cost of the steel braded hose needs to be paid to The Bodyman.	Supplier Not Registered on Database
				2 242 579.92				

LEGEND	
1	Emergency
2	If such goods or services are produced or available from a single provider only
3	In any other exceptional case where it is impractical or impossible to follow the official procurement process