

## SUPPLEMENTARY REPORT TO THE MAYORAL COMMITTEE BY THE DIRECTOR FINANCE AND CORPORATE SERVICES: 19 OCTOBER 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 September 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

###### Progress

###### Supply Chain Management (SCM) Forum

The SCM Forum was established on 2 September 2016, chaired jointly by Provincial Treasury and SBDM. The main focus of the forum is to be the central point for all SCM related issues affecting the 7 local municipalities in the Sarah Baartman District.

Meetings for the forum are scheduled to take place bi-monthly (except where there are urgent issues to be addressed).

###### Compliance and Reporting

###### Central Supplier Database (CSD):

MFMA Circular No. 81 was submitted to the Mayoral Committee meeting of 15 June 2016 and thereafter submitted to Council meeting of 6 July 2016 for noting. In terms of the Circular, the municipality must use the CSD to source potential service providers as from 1 July 2016.

As the CSD does not require declarations of interest from potential service providers, the municipality requires the submission of certified declarations. In order to be properly registered as a standard supplier, potential service providers must be registered on CSD and have submitted the required certified declarations.

The SBDM website has been updated with information on the CSD.

The SCM unit has provided training for the interns in the Finance Section to enable them to assist potential service providers with registration on the CSD.

### Workshops

The SCM unit has attended the following workshops/information sessions during the period July 2016 – September 2016:

- On the 25 August 2016, SCM officials attended the National Treasury Consultation Session for the Draft Procurement Bill. The main focus of the consultation session was to present the draft bill, receive inputs and suggestions from the stakeholders within the Eastern Cape to be included in the next version of the Draft Procurement Bill.
- On the 21 September 2016, SCM officials attended the CIDB Construction Procurement Forum in East London. The main aim of the forum was to highlight the non-compliance areas common to municipalities and their effect on irregular expenditure.

### Monthly Reports

Monthly Deviation Reports and progress on the Procurement Plan are submitted in terms of the SCM Policy for the procurement of goods and services and included in the Section 71 Reports. Awards above R100 000.00 are being submitted to the Provincial Treasury.

### Improvements and Compliance to Internal Controls

The below mentioned committees were established and are functioning in accordance with the 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.

## **Challenges and Constraints**

The following challenges and constraints exist.

- 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.
- The implementation of CSD proved challenging, as insufficient training had been provided by Provincial Treasury.
- The CSD does not provide for the rotation of potential service providers.
- Uploading of the CSD database has not been possible, as the file size prevents conversion into Excel or SQL formats, which are required. This has resulted in supplier database information being manually captured onto SBDM's financial system upon registration. However, any changes of information could be undetected, e.g. banking details, addresses, etc.
- CSD does not verify certain information, i.e. BBBEE levels, CIDB gradings, nor does the system require municipal billing clearance information.

## **Solutions and Way Forward**

Solutions and controls for the challenges and constraints above are:

- The departments are requested to submit their requests for quotations to the SCM unit, which has five days to process the request in order to eliminate unnecessary pressure, which is put on the SCM unit.
- The SCM officials are currently able to use the CSD to source potential service providers.
- Currently, there is no solution for the provision of rotation of potential service providers using CSD. This issue has been raised at the SCM Forum.
- Banking details for EFT payments are verified manually on the payment day, by comparing SBDM's financial system information to that reflected on CSD.
- CSD supplier reports are printed and attached to all orders, to provide assurance of certain information, e.g. restricted supplier information, tax clearance validity, etc.
- BBBEE levels, CIDB gradings and municipal billing clearance information is requested for formal quotations and bidding process.

**Supply Chain Management Information for the quarter**

- Bid Awards above R200 000 (refer to Annexure “ ”, page )
- Quote Awards above R30 000 - R200 000 (refer to Annexure “ ”, page )
- Summary: Orders between R30 000 – R200 000 (refer to Annexure “ ”, page )
- Orders between R30 000 – R200 000 (refer to Annexure “ ”, page )
- Summary: Orders between R2 000 and R30 000 (refer to Annexure “ ”, page )
- Progress on Procurement Plan for 2016/17
- Deviation Register (refer to Annexure “ ”, page )

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

Deviation	Qty	Value
Emergency	0	R 0.00
Single Provider	3	R438,705.04
Impractical or impossible to follow the official procurement processes	11	R966,448.26
Total	14	R1,405,153.30

Submitted for information.

**BID AWARDS ABOVE R200 000,00 (JULY 2016 - SEPTEMBER 2016)**

Bid No	Bid Description	Bid Awarded To	Bid Amount (VAT incl)	Award Date	BBBEE Status Level

No BAC awards during the quarter

**QUOTE AWARDS ABOVE R30 000,00 TO R200 000 (JULY 2016 - SEPTEMBER 2016)**

Quote No	Quote Description	Quote Awarded To	Quote Amount (VAT incl)	Award Date	BBBEE Status Level*
Q17/2016	DEBORAH CECILE PRETORIUS	Design, layout and printing of 420 x A2 calendars in full co	R 49 497.11	13 September 2016	4
Q18/2016	LANGA AND NGALEKA	Supply and Delivery of Sanitary Towels	R 95 000.00	16 September 2016	1

\* BBBEE Level at time of award

**SUMMARY: ORDERS BETWEEN R30 000.00 - R200 000.00 (JULY 2016 - SEPTEMBER 2016)**

CREDITOR	TOTAL INCL VAT	NO OF ORDERS
RENNIES TRAVEL	R 308 499.87	4
INTENGU COMMUNICATIONS	R 354 459.06	3
LUKHONA CATERING CONSTRUCTION AND CLEANING SERVICES	R 92 606.99	1
DEBORAH CECILE PRETORIUS	R 49 497.11	1
ULTIMATE RECRUITMENT SOLUTIONS	R 123 830.17	2
HLABINDYEBO	R 59 340.75	1
	<b>R 988 233.95</b>	<b>12</b>

**PER DEPARTMENT**

Department	Amount	Qty
OFFICE OF THE MAYOR	R 123 830.17	2
MUNICIPAL MANAGER	R 103 465.09	1
PLANNING AND INFRASTRUCTURE SERVICES	R 59 340.75	1
ECONOMIC DEVELOPMENT	R 205 034.78	3
FINANCE AND CORPORATE SERVICES	R 142 104.10	2
DEVELOPMENT FACILITATION	R 354 459.06	3
	<b>R 988 233.95</b>	<b>12</b>

**ORDERS BETWEEN R30 000 AND R200 000 (JULY 2016 - SEPTEMBER 2016)**

REF NUMBER	SERVICE PROVIDER	CONTRACT DESCRIPTION	CONTRACT AMOUNT (INCLUDING VAT)
P2586	RENNIES TRAVEL	Accommodation for 16 delegates attending LED Training for Lo	R 52 048.32
P2689	RENNIES TRAVEL	A 25 seater luxury coach for 21 Chinese delegates and 4 SBDM	R 103 465.09
P2693	RENNIES TRAVEL	Conference Venue Hire, Lunch and Accommodation for 16 delega	R 76 740.96
P2757	RENNIES TRAVEL	Conference Venue Hire, Lunch and Accommodation for 15 delega	R 76 245.50
P2730	INTENGU COMMUNICATIONS	Printing of 20 pages self cover 5 different brochures 500 ea	R 82 279.50
P2731	INTENGU COMMUNICATIONS	Men's Golf Shirts Women's Golf Shirts Brass & Bamboo Roolerb	R 97 122.93
P2829	INTENGU COMMUNICATIONS	Stand construction, furniture,electrical, sundries, storage	R 175 056.63
P2673	LUKHONA CATERING CONSTRUCTION AND CLEANING SERVICES	Provision of cleaning services for the period July until Sep	R 92 606.99
P2827	DEBORAH CECILE PRETORIUS	Design, layout and printing of 420 x A2 calendars in full co	R 49 497.11
P2598	ULTIMATE RECRUITMENT SOLUTIONS	Placement of vacancy advert for Director Econic Development	R 66 078.00
P2889	ULTIMATE RECRUITMENT SOLUTIONS	Placement of Municipal Manager vacancy in the Sunday Times	R 57 752.17
P2585	HLABINDYEBO	Supply and Delivery of material for Rainwater Harvesting.	R 59 340.75
			<b>R 988 233.95</b>

**SUMMARY: ORDERS BETWEEN R2 000 TO R30 000 (JULY 2016 - SEPTEMBER 2016)**

CREDITOR	TOTAL INCL VAT	NO OF ORDERS
BIDDULPHS REMOVALS AND STORAGE S A	R 21 546.00	1
LEXISNEXIS	R 21 117.70	1
BELMGROVE AND SNELL FLOORING AND CARPETING	R 4 995.48	1
ALGOA OFFICE AUTOMATION	R 3 498.91	1
RENNIES TRAVEL	R 398 285.61	69
BIDVEST CAR RENTAL	R 14 620.66	6
BRIAN BANDS SPORTS	R 8 875.00	1
THE BODYMAN AUTO REPAIRERS	R 29 401.92	2
HAROLD HOWARD AND ASSOCIATES	R 4 863.85	2
BIDVEST PAPERPLUS	R 15 383.27	1
ESRI SOUTH AFRICA	R 11 514.00	1
PRIMESERV CORPORATE SOLUTIONS	R 21 512.00	1
MOSES JOHANNES BUSH	R 2 200.00	1
V AND A AIRCONDITIONING	R 65 168.56	4
OMG ENGINEERING AND TOOL SUPPLY	R 6 978.47	1
NKULI CONSTRUCTION	R 12 900.00	3
CIRCULAR OFFICE SUPPLIES AND PRINTERS	R 26 021.38	6
DEE'S PROMOTIONS	R 32 694.06	2
IVI - MIGCOBO TRADING	R 6 170.00	2
Z B MDA TRADING ENTERPRISE	R 6 640.00	2
CHM VUWANI COMPUTER SOLUTIONS (EASTERN CAPE)	R 28 592.34	6
INGOBOZI BAFAZI TRADING	R 11 450.00	1
FOOD BY FAITH CATERINGS	R 2 000.00	1
LUTHO KITCHENETTE	R 5 250.00	1
TRINK CONSUMABLES	R 52 008.23	11
Nomhle Margaret Danster	R 15 225.00	2
BHAYIVOX	R 3 600.00	1
IMBIZA PE TRADING ENTERPRISE	R 2 850.00	1
BRENDA PHILDA PANNIES	R 16 100.00	4
WILBRAN	R 6 978.01	2
IBAYI PC SALES AND REPAIRS	R 19 463.68	2
DATA COL	R 15 451.56	2
ADIOS MANAGEMENT	R 2 610.00	1
SOKUMA-NGAYO GENERAL TRADING	R 26 800.00	2
DEBORAH CECILE PRETORIUS	R 41 834.51	4
BADUSCOPE	R 5 254.50	2
ZCEMBE CONSTRUCTION	R 15 600.00	1
LISAVUMA TRADING	R 2 370.00	1
ULTIMATE RECRUITMENT SOLUTIONS	R 80 572.62	8
SENZELE NGAPHEZULU TRADING	R 3 600.00	1
ZIGGY'S LABELS	R 11 160.60	1
KILVERT TRADING	R 29 994.00	1
IKHUTHALA TRADING AND PROJECTS	R 6 300.00	2
MUSAJOLUSHA GENERAL TRADERS	R 6 765.00	2
LANGA AND NGALEKA	R 6 300.00	1
RHOYICIRA TRADING	R 6 600.00	1
QUEST STAFFING SOLUTIONS	R 21 395.52	1
SARASEC	R 12 575.00	4



CREDITOR	TOTAL INCL VAT	NO OF ORDERS
SIYA GREEN VILLAGE	R 22 572.00	1
LE ROUX'S AIR CONDITIONING AND FIRE DETECTION	R 2 998.20	1
SHARP CONNECT EASTERN CAPE	R 9 902.12	3
ANG CREATIONS	R 2 700.00	1
NETCONEX	R 3 150.00	1
LISABA	R 2 000.00	1
ITR TECHNOLOGY	R 20 349.00	1
THE STATIONERY DOCK	R 9 077.91	2
FACHS BUSINESS CONSULTING AND TRAINING	R 6 997.32	1
BUYISWA HOSPITALITY	R 22 750.00	1
	<b>R 1 275 583.99</b>	<b>188</b>

**PER DEPARTMENT**

Department	Amount	Qty
OFFICE OF THE MAYOR	R 477 656.42	84
MUNICIPAL MANAGER	R 171 936.79	20
PLANNING AND INFRASTRUCTURE SERVICES	R 160 022.71	31
ECONOMIC DEVELOPMENT	R 30 218.17	5
FINANCE AND CORPORATE SERVICES	R 397 659.33	45
DEVELOPMENT FACILITATION	R 38 090.57	3
	<b>R 1 275 583.99</b>	<b>188</b>

# PROCUREMENT PLAN - 2016/17

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
<b>PROJECT BUDGET</b>												
COMMEMORATION DAY CELEBRATION	200,000	MM	SPECIAL PROJECT UNIT	U DANIELS	YES	✓		✓	June 2017			
DISABILITY EMPOWERMENT	250,000	MM	SPECIAL PROJECT UNIT	U DANIELS	YES			✓	June 2017			
WOMEN EMPOWERMENT	300,000	MM	SPECIAL PROJECT UNIT	U DANIELS	YES			✓	June 2017			
YOUTH DEVELOPMENT	300,000	MM	SPECIAL PROJECT UNIT	U DANIELS	YES			✓	June 2017			
LIBRARIES	1,100,000	FCS	LIBRARIES	M MOLEFE	YES	✓			June 2017			
IMPLEMENTATION OF THE HIV/AIDS PLAN	400,000	MM	HIV/AIDS	U DANIELS	YES			✓	June 2017			
TECHNICAL TOWN PLANNING ASSISTANCE	270,000	MM	PLANNING UNIT	M MAQOKOLO	YES	✓			BID 11/2015	YES	Complete	
EPWP PROJECT	1,000,000	P&I	FIRE SERVICES	M NOHASHE	YES	✓			BID 7/2015	YES	Complete	
SRV PROJECTS - ROADS	1,236,000	P&I	PROJECT MANAGEMENT	T BETHA	YES	✓						
RIETBRON EPWP ROADS & STORMWATER	700,000	P&I	PROJECT MANAGEMENT	T BETHA	YES	✓			BID 10/2016		To be re-advised	
DISTRICT WIDE INFRASTRUCTURE PLAN	500,000	P&I	PROJECT MANAGEMENT	P SNYMAN	YES	✓			BID 6/2015	YES	Complete	
REVIEW OF INTEGRATED WASTE MANAGEMENT PLANS	200,000	P&I	ENVIRONMENTAL HEALTH	K MAKGOKA	YES	✓			BID 21/2015	YES	Complete	
AIR QUALITY MANAGEMENT PLAN	100,000	P&I	ENVIRONMENTAL HEALTH	K MAKGOKA	YES	✓			BID 20/2015	YES	Complete	
HOUSING TRANSFER AND BENEFICIARY	400,000	P&I	HOUSING COORDINATOR	T BETHA	NO							
INFR DMA: ALIENATION	190,000	P&I	HOUSING COORDINATOR	F ANTONY	NO							
CONTRIBUTION TO MUNICIPALITIES	8,000,000	P&I	FIRE SERVICES	M NOHASHE	NO							
FIRE STATION - KOU KAMMA	400,000	P&I	FIRE SERVICES	M NOHASHE	YES	✓			BID 32/2014	YES	Complete	
FIRE STATION - NDLAMBE	2,000,000	P&I	FIRE SERVICES	M NOHASHE	YES	✓			BID 2/2015	YES	Complete	
PATERSON INTEGRATED EMERGENCY CENTRE	8,200,000	P&I	FIRE SERVICES	M NOHASHE	YES	✓						
FIRE TRAINING ASSISTANCE TO LMS	400,000	P&I	FIRE SERVICES	M NOHASHE	YES	✓						
REVIEW DISASTER RISK ASSESSMENT	1,700,000	P&I	DISASTER MANAGEMENT	M NOHASHE	YES	✓			BID 29/2015	YES	Complete	
DISASTER RISK REDUCTION	200,000	P&I	DISASTER MANAGEMENT	M NOHASHE	YES	✓			BID 16/2015	YES	Complete	
RRAMS PROJECT	2,261,000	P&I	TRANSPORT, ROADS	T BETHA	YES	✓			BID 32/2013	YES	Complete	
INTER CITY BUS TERMINAL	1,500,000	P&I	TRANSPORT, ROADS	T BETHA	YES	✓			BID 38/2014	YES	Complete	
AGRICULTURAL SUPPORT	1,000,000	ED	LED	D MAGXWALISA	NO							
DISTRICT DEVELOPMENT AGENCY	4,500,000	ED	ED: MANAGEMENT	P KATE	NO							
LED DISTRICT SUPPORT	350,000	ED	LED	D MAGXWALISA	NO							
CDM SMME SUPPORT PROGRAMME	2,500,000	ED	LED	D MAGXWALISA	NO							
TOURISM SECTOR DEVELOPMENT SUPPORT	1,500,000	ED	TOURISM	T MGUDLWA	NO							
SUPPORT TO LOCAL TOURISM ORGANISATIONS	800,000	ED	TOURISM	T MGUDLWA	NO							
TOURISM MARKETING	1,700,000	ED	TOURISM	T MGUDLWA	YES	✓			BID 22/2015	YES	Complete	
CREATIVE INDUSTRIES	900,000	ED	TOURISM	T MGUDLWA	NO							
SUPPORT TO DISTRICT FOR IMPROVING AUDIT OUTCOMES	2,800,000	FCS	FAD	R LORGAT	YES	✓			BID 29/2014	YES	Complete	

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  
 Payments will be made in terms of signed Service Level Agreements  
 Funds to be transferred to CDA in terms of the Service Level Agreement  
 MC approval - transfers effected in terms of SLA's  
 Call for proposals - payments made in terms of Service Level Agreements  
 MC approval - transfers effected in terms of SLA's  
 Call for proposals - payments made in terms of Service Level Agreements  
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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
CAPITAL BUDGET												
MOTOR VEHICLES	1,000,000	FCS	COUNCIL	N SWARTS	YES	✓			December 2016		In Progress	Bid 26/2016
MOTOR VEHICLES	600,000	P&I	PROJECT MANAGEMENT	T BETHA	YES	✓			December 2016		In Progress	BID 20/2016
BUILDING REFURBISHMENTS	1,500,000	P&I	ESTATES	B MAKEDAMA	YES	✓			December 2016			
AIRCONDITIONERS	150,000	P&I	ESTATES	B MAKEDAMA	YES		✓		December 2016			
CAMERAS	40,000	P&I	ESTATES	B MAKEDAMA	YES		✓		December 2016			
IT INFRASTRUCTURE	200,000	FCS	IT	M MOLEFE	YES			✓	December 2016			
IT EQUIPMENT	162,500	FCS	IT	M MOLEFE	YES	✓			December 2016		Complete	QUOTE 19/2016
ALL OTHER CAPITAL ITEMS	835,000	ALL	VARIOUS	MANAGERS	YES			✓			In Progress	
OPERATIONAL REQUIREMENTS												
SAFETY AND SECURITY SERVICES	900,000	FCS	HUMAN RESOURCES	Z STUURMAN	YES	✓			October 2016		Lagging	BID 31/2016
CLEANING SERVICES	550,000	FCS	HUMAN RESOURCES	Z STUURMAN	YES	✓			October 2016		Lagging	BID 15/2016
TRAVEL SERVICES	2,512,000	FCS	FINANCE DEPARTMENT	R LORGAT	YES	✓			October 2016		Advertised	BID 24/2016
FINANCIAL SYSTEM		FCS	FINANCE DEPARTMENT	R LORGAT	YES	✓						
3G MODEMS - INTERNET ACCESS	882,000	FCS	IT	R LORGAT	YES	✓						
REVIEW OF ORGANISATIONAL STRUCTURE	500,000	FCS	HUMAN RESOURCES	Z STUURMAN	YES	✓						

**DEVIATIONS REGISTER - JULY 2016 TO SEPTEMBER 2016**

Date	Deviation No	Supplier Name	Description of goods/services	Amount	Dept	Type of deviation	Reason for deviations	Other Information
06/07/2016	94/2016	RAMSAY MEDIA (PTY) LTD	Exhibition space at the Gauteng Getaway Show 2016	R 75,708.86	Economic Development	2	The Sarah Baartman District Municipality is required to obtain an exhibition space at the Gauteng Getaway Show 2016 at a cost of R75 708.86. RamsayMedia is the Sole Provider (see attached) of the Getaway Show taking place from the 23 - 25 September 2016 at the TicketPro Dome in Johannesburg. Due to the above further quotations could not be sourced and the official procurement process could not be followed.	Supplier Not Registered on Database. 3 Quotes not Obtained
14/07/2016	4/2017	ABAMISELI QUANTITY SURVEYORS	Consultant fees for construction of Fire Station in Tsitsikamma.	R 192,000.00	Infrastructure and Planning	3	Abamiseli Quantity Surveyors were appointed as consultants for the construction of a Fire Station in Tsitsikamma (127/2014). Upon their appointment they gave us an estimate of R1 108 460.99 based on the construction budget of R4 700 000.00. Tenders were invited and Pro Kaya was the preferred bidder, with the tendered price of R5 700 000. Abamiseli Quantity Surveyors have adjusted their fees due to the price difference between the construction budget and the final tendered amount. An amount of R192 000.00 is required to cover the costs of the consultant. Based on the above it is impractical to follow SCM processes.	Formal quotation process not followed.
15/07/2016	5/2017	MULTICHOICE AFRICA (PTY) LTD	DSTV subscription for 2016/17	R 27,888.00	Finance and Corporate Services	2	Multichoice Africa is the sole provider for DSTV services, therefore other quotations could not be sourced. The DSTV subscription is for the Executive Mayor, Office of the Speaker and Disaster Management for 2016/17	Supplier Not Properly Registered on Database. 3 Quotes not Obtained
31/07/2016	6/2017	OTIS (PTY) LTD	Maintenance of elevators in Standard Bank Buildings July-December 2016.	R 109,006.92	Infrastructure and Planning	3	Otis is the agent for the elevator currently at Standard Bank Building, thus it is impractical to use another supplier for servicing the elevators. Period 6 months July 2016-December 2016.	3 Quotes not Obtained and Formal Quote process not followed.
26/07/2016	8/2017	CHM VUWANI COMPUTER SOLUTIONS (EC) PTY LTD	Biometric Repairs	R 4,617.00	Finance and Corporate Services	3	CHM Vuwani was appointed for Bid No. 4/2014 to install the Biometric System for Sarah Baartman District Municipality. The Biometric system is in need of repairs in the following areas: fingerprints terminal, clocking system, time and attendance clocks and broken scanners. Due to the above mentioned it will be impractical to follow the SCM procurement processes and use another service provider for the repairs.	3 Quotes not Obtained

Date	Deviation No	Supplier Name	Description of goods/services	Amount	Dept	Type of deviation	Reason for deviations	Other Information
22/07/2016	9/2017	STEINER HYGIENE (PTY) LTD	Supply and delivery of Hygiene Services for the Standard Bank Building for the period April 2016 until September 2016.	R 59,215.50	Finance and Corporate Services	3	Quotes were sourced from four different companies (Initial, Hygeco, Bidvest and The Specialist) for the supply and delivery of hygiene services within the Standard Bank Building. Only Bidvest supplied a quote. The supply of hygiene services and the hygiene implications could affect the health and wellbeing of the staff members. The Council will incorporate the hygiene services into the cleaning bid. The deviation is required for the April 2016 until September 2016 for the amount of R59215.50. Due to the above mentioned it was impractical to follow the official procurement processes.	Supplier Not Properly Registered on Database. 3 Quotes not Obtained
22/07/2016	11/2017	MANAGED INTEGRITY EVALUATION (PTY) LTD	VERIFICATION AND VETTING OF INFORMATION FOR POSITION OF DIRECTOR FINANCE AND CORPORATE SERVICES	R 13,749.71	Finance and Corporate Services	3	The regulations on the appointment and conditions of service for senior managers (Section 57 and 56A managers) provide certain prescriptions and specific time frames. Failure to adhere to the prescribed time frames may render the entire recruitment drive null and void and the regulations are specific in allocating 21 days from date of finalizing the shortlisting to complete the screening process. It was impractical for the Council to source competing quotes and wait for a service provider to supply these quotes as the time frames to finalise the screening would have been negatively affected. The Council already has the online vetting app of the MIE available and the selection provided for faster turnaround time. It is not possible to request a quote upfront without providing the applicants details which in turn requires the applicant to provide consent. If three quotations are required consent forms would have to be completed for three different vetting agencies. If one applicant has provided three or four employment references the service provider has to phone for the verifications and complete it telephonically and if the referee is not available at that specific time a follow up has to be done until it is completed.	3 Quotes not Obtained

Date	Deviation No	Supplier Name	Description of goods/services	Amount	Dept	Type of deviation	Reason for deviations	Other Information
10/08/2016	2/2017	SMADA SECURITY SERVICES (PTY) LTD	Supply of Security services for the Sarah Baartman District Municipality at the Standard Bank Building and Chapel Street staff parking for the period July to October 2016.	R 267,404.14	Finance and Corporate Services	3	The Security services tender was part of the two matters for consideration at the Strategic Session where the Council wanted to explore the option of insourcing the security services. In the absence of the finalized strategic session the Council deviated from 2014 for the supply and delivery of Security Services. The committee structures have been set up for the specifications and evaluations of the tender. It is envisaged that the tender will be advertised by August 2016 and the entire process of procurement would be finalized by the end of October 2016. It would however still be necessary for notice period of October 2016. All these processes were scheduled to start during May and June but the internal industrial action hampered the effectiveness of the committee structures and specifications were only commenced during July 2016. It is impractical to obtain competing quotes at this stage as it would expose the Council to security risk and exposure as well as the time taken to familiarize a new service provider with the standard operating procedures and staff a period of only three months i. e. 01 July 2016 until 31 October 2016. It is therefore impractical to follow the normal SCM processes and the Council will carry on with the existing service provider till the new bid has been awarded.	3 Quotes not Obtained; Bid process not followed
04/08/2016	3/2017	LUKHONA CATERING AND CONSTRUCTION AND CLEANING SERVICES	Provision of cleaning services for the standard bank building until the end of September 2016.	R 92,606.99	Finance and Corporate Services	3	The cleaning services tender expired in 2014. The Council was exploring the option of insourcing the cleaning services for the Council. During this period a final recommendation was made that the outsourcing be continued for a maximum period to allow the Council to finalize insourcing and other methods. A final decision was taken at the strategic session and the Council will outsource for a period. The committee structures have been set up for approval and the procurement process should be finalized by end of August 2016. The Council had finally concluded its strategic session and the resolve was to procure for a period of 1 year whilst the Council systematically insource the function. Due to the industrial action the procurement processes were delayed and the specifications only commenced during July 2016. It is envisaged that the process of procurement will be finalized by the end of September 2016 from where the Council will appoint a service provider for a period of one year. The Council will carry on with the existing service provider till the new bid has been awarded. It is therefore impractical to obtain competing quotes and acquaint a new service provider for such a short period.	3 Quotes not Obtained

Date	Deviation No	Supplier Name	Description of goods/services	Amount	Dept	Type of deviation	Reason for deviations	Other Information
01/08/2016	7/2017	ESRI SOUTH AFRICA (PTY) LTD	GIS software maintenance renewal	R 335,108.18	Infrastructure and Planning	2	The establishment of the SBDM GIS section was initiated with the purchase of Environmental Systems Research Institute (ESRI) GIS software. In order to ensure that all users of ArcGIS software obtain maximum value from their investment it is important for an organization to make sure that the software is maintained annually, however SBDMs GIS software has not been maintained since 2013 until to date. The benefits of software maintenance include access to the latest software technology developments, improved usability, access to technical support services, single point of spatial planning and reporting and having a collector option to be able to capture all necessary spatial data from the field for the DM. The maintenance required is for a period of 1 year taking into account the fact that no maintenance was undertaken since the procurement of the system in 2013. ESRI SA is the sole distributor of the ESRI GIS software and as a result the normal procurement processes cannot be followed.	Bid process not followed
05/08/2016	10/2017	WORKPLACE PERFORMANCE TECHNOLOGIES (PTY) LTD	Subscription of Human Resources services including online consulting and pro forma policy services for the period July 2016 till June 2017.	R 4,788.00	Finance and Corporate Services	3	The human resources division subscribed to Workinfo.com which supplies us with pro forma policies and procedures, employment legislation on employment equity, human resources, industrial relations and training & development. The subscription also includes various free facilities including a comprehensive database of online job descriptions and free downloads. Annual subscription is R2100.00 per annum excluding VAT and the service is currently the South Africa's only dedicated and most cost effective human resources web portal. The subscription includes consulting services and obtaining three quotes would not have been compatible and therefore the official procurement process were not followed.	Supplier Not Properly Registered on Database; 3 Quotes not Obtained
23/08/2016	14/2017	AFRICORP INTERNATIONAL PROPERTIES (PTY) LTD	Supplier of parking space for SBDM vehicles for 12 months (July 2016 - June 2017) at Grace Street Parkade	R 190,000.00	Finance and Corporate Services	3	Supplier registered with CSD and submitted the required declaration form. However, no tax clearance certificate has been issued as per the CSD. It is therefore impractical to follow the official procurement process. Africorp International Properties is the supplier of parking space at Transport House, Grace Street. SBDM has tremendous difficulty in ascertaining alternative parking space for official vehicles	3 Quotes not Obtained; No Tax clearance certificate reflected on CSD

Date	Deviation No	Supplier Name	Description of goods/services	Amount	Dept	Type of deviation	Reason for deviations	Other Information
12/09/2016	'12/2017	BIDDULPHS REMOVALS AND STORAGE S A	storage facility for donated goods.	R 21,546.00	Office of the Municipal Manager	3	A donation from China worth R2 million was received earlier than its expected delivery date. The items are currently stored at Biddulphs Removal and Storage. The donated items could not be distributed as the Council is still awaiting another donation that will arrive during the month of August. The distribution list for the donated items will only be decided upon at the next Council meeting. Due to the above a deviation is required for a period of three months to ensure that the items are securely stored while waiting to be donated. It is therefore impractical to move the items from its current location to another storage facility in line with the normal procurement processes.	3 Quotes not Obtained
09/09/2016	'16/2017	ESRI SOUTH AFRICA	Supply of Arch GIS Training for GIS Specialist K. Ntleki through ESRI form 19-21 Sept 2016	R 11,514.00	Finance and Corporate Services	3	Sarah Baartman District Municipality has installed equipment and software from ESRI. The new GIS specialist needs to undergo training to enable her to store and manage the municipalities GIS data on a central server for better access and sharing of data. She will be able to load mapping information in an internet based platform allowing for remote access of mapping information publishing GIS data, models and analysis. This intervention was identified during her skills audit and was approved as part of the Council's WSP of 2016/2017. The software used by SBDM was purchased from ESRI and obtaining competing quotes would not add value as another service provider would not be able to provide training that is tailor made for SBDM. The department is in the process of renewing the ESRI license to ensure continued software updates. Therefore it is impractical to follow the normal SCM route.	3 Quotes not Obtained
				R 1,405,153.30				

**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