

**COJ: TECHNICAL EMT CLUSTER  
COJ: EMT  
COJ: MAYORAL SUB COMMITTEE  
COJ: MAYORAL COMMITTEE  
COJ: FINANCE COMMITTEE  
COJ: COUNCIL**

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**SUPPLY CHAIN MANAGEMENT  
EAC DEVIATION AND RATIFICATION REPORTS  
THAT WERE CONSIDERED AND APPROVED BY  
THE EXECUTIVE ADJUDICATION COMMITTEE  
FOR PERIOD JANUARY TO MARCH 2012**

**1 STRATEGIC THRUST**

Well Governed and Managed City.

**2 OBJECTIVES**

To provide information to Council on deviations and ratifications considered and approved by the Accounting Officer for the month of January to March 2012.

**3 SUMMARY**

Regulation 36(1)(a) of the Municipal Supply Chain Management Regulations (the Regulation) provides 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:

1. In an emergency
2. If goods or services are available from single supplier only;
3. In respect of acquisitions of special works of art;
4. In respect of acquisitions of animals for Zoo's;
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.

To give effect to Regulation 36, paragraph 21 of the SCM Policy by the City on 6 April 2006 likewise allows the Accounting Officer to deviate from the normal procurement processes under the circumstances contemplated. Regulation 36(2) provides that the next meeting of Council and must include them as notes in the Annual Financial Statements.

It should be noted that for the months of January to March 2012 five (5) deviations and one (1) ratification reports were considered by the Executive Adjudication Committee in terms of the Supply Chain Management Policy.

During the aforesaid period the Accounting Officer approved the deviations from the normal procurement processes and ratified the actions of officials for their breach of procurement processes as reflected in Annexure A attached hereto. The deviations are hereby reported to the Council.

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#### 4 POLICY IMPLICATIONS

The reporting of the deviations and ratification of actions taken to safeguard the interest of the City contained in this report are done in compliance with the SCM Policy of the City and in adherence to Regulation 36(2) of the Municipal Supply Chain Management Regulations.

#### 5 LEGAL AND CONSTITUTIONAL IMPLICATIONS

In terms and 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.

#### 6 FINANCIAL IMPLICATION

All deviations and the ratification reports approved by the Accounting Officer had budget provisions under the respective votes. No deviation was approved without the approved budget provision.

#### 7 COMMUNICATIONS IMPLICATIONS

The deviations contained in this report will be included as a note to the annual financial statements of the City and will be made public in the manner prescribed in Section 21(a) of the Local Government: Municipal System Act No 32 of 2000, of access thereof by the public.

#### 8 OTHER BODIES / DEPARTMENTS CONSULTED

The Finance and Group Legal and Contracts Departments were consulted in the drafting of this report.

#### **IT IS RECOMMENDED**

- 1 That the contents of the report and the information contained in Annexure A be noted in compliance with Regulation 36(2) of the Municipal Supply Chain Management Regulations.**
- 2 That the deviations contained in Annexure A be included as a note to the Annual Financial Statements in compliance with Regulation 36(2).**

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- 3 That the Director: Supply Chain Management Unit, 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.

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City Manager

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CITY OF JOHANNESBURG

EAC DEVIATION / RATIFICATION REPORT FOR THE PERIOD JANUARY 2012 TO MARCH 2012

Department	Description	Contracted Service Provider	Value of the Project (incl. VAT)	Reasons	Corrective Measures	Date of Decision
Health Department	Deviation: Reg 36 (1)(a)  Accommodation – Health Department, Region B, Auckland Park.  Period 3 years	ACA Krans Trust	R2 661,815.52	The Health Department has established its offices at 35 Symons Road, Auckland Park over the period of 8 years and the public and the suppliers have been using the premises to engage with the Department, hence the request for a deviation to extend the lease for those premises as it is impractical to go out on tender on the same building.		24 February 2012
<b>TOTAL</b>			<b>R2 661,815.52</b>			
Office of the Speaker: Councillor Affairs Strategic Support	Ratification: Reg. 36 (1)(b)  Appointment of Events Galore  Once off payment	Events Galore	R53 547.00	Service Providers scope of work extended to cover the emergencies that occurred as a result of demonstrations by communities.		24 February 2012
<b>TOTAL</b>			<b>R53 547.00</b>			

EAC DEVIATION/RATIFICATION REPORT FOR THE PERIOD JANUARY 2012 TO MARCH 2012

Department	Description	Contracted Service Provider	Value of the Project (incl. VAT)	Reasons	Corrective Measures	Date of Decision
Transportation (Rea Vaya)	Deviation: Reg 36 (1)(i)  Appointment of Technical Support to Phase 1A BRT Mini-Bus Taxi Operators Owned Investment Companies (TOIC's) Once off payment	FOT Consulting	R154 400.00	Extension of the original scope of work done by FOT.		24 February 2012
<b>TOTAL</b>			<b>R154 400.00</b>			
Transportation (Rea Vaya)	Deviation: Reg 3 6 (1)(b)  Appointment of Gil Penelosa from "8-80 Cities" to Conduct a series of "Street Alive" Workshops for Transport Officials, Key Stakeholders and Members of the Public Once off payment	Mr Gil Penelosa	R151 864.00	The City's Transport department has adopted the "Streets Alive" programme as part of its goals of transforming the way transport programmes are implemented in communities.  The Street Alive programme is in line with the City's 2040 GDS strategy, which aims to transform Johannesburg into African City that provides quality of life for its citizens.		24 February 2012
<b>TOTAL</b>			<b>R151 864.00</b>			

COJ: COUNCIL  
COJ: MAYORAL COMMITTEE  
FINANCE SECTION: 79 PORTFOLIO COMMITTEE  
SUPPLY CHAIN MANAGEMENT UNIT

Department	Description	Contracted Service Provider	Value of the Project (incl. VAT)	Reasons	Corrective Measures	Date of Decision
Shareholders Unit	Deviation: Reg 36 (1)(a)  Accommodation – Shareholders Unit.	Kuper Leigh Property Management Pty Ltd	R1 819 041.17	The Shareholders Unit lease at Parktown was extended on a month to month basis for a period of 3 years whilst the department awaits the outcome of the institutional design.		31 January 2012
<b>Total</b>			<b>R1 819 041.17</b>			
Corporate and Shared Services	Deviation: Reg 36 (1)(a)  Accommodation – Corporate and Shared Services.	Liberty Life Properties	R11 905 710.24	The Finance Department lease at 66 Jorissen Street was extended on a month to month basis for a period of 12 months as the department was awaiting the consolidation strategy championed by Group Corporate and Shared Services.		31 January 2012
<b>Total</b>			<b>R11 905 710.24</b>			