

**RESOLUTIONS OF THE SUPPLY CHAIN MANAGEMENT BID ADJUDICATION
COMMITTEE: 31 AUGUST 2020**

**SCMB 73/08/20 ORGAN OF STATE: THE PROCUREMENT OF
GOODS/SERVICES/CONSTRUCTION WORKS FROM
ANOTHER ORGAN OF STATE: PROJECT DESCRIPTION -
FIRING OF NOON DAY GUN ON SIGNAL HILL**

Members of the Committee through a BAC Comments form raised questions and comments.

The Chairperson queried the date of implementation and also why the tariff was applicable from 1 April 2020 and whether the rates indicated was per month or per year. The Chairperson queried whether any services have been rendered and not paid and whether a condonation is requested, and if so, the BAC and City Manager cannot approve irregular expenditure. The Chairperson requested that the correct dates be provided.

The official responded that an approval is sought from 1 September 2020 until 31 March 2022.

The monthly tariffs were indicated for the periods, as follows:

From 1 September to 31 March 2021:

-	Sept'202	: R27 500
-	Oct'2020	: R29 700
-	Nov'2020	: R27 500
-	Dec'2020	: R26 400
-	Jan'2021	: R27 500
-	Feb'2021	: R27 500
-	Mar'2021	: R28 600

Total R194 700.00

From 1 April 2021 to 31 March 2022:

-	Apr'2021	: R27 984
-	May'2021	: R29 150
-	June'2021	: R29 150
-	July'2021	: R31 482
-	Aug'2021	: R29 150
-	Sept'2021	: R29 150
-	Oct'2021	: R30 316
-	Nov'2021	: R31 482
-	Dec'2021	: R27 894
-	Jan'2022	: R29 150
-	Feb'2022	: R27 984
-	Mar'2022	: R31 482

Total R354 374.00

Grand Total R549 074.00



In response to questions raised whether any services been rendered and not paid, the officials confirmed that services have been rendered in line with the approved memorandum of agreement. The usual process to pay (Generation of Requisition and PO was stopped by SCM in this year, on the premise that an SCM agreement number needs to be generated, hence the report was submitted to BAC for consideration).

In response to questions raised whether condonation is requested the officials indicated that this is a complex matter. However, a separate process will be followed after consultation with SCM and Legal Services. The line department inherited this project since 2017.

The officials indicated the request to BAC is for the approval of the appointment of the Organ of State from 1 September 2020 to 31 March 2022. Should guidance received from SCM advise that past payments made were irregular, due process will be followed.

The BEC representative, Ms B Mothibi said that payment will be made to the service provider on a monthly basis on receipt of invoices.

The Chairperson reiterated that a retrospective award cannot be made by BAC. The Chairperson said it appears to be a long-term commitment and enquired why a Section 33 of the MFMA process was not followed for this service.

Ms Mothibi said that this is the first time that an award for this service is being sought by her department and the report was drafted on advice received. Ms Mothibi said that previously the line department used the process of requisitions and purchase orders for the service and the line department is in the process to remedy the method.

The Director: SCM said that a report must be submitted to the City Manager in respect of the payment and expenditure incurred for the service prior to the matter being submitted to BAC. The Director proposed that a Section 33 process be followed for the service beyond 3 financial years. The Director also proposed that the award only be made for one year while the line department submit a report with a proper Memorandum of Understanding (MOU) and the Section 33 process.

Mr Dias said that it cannot be determined at this stage whether the service will be required for a period beyond 3 financial years as it is possible that Council could decide that this is not an essential service. Mr Dias said if Council should consider that the service should continue beyond 3 financial years, then a Section 33 process should be followed.



The Chairperson summarised that the payments prior to the matter being submitted to the BAC should be reported to the City Manager and that due process should be followed regarding the unauthorised, irregular, fruitless and wasteful expenditure (UIFW). That going forward, a Section 33 process should be followed or any form of agreement the City may decide is the best solution in this regard.

In response to questions raised regarding the proposed rate of R1100.00 until 21 March 2021, Ms Mothibi confirmed that this rate of R1100.00 is the daily rate from Mondays to Saturdays, excluding Sundays and Public Holidays.

RESOLVED that for the reasons set out in the report and in accordance with clause 20.1 of the City's SCM Policy, the Defence and Military Veterans – National t/a Department of Military Veterans be appointed for Firing of the Noon Day Gun on Signal Hill from 1 September 2020 until 31 March 2022, as follows (excl. VAT):

Period	Tariff (per day)
1 September 2020 to 31 March 2021	R1 100.00
1 April 2021 to 31 March 2022	R1 166.00

ACTION: **B VUMASE, L MATYA** to communicate the decisions of the BAC to the tenderers and BEC.
FOR NOTING: **B MOTHIBI** to note the BAC decisions and apply the recommendations and decisions of the BAC.

This resolution complies with the Supply Chain Management Policy as approved by Council on 30 May 2019.



ARNO VORSTER EMPLOYEE NO. 10300397
CHAIRPERSON: SUPPLY CHAIN MANAGEMENT
BID ADJUDICATION COMMITTEE

DATE: 4/9/2020