

SUPPLY CHAIN MANAGEMENT DEVIATIONS TO THE SCM REGULATIONS & SCM POLICY REPORT FOR THE PERIOD: 01 MARCH TO 31 MARCH 2016

No.	CM Ref No.	CMO log no.	Directorate	Project Title	Objective/Explanation/Comments Provided by the Author	Recommendation of report	Total Value Requiring ratification by CM (R's)	Reasons for Deviation	Responsible/ Accountable Official	Date & time received by OCM	Date approved by City Manager	CM Comments/ Conditions of Approval	Additional Comments
1	CM 05/02/16 SCMB 68/02/16	CM 39630	CORC	SCMB 68/02/16: Request for deviation and/or condonation: Procurement by the Telecommunications Branch of Software, Licences and Services for the GE Smallworld Spatial Planning Tool	To obtain approval in terms of clauses 308 of the Supply Chain Management Policy sub-clause 308.2 for deviation from the official procurement process, and for the condonation in terms of clause 310 of the policy for the appointment of a single service provider, Powertech to deliver services in the form of licenses, support and maintenance for the City's "Smallworld" Broadband Infrastructure Information System.	It is recommended that: a) The official procurement process established and adopted <b>BE DISPENSED</b> with in terms of clauses 308 and of the Supply Chain Management Policy, sub-clause 308.2 and clause 310. b) Powertech Systems Integrators (Pty) Ltd <b>BE APPOINTED</b> to render the services and supply the render licencing, support, maintenance and related services for GE Smallworld at the approved rates from date of approval for a period of 12 months. (The rates are detailed in the price table under point 4 of the report). c) The appointment of Powertech Systems Integrations (Pty) to render licencing, support, maintenance and related services for GE Smallworld Core in the amount of R679 088 [Excl. of VAT] for the period 01 July 2015 until date of approval <b>BE CONDONED</b> in terms of clause 310 of the Supply Chain Management Policy.	R679 088,00 (Excl. VAT)	So e Provider	Leon van Wyk	02/03/2016 @ 13:57	04/03/2016	As recommended by the SCMBAC the request for a deviation & condonation in terms of paragraphs 308.2 & 310 of the CoCT SCM Policy <b>BE APPROVED</b> as follows:  (a) condone the appointment of Powertech Systems Integrators (Pty) Ltd for the provision of licencing, support, maintenance and related services for GE Smallworld in the amount of R679 088,00 (excl. VAT) for the period 01 July 2015 until date of approval by the City Manager. (b) appoint Powertech Systems Integrators (Pty) Ltd for the provision of licencing, support, maintenance and related services for GE Smallworld, for a period of 12 months from date of approval by the City Manager, as per the schedule of rates as included in the original report to the SCMBAC	The Telecommunication Branch originally purchased the Smallworld tool in 2009 in terms of tender 31C/2009/10. The tender was awarded to Integrators of Systems Technology whose name subsequently changed to Powertech Systems Integrators. Powertech is the <u>sole provider</u> and supplier in South Africa of software, licences and services for the Smallworld system. The contract was not renewed prior to expiry on 30 June 2015, therefore a condonation is required for services rendered. The City Manager has no option as to condone and authorise the deviation as the services are required of the specialised planning and inventory management tool for the management of the telecommunications networks
2	CM 06/02/16 SCMB 69/02/16	CM 39631	OCM	SCMB 69/02/16: Request for deviation and/or condonation: Printing of Contact Staff newsletter	To obtain approval in terms of clause 308 of the Supply Chain Management Policy sub-clause 5 for deviation from the official procurement processes and for condonation in terms of clause 310 of the policy for the appointment of a service provider to print the Contact staff newsletter. The costs to be incurred fall within the Integrated Strategic Communication Branding and Marketing department's budget to implement the staff newsletter project.	It is recommended that: a) The official procurement process established and adapted <b>BE DISPENSED</b> with in terms of clause 308 of the Supply Chain Management Policy, sub-clause 5 b) The appointment of Tandym Print CC to print the Contact Staff Newsletter in the amount of R160 388 00 [Excl. VAT] as per PO4502720894 <b>BE CONDONED</b> in terms of clause 310 of the Supply Chain Management Policy. c) Tandym Print CC <b>BE APPOINTED</b> to print the remainder of the planned Contact Staff newsletters at the following print rate structure (Excl. VAT) until 30 June 2017 (as per report)	As per report	Exceptional Circumstances	Geoff Howard	02/03/2016 @ 13:57	04/03/2016	As recommended by the SCMBAC the request for a deviation & condonation in terms of paragraphs 308.5 & 310 of the CoCT SCM Policy <b>BE APPROVED</b> as follows:  (a) condone the appointment of Tandym Print CC to print the Contact Staff Newsletter as per PO4502720894 during November 2015 in the amount of R160 388 00 (excl. VAT). (b) appoint Tandym Print CC to print the planned Contact Staff Newsletters for the next edition of the following rate structure (excl VAT) as per the original report.	A tender was awarded to a company for the printing of the City's staff newsletter, Contact. Since the first run in December 2014 numerous problems with print quality and adherence to tender specifications were encountered which lead to the implementation of termination of tender process. Since a service provider was urgently required for printing the newsletter, a RFQ process as provided for in the SCM Policy was followed, and the only responsive tenderer was appointed. The intention was to secure a service provider for the interim period until a new tender process can be concluded. The <u>exceptional circumstances</u> are that the services required will be more than the threshold of R 200 000 and therefore a deviation is required for not being able to follow a full tender process

54

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3	CM 07/02/16 SCMB 70/02/16	CM-39632	CORC	SCMB 70/02/16: Request for deviation and/or condonation: mSCOA: SAP Material Valuation Class Changes	To obtain approval in terms of clauses 308 of the Supply Chain Management Policy sub-clause 2, to deviate from the official procurement processes by opting for SAPS South Africa as the single provider for SAP Material valuation class changes on a database level. The costs to be incurred fall within the Corporate Services Directorate and IS&T Department to implement the mSCOA: SAP Material valuation class changes.	It is recommended that: a) The official procurement process established and adopted <b>BE DISPENSED</b> with in terms of clauses 308 of the Supply Chain Management Policy, sub-clause 2, for the reasons set forth under section 6 of this report. b) That mSCOA: SAP Material valuation class changes, Systems Applications Products (South Africa) (Proprietary) Limited <b>BE APPOINTED</b> to render the services in the amount of R595 000 (excl. VAT)	R595 000 (excl. VAT)	Sole Provider	Rudy Abrahams	02/03/2016 @13:57	04/03/2016	As recommended by the SCM&C the request for a deviation in terms of Section 308.2 of the CoCT SCM Policy for the appointment of Systems Applications Products (South Africa) (Pty) Ltd for the provision of Municipal Standard Chart of Accounts (mSCOA): SAP Material valuation class changes <b>BE APPROVED</b> in the amount of R595 000 (excl. VAT).	The City is in the process of implementing the regulated mSCOA, National Treasury requirements for municipalities to adopt a multi-dimensional chart of accounts and financial classification framework. The changes of account assignments in valuation classes is required to comply with the requirements of mSCOA and is only possible through the SAP SLO service. SAP developed and is the owners of these specialised programs and is required to make changes on the database in a safe and secure manner with audit trails. SAP is the <u>sole provider</u> of the services and no other procurement process can be followed to procure the required services
4	CM 01/03/16 SCMB 21/03/16	CM39785	Community Services	SCMB 21/03/16 – Request for deviation: Subscription to encyclopaedia Britannica online at the New Kuyasa Library via the Smartcape Free Public Access Network	To obtain approval in terms of clause 308 of the Supply Chain Management Policy sub-clause 2, for deviation from the official procurement processes. The costs to be incurred fall within the Community Services Library and Information Services Department (LIS) budget to provide free public access to Encyclopaedia Britannica Online (EBOL) at Kuyasa Library via the Smart Cape network in line with this provision at all the other libraries in LIS	It is recommended that: a) The official procurement process established and adopted <b>BE DISPENSED</b> with in terms of clauses 308 of the Supply Chain Management Policy, sub-clause 2. b) Encyclopaedia Britannica UK Ltd <b>BE APPOINTED</b> to render the service for the provision of Encyclopaedia Britannica Online as detailed above for the amount of £5 382 GBP (R128 293.74 of ROE of 23.84 on 15-01-2016 excl. VAT) from the date of commencement till end of June 2017.	£5 382 GBP (R128 293.74 of ROE of 23.84	Sole Provider	Akeed Gable	10/03/16 @12:17	10/03/2016	That, as recommended by the Supply Chain Management Bid Adjudication Committee, and for the reasons set out in the report, authority be granted for a deviation from the Supply Chain Management procedures, in terms of Clause 308.2 of the CCT's Supply Chain Management Policy (sole provider) to -  appoint Encyclopaedia Britannica UK Ltd for the provision of Encyclopaedia Britannica Online at the new Kuyasa Library via the Smartcape free public access network, in the amount of £5 382 GBP (R128 293.74 of ROE of 23.84 on 15-01-2016) (excl. VAT) from the date of approval by the City Manager until 30 June 2017.	The content of the Encyclopaedia Britannica online, with its regular updates, is the intellectual property of Encyclopaedia Britannica UK Ltd who is the <u>sole service provider</u> . It is not available from any other source
5	CM 02/03/16 SCMB 22/03/16	CM39786	Finance	SCMB 22/03/16 – Request for deviation: To appoint ABSA Bank Ltd to provide debit/ credit card merchant services	To obtain approval to enter into direct negotiations with ABSA Bank Ltd to provide a credit/debit card merchant service. To obtain approval in terms of clause 308 of the Supply Chain Management Policy sub-clause 5 for deviation from the official procurement process in terms of which the City Manager may authorise a deviation from the official procurement processes in respect of exceptional circumstances where it is impractical or impossible to follow the official procurement process.	It is recommended that: a) The official procurement process established and adopted <b>BE DISPENSED</b> with in terms of clause 308 of the Supply Chain Management Policy, sub-clause 5; b) The Treasury Department be granted <b>AUTHORITY</b> to negotiate with ABSA Bank Ltd in order to agree suitable terms, conditions and costs to provide a credit/debit card merchant service; c) The Manager: Treasury <b>BE AUTHORISED</b> to conduct direct negotiations with the ABSA Bank Ltd; d) A further report <b>BE SUBMITTED</b> to the SCM&C on the negotiations have been concluded.		Exceptional circumstances	Hilan Robbins	10/03/16 @12:17	10/03/2016	That, as recommended by the Supply Chain Management Bid Adjudication Committee, and for the reasons set out in the report, authority be granted for a deviation from the Supply Chain Management procedures, in terms of Clause 308.5 of the CCT's Supply Chain Management Policy (exceptional circumstances) to - authorise the Manager: Treasury, Mr H Robbins to negotiate with ABSA Bank Ltd in order to agree a suitable terms, conditions and cost to provide a credit / debit card merchant service, and that a further report be submitted to the SCM&C once the negotiations have been concluded.	The <u>exceptional circumstances</u> are that when the tender for the appointment of main banker and other financial services for 2013-2018 was awarded to ABSA Bank, the debit/credit card component (which was priced by ABSA) was not awarded as the City had not yet decided whether or not to register as a credit/debit card merchant.  The City has now taken a decision to register as a credit/debit card merchant and it would be administratively and financially in the City's best interests for this transactional banking service to be rendered by the same service provider which is performing all other transactional banking services, provided that an acceptable arrangement can be negotiated, taking cognisance of the content in the original tender.

55

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6	CM 04/02/16 SCMB 42/02/16	CM 39794	Utility	SCMB 42/02/16 – Request for deviation: Provision of Additional Site Security in Respect of Tender No. 4G/2015/16: Design, Manufacture, Supply, Delivery, off-Loading and erection of Galvanised High Mast Poles, Cross Arms and Floodlights	Tenders were invited for the Design, Manufacture, Supply, Delivery, Off-loading, Erection and Commissioning of Galvanised Steel High Mast Poles, Cross Arms and Floodlight Luminaires. These poles and equipment will be utilised in informal settlements and sports fields. The equipment as stipulated in the tender will address most of the lighting needs where minimum or no services are experienced	It is recommended that: a) The tender submitted by Adenco construction (Pty) Ltd for Tender no. 4G/2015/16 for the Design, Manufacture, Supply, Delivery, Off-loading and erection of Galvanised High Mast Poles Cross Arms and Floodlights for a period of thirty-six (36) months from date of the commencement of contract, <b>BE ACCEPTED</b> as per the report.	R65.00 per hour (excl. Vat for 36 months)	Exceptional Circumstances	Shaun Aransmith	10/03/16 @ 12:17	14/03/2016	That, as recommended by the Supply Chain Management Bid Adjudication Committee, and for the reasons set out in the report as amplified in an explanatory e-mail by the project manager dated 10 March 2016, authorily be granted for a deviation from the Supply Chain Management procedures, in terms of Clause 308.5 of the CCT's Supply Chain Management Policy (exceptional circumstances) to - appoint Adenco Construction (Pty) Ltd for the provision of additional site security in respect of Tender No. 4G/2015/16: Design, manufacture, supply, delivery, off-loading and erection of galvanised high mast poles, cross arms and floodlights, in the amount of R65.00 per hour (excl. VAT) for a period of 36 months from date of commencement of contract, and that price adjustment be calculated in accordance with the tender documents.	The <u>exceptional circumstances</u> are that the Bill of Quantities in the tender documents did not provide for the costing of site security, should it be required. The contractor stated in his covering letter that should site security be required it would be of an additional cost. The BEC decided to include the option of site security as most of the masts are installed in areas which could be prone to vandalism. The site security will only be used as and when required in the specific circumstances and as approved by the city official in charge of the project.
7	CM 03/03/16 SCMB 38/03/16	CM 39885	Finance	SCMB 38/03/16 – Request for deviation and/or condonation: Motor Claim M7102349: Extensive Damage caused to crane when same collided with railway bridge in Wynberg	To obtain approval in terms of clause 308 of the Supply Chain Management Policy, sub-clause 2 for deviation from the official procurement processes. The costs to be incurred fall within the Finance Directorate: Treasury/Insurance Claims Branch (via the General Insurance Fund) to implement the authorisation of repairs. The City's Treasury Department will provide guidance to ensure that the relevant process in taking out Forward Cover with regard to rate of exchange is followed.	It is recommended that: a) The official procurement process established and adapted <b>BE DISPENSED</b> with in terms of clauses 308 of the Supply Chain Management Policy, sub-clause 2. b) That 600CT Manufacturing (Pty) Ltd <b>BE APPOINTED</b> to effect repairs in the amount of R214 589.49 (exclusive of VAT). This amount is subject to adjustment based on the quotation including the rate of exchange variations. c) An amount of 20% of the contract price <b>BE APPROVED</b> for unforeseen/further damage to the vehicle	R214 589.49 (excl. VAT)	Exceptional Circumstances	Craig Hannigan	14/03/2016 @14:35	18/03/2016	That, as recommended by the Supply Chain Management Bid Adjudication Committee, and for the reasons set out in the report as amplified in an e-mail from the Insurance Claims Department dated 17 March 2016, authorily be granted for a deviation from the Supply Chain Management procedures, in terms of Clause 308.5 of the CCT's Supply Chain Management Policy (exceptional circumstances) to (a) appoint 600CT Manufacturing (Pty) Ltd to effect repairs to the City's FASSI F 80 crane – CCT 31625 as per quotation CT4122/15 (Motor Claim M7102349) in the amount of R214 589.49 (excl. VAT), subject to adjustment based on the quotation including rate of exchange variations.  (b) approve an amount of 20% of the contract price for unforeseen /further damage to the vehicle or any price escalations due to exchange rates	A crane was damaged when the truck on which it was mounted struck a railway bridge. The repairs fall in the category of <u>exceptional circumstances</u> classified as ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids, and therefore impractical or impossible to follow the official procurement process. In addition, the crane is still under warranty which will become invalid should repairs be carried out by an unapproved service provider. As specialised machinery, the repair must be carried out by a specialist such as the recommended vendor for the above and for safety reasons.
8	CM 05/03/16 SCM 52/03/16	CM 39989	OCM	SCMB 52/03/16 – Request for deviation and/or condonation: Airport TV Advertising	To obtain approval in terms of clauses 308 of the Supply Chain Management Policy sub-clause 308.2 for deviation from the official procurement processes for the appointment of a service provider to deliver the required services. The costs to be incurred fall within the Place Marketing Budget to implement the Airport TV advertising	It is recommended that: a) The official procurement process established and adapted <b>BE DISPENSED</b> with in terms of clauses 308 of the supply Chain Management Policy, sub-clause 308.2 b) Provanlage Activation Media (Pty) Ltd <b>BE APPOINTED</b> to render the service required for Airport TV Advertising in the amount of R600 000.00 (exclusive of VAT) for the period commencing 1 April 2016 to 30 June 2016	R600 000.00 (excl. VAT)	Sole Provider	Rowena Venter	29/03/2016 @11:28	30/03/2016	As recommended by the SCMBAC the request for a deviation in terms of Sections 308.2 and 308.5 of the CoCT SCM Policy for the appointment of Provanlage Activation Media (Pty) Ltd to provide the service required for Airport TV Advertising <b>BE APPROVED</b> in the amount of R600 000.00 (excl. VAT) for the period commencing 1 April 2016 until 30 June 2016	The City has is aiming to utilise all Airport Company South Africa (ACSA) owned airports in South Africa as well as Kruger Mpumalanga International, Lanseria International and Kenneth Kounda in Zambia to promote Cape Town as a business and events destination in order to attract more investors to the City. Provanlage Activation Media (Pty) Ltd is the <u>sole provider</u> and has an exclusive partnership with ACSA. Therefore no other procurement process can be followed to procure the required services.

56

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9		CM 40003	CORC	Provision of voice and data telecommunications services by the IS&T Telecommunications Branch for use by the City administration	To obtain approval in terms of clause 308 of the Supply Chain Management Policy sub-clause 308.1 for deviation from the official procurement processes for the appointment of a service provider to deliver the required services. The costs to be incurred fall within the Corporate Services and Compliance budget to make provision for the procurement of voice and data services	It is recommended that: a) A deviation from the procurement processes for the period 1 February 2016 until 29 February 2016 <b>BE CONDONED</b> in terms of section 310 of the Supply Chain Management Policy for services rendered at the amount of R5 340 414,84 (Excluding VAT) b) The official procurement process established and adopted <b>BE DISPENSED</b> with in terms of clauses 308 of the Supply Chain Management Policy, sub-clause 308.1 c) Telkom SA Ltd, VOX Telecommunications (Pty) Ltd, Neotel (Pty) Ltd, Vodacom (Pty) Ltd and Internet Solutions (Pty) Ltd <b>BE APPOINTED</b> to render the VOICE and DATA services based on tariffs (exclusive of VAT) indicated in the table below as from the date that this report is approved for a period of twelve months or until such time that tender number 1S/2014/2015 is awarded	R5 340 414,84 (excl. VAT) and R5 600 000,00 (Excl. VAT)	Exceptional Circumstances	Leon van Wyk	30/03/2016 @15:25	31/03/2016	As recommended by the Acting ED: CORC and the Director, SCM the request for a deviation & condonation in terms of paragraphs 308.5 & 310 of the CoCT SCM Policy for the appointment of service providers for the provision of fixed voice and data telecommunications services for the City <b>BE APPROVED</b> as follows: a. condone the appointment of the relevant telecommunications vendors (Telkom SA Ltd, VOX Telecommunications (Pty) Ltd, Neotel (Pty) Ltd, Vodacom (Pty) Ltd and Internet Solutions (Pty)) of the same terms and conditions under tender 476S/2010/2011 for the period 1 February 2016 until 31 March 2016 for services rendered at the amount of R5 340 414,84 (Excluding Vat) for February 2016 and an estimated amount of R5 600 000,00 (Excluding Vat) for March 2016 (detailed invoice not yet received). b. appoint Telkom SA Ltd, VOX Telecommunications (Pty) Ltd, Neotel (Pty) Ltd, Vodacom (Pty) Ltd and Internet Solutions (Pty) Ltd to render the voice and data services based on tariffs (exclusive of VAT) indicated in the table included in the original report from 1 April 2016 for a period of eleven months or until such time that tender number 1S/2014/2015 is awarded.	Following a procurement process the SCMBAC awarded Tender 476S/2010/2011 to the relevant service providers which expired on 31 December 2015. The last order issued was for services to the end of January 2016. The replacement tender 1S/204/2015 was submitted in December 2013 but due to the extensive scope and complexity of this tender with several technical challenges to overcome has not yet been awarded. Much more time is required to finalise the evaluation and adjudication than was anticipated. The <u>exceptional circumstances</u> is that it is impossible and impractical to obtain the services through any other procurement process for the service required and the City Manager has no option to but consider and approve the critical services for the continuation of service delivery. In view of the technical challenges and the timelines, the City Manager is addressing the ED: CORC on the days with a view to remedial action.

57