

SUPPLY CHAIN MANAGEMENT DEVIATIONS TO THE SCM REGULATIONS & SCM POLICY REPORT FOR THE PERIOD: 1 TO 31 JANUARY 2011

CM Reference No.	CM Reference No.	Project Title	Name of the Contractor	Objective / Explanation / Comments / Approval Authority	Recommendation of Report	Total Value (incl. VAT)	Reason / Finding / Justification	Action / Finding / Recommendation / Approval Authority	Responsible Official	Date of Approval	CM Comments / Conditions on Approval	Additional Comments
1	CM 19989	10/11	Cape Town Stadium - Electrical Contractor	TRAMP	To obtain approval in terms of clause 277.1 and 277.5.2 of the SCM Policy, for deviation from the official procurement processes. The costs to be incurred fall within the budget of 2010 Operations budget.	It is recommended that: a) the official procurement process established and adopted BE DISPENSED with in terms of clause 277.5 of the SCM policy, (b) the Brand Engineering be appointed for annual maintenance to the value of R624 773.80 as per Annexure C.	R624 773.80 excl. VAT	Exceptional Circumstances - Extension	Shameel Ho- Kim	05/01/2011	That the recommendation as made by the ED: TRAMP in terms of the SCM Policy Section 277 for the extension and appointment of Brand Engineering S.A. (PTY) Ltd as the electrical contractor for the once off annual electrical maintenance to the value of R 624 773.80 (excl. VAT) BE APPROVED:	Brand Engineering was appointed for the entire medium voltage electrical installation and is wholly responsible to uphold all warranties associated with the installation in accordance with the original tender specifications. To prevent the said warranties from lapsing or being deemed to be null and void the City is responsible to ensure that specific maintenance tasks are performed in accordance with the manufacturer specifications and industry best practices. The authority required extending the existing contract at the Cape Town Stadium to ensure the stadium remains operational under City management as various events and functions have been confirmed for 2011.
2	CM 19990	10/11	Cape Town Stadium - Pitch Contractor	TRAMP	To obtain approval in terms of clause 277.1 and 277.5.2 of the SCM Policy, for deviation from the official procurement processes. The costs to be incurred fall within the budget of 2010 Operations budget.	It is recommended that: a) the official procurement process established and adopted BE DISPENSED with in terms of clause 277.5 of the SCM policy, (b) Groenwiel Gras be appointed for a period of 6 months for: 1) Pitch maintenance from 15 January 2011 to 30 June 2011 for a monthly fee of R 143,259.16 (excl. VAT) as per Annexure 8. (2) Pitch replacement and pitch protection from 01 January 2011 to 30 June 2011 as per tariffs on Annexure C.	R143 259.16 excl. VAT	Exceptional Circumstances - Extension	Shameel Ho- Kim	05/01/2011	That the recommendation as made by the ED: TRAMP in terms of the SCM Policy Section 277 for the extension and appointment of Groenwiel Gras for pitch maintenance from 15 January 2011 to 30 June 2011 for a monthly fee of R 143 259.16 (excl. VAT) BE APPROVED.	Groenwiel Gras was appointed by the main stadium contractor after following an open tender process, and is overall responsible for the pitch and another contractor cannot be used for laying of pitch protection as this will negate any claims the City may have and therefore it is impractical to utilise another service provider. The authority required extending the existing contract at the Cape Town Stadium to ensure the stadium remains operational under City management as various events and functions have been confirmed for 2011. This authority is furthermore subject to the ED: TRAMP following a formal procurement process in order to appoint service providers with effect from 1 July 2011 as no further extensions will be considered.

3	CM 19994A	10/11	Electricity Service - High Voltage	Emergency repair of Koeberg Switching Station – Power Transformer Repair	To obtain approval in terms of clauses 277.1 and 278, of the SCM Policy, for deviation and condonation from the standard provisions of the SCM Policy. The costs to be incurred fall within the Electricity Services budget to implement the Koeberg Switching Station - Power Transformer Repair.	it is recommended that: a) the official procurement process established and adopted BE DISPENSED with in terms of clauses 277.1 and 277.5 of the SCM Policy. (b) Powertech Transformers (Pty) Ltd BE APPOINTED to render the required repair and recommissioning services for the Koeberg Switching Station - Power Transformer Repair in the amount of R813 291.05 (incl. VAT) for this once-off appointment.	R813 291.05 incl. VAT	Exceptional Circumstances - Emergency		Manfred Küster	07/01/2011	That the recommendation as made by the ED: Utility Services for a deviation in terms of the SCM Policy Section 277.1 to dispense with the official procurement process due to it being an emergency & impractical and impossible to follow a public tender process and a condonation in terms of the SCM Policy Section 278 to appoint Powertech Transformers (Pty) Ltd to render the required repair and recommissioning services in an amount of R 813 291.05 (incl. VAT) BE APPROVED to effect emergency repairs to the vandalized Koeberg Switching.	Due to an emergency situation caused by vandals damaging equipment and stealing such, resulting in substantial damage prior to the festive season and taking in to consideration that suppliers will be closing and making it impossible to source repair services and spares, emergency repairs were authorized after consultation and obtaining quotations.
4	CM 20092	10/11	Corporate Services	Appointment of service provider: National Treasury's minimum competency levels	To obtain approval in terms of clause 277 of the SCM Policy, sub-clause 5, for deviation from the official procurement processes. The costs to be incurred fall within the Finance Directorate's budget to implement the training in respect of National Treasury Minimum Competency Regulations.	it is recommended that: a) the official procurement process established and adopted BE DISPENSED with in terms of clause 277 of the SCM Policy, sub-clause 5. (b) The University of Stellenbosch, School of Public Management BE APPOINTED for the provision of training in respect of the National Treasury's Minimum Competency Regulations in the amount of R2 065 000 (incl. VAT) (R1053.57 per delegate) for the period January 2011 to December 2012.	R2 065 000.00 incl. VAT	Exceptional Circumstances		Eugene Kotze	20/01/2011	As recommended by the SCMBAC the request for deviation in terms of the SCM Policy Section 277 to appoint the University of Stellenbosch Business School to provide training to additional 70 financial officials in the amount of R2 065 000.00 (incl. VAT) (R1 053.57 per delegate) for the period January 2011 to December 2012 BE APPROVED .	The institutions have been identified by National Treasury and a <u>request for quotations process</u> has been followed with the institutions in the Western Cape, and the University of Stellenbosch Business School has scored the highest. They are also the service providers for the current delegates being trained and therefore it will not be possible to follow a tender process as they are required to be one of the <u>approved service providers</u> by National Treasury.
5	CM 20122	10/11	Utility Services - Water & Sanitation	Request for deviation and/or condonation: repairs to blower No. 1 at the Cape Flats Waste Water Treatment Works (WWTW)	To obtain approval in terms of clause 277, of the SCM Policy, sub-clause 277.5.3 for deviation from the official procurement processes. The costs to be incurred fall within the Utility Services', Water and Sanitation department's maintenance budget to implement repairs to Blower No. 1 at Cape Flats (WWTW).	it is recommended that: a) the official procurement process established and adopted BE DISPENSED with in terms of clause 277 of the SCM Policy, sub-clause 277.5.3, for the reasons set forth in this report. (b) The work was awarded to Christo's General & Precision Engineering in accordance with the strip & quote procedures and is therefore recommended that the appointment of Christo's General & Precision Engineering BE CONDONEO in terms of clause 278 of the SCM Policy as the service provider effecting the strip and quote repairs. (c) the amount of R411 996.00 incl VAT BE APPROVED for the work to be undertaken by Christo's General & Precision Engineering.	R411 996.00 incl. VAT	Exceptional Circumstances - Emergency		Bongani Roto	28/01/2011	As recommended by the SCMBAC in terms of Section 278 of the SCM Policy, the request for a condonation and in terms of Section 277 the request for a deviation to appoint Christo's General & Precision Engineering for emergency repairs to Blower No. 1 at the Cape Flats Waste Water Treatment in the amount of R411 996.00 (incl. VAT) BE APPROVED .	The repairs to the Blower No. 1 at the Cape Flats Waste Water Treatment were done in terms of the <u>strip & quote procedure</u> that required <u>emergency repairs</u> to comply to the Water Act quality standards.

6	CM 20123	10/11	Utility Services	Emergency sewer replacement of 5.5m deep sewer in Beaufort Street, Goodwood	To obtain approval in terms of clause 277 of the SCM Policy, sub-clause 277.1, for deviation from official procurement processes. The costs to be incurred fall within the Water and Sanitation budget to implement the emergency repairs.	It is recommended that: a) the official procurement process established and adopted BE DISPENSED with in terms of clause 277 of the SCM Policy, sub-clause 277.1, for the reasons set forth in this report. (b) The work was awarded to Amadwala Trading 453CC, and is therefore recommended that the appointment of Amadwala Trading 453CC Engineering BE CONDONED in terms of clause 278 of the SCM Policy as the service provider effecting the strip and quote repairs. (c) the amount of R381 199.66 (incl. VAT) BE APPROVED .	R381 199.66 incl. VAT	Exceptional Circumstances - Emergency		Hugo Steynberg	28/01/2011	As recommended by the SCMBAC in terms of Section 278 of the SCM Policy, the request for a condonation and in terms of Section 277 the request for a deviation to appoint Amadwala Trading 453 CC for <u>emergency sewer replacement</u> of 5.5 meter deep sewer in Beaufort Street, Goodwood in the amount of R381 199.66 (incl. VAT) BE APPROVED .
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SUPPLY CHAIN MANAGEMENT DEVIATIONS TO THE SCM REGULATIONS & SCM POLICY REPORT FOR THE PERIOD: 1 TO 28 FEBRUARY 2011

No.	CM File Ref. No.	Approval Year	Name of the Directorate / Function	Project Title	Objective / Explanation / Comments on the Deviation	Recommendation of Report	Total Value (incl. VAT)	Reason / Finding for Deviation	Action Required (by whom / Director)	Responsible Official	Date of Approval by CM	CM Comments / Conditions on Approval	Additional Comments
1	CM 20196	10/11	Housing	Appointment of consultants for Vlakplaas Road, Strand	To obtain approval in terms of clause 277 of the SCM Policy, for deviation from the official procurement processes. The cost to be incurred falls within the MIG allocation for Roads and Stormwater Bulk Services (for the future Vlakteplaas Road) and within the Housing budget to implement the Vlakteplaas project.	It is recommended that: a) the official procurement process established and adopted BE DISPENSED with in terms of clause 277 of the SCM Policy. (b) Messrs WSP SA Civil & Structural Engineers (Pty) Ltd. BE APPOINTED to undertake the necessary traffic studies and route investigations to prepare the Vlakteplaas Road Concept design, all for the amount of R712 500.00 (incl. VAT) to be completed by 30 June 2012.	R712 500.00 incl. VAT	Exceptional Circumstances		Robert Johnston	11/02/2011	That the recommendation as made by the SCMBAC in terms of the SCM Policy Section 277 to waive the official procurement process to appoint Messrs WSP SA Civil & Structural Engineers (Pty) to undertake the necessary traffic studies and route investigations to prepare the Vlakplaas Road design in an amount of R 712 500 (incl. VAT) BE APPROVED	To ensure continuity and to <u>benefit from the economics of scale</u> , it is not considered professional or responsible to appoint a different consultant for sections of the same road as the other private land owners have already appointed a consultant and the City must contribute to the cost for its portion. <u>Shared cost</u> by all stakeholders.
2	CM 20194	10/11	TRaMP	Tender 394C/2006/07: Provision of professional services: Review conceptual design, detail design, tenders and contract supervision for Strandfontein Road - Phase 1	To obtain approval in terms of clause 275.1 of the SCM Policy for appointment of a professional service provider on the basis of single-source selection for Strandfontein Road - Phase 2 and to obtain condonation for costs being incurred beyond the stipulated original Strandfontein Road - Phase 1 professional services contract cut-off date. The costs to be incurred fall within the Transport Roads & Major projects Directorate's budget for implementation of the Strandfontein Road project.	It is recommended that: a) the Single-source Selection process for the Appointment of Consultants BE APPROVED for this appointment in terms of Clause 275.1 of the SCM Policy, for the reasons set out in Section 7 of this report. (b) The BKS/Orrie Welby-Solomon JV BE APPOINTED at an estimated cost of R8 664 000.00 (incl. VAT), to render professional services in respect of the Design, Tender Documentation and Construction Supervision for Strandfontein Road - Phase 2 as a supplemental agreement and in terms of the specifications and conditions of contract applicable to Contract 394C/2006/07 Provision of Professional Services: Review Conceptual Design, Detail Design, Tender Documentation and Contract Supervision for Strandfontein Road (M17) Phase 1.	R1 681 507.30 incl. VAT	Exceptional Circumstances - <u>extension of consultants</u>		Dave Buerger	11/02/2011	As recommended by the SCMBAC in terms of Section 278 of the SCM Policy, the request for a condonation and in terms of Section 277 the request for a deviation to appoint BKS/Orrie Welby-Solomon JV for the Provision of professional services Tender 394C/2006/07: Review conceptual design, detail design, tenders and contract supervision for Strandfontein Road - Phase 1 in the amount of R 1 681 507 30 (incl. VAT) BE APPROVED	This R 200 million project is a multi-year contract which is far from completion and continues as and when funds are available. Various construction tenders are advertised during the project. The original consultants JV was appointed to review conceptual design, detail design, tenders and contract supervision for the project but were appointed for a period ending 30 June 2010, prior to this date a further construction tender was approved and the authority for the appointment inadvertently overlooked the appointment for the consultants. This condonation is for the <u>extension of the consultants</u> only from 1 July 2010 and includes a provision until completion of the current construction phase.
2	CM 20194					(c) The work already completed and still being undertaken by BKS/Orrie Welby-Solomon JV after 30 June 2010 in completing the contract monitoring and construction supervision component of Contract 394C/2006/07 Provision of Professional Services: Review of Conceptual Design, Detail Design, Tender Documentation and Contract Supervision for Strandfontein Road (M17) - Phase 1, estimated at R1 681 507.30 (incl. VAT), BE CONDDNED .							

3	CM 20195	10/11	Solid Waste Management	Tender 1115/2005/06 AND 1125/2005/D6 the fixed term and ad hoc hire of heavy and medium duty mechanical street sweeping machines	To obtain approval in terms of clause 277.5 of the SCM Policy, for deviation from the official procurement processes. The costs to be incurred fall within the Solid Waste Management: Area Cleaning Department budget to implement the Fixed Term and Ad Hoc Hire of Heavy and Medium Duty Mechanical Street Sweeping Machines.	It is recommended that: a) the official procurement process established and adopted BE DISPENSED with in terms of clause 277.5 of the SCM Policy. (b) Wasteman Cape (Pty) Ltd for the Fixed Term Hire of Heavy and Medium Duty Mechanical Street Sweeping Machines and Wasteman Cape (Pty) Ltd and Uni-Cape Equipment (Pty) Ltd for the adhoc Hire of Heavy and Medium Duty Mechanical Street Sweeping Machines as per Tender Nos 1115/2005/06 and 1125/2005/06 BE RE-APPOINTED on a month-to-month basis until the appeal has been finalized and a new contractor can commence services.		Exceptional Circumstances - Extension of contract	Peter Horn	11/02/2011	That the recommendation as made by the SCMBAC in terms of the SCM Policy Section 277 to waive the official procurement process to <u>re-appoint</u> Wasteman Cape (Pty) Ltd for the fixed term hire of heavy and medium duty mechanical street sweeping machines and Wasteman Cape (Pty) Ltd and Uni-Cape Equipment (Pty) Ltd for the ad hoc hire of heavy and medium duty mechanical street sweeping machines as per tender nos. 1115/2005/D6 AND 1125/2005/06 BE APPROVED on a month to month basis until the appeal has been finalised and a new contractor can commence services.	The relevant tender has been advertised and awarded, and due to an appeal the existing tender was extended to the end of January 2011. The appeal being complex has not been finalised also making provision for a delivery period of 3 months the final date of implementation is unknown and to prevent an interruption of service delivery, the extension of the current tenders are the only option available.
4	CM 20198	10/11	Electricity Services	SEBA KMT TELEFLEX cable fault location unit	To obtain approval in terms of section 36 of the Municipal SCM Regulations subsection 1 (a) (ii) and section 261.2 of the SCM Policy, for deviation from the official procurement processes. The costs to be incurred fall within the Engineering Support East Test Equipment Capital budget allocation for 2010/2011 financial year to implement the procurement of the Teleflex MX as addition to existing Seba cable fault location Equipment.	It is recommended that: (a) the official procurement process established and adopted be dispensed with in terms of section 36 of the Municipal SCM Regulation subsection 1 (a) (ii) and section 261.2 of the SCM Policy for the reasons set forth under section 7 of this report at a cost of R230 826.75 excl VAT. (b) the offer submitted by VEROTEST, Randjesfontein, Midrand in the amount of R230 826.75 excl. VAT for the procurement of Seba TELEFLEX MX be approved.	R230 826.75 excl. VAT	Sole Provider	Riaan Conradie	11/02/2011	The recommendation of the SCMBAC for a deviation in terms of Section 277.2 of the SCM Policy, to appointment VEROTEST, Randjesfontein, Midrand BE APPROVED to supply SEBA TELEFLEX MX equipment in an amount of R 230 826.75 (excl. VAT)	Verotest is the <u>sole provider</u> of SEBA KMT and TELEFLEX equipment in South Africa and as the department already have and operate SEBA KMT equipment and the required accessories it will render the current equipment useless if other make & models are to be purchased. Cost effective to make use of current equipment and to add similar.
5	CM 20199	10/11	Strategy & Planning	Tender 28Q/2010/11: Removal of existing geysers, supply and installation of solar water heaters at CoCT owned clinics	To obtain approval in terms of clause 232 of the SCM Policy for increase in contract sum of the DANIDA funded project, number 28Q/2010/2011. The costs to be incurred fall within the Environmental Resource Management Department's DANIDA Urban Environmental Management (UEM) budget.	It is recommended that: a) the removal of existing geysers, supply and installation of solar water heaters at City of Cape Town owned clinics, Contract Number 28Q/2010/2011 be increased in contract sum, by R383 027.05.	R383 027.05 excl. VAT	Impractical & impossible	Julia Wood	11/02/2011	That pursuant to the previous decision in this regard, the recommendation as made by the SCMBAC for a correction of the authority to be amended to read as follows BE APPROVED: That the recommendation as made by the SCMBAC for a deviation in terms of the SCM Policy Section 277 to dispense with the official procurement process due to it being impractical and impossible to follow a public tender process and to appoint ABDA Building and Interior Projects t/a ABDA Projects to remove existing geysers, supply and installation of solar water heaters at CoCT owned clinics and nature reserve in an amount of R 383 027.05 (excl. VAT) BE APPROVED	This is only a correction of the VAT being excluded and not included as previously recommended. <u>VAT correction.</u>

6	CM 20262	10/11	Utility Services - Wastewater	Hiring of submersible pumps at the Mitchells Plain Wastewater Treatment Works, Interstage pump station (Section 278)	To obtain approval in terms of clause 278 of the SCM Policy, for deviation from the official procurement processes and condonation of payment. The costs to be incurred fall within the Wastewater Branch budget for the hiring of submersible pumps for the Mitchell's Plain Wastewater Treatment Works (WWTW)	It is recommended that: a) the official procurement process established and adopted BE DISPENSED with in terms of clause 278 of the SCM Policy. (b) Deviation and Condonation for the Hiring of submersible pumps for the Mitchell's Plain Wastewater Treatment Works BE APPROVED and that ITT FLYGHT be appointed for the period 15 July 2010 - 28 February 2011 in the amount of R681 492.00 (incl. VAT)	R681 492.00 incl. VAT	Exceptional Circumstances - emergency		Richard Ballard	11/02/2011	As recommended by the SCMBAC the request for a condonation in terms of Section 278 of the SCM Policy, and the request for a deviation in terms of Section 277 of said Policy, to appoint ITT Flyght for the hiring of submersible pumps for the Mitchells Plain Wastewater Treatment Works, Interstage pump station in the amount of R 681 492.00 (incl. VAT) for the period 15 July 2010 until 28 February 2011 BE APPROVED	The pumps were procured on <u>emergency grounds</u> as it was essential to pump the sewerage to secondary treatment when two of the three installed pumps were out of service, but the hiring period was extended without following the prescribed process. Due to the importance of hiring the pumps whilst the other were being repaired the condonation should be granted as the Director indicated that <u>disciplinary action and preventative steps will be taken</u> .
7	CM 20263	10/11	Corporate Services - IS&T	Mobile Asset Management Licensing	To obtain approval in terms of clause 277 of the SCM Policy, for deviation from the official procurement processes. The costs to be incurred fall within the Electricity Services Department budget to purchase 40 SAP Mobile Asset Management Utilities licenses.	It is recommended that: a) the official procurement process established and adopted BE DISPENSED with in terms of clause 277 of the SCM Policy. (b) SAP Africa BE APPOINTED to supply the licences for SAP Mobile Asset Management in the amount of (or tariffs) R473 260.00 (Four hundred seventy three thousand two hundred sixty rand), incl. VAT. This is a one time purchase.	R473 260.00 incl. VAT	Sole Provider		Marthinus van der Merwe	11/02/2011	The recommendation of the SCMBAC for a deviation in terms of Section 277.2 of the SCM Policy, to appoint SAP Africa to supply the licensing for SAP Mobile Asset Management in an amount of R473 260.00 (incl. VAT) BE APPROVED	The SAP Mobile Asset Management is an integral part of SAP solution for which <u>SAP is the sole provider</u> and therefore we are required to purchase <u>licensing</u> for linking to the SAP R/3 System and the Mobile middleware.
8	CM 20319	10/11	Housing	Establishment of incremental development areas to provide alternative accommodation to those affected by flooding – Correction of VAT	a) To correct an administrative error in the appointment of Bergstan South Africa Consulting and Development Engineers (Pty) Ltd, in that their appointment for the 5 Incremental Development Areas (IDAs) were VAT exclusive instead of VAT inclusive. (b) To obtain approval in terms of clause 232 of the SCM Policy for an increase in contract sum for Bergstan South Africa Consulting and Development Engineers (Pty) Ltd. The costs to be incurred fall within the Housing Directorate's budget to implement the Establishment of 5 Incremental Development Areas project.	It is recommended that: a) Resolution CM 15/11/09 be rescinded. Bergstan South Africa Consulting and development Engineers (Pty) Ltd be appointed for the planning; design; preparation of tender documentation and construction supervision of the 5 Incremental Development Areas in an amount of R1 729 380.00 (inclusive of 14% VAT) as follows: Reference R031000326 - R336 300.00 (was R295 000.00), Reference R031000327 - R343 140.00 (was R301 000.00), Reference R031000328 - R343 140.00 (was R301 000.00), Reference R031000329 - R336 300.00 (was R295 000.00), Reference R031000330 - R370 500.00 (was R325 000.00). (b) the increase in contract sum of Bergstan South Africa in respect of Reference R031000327 - Erven 2132 & 2148 Khayelitsha, in an amount of R198 186.98 to R541 326.98 (incl. VAT), for a total contract price of R1 927 566.98.	R1 729 380.00 incl. VAT	Exceptional Circumstances - VAT correction		Johan Gerber	17/02/2011	That pursuant to the previous decisions in this regard DATED 08/12/09, the recommendation as made by the SCMBAC for a correction of the authority to be amended to read as follows BE APPROVED: That the recommendation as made by the SCMBAC for a deviation in terms of the SCM Policy Section 277 to dispense with the official procurement process due to it being impractical and impossible to follow a public tender process and to appoint Bergstan South Africa Consulting and Development Engineers (Pty) Ltd for the planning, design, preparation of tender documentation and construction supervision of the 5 Incremental Development Areas in an amount of R 1 729 380.00 (incl. VAT) BE APPROVED.	The original report incorrectly indicated the VAT inclusive and not exclusive, this would not have changed the outcome of the adjudication process. Therefore this is only a <u>correction of the VAT</u> being excluded and not included as previously recommended.