

ITEM NUMBER : C 28/03/11

*RECOMMENDATION FROM THE EXECUTIVE MAYOR: 15 MARCH 2011*

**MC 32/03/11 REPORT IN TERMS OF SUPPLY CHAIN MANAGEMENT REGULATIONS SECTION 36 AND THE SUPPLY CHAIN MANAGEMENT POLICY SECTION 292 FOR THE PERIOD JANUARY AND FEBRUARY 2011**

**RECOMMENDED** that the matters as authorised by the City Manager in terms of Section 36 of the Supply Chain Management Regulations and Section 292 of the Supply Chain Management Policy for the period January and February 2011 attached as Annexures "A" and "B" to the report on the agenda, be noted by Council and be included as a note to Council's Annual Financial Statements.

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1. ITEM NUMBER: MC 32/03/11
  2. REPORT IN TERMS OF SUPPLY CHAIN MANAGEMENT REGULATIONS SECTION 36 AND THE SUPPLY CHAIN MANAGEMENT POLICY SECTION 292 FOR THE PERIOD JANUARY & FEBRUARY 2011: FOR INFORMATION PURPOSES

**VERSLAG INGEVOLGE DIE VERSKAFFINGSKETTINGBESTUURS- REGULASIES, ARTIKEL 36, EN DIE VERSKAFFINGSKETTINGBESTUURSBELEID, PARAGRAAF 292, VIR DIE TYDPERK JANUARIE & FEBRUARIE 2011: VIR INLIGTINGSDOELEINDES**

**INGXELO ENGENISWA NGOKWEMIQATHANGO YOLAWULO LWEMISEBENZI EBONELELWA NGOLUHLU LWABAXHASI YECANDELO LAMA-36 NOMGAQO-NKQUBO WOLAWULO LWEMISEBENZI EBONELELWA NGOLUHLU LWABAXHASI, ICANDELO LAMA-292 KWISITHUBA ESISUSELA NGO JANYUWARI & FEBRUWARI 2011: INGENISELWA IINJONGO ZOLWAZI**

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3. RECOMMENDATION FROM: FINANCE PORTFOLIO COMMITTEE: 4 MARCH 2011 (FIN 15/03/11)

**RECOMMENDED** that the matters as authorised by the City Manager to the SCM Regulations Section 36 and SCM Policy Section 292 for the period January & February 2010 attached as Annexure "A & B", be noted by Council and be included as a note to Council's Annual Financial Statements.

**AANBEVELING** dat die Raad kennis neem van die sake soos deur die Stadsbestuurder gemagtig ingevolge die verskaffingskettingbestuursregulasies, artikel 36 en die verskaffingskettingbestuursbeleid, paragraaf 292 vir die tydperk Januarie & Februarie 2011, hierby aangeheg as bylae "A & B", en dat dit as 'n nota by die Raad se finansiële jaarstate ingesluit moet word.

**ISINDULULO** Kundulwa ukuba imibandela egunyaziswe nguMphathi we Sixeko ngokwe-Candelo 36 leMigaqo yeSCM nangokweCandelo - 292 loMgaqo -nkqubo weSCM nangokweCandelo 292 loMgaqo nkqubo we SCM kwisithuba esisusela ngoJanuary & Februwari 2011 nesiqhotyoshelwe njengeSongezelelo "A & B" mayiqwalaselwe liBhunga kwaye mayibandakanywe kwiiNgxelo zeZimali zeBhunga zoNyaka ukuze iqwalaselwe.

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## REPORT TO FINANCE PORTFOLIO COMMITTEE


 CITY OF CAPE TOWN | ISIXEKO SASEKAPA | STAD KAAPSTAD

1. ITEM NUMBER : FIN 15/03/11

2. SUBJECT

REPORT IN TERMS OF SUPPLY CHAIN MANAGEMENT REGULATIONS SECTION 36 AND THE SUPPLY CHAIN MANAGEMENT POLICY SECTION 292 FOR THE PERIOD JANUARY & FEBRUARY 2011: FOR INFORMATION PURPOSES

ONDERWERP

VERSLAG INGEVOLGE DIE VERSKAFFINGSKETTINGBESTUURS-REGULASIES, ARTIKEL 36, EN DIE VERSKAFFINGSKETTING-BESTUURSBELEID, PARAGRAAF 292, VIR DIE TYDPERK JANUARIE & FEBRUARIE 2011: VIR INLIGTINGSDOELEINDES

ISIHLOKO

INGXELO ENGENISWA NGOKWEMIQATHANGO YOLAWULO LWEMISEBENZI EBONELELWA NGOLUHLU LWABAXHASI YECANDELO LAMA-36 NOMGAQO-NKQUBO WOLAWULO LWEMISEBENZI EBONELELWA NGOLUHLU LWABAXHASI, ICANDELO LAMA-292 KWISITHUBA ESISUSELA NGOJANYUWARI & FEBRUWARI 2011: INGENISELWA IINJONGO ZOLWAZI

3. PURPOSE

This report serves to advise Council of matters authorised by the City Manager in terms of the Supply Chain Management (SCM) Regulations and Policy during the 10/11 financial year for January & February 2011. The reasons submitted by the respective business units and/or the Supply Chain Management Bid Adjudication Committee to dispense with the official procurement processes, as approved by the City Manager, which needs to be reported to Council in terms of Section 36 (2) of the Municipal Supply Chain Management Regulations issued by National Treasury and in terms of Section 292 of Council's Supply Chain Management Policy as approved on 27 March 2008. Furthermore, the expenditure related to such deviations is included as a note to the Annual Financial Statements.

#### 4. FOR DECISION BY

##### Recommendation for Decision by Council

To be noted by Council in terms of Regulation 36 of The Municipal Supply Chain Management Regulations and in terms of Section 292 of the Supply Chain Management Policy.

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#### 5. EXECUTIVE SUMMARY

This report is in line with providing an equitable and effective service delivery to the community by ensuring that the critical goods and services required and to be procured are obtained, due to the exceptional circumstances, emergency of a situation, or when the normal procurement process could not be followed due to sole provider, impracticality, impossibility or non-feasibility as permitted in terms of clauses 277 - 281 of the City's SCM policy.

In terms of section 36 of the Municipal Supply Chain Management Regulations and in terms of Section 292 of the Supply Chain Management Policy any deviations from the Supply Chain Management Policy considered and approved by the City Manager needs to be reported to Council. The City Manager has received a number of such reports requesting authority. The expenditure and reasons for these approvals are herewith reported to Council as per Annexure "A, & B". It should also be noted that reports submitted that did not meet the minimum acceptable criteria have not been approved and have been withdrawn by the responsible officials/business units and dealt with in terms of other legislative guidelines. These matters were all considered on the merit and the reasons submitted and where required referred for clarification or additional information.

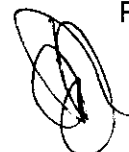
Furthermore, the expenditure needs to be included as a note to Council's Annual Financial Statements.

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#### 6. RECOMMENDATIONS

Not Delegated: for Noting by Council:

*Recommended that the matters as authorised by the City Manager ito the SCM Regulations Section 36 and SCM Policy Section 292 for the period January & February 2011 attached as Annexure "A & B", **be noted** by Council and **be included** as a note to Council's Annual Financial Statements.*



## AANBEVELINGS

Nie gedelegeer nie: vir kennisname deur die raad:

Daar word aanbeveel dat die raad **kennis neem** van die sake soos deur die Stadsbestuurder gemagtig ingevolge die verskaffingskettingbestuursregulasies, artikel 36, en die verskaffingskettingbestuursbeleid, paragraaf 292, vir die tydperk Januarie & Februarie 2011, hierby aangeheg as bylae "A & B", en dat dit as 'n nota by die raad se finansiële jaarstate **ingesluit word**.

## IZINDULULO

Aziguqunyaziswanga: zingeniselwa ukuQwalaselwa liBhunga:

Kundululwa ukuba imibandela egunyaziswe nguMphathi wesiXeko, ngokweCandelo-36 leMigaqo ye-SCM nangokweCandelo-292 loMgaqo-nkqubo we-SCM, kwisithuba esisusela ngoJanyuwari & Februwari 2011 nesiqhotyoshelwe njengeSongezelelo "A & B", **mayiqwalaselwe** liBhunga kwaye **mayibandakanywe** kwiiNgxelo zeZimali zeBhunga zoNyaka ukuze iqwalaselwe.

## 7. DISCUSSION/CONTENTS

### 7.1. Constitutional and Policy Implications

The Municipal Supply Chain Management Regulations, General Notice 868, Government Gazette 27636 of 30 May 2005, Section 36 - *Deviation from, and ratification of minor breaches of, procurement processes refers.*

The City of Cape Town's Supply Chain Management Policy - adopted by Council, March 2008, clause 277 – 281 and 292 – *Deviation from the Procurement Process.*

### 7.2. Environmental implications

Does your report have any environmental implications:	No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/>
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### 7.3. Financial Implications

As per Annexure "A & B"

**7.4. Legal Implications**

To be noted by Council in terms of Regulation 36 of The Municipal Supply Chain Management Regulations and in terms of Section 292 of the Supply Chain Management Policy. Furthermore, the expenditure needs to be included as a note to Council's Annual Financial Statements.

**7.5. Staff Implications**

Does your report impact on staff resources or result in any additional staffing resources being required?

No

Yes

**7.6. Risk Implications**

Does this report and/or its recommendations expose the City to any risk? (i.e. does it have any adverse influence on service delivery?)

No

Yes

**7.7. Other Services Consulted**

In general, all deviations are submitted to the City Manager for approval after due consideration by the Supply Chain Management Bid Adjudication Committee.

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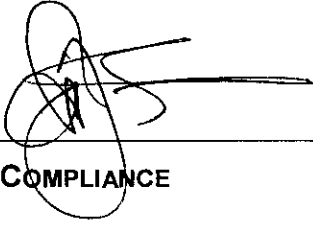
**ANNEXURES**

Annexure "A" – Deviations for the period 1 to 31 January 2011

Annexure "B" – Deviations for the period 1 to 28 February 2011

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	<i>Arno Vorster Strategic Advisor, Office of the City Manager</i>
<b>CONTACT NUMBERS</b>	<i>021 400 1268 / 0844445823</i>
<b>E-MAIL ADDRESS</b>	<i>arno.vorster@capetown.gov.za</i>
<b>DIRECTORATE</b>	<i>Office of the City Manager</i>
<b>FILE REF NO</b>	<i>HO 9/7</i>



**LEGAL COMPLIANCE**

REPORT COMPLIANT WITH THE PROVISIONS OF COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS AND ALL LEGISLATION RELATING TO THE MATTER UNDER CONSIDERATION.

NON-COMPLIANT

NAME JEAN ROMAN  
TEL (021) 400 - 2753  
DATE 25/02/2011

Comment:  
For noting



**CITY MANAGER**  
ACHMAT EBRAHIM

Comment:  
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DATE 25-02-2011