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**(DECISION ITEM MEMORANDUM)**

**NTINGA SUPPLY CHAIN MANAGEMENT PARAGRAPH 36 REPORT FOR THE FIRST QUARTER ENDING 30 September 2021**

**1. SUBJECT**

Deviation from, and ratification of minor breaches of, procurement processes as per paragraph 36 of the Supply Chain Management Policy.

**2. BACKGROUND AND PURPOSE**

The paragraph 36 as stated above states that:

The accounting officer may –

- a) Dispense with the official procurement processes established by the Supply Chain Management Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only
  - (i) in an emergency;
  - (ii) if such goods or services are produced or available from a single provider only;
  - (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
  - (iv) acquisition of animals for zoos and/or nature and game reserves; or
  - (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and
- b) to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

The accounting officer must record the reasons for any deviations in terms of subparagraphs (1) (a) and (b) of the Supply Chain Management Policy and report them to the next meeting of the board of directors and include as a note to the annual financial statements.

### **3. SUMMARY**

In the implementation of the Supply Chain Management Policy there are instances where it is impractical to follow the normal procurement process. In such instances goods or services are procured through any convenient process. For the quarter ending 30 September 2021 deviations from normal procurement processes amounted to **R 51,735.14**. As required by the policy, the deviations were approved by the Chief Executive Officer and they will be reported to the Board of Directors for ratification in its next sitting.

### **4. DISCUSSION**

Details of deviations approved during the period starting from 01 July 2021 and ending on the date of the Board meeting are attached as Annexure 1.

### **5. OTHER PORTFOLIO FUNCTIONAL AREAS CONSULTED**

This report captures deviations recommended by the various senior managers, supported by Supply Chain Manager and the Chief Financial Officer and then approved by the Chief Executive Officer.

### **6. ORGANISATIONAL AND PERSONNEL IMPLICATIONS**

This section is not applicable to this memorandum.

### **7. REPRESENTATIVITY**

This section is not applicable to this memorandum.

## **8. CONSTITUTIONAL AND LEGAL IMPLICATIONS**

This is in compliance with paragraph 36 of the Municipal Supply Chain Management policy and Regulations.

The accounting officer must record the reasons for any deviations and report them to the next meeting of the board of directors and include as a note to the annual financial statements.

## **9. FINANCIAL IMPLICATIONS**

This does not have financial implications for the entity.

## **10. RECOMMENDATIONS**

It is recommended that:

- a) The Board of Directors ratifies and adopts Ntinga's report on deviations from normal Supply Chain Management Policy for the period from 01 July 2021 and ending on the date of the Board meeting.

## **11. RESPONSIBILITY**

This report is submitted to the Board of Directors by the Audit and Risk Committee Chairperson.

### ANNEXURE 1. SCM DEVIATIONS REGISTER

Two (4) deviations from the normal procurement processes were approved. The total value of deviations for this period was R 51,735.14. Deviations from the supply chain management policy occurred when it was impractical to follow the policy. Details of deviations are as follows:-

No.	Date	Purchase Order Number	Payment Voucher	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
1.	19/07/2021		EFT07-18	SAMIC	<u>Single Source:</u> Payment of Abattoir Coordination Fees for April, May, June 2021. Samic is a gazetted organization responsible for issuing membership for classification and grading of meat in a high throughput abattoir in the Republic.	Trading Enterprises: Umzikantu Red Meat Abattoir	17,324.00	vat incl	City of Tswane - GP
2.	22/07/2021	PO0280	3295	Arena Holdings t/a Daily Dispatch	<u>Advertisement:</u> Various bids advertised in the Daily Dispatch for tenders issued by the Agency	BTO: Supply Chain Management	16,044.80	vat incl	City of Tswane - GP
3.	22/07/2021	PO0279	3294	Arena Holdings t/a Daily Dispatch	<u>Advertisement:</u> Annual database registration invitation advertised in the Daily Dispatch.	BTO: Supply Chain Management	13,537.80	vat incl	City of Tswane - GP

No.	Date	Purchase Order Number	Payment Voucher	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
4.	13/08/2021	N/A	EFT08-20	KwaZulu Natal Agricultural Union	<u>Single Source:</u> Payment of annual subscription to the Kwanalu farmers association for the year 2021-2022. The membership affords the Adam Kok Farms to use facilities of the association such as sale pens at a member rate. This rate is far cheaper than it is when you are not an affiliate.	Trading Enterprises: Adam Kok Farms	4,828.54	vat incl.	Harry Gwala DM - KZN

3 procurements were made where less than three quotations were received after advertising on the Entity website and noticeboard for seven days. The total amount is: **R230,180.00**

No.	Date	Purchase Order Number	Payment Voucher	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
1.	8/9/2021	PO0316	EFT09-GRV4520	Afika Advisory Services	Supply 70x Microsoft 360 Business Licenses for a period of 2 months	Corporate Support Services: ICT	48,020.00	no vat	Joburg Metro - GP
2.	30/09/2021	PO0324	N/A	Ability Holdings t/a	Supply and installation Board pack software for 22 users for a	CEO's Office: Company Secretariate	182,160.00	vat incl.	Joburg Metro - GP

No.	Date	Purchase Order Number	Payment Voucher	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
				Convence SA	period of 12 months				
3.	5/10/2021	N/A	N/A	Kivela Pty Ltd	Provision of secretariate services for a period of 6 months	CEO's Office: Company Secretariate	1100/hour excluding disbursements	no vat	Amathole DM - EC

Total of **47** procurement requests were done through attending auctions and walk in sellers of livestock to the abattoir. Walk in are farmers selling livestock for slaughter at the abattoir particularly pigs. The total value of these procurements for this period was **R 1,518,674.65** details of which are as follows:

No.	Date	Voucher No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
1.	9/7/2021	ETF07-07	Ntobole Ntombizanele	5 x pigs (115,95kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Ntobole Ntombizanele	Trading Enterprises: Abattoir Manager	2,956.80	no vat	ORTDM - EC
2.	9/7/2021	ETF07-08	Yidlani Mzukiseni	5 x pigs (504kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Yidlani Mzukiseni	Trading Enterprises: Abattoir Manager	12,852.00	no vat	ORTDM - EC

No.	Date	Voucher No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
3.	6/7/2021	3289	Farmers Livestock Agents t/a Riverwalk Trading	12 x cattle bought on auction at an average price of R 16,286.48. Auction hosted by Farmers Livestock Agents in Cedarville	Trading Enterprises: Adam Kok Farms	195,437.76	vat incl.	Alfred Nzo DM - EC
4.	19/07/2021	EFT07-10	Dinga Pumzile	9 x pigs (454.80kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Dinga Pumzile	Trading Enterprises: Abattoir Manager	11,597.40	no vat	ORTDM - EC
5.	19/07/2021	EFT07-11	Gxagxisa Mabalana	1 x cow purchased at a cost of R6,829.20 brought from Gxagxisa Mabalana for slaughter at the abattoir	Trading Enterprises: Adam Kok Farms	6,829.20	no vat	ORTDM - EC
6.	19/07/2021	EFT07-13	K and M Farming	2 x cow purchased at a cost of R9,430.58 brought from K and M Farming for slaughter at the abattoir	Trading Enterprises: Adam Kok Farms	18,861.15	no vat	ORTDM - EC
7.	19/07/2021	EFT07-16	Qegu Ndiviwe	2 x pigs (97,80kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Qegu Ndiviwe	Trading Enterprises: Abattoir Manager	2,493.90	no vat	ORTDM - EC
8.	21/07/2021	EFT07-20	Boy Zwelandile	3 x pigs (67,10kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Boy Zwelandile	Trading Enterprises: Umzikantu Red Meat Abattoir	1,711.05		ORTDM - EC

No.	Date	Voucher No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
9.	21/07/2021	EFT07-21	Jara Yanga	2 x pigs (131,80kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Jara Yanga	Trading Enterprises: Umzikantu Red Meat Abattoir	3,360.90		
10.	21/07/2021	3291	Farmers Livestock Agents t/a Riverwalk Trading	13 x cattle bought on auction at an average price of R 14,057.32. Auction hosted by Farmers Livestock Agents in Cedarville	Trading Enterprises: Adam Kok Farms	182,745.20	Alfred Nzo DM - EC	0
11.	16/07/2021	3290	Farmers Livestock Agents t/a Riverwalk Trading	12 x cattle bought on auction at an average price of R 16,286.48. Auction hosted by Farmers Livestock Agents in Cedarville	Trading Enterprises: Adam Kok Farms	200,042.34	Alfred Nzo DM - EC	0
12.	6/8/2021	EFT08-02	Bangoba Agric	13 x pigs (693.20kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Bangoba Agric	Trading Enterprises: Abattoir Manager	17,676.60	no vat	ORTDM - EC
13.	6/8/2021	EFT08-03	Andiswa Dabula	1 x pigs (47.50kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Andiswa Dabula	Trading Enterprises: Abattoir Manager	1,211.25	no vat	ORTDM - EC
14.	6/8/2021	EFT08-04	Chuma Jara	1 x pigs (305.40kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Chuma Jara	Trading Enterprises: Abattoir Manager	7,787.70	no vat	ORTDM - EC



No.	Date	Voucher No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
15.	6/8/2021	EFT08-05	Chuma Jara	1 x pigs (92,30kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Chuma Jara	Trading Enterprises: Abattoir Manager	2,353.65	no vat	ORTDM - EC
16.	6/8/2021	EFT08-06	Lindelwa Nyembezi	1 x pigs (158.10kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Lindelwa Nyembezi	Trading Enterprises: Abattoir Manager	4,031.55	no vat	ORTDM - EC
17.	6/8/2021	EFT08-07	Transkei Pigs & Hens	27 x pigs (1,659.80kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Transkei Pigs & Hens	Trading Enterprises: Abattoir Manager	42,324.90	no vat	ORTDM - EC
18.	6/8/2021	EFT08-08	Mzwamadoda Baliwe	1 x pigs (110.80kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Mzwamadoda Baliwe	Trading Enterprises: Abattoir Manager	2,825.40	no vat	ORTDM - EC
19.	10/8/2021	11440	Farmers Livestock Agents t/a Riverwalk Trading	11 x cattle bought on auction at an average price of R 13,948.76 Auction hosted by Farmers Livestock Agents in Cedarville	Trading Enterprises: Adam Kok Farms	153,436.32	vat incl.	Alfred Nzo DM - EC
20.	13/08/2021	EFT08-21	Ntshanga Fika	1 x pigs (67,90kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Ntshanga Fika	Trading Enterprises: Abattoir Manager	1,731.45	no vat	ORTDM - EC

No.	Date	Voucher No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
21.	13/08/2021	EFT08-22	Thozamile Titi	1 x cow at an average price of R3257.60 bought from a community member for slaughter purposes at the Abattoir brought in by Thozamile Titi	Trading Enterprises: Abattoir Manager	3,257.60	no vat	ORTDM - EC
22.	13/08/2021	EFT08-24	Mlungisi Booi	10 x pigs (839.00kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Mlungisi Booi	Trading Enterprises: Abattoir Manager	21,394.50	no vat	ORTDM - EC
23.	13/08/2021	EFT08-25	Nelson Duba	2 x pigs (253,70kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Nelson Duba	Trading Enterprises: Abattoir Manager	6,469.45	no vat	ORTDM - EC
24.	13/08/2021	EFT08-27	Lwandiso Gqweta	2 x pigs (103.90kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Lwadiso Gqweta	Trading Enterprises: Abattoir Manager	2,649.45	no vat	ORTDM - EC
25.	27/08/2021	EFT08-30	George Nathi	1 x pig (58,20kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by George Nathi	Trading Enterprises: Abattoir Manager	1,484.10	no vat	ORTDM - EC

No.	Date	Voucher No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
26.	27/08/2021	EFT08-31	Nkululeko Mbenge	3 x pig (220.80kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Nkululeko Mbenge	Trading Enterprises: Abattoir Manager	5,630.40	no vat	ORTDM - EC
27.	28/08/21	11438	Farmers Livestock Agents t/a Riverwalk Trading	14 x cattle bought on auction at an average price of R 13,915.15. Auction hosted by Farmers Livestock Agents in Cedarville	Trading Enterprises: Adam Kok Farms	194,812.14	vat incl.	Alfred Nzo DM - EC
28.	31/08/2021	EFT08-37	Zulu Lezandla Trading	1 x pig (62,90)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Zulu Lezandla Trading	Trading Enterprises: Abattoir Manager	1,603.95	no vat	ORTDM - EC
29.	28/08/2021	11439	Farmers Livestock Agents t/a Riverwalk Trading	14 x cattle bought on auction at an average price of R 14,884.43. Auction hosted by Farmers Livestock Agents in Cedarville	Trading Enterprises: Adam Kok Farms	208,382.14	vat incl.	Alfred Nzo DM - EC
30.	31/08/2021	EFT09-GRV4517	Farmers Livestock Agents t/a Riverwalk Trading	9 x cattle bought on auction at an average price of R 13,664,16. Auction hosted by Farmers Livestock Agents in Cedarville	Trading Enterprises: Adam Kok Farms	122,977.45	vat incl.	Alfred Nzo DM - EC

No.	Date	Voucher No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
31.	6/9/2021	EFT09-11	Mlotshe Siyabonga	2 x pigs (63.50kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Mlotshe Siyabonga	Trading Enterprises: Abattoir Manager	1,619.25	no vat	ORTDM - EC
32.	6/9/2021	EFT09-10	Mpheleli Mlamleli	1 x pigs (116.60kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Mpheleli Mlamleli	Trading Enterprises: Abattoir Manager	2,973.30	no vat	ORTDM - EC
33.	6/9/2021	EFT09-04	Bangoba Agric	6 x pigs (415.89kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Bangoba Agric	Trading Enterprises: Abattoir Manager	10,602.90	no vat	ORTDM - EC
34.	6/9/2021	EFT09-12	Motolwana Zamiwonga	3 x pigs (151,00kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Motolwana Zamiwonga	Trading Enterprises: Abattoir Manager	3,850.50	no vat	ORTDM - EC
35.	6/9/2021	EFT09-14	Mzamane Sitembele	3 x pigs (268,70kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Mzamane Sitembele	Trading Enterprises: Abattoir Manager	6,851.85	no vat	ORTDM - EC

No.	Date	Voucher No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
36.	6/9/2021	EFT09-15	Sejosing Anelang	3 x pigs (233,70kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Sejosing Anelang	Trading Enterprises: Abattoir Manager	5,959.35	no vat	ORTDM - EC
37.	6/9/2021	EFT09-16	Twalingca Xola	1 x pigs (133.70kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Twalingca Xola	Trading Enterprises: Abattoir Manager	3,409.35	no vat	ORTDM - EC
38.	10/9/2021	EFT09-21	Loyiso Jubase	1 x pigs (46,00kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Loyiso Jubase	Trading Enterprises: Abattoir Manager	1,173.00	no vat	ORTDM - EC
39.	10/9/2021	EFT09-23	Lwellyn Mabandla	11 x pigs (353,20kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Lwellyn Mabandla	Trading Enterprises: Abattoir Manager	9,006.60	no vat	ORTDM - EC
40.	10/9/2021	EFT09-26	Mzamo Phindiwe	3 x pigs (160,21kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Mzamo Phindiwe	Trading Enterprises: Abattoir Manager	4,082.55	no vat	ORTDM - EC

No.	Date	Voucher No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
41.	10/9/2021	EFT09-27	Ngcobosi Gamalaziwa	1 x pigs (80,70kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Ngcobosi Gamalaziwa	Trading Enterprises: Abattoir Manager	2,057.85	no vat	ORTDM - EC
42.	10/9/2021	EFT09-28	Nxasana Zwelitsha	1 x pigs (55,30kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Nxasana Zwelitsha	Trading Enterprises: Abattoir Manager	1,410.15	no vat	ORTDM - EC
43.	17/9/2021		Nicholaz Ceba	10 x pigs (496,20kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Nicholas Ceba	Trading Enterprises: Abattoir Manager	12,653.10	no vat	ORTDM - EC
44.	17/9/2021		Green Thanasi	4 x pigs (150,60kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Green Thanasi	Trading Enterprises: Abattoir Manager	3,840.30	no vat	ORTDM - EC
45.	17/9/2021		Manza Mahle Business	2 x pigs (136,20kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Manzamahle Business	Trading Enterprises: Abattoir Manager	3,473.10	no vat	ORTDM - EC

No.	Date	Voucher No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
46.	10/9/2021		Nxasana Zwelitsha	2 x pigs (44,00kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Nxasana Zwelitsha	Trading Enterprises: Abattoir Manager	1,122.00	no vat	ORTDM - EC
47.	10/9/2021	EFT09-25	Mhlana Sizakele	2 x pig (143,60kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Sizakele Mhlana	Trading Enterprises: Abattoir Manager	3,661.80	no vat	ORTDM - EC