

(DECISION ITEM MEMORANDUM)

NTINGA SUPPLY CHAIN MANAGEMENT PARAGRAPH 36 REPORT FOR THE FIRST QUARTER ENDING 30 SEPTEMBER 2022

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 2022 deviations from normal procurement processes amounted to **R 105,570.43**. 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 2022 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 2022 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.

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ANNEXURE 1. SCM DEVIATIONS REGISTER

1. Eleven (11) deviations from the normal procurement processes were approved. The total value of deviations for this period was **R 105,570.43**. 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	Payment Voucher	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
1.	11-Jul-22	N/A	EFT 07-04	Companies and Intellectual Property Commission	Submission by the Company Secretary of Annual Return for 2022	CEO's Office: Company Secretary	3,000.00	no vat	Joburg Metro - GP
2.	11-Jul-22	N/A	EFT 07-06	Samic	<u>Single Source</u> : Abattoir coordination fees for the month of January 2022.	Trading Enterprises: Umzikantu Red Meat Abattoir	6,172.73	vat incl.	Joburg Metro - GP

No.	Date	Purchase Order	Payment Voucher	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
3.	25-Jul-22	N/A	EFT 07-16	KwaZulu Natal Agricultural Union	Single Source: Annual Union fee for 2022-2023. The fee allows Adam Kok Farms as a member of the KZN Farmers Associations to use at a discounted rate facilities in and around KZN by belonging to the Unions	Trading Enterprises: Adam Kok Farms	4,830.22	vat incl.	uMgungundlovu DM - KZN
4.	10-Aug-22	N/A	EFT 08-06	Chartered Institute of Governance Finance, Audit & Risk Officers	ICT Conference attended by the ICT Manager	Corporate Support Services	2,110.50	vat incl	Joburg Metro - GP
5.	10-Aug-22	N/A	EFT08-15	Red Meat Levy Administrators	Single Source: Payment of the Red Meat Levy on units slaughtered from May to June 2022	Trading Enterprises: Umzikantu Red Meat Abattoir	8,492.08	vat incl.	Joburg Metro - GP

No.	Date	Purchase Order	Payment Voucher	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
6.	19-Aug-22	N/A	EFT 08-25	Security & Protection Services	Strip and Quote: Repairs done to the Ntinga Head office Security Door.	Corporate Support Services: Records Management	3,490.25	vat incl.	ORTDM-EC
7.	23-Aug-22	N/A	EFT 08-36	South African Board for People Practices	Single Source: Membership renewal for 2021/2022 Human Resource Practitioners x3	Corporate Support Services: Human Resources	7,200.00	vat incl.	Joburg Metro - GP
8.	7-Sep-22	N/A	EFT 09-06	Samic	Single Source: Coordination fees for Umzikantu Red Meat Abattoir for the month of July 2022	Trading Enterprises: Umzikantu Red Meat Abattoir	11,953.10	vat incl.	Joburg Metro - GP
9.	9-Sep-22	N/A	EFT 09-05	Wits University	Single Source: 60% Payment to Wits for 2x officials attending their Executive Management Programme for the year 2022. 40% paid over by employees as part of the pivotal training programme	Corporate Support Services: Human Resources	47,400.00	no vat	Joburg Metro - GP

No.	Date	Purchase Order	Payment Voucher	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
10	20-Sep-22	N/A	EFT 09-GRV 4715	Potato SA	Single Source: Attendance of 1x official attending Potato Congress held bi-annually	Trading Enterprises: Kei Fresh Produce Market	4,945.00	vat incl.	Joburg Metro - GP
11	23-Sep-22	N/A	EFT 09-GRV 4720	Samic	Single Source: Coordination fees for Umzikantu Red Meat Abattoir for the month of August 2022	Trading Enterprises: Umzikantu Red Meat Abattoir	5,976.55	vat incl.	Joburg Metro - GP

2. One (1) procurement was made where less than three quotations were received after following procurement processes i.e.: advertising for 7 days. The total value of these procurements for this quarter is R **44,656.50**

No.	Date	Payment Voucher	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
1.	16-Aug-22	EFT 08-GRV 4680	MST Farming	Supply and Installation of Borehole pump replacement parts Adam Kok Farms	Trading Enterprises: Adam Kok Farms	44,656.50	no vat	ORTDM - EC

3. Total of **41** 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 2,933,468,81** details of which are as follows:

No.	Date	Voucher No.	Purchase Order No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
1.	11-Jul-22	EFT 07-05	N/A	K and M Farming	2 x Cows at an average price of R 9607,39) for slaughter purposes at the Abattoir brought in by K and M Farming	Trading Enterprises: Umzikantu Red Meat Abattoir	19 214.78	no vat	ORTDM - EC
2.	11-Jul-22	EFT 07-07	N/A	Yako Dalumzi R	01 x pigs (75,50)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Dalumzi R Yako	Trading Enterprises: Umzikantu Red Meat Abattoir	1 925.25	no vat	ORTDM - EC
3.	11-Jul-22	EFT 07 - GRV 4667	PO0486	Farmers Livestock Agents t/a Riverwalk Trading	14 x Cattle bought on auction at an average price of R 16,239.31/unit. Auction hosted by Farmers Livestock Agents in Cedarville	Trading Enterprises: Adam Kok Farms	227 350.38	no vat	Alfred Nzo DM - EC
4.	21-Jul-22	EFT 07-14	N/A	Landile Nkungwana	06 x pigs (165,30)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Landile Nkungwana	Trading Enterprises: Umzikantu Red Meat Abattoir	4 215.15	no vat	ORTDM - EC
5.	27-Jul-22	EFT 07-19	N/A	Cola Mzwandile	01 x pigs (63.00)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Mzwandile Cola	Trading Enterprises: Umzikantu Red Meat Abattoir	1 606.50	no vat	Alfred Nzo DM - EC

No.	Date	Voucher No.	Purchase Order No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
6.	27-Jul-22	EFT 07-21	N/A	Mabhazu Trading	05 x pigs (319,12)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Mabhazu Trading	Trading Enterprises: Umzikantu Red Meat Abattoir	8 137.69	no vat	Alfred Nzo DM - EC
7.	27-Jul-22	EFT 07-22	N/A	Viwe Mdoda	03 x pigs (176,10)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Mdoda Viwe	Trading Enterprises: Umzikantu Red Meat Abattoir	4 490.55	no vat	ORTDM - EC
8.	27-Jul-22	EFT 07-23	N/A	Nomfundo Mpayipheli	01 x pigs (79,70)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Mpayipheli Nomfundo	Trading Enterprises: Umzikantu Red Meat Abattoir	2 032.35	no vat	ORTDM - EC
9.	27-Jul-22	EFT 07-24	N/A	Monwabisi Mzamane	3 x pigs (289,90)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Monwabisi Mzamane	Trading Enterprises: Umzikantu Red Meat Abattoir	7 315.95	no vat	Alfred Nzo DM - EC
10.	27-Jul-22	EFT 07-25	N/A	Tembinkosi Nkamisa	1 x pigs (75,10)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Nkamisa Tembinkosi	Trading Enterprises: Umzikantu Red Meat Abattoir	1 915.05	no vat	ORTDM - EC

No.	Date	Voucher No.	Purchase Order No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
11.	27-Jul-22	EFT 07-26	N/A	Ntombovuyo Ntamo	2 x pigs (81,10)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Ntombovuyo Ntamo	Trading Enterprises: Umzikantu Red Meat Abattoir	2 068.05	no vat	ORTDM - EC
12.	27-Jul-22	EFT 07-27	N/A	Zingisani Vuzane	2 x pigs (123,10)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Vuzane Zingisani	Trading Enterprises: Umzikantu Red Meat Abattoir	3 139.05	no vat	ORTDM - EC
13.	27-Jul-22	EFT 07-28	N/A	Mzukiseni Yidlani	03 x pigs (214,50)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Yidlani Mzukiseni	Trading Enterprises: Umzikantu Red Meat Abattoir	5 469.75	no vat	ORTDM - EC
14.	27-Jul-22	EFT 07-33	N/A	Svuza Pty Ltd	06 x pigs (260,36)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Svuzza Pty Ltd	Trading Enterprises: Umzikantu Red Meat Abattoir	6 639.18	vat incl.	Joburg Metro - GP
15.	29-Jul-22	EFT 07-30	N/A	Lusanda Guma	02 x pigs (154,80)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Guma Lusanda	Trading Enterprises: Umzikantu Red Meat Abattoir	3 947.40	no vat	ORTDM - EC
16.	29-Jul-22	EFT 07-29	N/A	Mkrwebula Mathemba	02 x pigs (142,20)kg's @ R25.50/kg) for slaughter purposes at the Abattoir	Trading Enterprises: Umzikantu	3 626.10	no vat	Alfred Nzo DM - EC

No.	Date	Voucher No.	Purchase Order No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
					brought in by Mathemba Mkrwebula	Red Meat Abattoir			
17.	29-Jul-22	EFT 07-32	N/A	Phathiswa Ndlebe	01 x pigs (79,20)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Phathiswa Ndlebe	Trading Enterprises: Umzikantu Red Meat Abattoir	2 019.60	no vat	ORTDM - EC
18.	29-Jul-22	EFT 07-31	N/A	Theophilus Ngwenya	01 x pigs (130.2)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Ngwenya Theophilus	Trading Enterprises: Umzikantu Red Meat Abattoir	2 994.60	no vat	ORTDM - EC
19.	10-Aug-22	EFT 08-09	N/A	Lwandile Kameli	04 x pigs (152,80)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Lwandile Kameli	Trading Enterprises: Umzikantu Red Meat Abattoir	3 896.40	no vat	ORTDM - EC
20.	10-Aug-22	EFT 08-12	N/A	Mzwandile Mbiko	05 x pigs (247,20)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Mbiko Mzwandile	Trading Enterprises: Umzikantu Red Meat Abattoir	6 303.60	no vat	ORTDM - EC

No.	Date	Voucher No.	Purchase Order No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
21.	10-Aug-22	EFT 08 - GRV 4676	PO0491	Farmers Livestock Agents t/a Riverwalk Trading	20 x Cattle bought on auction at an average price of R 17,948,71/unit. Auction hosted by Farmers Livestock Agents in Cedarville	Trading Enterprises: Adam Kok Farms	358 974.11	no vat	Alfred Nzo DM - EC
22.	10-Aug-22	EFT 08 - GRV 4677	PO0492	Farmers Livestock Agents t/a Riverwalk Trading	14 x Cattle bought on auction at an average price of R 15,532,88/unit. Auction hosted by Farmers Livestock Agents in Cedarville	Trading Enterprises: Adam Kok Farms	217 460.38	no vat	Alfred Nzo DM - EC
23.	10-Aug-22	EFT 08 - GRV 4678/79	PO0492	Farmers Livestock Agents t/a Riverwalk Trading	26 x Cattle bought on auction at an average price of R 16,739,43/unit. Auction hosted by Farmers Livestock Agents in Cedarville	Trading Enterprises: Adam Kok Farms	435 225.34	no vat	Alfred Nzo DM - EC
24.	19-Aug-22	EFT 08-23	N/A	Ncola Vathiswa	03 x pigs (81,30)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Vathiswa Ncola	Trading Enterprises: Umzikantu Red Meat Abattoir	2 073.15	no vat	ORTDM - EC
25.	19-Aug-22	EFT08-24	N/A	Ndlebe Phathiswa	02 x pigs (139,70)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Phathiswa E Ndlebe	Trading Enterprises: Umzikantu Red Meat Abattoir	3 562.35	no vat	ORTDM - EC

No.	Date	Voucher No.	Purchase Order No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
26.	19-Aug-22	EFT 08-26	N/A	Tsawe Ncebazake	03 x pigs (148,20)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Tsawe Ncebazake	Trading Enterprises: Umzikantu Red Meat Abattoir	3 779.10	no vat	ORTDM - EC
27.	19-Aug-22	EFT 08 - GRV 4685	PO0517	Farmers Livestock Agents t/a Riverwalk Trading	12 x Cattle bought on auction at an average price of R 14495,83/unit. Auction hosted by Farmers Livestock Agents in Cedarville	Trading Enterprises: Adam Kok Farms	173 949.97	vat incl.	Alfred Nzo DM - EC
28.	23-Aug-22	EFT 08-30	N/A	Sibabalo Jikijeka	07 x pigs (73,30)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Jikijela Sibabalo	Trading Enterprises: Umzikantu Red Meat Abattoir	1 869.15	no vat	ORTDM - EC
29.	23-Aug-22	EFT 08-31	N/A	Avela Ngewu	13 x pigs (598,40)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Avela Ngewu	Trading Enterprises: Umzikantu Red Meat Abattoir	15 259.20	no vat	ORTDM - EC
30.	25-Aug-22	EFT 08-41	N/A	Mabhazu Trading	04 x pigs (401,46)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Mabhazu Trading	Trading Enterprises: Umzikantu Red Meat Abattoir	10 237.36	no vat	Alfred Nzo DM - EC

No.	Date	Voucher No.	Purchase Order No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
31.	01-Sep-22	EFT 09 - GRV 4694	PO0053	Farmers Livestock Agents t/a Riverwalk Trading	22 x Cattle bought on auction at an average price of R 19,138.95/unit. Auction hosted by Farmers Livestock Agents in Cedarville	Trading Enterprises: Adam Kok Farms	421 057.02	no vat	Alfred Nzo DM - EC
32.	07-Sep-22	EFT 09-02	N/A	Aphinda Amajola Trading	01 x pigs (85,29)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Aphinda Amajola Trading	Trading Enterprises: Umzikantu Red Meat Abattoir	2 174.95	no vat	ORTDM - EC
33.	07-Sep-22	EFT 09 - GRV 4704	PO0532	Farmers Livestock Agents t/a Riverwalk Trading	20 x Cattle bought on auction at an average price of R 15,485.41/unit. Auction hosted by Farmers Livestock Agents in Cedarville	Trading Enterprises: Adam Kok Farms	309 708.11	vat incl.	Alfred Nzo DM - EC
34.	16-Sep-22	EFT 09-14	N/A	Nontando Gaba	06 x pigs (369,95)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Nontando Gaba	Trading Enterprises: Umzikantu Red Meat Abattoir	9 433.80	no vat	ORTDM - EC
35.	16-Sep-22	EFT 09-13	N/A	S.L Lusawana	11 x pigs (969,61)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by S.L Lusawana	Trading Enterprises: Umzikantu Red Meat Abattoir	24 725.15	no vat	ORTDM - EC

No.	Date	Voucher No.	Purchase Order No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
36.	16-Sep-22	EFT 09-12	N/A	B Mabhanti	02 x pigs (115,58)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by B Mabhanti	Trading Enterprises: Umzikantu Red Meat Abattoir	2 947.40	no vat	ORTDM - EC
37.	16-Sep-22	EFT 09-09	N/A	N Ncubukezi	02 x pigs (139,58)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by N Ncubukezi	Trading Enterprises: Umzikantu Red Meat Abattoir	3 559.40	no vat	ORTDM - EC
38.	16-Sep-22	EFT 09-08	N/A	Pioneer 1594 Construction	10 x pigs (1348,14)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Pioneer 1594 Construction	Trading Enterprises: Umzikantu Red Meat Abattoir	34 377.70	no vat	ORTDM - EC
39.	23-Sep-22	EFT 09-19	N/A	Mabho Sixouse	09 x pigs (518,22)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Mabho Sixouse	Trading Enterprises: Umzikantu Red Meat Abattoir	13 214.85	no vat	ORTDM - EC
40.	30-Sep-22	EFT 09-GRV 4718	N/A	Farmers Livestock Agents t/a Riverwalk Trading	15 x Cattle bought on auction at an average price of R 16,091.45/unit. Auction hosted by Farmers Livestock Agents in Cedarville	Trading Enterprises: Adam Kok Farms	241 371.83	vat incl.	Alfred Nzo DM - EC

No.	Date	Voucher No.	Purchase Order No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
41.	30-Sep-22	EFT 09-GRV 4721	N/A	Farmers Livestock Agents t/a Riverwalk Trading	20 x Cattle bought on auction at an average price of R 16,510.55/unit. Auction hosted by Farmers Livestock Agents in Cedarville	Trading Enterprises: Adam Kok Farms	330 201.11	vat incl.	Alfred Nzo DM - EC

4. Unauthorized, Irregular Fruitless & Wasteful Expenditure: No instances of expenditure have been incurred during the quarter.

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