



SOC LTD

NTINGA SUPPLY CHAIN MANAGEMENT PARAGRAPH 36 REPORT FOR THE FOURTH QUARTER ENDING 30 JUNE 2023

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 fourth quarter ending 30 June 2023 deviations from normal procurement processes amounted to **R 140,982.60**. As required by the policy, the deviations were approved by the Chief Executive Officer, and they will be reported to the Audit and Risk Committee and Board of Directors for ratification in their next sitting.

4. DISCUSSION

Details of deviations approved during the period starting from 01 April 2023 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 Audit and Risk Committee considers this report on deviations from normal Supply Chain Management Policy for the period from 01 April 2023 and ending on the date of the committee meeting.

11. RESPONSIBILITY

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

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ANNEXURE 1. SCM DEVIATIONS REGISTER

1. Four (4) deviations from the normal procurement processes were approved. The total value of deviations for this period was **R 140,982.60**. 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.	03-Apr-23	N/A	EFT 04-01	South African Meat Industry Company (SAMIC)	Coordination Fees for the grading of meat at the Abattoir for the months of February and March 2023	Trading Enterprises: Umzikantu Red Meat Abattoir	12 491.30	vat incl.	Joburg Metro - GP
2.	17-May-23	N/A	EFT 05-14	South African Meat Industry Company (SAMIC)	Coordination Fees for the grading of meat at the Abattoir for the months of January 2023	Trading Enterprises: Umzikantu Red Meat Abattoir	6 245.65	vat incl.	Joburg Metro - GP
3.	09-Jun-23	N/A	EFT 06-11	Samic	Coordination Fees for the grading of meat at the Abattoir for	Trading Enterprises: Umzikantu Red Meat Abattoir	6 245.65	vat incl.	Joburg Metro - GP

No.	Date	Purchase Order	Payment Voucher	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
					the months of May 2023				
4.	23-Jun-23	N/A		Wits Business School of Governance	One Quote: 2x Official attending the Wits Business School CPMD Programme for the 2023/2024 cycle. Wits Business School was the only training provider with a programme running for the CPMD in and around Mthatha. NB...!! 40% of the total cost is liable to be paid by the Employees as per the policy	Corporate Support Services: Human Resources	116 000.00	vat incl.	Joburg Metro - GP

2. (2) Two procurements was made where less than three quotations were received after following procurement processes to the value of **R 122,027.00** i.e. advertising for 7 days.

No.	Date	Purchase Order	Payment Voucher	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
1.	11-Apr-23	PO0694	GRV 04-4848	Consult by Momentum	<u>One Quotation Received:</u> Indemnification and insurance of Directors and Officers: Ntinga OR Tambo Development Agency SOC Ltd	CEO's Office: Company Secretariate	45 900.00	vat incl.	Joburg Metro-GP
2.	14-Apr-23	PO0714	GRV 04-4852	CCG Systems	<u>One Quotation:</u> Annual license renewal Sage VIP	Corporate Support Services: ICT Support	76 127.00	vat incl.	Joburg Metro-GP

3. Total of **38** 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 2,410,808.20** 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.	05-Apr-23	N/A	EFT 04-02	Mr L Jubase	1 x pig (55,50)kg's @ R28.00/kg) for slaughter purposes at the Abattoir brought in by Mr L Jubase	Trading Enterprises: Umzikantu Red Meat Abattoir	1 537.81	no vat.	ORTDM - EC
2.	18-Apr-23	PO0722	GRV 04-4850	Farmers Livestock Riverwalk Trading t/a	12 x cattle bought on auction at an average price of R 15,323.75/u nit. Auction hosted by Farmers Livestock Agents in Cedarville.	Trading Enterprises: Adam Kok Farms	183 885.00	no vat.	Alfred Nzo DM - EC
3.	18-Apr-23	PO0721	GRV 04-4849	Farmers Livestock Riverwalk Trading t/a	10 x cattle bought on auction at an average price of R 15,111,00/u nit. Auction hosted by Farmers Livestock Agents in Cedarville.	Trading Enterprises: Adam Kok Farms	151 110.00	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
4.	21-Apr-23	PO0729	EFT-GRV 04-4860	Farmers Livestock Riverwalk Trading t/a	8 x cattle bought on auction at an average price of R 12,448.75/u nit. Auction hosted by Farmers Livestock Agents in Cedarville.	Trading Enterprises: Adam Kok Farms	99 590.00	no vat.	Alfred Nzo DM - EC
5.	21-Apr-23	N/A	EFT 04-19	Khandaliyaduma Pty Ltd	6 x pigs at an average price of R1461,83/u nit for slaughter purposes at the Abattoir brought in by Khandaliya duma Pty Ltd	Trading Enterprises: Umzikantu Red Meat Abattoir	8 771.03	no vat.	ORTDM - EC
6.	21-Apr-23	N/A	EFT 04-20	Zinceba Poultry & Vegetable Co-operative	8 x pigs at an average price of R1461.83/u nit for slaughter purposes at the Abattoir brought in by Zinceba	Trading Enterprises: Umzikantu Red Meat Abattoir	9 162.48	no vat.	ORTDM - EC

No.	Date	Voucher No.	Purchase Order No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
					Poultry & Vegetable Co-operative				
7.	21-Apr-23	N/A	EFT 04-21	Mr Rawana Nceba	1 x cow bought at a price of R 8,213.05/unit. Bought from Mr Nceba Rawana	Trading Enterprises: Umzikantu Red Meat Abattoir	8 213.05	no vat.	ORTDM - EC
8.	21-Apr-23	N/A	EFT 04-23	Mr Sibango	2 x pigs at an average price of R1,619.01/unit for slaughter purposes at the Abattoir brought in by Mr Sibango	Trading Enterprises: Umzikantu Red Meat Abattoir	3 238.02	no vat.	ORTDM - EC
9.	26-Apr-23	PO0731	EFT-GRV 04-4861	Farmers Livestock Riverwalk Trading t/a	12 x cattle bought on auction at an average price of R 15,649.58/unit. Auction hosted by Farmers Livestock	Trading Enterprises: Adam Kok Farms	187 795.00	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
					Agents in Cedarville.				
10.	05-May-23	N/A	EFT 05-01	Mr Mkunqa	1 x pig at an average price of R 2182.80/unit for slaughter purposes at the Abattoir brought in by Mkunqa Mthozami	Trading Enterprises: Umzikantu Red Meat Abattoir	2 166.61	no vat	ORTDM - EC
11.	11-May-23	N/A	EFT 05-13	Patuxolo Ntantiso	2 x pig at an average price of R 2348.51/unit for slaughter purposes at the Abattoir brought in by Patuxolo Ntantiso	Trading Enterprises: Umzikantu Red Meat Abattoir	4 697.02	no vat	ORTDM - EC
12.	17-May-23	N/A	EFT 05-18	Mahle Holdings (Pty) Ltd	4 x pig at an average price of R 1953.31/unit for slaughter purposes at	Trading Enterprises: Umzikantu Red Meat Abattoir	7 813.24	no vat	ORTDM - EC

No.	Date	Voucher No.	Purchase Order No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
					the Abattoir brought in by Mahle Holdings (Pty) Ltd				
13.	17-May-23	N/A	EFT 05-19	Zola Manyadu	9 x pigs at an average price of R 1718.89/unit for slaughter purposes at the Abattoir brought in by Zola Manyadu	Trading Enterprises: Umzikantu Red Meat Abattoir	15 470.09	no vat	ORTDM - EC
14.	17-May-23	N/A	EFT 05-20	Greenfields AgricBusiness (Pty) Ltd	5 x pigs at an average price of R 2195.93/unit for slaughter purposes at the Abattoir brought in by Greenfields Agric Business (Pty) Ltd	Trading Enterprises: Umzikantu Red Meat Abattoir	10 979.65	no vat	ORTDM - EC
15.	23-May-23	N/A	EFT 05-21A	F Balibese	7 x pigs at an average price of R 1323.89/unit for	Trading Enterprises: Umzikantu Red Meat Abattoir	9 267.27	no vat	ORTDM - EC

No.	Date	Voucher No.	Purchase Order No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
					slaughter purposes at the Abattoir brought in by F Balibese				
16.	23-May-23	N/A	EFT 05-22	B Maxesha	1 x pigs at price of R 837.81/unit for slaughter purposes at the Abattoir brought in by B Maxesha	Trading Enterprises: Umzikantu Red Meat Abattoir	837.81	no vat	ORTDM - EC
17.	23-May-23	PO0740	GRV 05-4876	Farmers Livestock Riverwalk Trading t/a	14 x cattle bought on auction at an average price of R 16086.85/unit. Auction hosted by Farmers Livestock Agents in Cedarville.	Trading Enterprises: Adam Kok Farms	225 216.00	no vat.	Alfred Nzo DM - EC
18.	23-May-23	N/A	EFT 05-23	K & M Farming	15 x pigs at an average price of R 3684.43/unit for slaughter purposes at	Trading Enterprises: Umzikantu Red Meat Abattoir	55 366.45	vat incl.	ORTDM - EC

No.	Date	Voucher No.	Purchase Order No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
					the Abattoir brought in by K & M Farming				
19.	23-May-23	N/A	EFT 05-24	AN Vikilahle	5 x pigs at an average price of R 2436.29/unit for slaughter purposes at the Abattoir brought in by AN Vikilahle	Trading Enterprises: Umzikantu Red Meat Abattoir	12 181.45	no vat	ORTDM - EC
20.	26-May-23	N/A	EFT 05-26	Vuyolwethu Qegu	5 x pigs at an average price of R 1506.17/unit for slaughter purposes at the Abattoir brought in by Vuyolwethu Qegu	Trading Enterprises: Umzikantu Red Meat Abattoir	7 530.85	no vat	ORTDM - EC
21.	30-May-23	PO0750	EFT-GRV 04-4861	Farmers Livestock Riverwalk Trading t/a	11 x cattle bought on auction at an average price of R 12545.45/unit. Auction	Trading Enterprises: Adam Kok Farms	138 000.00	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
					hosted by Farmers Livestock Agents in Cedarville.				
22.	02-Jun-23	N/A	EFT 06-01	Mr L Kameli	1 x pigs at price of R 2613.01/unit for slaughter purposes at the Abattoir brought in by Mr L Kameli	Trading Enterprises: Umzikantu Red Meat Abattoir	2 613.01	no vat	ORTDM - EC
23.	02-Jun-23	N/A	EFT 06-02	Mr Mbenge	5 x pigs at price of R 1756.61/unit for slaughter purposes at the Abattoir brought in by Mr L Kameli	Trading Enterprises: Umzikantu Red Meat Abattoir	8 783.05	no vat	ORTDM - EC
24.	02-Jun-23	N/A	EFT 06-03	Mr F Mangali	5 x pigs at price of R 970.52/unit for slaughter purposes at the Abattoir brought in by Ms	Trading Enterprises: Umzikantu Red Meat Abattoir	4 852.62	no vat	ORTDM - EC

No.	Date	Voucher No.	Purchase Order No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
					Faniswa Mangali				
25.	02-Jun-23	PO0762	EFT-GRV 05-4884	Farmers Livestock Riverwalk Trading t/a	20 x cattle bought on auction at an average price of R 15904.50/u nit. Auction hosted by Farmers Livestock Agents in Cedarville.	Trading Enterprises: Adam Kok Farms	318 090.00	no vat.	Alfred Nzo DM - EC
26.	09-Jun-23	PO0761	GRV 06-4891	Farmers Livestock Riverwalk Trading t/a	7 x cattle bought on auction at an average price of R 16921.43/u nit. Auction hosted by Farmers Livestock Agents in Cedarville.	Trading Enterprises: Umzikantu Red Meat Abattoir	118 450.00	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
27.	09-Jun-23	N/A	EFT 06-08	Mr Ludwe Phaliso	2 x pigs at price of R 1711.01/unit for slaughter purposes at the Abattoir brought in by Mr Ludwe Phaliso	Trading Enterprises: Umzikantu Red Meat Abattoir	3 422.02	no vat	ORTDM - EC
28.	09-Jun-23	N/A	EFT 06-09	Mr Nicholas Ceba	5 x pigs at price of R 1504.85/unit for slaughter purposes at the Abattoir brought in by Mr Nicholas Ceba	Trading Enterprises: Umzikantu Red Meat Abattoir	7 524.25	no vat	ORTDM - EC
29.	09-Jun-23	N/A	EFT 06-10	Mr Vuyani Genu	1 x pig at price of R 2918.21 for slaughter purposes at the Abattoir brought in by Mr Vuyani Genu	Trading Enterprises: Umzikantu Red Meat Abattoir	2 918.21	no vat	ORTDM - EC

No.	Date	Voucher No.	Purchase Order No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
30.	23-Jun-23	PO0770	GRV 06-4896	Farmers Livestock Riverwalk Trading t/a	24 x cattle bought on auction at an average price of R 15625.63/unit. Auction hosted by Farmers Livestock Agents in Cedarville.	Trading Enterprises: Adam Kok Farms	375 015.00	no vat.	Alfred Nzo DM - EC
31.	23-Jun-23	N/A		Mr Oswell Poto	3 x pigs at price of R 1964.34/unit for slaughter purposes at the Abattoir brought in by Mr Oswell Poto	Trading Enterprises: Umzikantu Red Meat Abattoir	5 893.03	no vat	ORTDM - EC
32.	23-Jun-23	N/A		Mrs Vuyolwethu Qegu	3 x pigs at price of R 1242.67/unit for slaughter purposes at the Abattoir brought in by Mrs Vuyolwethu Qegu	Trading Enterprises: Umzikantu Red Meat Abattoir	3 728.02	no vat	ORTDM - EC

No.	Date	Voucher No.	Purchase Order No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
33.	23-Jun-23	N/A		K & M Farming	10 x pigs at an average price of R 2547.57/unit for slaughter purposes at the Abattoir brought in by K & M Farming	Trading Enterprises: Umzikantu Red Meat Abattoir	25 475.74	vat incl.	ORTDM - EC
34.	23-Jun-23	N/A		Nompilo Mti	11 x pigs at an average price of R 1554.73/unit for slaughter purposes at the Abattoir brought in by Nompilo Mti	Trading Enterprises: Umzikantu Red Meat Abattoir	17 102.11	no vat	ORTDM - EC
35.	23-Jun-23			Nomalungelo Livestock	3 x pigs at an average price of R 1201.81/unit for slaughter purposes at the Abattoir brought in by Nomalungelo Livestock	Trading Enterprises: Umzikantu Red Meat Abattoir	3 605.43	no vat	ORTDM - EC

No.	Date	Voucher No.	Purchase Order No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
36.	29-Jun-23	PO0784	GRV 06-4916	Farmers Livestock Riverwalk Trading t/a	7 x cattle bought on auction at an average price of R 14528.33/u nit. Auction hosted by Farmers Livestock Agents in Cedarville.	Trading Enterprises: Umzikantu Red Meat Abattoir	174 340.00	vat incl.	Alfred Nzo District Municipality - EC
37.	29-Jun-23	PO0778	GRV 06 - 4915	Farmers Livestock Riverwalk Trading t/a	12 x cattle bought on auction at an average price of R 15,410.00/u nit. Auction hosted by Farmers Livestock Agents in Cedarville.	Trading Enterprises: Umzikantu Red Meat Abattoir	184 920.00	vat incl.	Alfred Nzo District Municipality - EC
38.	30-Jun-23	N/A	EFT 06-28	Okuhlakanye Holdings (Pty) Ltd	8 x pigs at an average price of R 1405.86/unit for slaughter purposes at the Abattoir brought in by Okuhlakany	Trading Enterprises: Umzikantu Red Meat Abattoir	11 246.88	no vat	ORTDM - EC

No.	Date	Voucher No.	Purchase Order No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
					e Holdings (Pty) Ltd				

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

..... End