

***(DECISION ITEM MEMORANDUM)***

**NTINGA SUPPLY CHAIN MANAGEMENT PARAGRAPH 36 REPORT FOR THE SECOND QUARTER ENDING 31 DECEMBER 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 31 December 2022 deviations from normal procurement processes amounted to **R 54,901,40**. 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 October 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 October 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. Four (4)** deviations from the normal procurement processes were approved. The total value of deviations for this period was **R 54,901,40**. 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.	10-Oct-22	N/A	EFT 10-08	The Institute of Directors South Africa NPC	Renewal of Board and Executive Management Members of the IODSA annual subscription	CEO's Office: Company Secretary	33 600.01	vat incl.	Joburg Metro - GP
2.	17-Nov-22	N/A	EFT 11-16	Samic	Coordination Fees for the grading of meat at the Abattoir:	Trading Enterprises: Umzikantu Red Meat Abattoir	11 953.10	vat incl.	Ekurhuleni Metro- GP

No.	Date	Purchase Order	Payment Voucher	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
					September and October 2022				
3.	14-Dec-22	N/A	EFT 12-19	Red Meat Levy Administrators	Single Source: Payment of the Red Meat Levy Cattle and Sheep units slaughtered from July to October 2022	Trading Enterprises: Umzikantu Red Meat Abattoir	3 185.24	vat incl.	Joburg Metro - GP
4.	14-Dec-22	N/A	EFT 12-20	Red Meat Levy Administrators	Single Source: Payment of the Red Meat Levy on Pork units slaughtered from July to October 2022	Trading Enterprises: Umzikantu Red Meat Abattoir	6 163.05	vat incl.	Joburg Metro - GP

2. 1 procurement was made where less than three quotations were received after following procurement processes to the value of R 70,000.50 i.e. advertising for 7 days.

NO	Date	Purchase Order Number	Voucher Number	Service provider	Goods and/Services	End user department	Amount (R)	Vat/ No Vat	Province	SMME Yes/No	SMME Total
1.	19-Dec-22	PO0642	EFT 12-23A	Pivot Strategic Brands	50% Part Payment: Compile and print 150 page Ntinga Annual Report 2021/22	Office of the CEO - Company Secretariate	35 000.25	vat incl	Amathole DM - EC	Yes	35 000.25

**3.** Total of **30** 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 2,541,215.83** 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.	06-Oct-22	N/A		Ceba NT	03 x pigs (394,58)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Ceba NT	Trading Enterprises: Umzikantu Red Meat Abattoir	10 061.70	no vat	ORTDM - EC

No.	Date	Voucher No.	Purchase Order No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
2.	10-Oct-22	PO0571	EFT 08 - GRV 4732	Farmers Livestock Agents t/a Riverwalk Trading	06 x Cattle bought on auction at an average price of R 18,828.46/unit. Auction hosted by Farmers Livestock Agents in Cedarville	Trading Enterprises: Adam Kok Farms	112 970.73	vat incl.	Alfred Nzo DM - EC
3.	10-Oct-22	PO0572	EFT 08 - GRV 4733	Farmers Livestock Agents t/a Riverwalk Trading	20 x Cattle bought on auction at an average price of R 18,011.95/unit. Auction hosted by Farmers Livestock Agents in Cedarville	Trading Enterprises: Adam Kok Farms	360 239.11	vat incl.	Alfred Nzo DM - EC
4.	13-Oct-22	N/A	EFT 10-14	Njanjani P	01 x pigs (74.10)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Phelelwa Njanjani	Trading Enterprises: Umzikantu Red Meat Abattoir	1 874.05	no vat	ORTDM - EC

No.	Date	Voucher No.	Purchase Order No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
5.	18-Oct-22	N/A		Nolusindiso Gungubele	01 x pigs (58.39)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Nolusindiso Gungubele	Trading Enterprises: Umzikantu Red Meat Abattoir	1 489.00	no vat	ORTDM - EC
6.	18-Oct-22	N/A	EFT 10-17	Sifikile Mbana	04 x pigs (176.87)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Sifikile Mbana	Trading Enterprises: Umzikantu Red Meat Abattoir	4 510.15	no vat	ORTDM - EC
7.	21-Oct-22	PO0579	EFT GRV 10-4737	Farmers Livestock Agents t/a Riverwalk Trading	12 x Cattle bought on auction at an average price of R 18,918.53/unit. Auction hosted by Farmers Livestock Agents in Cedarville	Trading Enterprises: Adam Kok Farms	227 022.47	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
8.	31-Oct-22	N/A	EFT 10-25	K & M Farming	10 x pigs (1619,45)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by K & M Farming	Trading Enterprises: Umzikantu Red Meat Abattoir	41 295.89	vat incl.	ORTDM - EC
9.	31-Oct-22	N/A	EFT 10-26	Lindile Ntshikilana	15 x pigs (813,94)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Lindile Ntshikilana	Trading Enterprises: Umzikantu Red Meat Abattoir	20 755.35	no vat	ORTDM - EC
10.	31-Oct-22	N/A	EFT 10-27	Ntuli Family Trust	1 x pigs (54.90)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Ntuli Family Trust	Trading Enterprises: Umzikantu Red Meat Abattoir	1 384.45	no vat	ORTDM - EC
11.	31-Oct-22	PO0576	EFT 10-GRV 4745	Farmers Livestock Agents t/a Riverwalk Trading	12 x Cattle bought on auction at an average price of R 16,795.83/unit.	Trading Enterprises: Adam Kok Farms	201 549.97	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
					Auction hosted by Farmers Livestock Agents in Cedarville				
12.	11-Nov-22	N/A	EFT 11-05	K and M Farming	5 x pigs (825,86)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by K & M Farming	Trading Enterprises: Umzikantu Red Meat Abattoir	21 059.44	no vat	ORTDM - EC
13.	11-Nov-22	N/A	EFT 11-06	Qegu N.W	1 x pigs (125,47)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by N.W Qegu	Trading Enterprises: Umzikantu Red Meat Abattoir	3 199.36	no vat	ORTDM - EC
14.	11-Nov-22	PO0585	EFT 11-06A	Farmers Livestock Agents t/a Riverwalk Trading	20 x Cattle bought on auction at an average price of R 16,246,71/unit. Auction hosted by Farmers Livestock	Trading Enterprises: Adam Kok Farms	324 934.11	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
					Agents in Cedarville				
15.	16-Nov-22	N/A	EFT 11-08	Bontsa S	10 x pigs (1098,95)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Bontsa S	Trading Enterprises: Umzikantu Red Meat Abattoir	28 023.25	no vat	ORTDM - EC
16.	16-Nov-22	N/A	EFT 11-09	Ekhaya Investments	11 x pigs (210,81)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Ekhaya Investments	Trading Enterprises: Umzikantu Red Meat Abattoir	5 375.81	no vat	ORTDM - EC
17.	16-Nov-22	N/A	EFT 11-11	Gaba NT	5 x pigs (87,93)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Gaba NT	Trading Enterprises: Umzikantu Red Meat Abattoir	5 873.30	no vat	ORTDM - EC

No.	Date	Voucher No.	Purchase Order No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
18.	16-Nov-22	N/A	EFT 11-13	Madiba Livestock	5 x pigs (200,23)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Madiba Livestock	Trading Enterprises: Umzikantu Red Meat Abattoir	5 106.05	no vat	ORTDM - EC
19.	16-Nov-22	PO0598	EFT 11-15	Farmers Livestock Agents t/a Riverwalk Trading	14 x Cattle bought on auction at an average price of R 18,350.38/unit. Auction hosted by Farmers Livestock Agents in Cedarville	Trading Enterprises: Adam Kok Farms	256 905.38	vat incl.	Alfred Nzo DM - EC
20.	29-Nov-22	N/A	EFT 11-21	Malebomvu Farmers	2 x pigs (89,03)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Malebomvu Farmers	Trading Enterprises: Umzikantu Red Meat Abattoir	2 270.27	no vat	ORTDM - EC

No.	Date	Voucher No.	Purchase Order No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
21.	29-Nov-22	N/A	EFT 11-22	AS Ndzendze	4 x pigs (104,46)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by AS Ndzendze	Trading Enterprises: Umzikantu Red Meat Abattoir	3 581.74	no vat	ORTDM - EC
22.	01-Dec-22	N/A	EFT 12-01	Ntwantwa A	3 x pigs (156,99)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Ntwantwa A	Trading Enterprises: Umzikantu Red Meat Abattoir	4 003.38	no vat	ORTDM - EC
23.	07-Dec-22	N/A	EFT 12 - 04	Patrick Govuza	3 x pigs (147,69)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Patrick Govuza	Trading Enterprises: Umzikantu Red Meat Abattoir	3 766.23	no vat	ORTDM - EC
24.	07-Dec-22	PO0585	EFT	Farmers Livestock Agents t/a Riverwalk Trading	9 x Cattle bought on auction at an average price of R 17,403.33/unit. Auction hosted by Farmers	Trading Enterprises: Adam Kok Farms	156 630.00	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
					Livestock Agents in Cedarville				
25.	08-Dec-22	N/A	EFT 12-06	K and M Farming	6 x pigs (857,19)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by K&M Farming	Trading Enterprises: Umzikantu Red Meat Abattoir	21 858.49	no vat	ORTDM - EC
26.	13-Dec-22	PO0629	EFT	Farmers Livestock Agents t/a Riverwalk Trading	10 x Cattle bought on auction at an average price of R 16,962.50/unit. Auction hosted by Farmers Livestock Agents in Cedarville	Trading Enterprises: Adam Kok Farms	169,625.00	vat incl	Alfred Nzo DM - EC
27.	14-Dec-22	N/A	EFT 12-15	K and M Farming	5 x pigs (812,75)kg's @ R25.50/kg) for slaughter purposes at the Abattoir	Trading Enterprises: Umzikantu Red Meat Abattoir	21 725.14	no vat	ORTDM - EC

No.	Date	Voucher No.	Purchase Order No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
					brought in by K&M Farming				
28.	14-Dec-22	N/A	EFT 12-18	Mdutyane M	11 x pigs (661,21)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Mdutyane M	Trading Enterprises: Umzikantu Red Meat Abattoir	16 861.01	no vat	uMgungundlovu DM - KZN
29.	19-Dec-22	PO0641	EFT	Farmers Livestock Agents t/a Riverwalk Trading	18 x Cattle bought on auction at an average price of R 17,326.67/unit. Auction hosted by Farmers Livestock Agents in Cedarville	Trading Enterprises: Adam Kok Farms	311 880.00	vat incl	Alfred Nzo DM - EC
30.	19-Dec-22	PO0640	EFT	Farmers Livestock Agents t/a Riverwalk Trading	22 x Cattle bought on auction at an average price of R 16,591,36/unit. Auction hosted	Trading Enterprises: Adam Kok Farms	365 010.00	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
					by Farmers Livestock Agents in Cedarville				

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

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