



# **SUPPLY CHAIN MANAGEMENT UNIT**

## **ANNUAL DEVIATION REPORT FOR THE FINANCIAL YEAR ENDING JUNE 2019**

## **PURPOSE**

The purpose of the report is to report to Council on the implementation of the Supply Chain Management in the Municipality as required by section (6) of the Supply Chain Management Policy of Lepelle- Nkumpi Municipality.

SCM Regulations 36(2) states that: “The Accounting Officer must record the reasons for any deviations in terms of sub regulation (1) (a) and (b) and report them to the next meeting of the Council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements.”

The report assists the Council to play an oversight role on the implementation of the Supply Chain Management policy. It is with this background that the Supply Chain Management Report for the financial year ending June 2019 be presented to the Budget and Treasury Portfolio Committee for noting.

**1<sup>ST</sup> QUARTER DEVIATION REPORT**

**DEVIATION REPORT FOR JULY 2018: SOLE SUPPLIER**

<b>NO</b>	<b>DESCRIPTION</b>	<b>REQUEST NUMBER</b>	<b>NAME OF SERVICE PROVIDER</b>	<b>INVOICE DATE</b>	<b>CONTRACT VALUE</b>	<b>REASON FOR DEVIATIONS</b>
<b>NONE</b>						

**DEVIATION REPORT FOR JULY 2018: EXCEPTIONAL OR IMPRACTICALLY**

<b>NO</b>	<b>DESCRIPTION</b>	<b>REQUEST NUMBER</b>	<b>NAME OF SERVICE PROVIDER</b>	<b>INVOICE DATE</b>	<b>CONTRACT VALUE</b>	<b>REASON FOR DEVIATIONS</b>
01	Advertisement for State of Municipal address 2018	4692	Capricorn FM	29/06/2018	R 75 540.82	State of the municipal address 2018 message to be broadcasted at Capricorn FM. Capricorn FM is one of the commercial radio that will be able to reach the audience target of the municipality

02	Renewal of Membership registration for IIASA, for Rampuru Setati and Ntebo Hlungwane	51347	The institute of internal auditors of South Africa	28/06/2018	R8 970.00	The institute of internal auditors South Africa annual renewal fee for June 2018- May 2019 membership group, as a result obtaining quotations from other service providers becomes impractical
03	Registration fee for Rampuru Setati attending IIASA leaderships forum	51180	The institute of internal auditors of South Africa	14/06/2018	R855.00	IIASA was hosting Leadership forum on the 11 June 2018 at Emperors palace, as a result obtaining quotations from other service providers becomes impractical
04	Registration fee for Kekana T, Mathekga MD and Mawela N attending CIGFARO seminar	51380	Chartered institute of Government finance, audit and rick officers	29/06/2018	R2 700.00	CIGFARO was hosting seminar on credit control and debt collection at Tzaneen from 14-15 June 2018, as a results obtaining quotations from other service providers becomes impractical

05	Registration fee for Mahlobogoane MT, Nhlane KL and Lekgoro C attending CESA training	1548	Consulting engineers South Africa	29/06/2018	R3 078.00	CESA was hosting SIPDM training to be held in Ekhuruleni from 22 -23 August 2017, as a result obtaining quotations from other service providers becomes impractical
06	Registration fee for Cllr Mogashoa attending IMPSA training	50644	Institute of municipal people practitioners of South Africa	29/06/2018	R4 350.00	IMPSA was hosting conference at Port Elizabeth from 15-17 November 2017, as a results obtaining quotes from other service providers becomes impractical

**DEVIATION REPORT FOR JULY 2018: EMERGENCY**

NO	DESCRIPTION	REQUEST NUMBER	NAME OF SERVICE PROVIDER	INVOICE DATE	CONTRACT VALUE	REASON FOR DEVIATIONS
NONE						

**TOTAL DEVIATION AMOUNT FOR MONTH ENDING 31 JULY 2018 = R95 493.82**

**DEVIATION REPORT FOR AUGUST 2018**

**DEVIATION REPORT FOR AUGUST 2018: SOLE SUPPLIER**

<b>NO</b>	<b>DESCRIPTION</b>	<b>REQUEST NUMBER</b>	<b>NAME OF SERVICE PROVIDER</b>	<b>APPROVAL DATE</b>	<b>CONTRACT VALUE</b>	<b>REASON FOR DEVIATIONS</b>
<b>NONE</b>						

**DEVIATION REPORT FOR AUGUST 2018: EXCEPTIONAL OR IMPRACTICALLY**

<b>NO</b>	<b>DESCRIPTION</b>	<b>REQUEST NUMBER</b>	<b>NAME OF SERVICE PROVIDER</b>	<b>INVOICE DATE</b>	<b>CONTRACT VALUE</b>	<b>REASON FOR DEVIATIONS</b>
01	Affiliation fees for 2018 SAIMSA Games	50317	Inter-Municipal Sports of South Africa (IMSSA)	19 July 2018	R 11 000.00	IMSSA will be hosting SAIMSA games on the 23-30 September 2018 at Swaziland. As a result obtaining quotations from other service providers becomes impractical.

**DEVIATION REPORT FOR AUGUST 2018: EMERGENCY**

<b>NO</b>	<b>DESCRIPTION</b>	<b>REQUEST NUMBER</b>	<b>NAME OF SERVICE PROVIDER</b>	<b>APPROVAL DATE</b>	<b>CONTRACT VALUE</b>	<b>REASON FOR DEVIATIONS</b>
NONE						

**TOTAL DEVIATION AMOUNT FOR MONTH ENDING 31 AUGUST 2018 = R 11 000.00**

**DEVIATION REPORT FOR SEPTEMBER 2018**

**DEVIATION REPORT FOR SEPTEMBER 2018: SOLE SUPPLIER**

<b>NO</b>	<b>DESCRIPTION</b>	<b>REQUEST NUMBER</b>	<b>NAME OF SERVICE PROVIDER</b>	<b>APPROVAL DATE</b>	<b>CONTRACT VALUE</b>	<b>REASON FOR DEVIATIONS</b>
NONE						

**DEVIATION REPORT FOR SEPTEMBER 2018: EXCEPTIONAL OR IMPRACTICALLY**

<b>NO</b>	<b>DESCRIPTION</b>	<b>REQUEST NUMBER</b>	<b>NAME OF SERVICE PROVIDER</b>	<b>INVOICE DATE</b>	<b>CONTRACT VALUE</b>	<b>REASON FOR DEVIATIONS</b>
01	Registration fee for Maloma Isaya and Hlungwane Ntebo attending South Africa internal auditors conference from 13-15 at Sandton	50015	Institute of internal of Audit South Africa (IIASA)	29 August 2018	R 23 230.00	IIASA will be hosting South African Internal Auditors Conference from 13 to 15 September 2018. As a result obtaining quotations from other service providers becomes impractical.
02	Registration fee for Cllr Makgati and the Mayor Cllr Sibanda Kekana attending DMISA conference at Benoni on the 19 <sup>th</sup> and 20 <sup>th</sup> September 2018	50677	Disaster Management Institute of Southern Africa (DMISA)	13 September 2018	R 18 600.00	DMISA will be hosting a Conference from 19 to 20 September 2018. As a result obtaining quotations from other service providers becomes impractical.

**DEVIATION REPORT FOR SEPTEMBER 2018: EMERGENCY**

NO	DESCRIPTION	REQUEST NUMBER	NAME OF SERVICE PROVIDER	APPROVAL DATE	CONTRACT VALUE	REASON FOR DEVIATIONS
NONE						

**TOTAL DEVIATION AMOUNT FOR MONTH ENDING 30 SEPTEMBER 2018 = R 41 830.00**

**TOTAL DEVIATION AMOUNT FOR THE QUARTER ENDING 30 SEPTEMBER 2018 = R 148 323.82**

**2<sup>ND</sup> QUARTER DEVIATION REPORT**

**DEVIATION REPORT FOR OCTOBER 2018: SOLE SUPPLIER**

<b>NO</b>	<b>DESCRIPTION</b>	<b>REQUEST NUMBER</b>	<b>NAME OF SERVICE PROVIDER</b>	<b>APPROVAL DATE</b>	<b>CONTRACT VALUE</b>	<b>REASON FOR DEVIATIONS</b>
NONE						

**DEVIATION REPORT FOR OCTOBER 2018: EXCEPTIONAL OR IMPRACTICALLY**

<b>NO</b>	<b>DESCRIPTION</b>	<b>REQUEST NUMBER</b>	<b>NAME OF SERVICE PROVIDER</b>	<b>INVOICE DATE</b>	<b>CONTRACT VALUE</b>	<b>REASON FOR DEVIATIONS</b>
01	Registration for officials attending ITLMPOSA	51255	Institute of Traffic, Licensing and Metro police	22/10/2018	R 14 000.00	ITLMPOSA was hosting annual conference from 14-16 November 2018 , as a results obtaining quotations quotes from other service providers becomes impractical

**DEVIATION REPORT FOR OCTOBER 2018: EMERGENCY**

NO	DESCRIPTION	REQUEST NUMBER	NAME OF SERVICE PROVIDER	APPROVAL DATE	CONTRACT VALUE	REASON FOR DEVIATIONS
NONE						

**TOTAL DEVIATION AMOUNT FOR MONTH ENDING 31 OCTOBER 2018 = R 14 000.00**

**DEVIATION REPORT FOR NOVEMBER 2018**

**DEVIATION REPORT FOR NOVEMBER 2018: SOLE SUPPLIER**

<b>NO</b>	<b>DESCRIPTION</b>	<b>REQUEST NUMBER</b>	<b>NAME OF SERVICE PROVIDER</b>	<b>APPROVAL DATE</b>	<b>CONTRACT VALUE</b>	<b>REASON FOR DEVIATIONS</b>
<b>NONE</b>						

**DEVIATION REPORT FOR NOVEMBER 2018: EXCEPTIONAL OR IMPRACTICALLY**

<b>NO</b>	<b>DESCRIPTION</b>	<b>REQUEST NUMBER</b>	<b>NAME OF SERVICE PROVIDER</b>	<b>INVOICE DATE</b>	<b>CONTRACT VALUE</b>	<b>REASON FOR DEVIATIONS</b>
01	Registration for officials (Ngoveni R) attending CIGFARO	50910	The chartered institute of government finance, Audit & Risk Officers	01/11/2018	R 8 024.00	CIGFARO was hosting annual conference on the 08 – 10 October 2018. As a results obtaining quotations from other service providers becomes impractical.

02	Registration for officials (Maloma MI) attending CIGFARO	50035	The chartered institute of government finance, Audit & Risk Officers	29/11/2018	R 8 024.00	CIGFARO was hosting annual conference on the 08 – 10 October 2018. As a results obtaining quotations from other service providers becomes impractical.
03	Registration for officials (Mothogoane TB) attending CIGFARO	50037	The chartered institute of government finance, Audit & Risk Officers	01/11/2018	R 8 024.00	CIGFARO was hosting annual conference on the 08 – 10 October 2018. As a results obtaining quotations from other service providers becomes impractical.
04	Registration for officials (Mphahlele S) attending CIGFARO	50327	The chartered institute of government finance, Audit & Risk Officers	01/11/2018	R 8 024.00	CIGFARO was hosting annual conference on the 08 – 10 October 2018. As a results obtaining quotations from other service providers becomes impractical.
05	Registration for officials (cIlr Mollo, CIlr Ramokolo and CIlr Sibanda attending CIGFARO	50910	The chartered institute of government finance, Audit & Risk Officers	01/11/2018	R 24 072.00	CIGFARO was hosting annual conference on the 08 – 10 October 2018. As a results obtaining quotations from other

						service providers becomes impractical.
06	Registration for officials (Muparutsa V) attending IMPSA	52147	Institute of municipal people practioners of Southern Africa	22/11/2018	R 4 050.00	IMPSA will be hosting conference on the 31 – 02 November 2018. As a result obtaining quotations from other service providers becomes impractical.
07	Registration for officials (Makhubela NC)attending IRMSA	50031	Institute of Risk Management South Africa	29/11/2018	R 9 430.00	IRMSA will be hosting annual conference on the 3 – 4 October 2018. As a result obtaining quotations from other service providers becomes impractical.
08	Registration for officials (Cllr Mogashoa A) attending IMPSA	50675	Institute of municipal people practioners of Southern Africa	22/11/2018	R 4 850.00	IMPSA will be hosting conference on the 31 – 02 November 2018. As a result obtaining quotations from other service providers becomes impractical.
09	Supply and delivery of Payslips	51389	Pay day software systems pty ltd	30/11/2018	R 23 028.75	Payroll section is using Payday system to print payslips, the printing

						machine is out of papers and payday is the only supplier that can provide the papers. As a results obtaining quotations from other service providers becomes impractical.
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**DEVIATION REPORT FOR NOVEMBER 2018: EMERGENCY**

NO	DESCRIPTION	REQUEST NUMBER	NAME OF SERVICE PROVIDER	APPROVAL DATE	CONTRACT VALUE	REASON FOR DEVIATIONS
NONE						

**TOTAL DEVIATION AMOUNT FOR MONTH ENDING 30 NOVEMBER 2018 = R 97 526.75**

**DEVIATION REPORT FOR DECEMBER 2018**

**DEVIATION REPORT FOR DECEMBER 2018: SOLE SUPPLIER**

<b>NO</b>	<b>DESCRIPTION</b>	<b>REQUEST NUMBER</b>	<b>NAME OF SERVICE PROVIDER</b>	<b>APPROVAL DATE</b>	<b>CONTRACT VALUE</b>	<b>REASON FOR DEVIATIONS</b>
<b>NONE</b>						

**DEVIATION REPORT FOR DECEMBER 2018: EXCEPTIONAL OR IMPRACTICALLY**

<b>NO</b>	<b>DESCRIPTION</b>	<b>REQUEST NUMBER</b>	<b>NAME OF SERVICE PROVIDER</b>	<b>INVOICE DATE</b>	<b>CONTRACT VALUE</b>	<b>REASON FOR DEVIATIONS</b>
01	Independent external investigators	N/A	Paradigm Forensic services	05/12/2018	R 317 371.94	Paradigm Forensic services was appointed by council as per council resolution number 7.1.02/2018/2019 for investigating allegations of financial misconduct against the Municipal

						Manager and Chief Financial Officer. As a results obtaining quotations from other service providers becomes impractical.
02	Registration fee for Mr. Phuti Somo attending IMASA Conference on 5-6 September 2018 at APD hall Polokwane	50322	Institute of Municipal Administration for Southern Africa	26/11/2018	R2000.00	IMASA was hosting workshop on discipline in the Municipality on 5-6 September 2018, as a results obtaining quotations from other service providers becomes impractical.

**DEVIATION REPORT FOR DECEMBER 2018: EMERGENCY**

NO	DESCRIPTION	REQUEST NUMBER	NAME OF SERVICE PROVIDER	APPROVAL DATE	CONTRACT VALUE	REASON FOR DEVIATIONS
NONE						

**TOTAL DEVIATION AMOUNT FOR MONTH ENDING 31 DECEMBER 2018 = R 319 371.94**

**TOTAL DEVIATION AMOUNT FOR THE QUARTER ENDING 31 DECEMBER 2018 = R 430 898.69**

**3<sup>RD</sup> QUARTER DEVIATION REPORT**

**DEVIATION REPORT FOR JANUARY 2019: SOLE SUPPLIER**

<b>NO</b>	<b>DESCRIPTION</b>	<b>REQUEST NUMBER</b>	<b>NAME OF SERVICE PROVIDER</b>	<b>APPROVAL DATE</b>	<b>CONTRACT VALUE</b>	<b>REASON FOR DEVIATIONS</b>
<b>NONE</b>						

**DEVIATION REPORT FOR JANUARY 2019: EXCEPTIONAL OR IMPRACTICALLY**

<b>NO</b>	<b>DESCRIPTION</b>	<b>REQUEST NUMBER</b>	<b>NAME OF SERVICE PROVIDER</b>	<b>APPROVAL DATE</b>	<b>CONTRACT VALUE</b>	<b>REASON FOR DEVIATIONS</b>
<b>NONE</b>						

**DEVIATION REPORT FOR JANUARY 2019: EMERGENCY**

NO	DESCRIPTION	REQUEST NUMBER	NAME OF SERVICE PROVIDER	APPROVAL DATE	CONTRACT VALUE	REASON FOR DEVIATIONS
NONE						

**TOTAL DEVIATION AMOUNT FOR MONTH ENDING 31 JANUARY 2019= R0.00**

**FEBRUARY 2019**

**DEVIATION REPORT FOR FEBRUARY 2019**

**DEVIATION REPORT FOR FEBRUARY 2019: SOLE SUPPLIER**

<b>NO</b>	<b>DESCRIPTION</b>	<b>REQUEST NUMBER</b>	<b>NAME OF SERVICE PROVIDER</b>	<b>APPROVAL DATE</b>	<b>CONTRACT VALUE</b>	<b>REASON FOR DEVIATIONS</b>
<b>NONE</b>						

**DEVIATION REPORT FOR FEBRUARY 2019: EXCEPTIONAL OR IMPRACTICALLY**

<b>NO</b>	<b>DESCRIPTION</b>	<b>REQUEST NUMBER</b>	<b>NAME OF SERVICE PROVIDER</b>	<b>APPROVAL DATE</b>	<b>CONTRACT VALUE</b>	<b>REASON FOR DEVIATIONS</b>
<b>NONE</b>						

**DEVIATION REPORT FOR FEBRUARY 2019: EMERGENCY**

NO	DESCRIPTION	REQUEST NUMBER	NAME OF SERVICE PROVIDER	APPROVAL DATE	CONTRACT VALUE	REASON FOR DEVIATIONS
NONE						

**TOTAL DEVIATION AMOUNT FOR MONTH ENDING 28 FEBRUARY 2019= R0.00**

**MARCH 2019**

**DEVIATION REPORT FOR MARCH 2019**

**DEVIATION REPORT FOR MARCH 2019: SOLE SUPPLIER**

<b>NO</b>	<b>DESCRIPTION</b>	<b>REQUEST NUMBER</b>	<b>NAME OF SERVICE PROVIDER</b>	<b>APPROVAL DATE</b>	<b>CONTRACT VALUE</b>	<b>REASON FOR DEVIATIONS</b>
<b>NONE</b>						

**DEVIATION REPORT FOR MARCH 2019: EXCEPTIONAL OR IMPRACTICALLY**

<b>NO</b>	<b>DESCRIPTION</b>	<b>REQUEST NUMBER</b>	<b>NAME OF SERVICE PROVIDER</b>	<b>INVOICE DATE</b>	<b>CONTRACT VALUE</b>	<b>REASON FOR DEVIATIONS</b>
01	Advert for MPAC public participation and public hearing on 2017/18 Draft annual report from 28-04 March 2019 (morning, afternoon and evening shows)	51075	Zebediela Community Radio station	29/03/2019	R 21 000.00	Zebediela Community radio station is the local radio station in the area and the jurisdiction of Lepelle-Nkumpi Municipality in order to attract residence for MPAC public participation and public hearing on

						2017/18 draft annual report from 28-04 March 2018
	Independent external investigators	N/A	Paradigm Forensic services	28/02/2019	R39 670.48	Paradigm Forensic services was appointed by council for investigating allegations of financial misconduct against the Municipal Manager and Chief Financial Officer

**DEVIATION REPORT FOR MARCH 2019: EMERGENCY**

NO	DESCRIPTION	REQUEST NUMBER	NAME OF SERVICE PROVIDER	APPROVAL DATE	CONTRACT VALUE	REASON FOR DEVIATIONS
NONE						

**TOTAL DEVIATION AMOUNT FOR MONTH ENDING MARCH 2019 = R60 670.48**

**TOTAL DEVIATION AMOUNT FOR QUARTER ENDING 31 March 2019 = R60 670.48**

**4<sup>TH</sup> QUARTER DEVIATION REPORT**

**DEVIATION REPORT FOR APRIL 2019: SOLE SUPPLIER**

NO	DESCRIPTION	REQUEST NUMBER	NAME OF SERVICE PROVIDER	APPROVAL DATE	CONTRACT VALUE	REASON FOR DEVIATIONS
NONE						

**DEVIATION REPORT FOR APRIL 2019: EXCEPTIONAL OR IMPRACTICALLY**

NO	DESCRIPTION	REQUEST NUMBER	NAME OF SERVICE PROVIDER	APPROVAL DATE	CONTRACT VALUE	REASON FOR DEVIATIONS
NONE						

**DEVIATION REPORT FOR APRIL 2019: EMERGENCY**

NO	DESCRIPTION	REQUEST NUMBER	NAME OF SERVICE PROVIDER	APPROVAL DATE	CONTRACT VALUE	REASON FOR DEVIATIONS
NONE						

**TOTAL DEVIATION AMOUNT FOR MONTH ENDING APRIL 2019 = R 0.00**

**DEVIATION REPORT FOR MAY 2019**

**DEVIATION REPORT FOR MAY 2019: SOLE SUPPLIER**

<b>NO</b>	<b>DESCRIPTION</b>	<b>REQUEST NUMBER</b>	<b>NAME OF SERVICE PROVIDER</b>	<b>APPROVAL DATE</b>	<b>CONTRACT VALUE</b>	<b>REASON FOR DEVIATIONS</b>
<b>NONE</b>						

**DEVIATION REPORT FOR MAY 2019: EXCEPTIONAL OR IMPRACTICALLY**

<b>NO</b>	<b>DESCRIPTION</b>	<b>REQUEST NUMBER</b>	<b>NAME OF SERVICE PROVIDER</b>	<b>APPROVAL DATE</b>	<b>CONTRACT VALUE</b>	<b>REASON FOR DEVIATIONS</b>
<b>01</b>	Consulting fees UIF Submission and referencing	51389	Payday Software system Pty Ltd	21/05/2019	R36 018.00	Payroll section is using Payday system for balancing of tax from previous tax year, UIF submission and referencing, as a results obtaining quotations from

						other service providers becomes impractical.
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**DEVIATION REPORT FOR MAY 2019: EMERGENCY**

NO	DESCRIPTION	REQUEST NUMBER	NAME OF SERVICE PROVIDER	APPROVAL DATE	CONTRACT VALUE	REASON FOR DEVIATIONS
NONE						

**TOTAL DEVIATION AMOUNT FOR MONTH ENDING MAY 2019 = R 36 018.00**

**DEVIATION REPORT FOR JUNE 2019**

**DEVIATION REPORT FOR JUNE 2019: SOLE SUPPLIER**

<b>NO</b>	<b>DESCRIPTION</b>	<b>REQUEST NUMBER</b>	<b>NAME OF SERVICE PROVIDER</b>	<b>APPROVAL DATE</b>	<b>CONTRACT VALUE</b>	<b>REASON FOR DEVIATIONS</b>
<b>NONE</b>						

**DEVIATION REPORT FOR JUNE 2019: EXCEPTIONAL OR IMPRACTICALLY**

<b>NO</b>	<b>DESCRIPTION</b>	<b>REQUEST NUMBER</b>	<b>NAME OF SERVICE PROVIDER</b>	<b>APPROVAL DATE</b>	<b>CONTRACT VALUE</b>	<b>REASON FOR DEVIATIONS</b>
<b>01</b>	Affiliation fee for 2019 Provincial games hosted by Mogalakwena Municipality from 07-08 June 2019	01261	Inter Municipal Sports of South Africa	06/06/2019	R10 000.00	IMMSA hosted the provincial games in Mogalakwena Municipality and as a results obtaining quotations from other

						service providers becomes impractical.
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**DEVIATION REPORT FOR JUNE 2019: EMERGENCY**

NO	DESCRIPTION	REQUEST NUMBER	NAME OF SERVICE PROVIDER	APPROVAL DATE	CONTRACT VALUE	REASON FOR DEVIATIONS
NONE						

**TOTAL DEVIATION AMOUNT FOR MONTH ENDING JUNE 2019 = R 10 000.00**

**TOTAL DEVIATION AMOUNT FOR QUARTER ENDING 30 JUNE 2019 = R46 018.00**

**TOTAL DEVIATION AMOUNT FOR THE YEAR ENDING 30 JUNE 2019 = R 685 910.99**

**Recommendations**

- That the Supply Chain Management Annual Deviation report for financial year ending June 2019 be considered and endorsed by the Budget and Treasury Portfolio Committee and reported to Executive Committee for noting.