

MINUTES

39TH MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY

2020-11-25

8.	STATUTORY MATTERS
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8.1	MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR OCTOBER 2020
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

17 November 2020 and 25 November 2020

1. **SUBJECT: MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR OCTOBER 2020**2. **PURPOSE**

To comply with Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 36 of the Supply Chain Management Policy 2020/2021 to report the deviations to Council.

3. **DELEGATED AUTHORITY****Council**

FOR NOTING.

4. **EXECUTIVE SUMMARY**

Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 36 of the Supply Chain Management Policy (2020/2021) stipulate that SCM deviations be reported to Council. In compliance thereto, this report presents to Council the SCM deviations that occurred during October 2020.

39TH COUNCIL MEETING: 2020-11-25: ITEM 8.1**NOTED**

the deviations as listed below for the month of October 2020.

DEVIATION NUMBER	CONTRACT DATE	NAME OF CONTRACTOR	CONTRACT DESCRIPTION	REASON	SUBSTANTIATION WHY SCM PROCESS COULD NOT BE FOLLOWED	TOTAL CONTRACT PRICE R
D/SM 06/20	16 October 2020	Martin and East (Pty) Ltd	Schuilplaats road - safe disposal of hazardous waste	Emergency	<p>Substantiation for the deviation:</p> <p>1. The possibility of human injury or death and the possibility of serious damage occurring to the natural environment;</p> <p>The Hazardous waste needs to be handled by a specialist service</p>	R 508 183.96 (Excl. Vat)

					<p>provider, who have the relevant knowledge, equipment, expertise and insurances in place for the disposal of Hazardous waste. Should the waste that contains elements of mercury and other toxins not be effectively dealt with, the possibility of Human injury and death exist as well as the possibility of serious damage to the natural environment.</p> <p>2. Exceptional case and it is impractical or impossible to follow the official procurement processes</p> <p>This is an exceptional case, the uncovering of hazardous waste underneath a road construction site meets the exceptional event definition for the following reasons:</p> <ul style="list-style-type: none"> • It was not reasonably foreseen - as an event that could occur, • Such an event had never before occurred - in the history of Stellenbosch Municipality – Road Construction. <p>It is impractical to follow any other process since the Municipality has contractual agreements in place with the appointed contractor and had handed over the site. In order to follow any other process, the Municipality would be required to renegotiate new terms with the contractor to allow for de-establishment from the site and re-establishment after</p>	
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					<p>disposal of the hazardous waste. It would be impractical for another Service Provider to take possession of the site, take over and carry out the supporting operational works e.g. removal, loading and backfilling and facilitating and managing of the transporting and disposal of the hazardous waste and then de-establish and hand the site back to the originally appointed contractor.</p> <p>It would also be impractical to cancel the contract with the appointed contractor, establish a new contract and new Service Provider to address the hazardous waste and to commence with a new contract to continue and complete with the Road Construction Project.</p> <p>These options would result in sever delays (estimated at 6 months to 1 year) to essential services delivery as well as significant additional costs implications associated with the de-establishment and re-establishment of a Service Provider, cancellation of contract, loss of production time etc., all of which would be detrimental impact on the Municipality.</p> <p>3. The interruption of essential services, including transportation and communication facilities or support</p>	
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					<p>services critical to the effective functioning of the municipality as a whole;</p> <p>Following any other process will result in an interruption of an essential service (as described above), the timeous completion of the extension of Schuilplaats road is essential for safe and effective transportation in the region. The timeous completion of the road project is also linked to housing developments, the municipality will not be in a position to allow occupation of these housing units (should other process be followed) thereby impacting on rights of housing security for residents.</p>	
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FOR FURTHER DETAILS CONTACT:

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