TSHWANE
ECONOMIC DEVELOPMENT
AGENCY

Tshwane Economic Development Agency

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Initiator	**Mr. Z Mheyamwa** **Chief Financial Officer**	**Business Unit**	**Finance**
From	**Mr. O Mokoena** **Acting Chief Executive Officer**	**File Ref. No.**	**8/2/2/4**
To	**Board of Directors**	**Date**	**06 July 2023**
Purpose of the Submission		**Approval**	
SUPPLY CHAIN MANAGEMENT ANNUAL DEVIATION REPORT FOR THE 2022/2023 FINANCIAL YEAR			

1. PURPOSE

1.1 To report annual deviation from normal procurement process for the 2022/2023 financial year to the Board of Directors.

2 STRATEGIC OBJECTIVES

2.1 To build TEDA as a more efficient and effective entity for the City of Tshwane.

3 BACKGROUND

3.1 In terms of regulation 36(2) of MFMA, the Accounting Officer must record the reasons for any deviation in terms of sub-regulations (1) (a) (b) and report them to the next meeting of the Council or Board of Directors in the case of a Municipal entity, include as a note to the Annual Financial Statements.

4 DISCUSSIONS

4.1 There were four (4) deviations reported for the financial year 2022/2023.

NO	SERVICE PROVIDER	SERVICE DESCRIPTION	DEVIATION AMOUNT FOR 2022/2023	TOTAL EXPENDITURE	REASON FOR DEVIATION	PANEL OF SERVICE PROVIDERS APPOINTMENT	CURRENT STATUS
1	3G Relocation	3G Relocation	R41 560.00	R41 560.00	Regulation 36(1)(v) deviation due impracticality of following the normal procurement process as there was a need to extent the while the disposal process was still underway	No	The process of transferring assets to HCT is underway which renders this matter finalized.
2	Adapt IT	Adapt IT (CaseWare)	R85 811.59	R85 811.59	Regulation 36(1)(ii) to procure goods and services that are produced or available from a single provider only.	No	3 Years Contract
3	Mohale Attorneys	Mohale Incorporated Law firm	R1 335 323.48	R1 335 323.48	Regulation 36(1)(v) deviation due impracticality of following the normal procurement process as there was a need to extent the scope for a task that represent a natural continuation of previous work carried out by the firm, supported by the SCM policy paragraph 25.17.3(e) on single source selection.	Yes	Awaiting confirmation of finalization of the matter from the law firm
4	Multichoice	Multichoice (DSTV)	R10 415.07	R10 415.07	Regulation 36(1)(ii) to procure goods and services that are produced or available from a single provider only.	No	On-going service
		TOTAL	**R1 473 110**	**R1 473 110**			

IMPLICATIONS

6.1 **Legal Implications**

None

6.2 **Financial implications**

The total annual deviation amounts to **R 843 704.**

7. KEY RISKS

No major risks have been identified from the report.

8. RECOMMENDATION

That it be recommended to the Board of Directors to:

8.1 **Note the annual deviation report for financial year 2022/2023.**

I confirm that the report meets acceptable quality standards and information contained in this document is accurate and adequate to assist the Board of Directors to arrive at a decision.

Mr. Z Mheyamwa
Chief Financial Officer
Date: 10/07/2023

Approved / ~~Not Approved / Approved with Amendments~~

Mr. O Mokoena
Acting Chief Executive Officer
Date: 10 July 2023

"All committee members and other authorized persons reading this report are reminded that they are doing so in an official capacity and are requested to respect the confidentiality thereof"