D/sm 9/23

CHECK BEFORE SUBMISSION	YES	NO
REGISTERED ON CSD DATABASE		
LETTER - SOLE SUPPLIER if applicable.		
QUOTE/INVOICE ATTACHED		
BUDGET (SAMRAS)		
CASHFLOW		
SIGNATURES		

MEMORANDUM

WATER AND WATERWATER SERVICES DEPARTMENT

To Aan:	**MUNICIPAL MANAGER**
From Van:	**JAMES BEUKES**
Job Title:	**MANAGER: WASTEWATER TREATMENT**
Date Datum:	**16 MARCH 2023**
Re Insake:	**DEVIATION: REQUEST APPROVAL TO DEVIATE FROM PROCESS TO PROCURE DISINFECTANT CHEMICALS: CHLORINE GAS, SODIUM HYPOCHLORITE AND CHLORMAN CHIPS AS PER QUOTED PRICES**

1. PURPOSE

To obtain approval in terms of Supply Chain Management Policy, to deviate from the official procurement process in terms of section 36 of the approved SCM Policy

REASON FOR DEVIATION: (Mark with x where applicable)			
1.	Emergency. **"Emergency dispensation"** means emergency as referred to in paragraph 36(1)(a)(i) of this policy under which one or more of the following is in existence that warrants an emergency dispensation;		
	a	The possibility of human injury or death;	X
	b	The prevalence of human suffering or deprivation of rights;	
	c	The possibility of damage to property, or suffering and death of livestock and animals;	
	d	The interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole;	
	e	The possibility of serious damage occurring to the natural environment;	X
	f	The possibility that failure to take necessary action may result in the municipality not being able to render an essential community service;	X
	g	The possibility that the security of the state could be compromised; or	
	h	The prevailing situation, or imminent danger, should be of such a scale and nature that it could not readily be alleviated by interim measures, in order to allow time for the formal procurement process. Emergency dispensation shall not be granted in respect of circumstances other than those contemplated above.	X
2.	Goods or services are produced or available from a single provider		
3.	Acquisition of special works of art or historical objects where specifications are difficult to compile.		
4.	Acquisition of animals for zoos and /or nature and game reserves		
5.	Exceptional case and it is impractical or impossible to follow the official procurement processes		X

NB! All deviations i.r.o the amount will be tabled at the BAC Via the BEC.

KO

1 SUBSTANTIATE WHY SCM PROCESS COULD NOT BE FOLLOWED (TO BE REPORTED TO COUNCIL)

Water and Wastewater Services Department currently operate five (5) wastewater treatment plants and 3 water treatment plants. To ensure drinking water quality comply to national SANS241 drinking water quality standards and the effluent quality complies with discharge limits the water are treated with chlorine gas or alternatives as disinfectant, to remove or inactivate pathogenic micro-organisms in order to prevent the spread of waterborne diseases and also to minimize public health problems.

All services providers that were approved on BSM 83/20 to supply disinfectant chemicals have indicated that they cannot adhere to the approved prices for the 2022/2023 financial year as per the BAC approval dated 11th September 2020. The Municipality has a valid tender in place until June 2023.

2 BACKGROUND

Market forces has led to insufficient chlorine, tablets and sodium hypochlorite stocks from the current suppliers. The knock-on effect has resulted that initial quoted prices has increase so drastically that none of the service providers can meet their commitments towards Stellenbosch Municipality.

See the attached document in which all suppliers contacted indicated that they are unable to provide products at the initial approved rates.

3 DISCUSSION

Water and Wastewater Services Department currently operate five (5) wastewater treatment plants and 3 water treatment plants. To ensure drinking water quality comply to national SANS241 drinking water quality standards and the effluent quality complies with discharge limits the water are treated with chlorine gas or alternatives as disinfectant, to remove or inactivate pathogenic micro-organisms in order to prevent the spread of waterborne diseases and also to minimize public health problems.

At the BAC dated 28th January 2022 the department was informed to procured chlorine gas substitutes as per tender BSM 83/20 namely Calcium Hypochlorite rates: Klorman Brand form Wetchem but even they have now informed the department that there will be price increases therefore none of the current approved service providers can provide.

Liquid Chlorine Gas and Sodium Hypochlorite:
No prices was received from any of the service providers for sodium hypochlorite.

The price for chlorine gas is depicted in table 1 below:

TABLE 1: CHLORINE GAS

Company	Price/kg
Metsi Chem Ikapa 1000kg cylinder	R35,00/kg
Metsi Chem Ikapa 67kg cylinder	R43,50/kg

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KO

HTH Tablets as alternative disinfectant:
Liquid chlorine is one of the raw materials to manufacture the HTH tablets. Table 2 below depict the prices received from service provider for HTH tablets.

TABLE 2: HTH PRODUCTS

Company	Price/kg
Kaizen Chemicals Tablets	R59,26
Kaizen HTH Granules	R51,56
Kaizen HTH Chips	R63,24

Klorman Tablets as alternative disinfectant:
Liquid chlorine is one of the raw materials to manufacture the Klorman tablets. Table 3 below depict the prices received from two service providers for Klorman product.

TABLE 3: KLORMAN (SANITAB)

Company	Klorman/25kg
Flocochem	R1817,83
PowerComm	R1678,26

4 FINANCIAL IMPLICATIONS

That the approval be granted in terms of the Municipality Supply Chain Management Policy 4.36.1 (a)(v), that the department can purchase product from:
HTH chlorine tablets from Kaizen Chemicals, Metsi Chem Ikapa as well Klorman SaniTab from Power Comm at the new rates as provided by service and depicted in tables 1 to 3 above.

5 RECOMMENDATION

It is recommended that the department can procure disinfectant products as per the new quotations received.

6 VALUE FOR MONEY (OTHER RATES/VALUES/...)

The market forces resulted in excessive price fluctuations.

7 IT IS RECOMMENDED THAT:

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7.1 That the approval be granted in terms of the Municipality's Supply Chain Management Policy – in any other exceptional case where it is impractical or impossible to follow the official procurement process to that the department can procure chlorine gas, Klorman tablets and HTH tablets products until a new tender has been successfully awarded that make provision for future market movements.

7.2 That the approval, from U-Keys 20220630079867, 20220630079937, 20220630079858,20220630079859, 2022063009850, 20220630079849, 20220630079853, 20220825124497, 2022060079865 and 20220630079866 from the 2022/2023 financial year be granted in terms of the Municipality's Supply Chain Management Policy in any other exceptional case where it is impractical or impossible to follow the official procurement process in an emergency for the procurement of disinfectant products via deviation until a new tender is in place.

James Beukes
Manager: Wastewater Treatment

Date: 17/3/2023

Paul Joubert
Snr Manager: Water & Wastewater Services

Date: 17/03/2023

Preshane Chandaka
Director Infrastructure Services

Date: 17/3/23

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KC

8 **SUPPLY CHAIN MANAGEMENT COMMENTS:**

The following service providers are compliant:
1. Metsi Chem Ikapa
2. PowerComm Solutions

Note that Kaizen Water Group CC is non compliant and Flocche[illegible] is not registered on the CSD

9 **APPROVAL:**

RECOMMENDATION SUPPORTED / NOT SUPPORTED BY THE STELLENBOSCH MUNICIPAL BID ADJUDICATION COMMITTEE		
Name	Signature	Date

Comments: The deviation is supported, for the procurement of disinfectant chemicals

CHAIRPERSON [signature] DATE 17/03/2023

RECOMMENDATION FROM BID ADJUDICATION COMMITTEE APPROVED BY THE ACCOUNTING OFFICER

Comments: Deviation is approved for the procurement of disinfectant chemicals from the following service providers:

1. Metsi Chem Ikapa
2. PowerComm Solutions
3. Kaizen Water Group CC. (tax compliant).

ACCOUNTING OFFICER [signature] DATE 17/3/2023

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KC

10 Supply Chain Management Process:

Steps	Action
1.	User department initiates request to deviate using deviation template; document to be sent to Principal Clerk. (Renae Bergstedt)
2.	Principal Clerk (Renae Bergstedt) load information onto Deviation register with the following details:
3.	Information received to be sent to Database Administrator VIA assigned practitioner for Vetting of Supplier
4.	Completed documents to be sent to SCM Administrator via assigned Practitioner to be placed on the agenda for Bid Evaluation Committee (BEC)
5.	Recommendation of the BEC to be added on the agenda for Bid Adjudication Committee (BAC)
6.	Deviation as well as minutes sent for the **approval** by the Accounting Officer (MM)
7.	Office of Municipal Manager will contact SCM for the collection of the **approved or not approved** deviation
8.	Principal Clerk load information onto Deviation register
9.	Email sent to user- department with the approved minutes / deviation (Renae Bergstedt)
10.	Department initiates request on Flexgen
11.	Senior Buyer allocates the requisition to SCM Practitioner that dealt with the specific deviation
12.	SCM Practitioner completes order approval form
13.	Duly completed and signed order approval forms submitted to Paula Ribeiro to complete and update the contract register
14.	Order approval form is signed; contract register amended with approved amount, POE is scanned and saved on server.
15.	Fully completed, approved form is submitted to Senior buyer for order.

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KC