

D/SM 10/24

DEVIATION: Supply and delivery of 240 litre wheelie bins

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



MEMORANDUM

DIRECTORATE: INFRASTRUCTURE SERVICES

To Aan: MUNICIPAL MANAGER
 From Van: CLAYTON HENDRICKS
 Job Title: SENIOR MANAGER: WASTE MANAGEMENT
 Date Datum: 27 NOVEMBER 2023

Re Insake: DEVIATION: SUPPLY AND DELIVERY OF 240 LITRE WHEELIE BINS

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;	
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;	
f	The possibility that failure to take necessary action may result in the municipality not being able to render an essential community service;	
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.	
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

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2. SUBSTANTIATE WHY SCM PROCESS COULD NOT BE FOLLOWED (TO BE REPORT TO COUNCIL)

The Stellenbosch municipality currently uses wheelie bins for collection of household waste. Wheelie bins are needed for new households or additional bins or replacement of bins requested in other properties.

Tender B/SM 76/21 was awarded to Jobe Environmental Systems (Pty) LTD in July 2021.

The Municipality was in a process to procure wheelie bins in December 2022 when it was found out that Jobe Environmental Systems (Pty) LTD was not tax compliant. Correspondence was sent to the service provider on 17 January 2023 giving them seven (7) days to ensure that the tax matters are in order and send confirmation to the Municipality.

When that period lapsed a cancellation letter of the contract was sent to the supplier on 30 January 2023 providing them fourteen (14) days to provide reasons why this restriction and suspension should not be imposed.

Further discussions were held with the supplier and they were afforded another opportunity to provide the goods and the goods were then delivered in April 2023.

The Municipality again informed Jobe Environmental Systems (Pty) LTD of intention to procure wheelie bins on 29 August 2023 and subsequent to that a purchase order was sent to the service provider on 07 September 2023 and an email confirmation was received for a lead time of the 20 September 2023. Various follow ups were made and another delivery date was provided, which was 5th October 2023.

On 12 October 2023 a letter was sent to Jobe Environmental Systems (Pty) LTD requiring the service provider to deliver goods on or before 19 October 2023 or provide reasons why the tender should not be cancelled.

On the 19 October 2023 confirmation email was received, confirming that the estimated time of arrival is the 30 October 2023. To date no wheelie bins have been provided by the said service provide and there's no new estimated time of arrival provided.

The Municipality could not provide residents with wheelie bins which is an essential component of our refuse collection service.

This deviation will allow for the Municipality to receive bins before the factory closure on 14 December 2023. The Municipality has been awaiting the bins from Jobe Environmental Services since, 7 September 2023. The delay has resulted in delay in providing much needed wheelie bins to residents. This is an exceptional case and it is impractical or impossible to follow the official procurement processes to procure and deliver wheelie bins before the festive season.

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Tender has been terminated and a new tender process has been initiated with B/SM 42/24. The tender has been approved by the Bid Specification Committee and will be advertised in 2024.

3. BACKGROUND

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4. DISCUSSION

With the cancellation of the current tender B/SM 76/21, the Municipality must follow a new tender process to get a new service provider, which will take time causing delays into getting this service to the clients who need refuse bins.

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5. FINANCIAL IMPLICATIONS

That the approval be granted in terms of the Municipality Supply Chain Management Policy 4.36.1 (a)(v), as quoted by Mpack (Pty) Ltd to be granted until 30 June 2024, or until a new tender is in place. Below is the table with both current rates and quoted rates.

ITEM	DESCRIPTION	RATE PER ITEM	RATE PER ITEM
SUPPLIER NAME		MPACT plastic containers (Pty) LTD	JOBE Environmental Systems (Pty) LTD
1	Supply and delivery of a 240 litre wheelie bin – black throughout (black body and lid), fitted with RFID Tag/ Transponder complete with fixing plug.	R 664.70	R 669.13
2	Axle (Single)	R 140.30	R 60.03
3	Wheels (Per pair)	R 83.38	R 77.72
4	Lid - Black	R 143.75	R 72.07
5	Hinge Pins – All Types	R 29.90	R 6.69

6. RECOMMENDATION

The Municipality to procure the services of Mpack plastic containers (PTY) Ltd.

7. VALUE FOR MONEY (OTHER RATES/VALUES)

Mpack plastic containers (PTY) Ltd was previously appointed to supply and deliver 240 litre wheelie bins for tender B/SM 81/18 for the period ending 30 June 2021. The rates for black wheelie bins are similar to the rates awarded on the tender (B/SM 81/18).

The market was tested with emails sent to all the bidders that tendered for B/SM 76/21 requesting quotations and only Mpack plastic containers (PTY) Ltd responded with a quote.

8. IT IS RECOMMENDED THAT:

- 8.1** 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 appoint Mpack plastic containers (PTY) Ltd.

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

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8.2 That the approval, from U-Key 20220630079913 from the 2023/24 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 deviation of payments in accordance with the rates provided by Mpact plastic containers (PTY) Ltd.



Clayton Hendricks

Senior Manager: Waste Management

Date: 28/11/2023

Supported/ Not Supported

Shane Chandaka

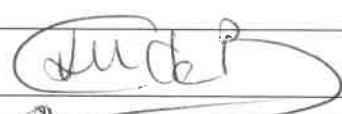
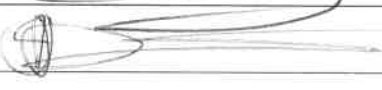
Director: Infrastructure Services

Date: _____

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7. SUPPLY CHAIN MANAGEMENT COMMENTS:

8. APPROVAL:

REQUEST SUPPORTED / NOT SUPPORTED BY THE STELLENBOSCH MUNICIPAL BID ADJUDICATION COMMITTEE		
Name	Signature	Date
D.M.C. de Bae		29/11/23
J. Alexander		29/11/23
J. Fullard	Online	29/11/2023
G. Boshoff	Online	29/11/2023
Comments: BAC support the deviation.		
CHAIRPERSON: 		DATE: 29/11/2023
RECOMMENDATION FROM BID ADJUDICATION COMMITTEE APPROVED BY THE ACCOUNTING OFFICER		
Comments:		
ACCOUNTING OFFICER: 		DATE: 30/11/2023

The department tried all means possible to allow the service provider to make good on tender. First delivery did take place after delays for compliance and material. Second ~~pre~~ order was also mirrored with similar delays which necessitate the termination notice and specification for new tender over services needed in interim which necessitate this deviation to

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

supply the much needed service to the communities. Proper disposal of waste important from both a health and safety point of view and from environmental point. Deviation unavoidable T.T.O.

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need to emphasise that department try to follow due process and this deviation, is not as a result of poor planning. Department to follow process as outline in GCC re breach of contract - to recover losses incurred as a result of breach.

