



(Deviations from, and ratification of minor breaches of, procurement processes: Regulation 36 of the Municipal Supply Chain Management Regulations)

To:	Bid Adjudication Committee		
Contract Description:	Alienation of Erf 526 Lovu, Located At 15-10070 Street, by Private Treaty to Illovu Assembly of God registration number 118-191 NPO.		
Date:	22/05/2024		
Contract no:	7E-31151	Unit:	Real Estate
Project Manager:	Bathobile Ntobela / Fathima Khan	Department:	Freehold
E-mail:	Bathobile.Ntobela@durban.gov.za	Cellular phone no:	N/A
Telephone number:	031 311 4350	Fax no:	031-3371004

Project Objective/s:	The purpose of this report is to seek authority in terms of Section 36(1)(a)(v) of the Supply Chain Management Policy to alienate Erf 526 Lovu to Illovu Assembly of God Registration Number 118-191 NPO via private treaty,
Scope of Works:	N/A
IDP Linkage:	N/A

1. **CATEGORY:**

Goods		Professional Services (Built Environment)	
Services		Professional Services (Other)	
Engineering & Construction Works		Movable Asset Disposal	
Sale	x	Immovable Asset Disposal	x

2. **ELEMENT OF REGULATION 36 APPLICABLE: 1 (a) (v)**

1(a) (i)	An emergency	
(ii)	The goods or services are produced or available from a single provider only	
(iii)	The acquisition of special works of art or historical objects where specifications are difficult to compile	
(iv)	The acquisition of animals for zoos; or	
(v)	Exceptional case where it is impractical or impossible to follow the official procurement processes; and	x
1(b)	To ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature	

3. **PROJECT ESTIMATES, FINANCIAL AUTHORITY & RECOMMENDED COMPANY:** N/A

4. **FORM OF CONTRACT & SURETY:** N/A

5. **RESPONSIVENESS REQUIREMENTS:**

NB: Copies of each of the following must be attached to the report for the recommended company



X	Copy of Council approval dated 29 August 2024 -Annexure A
X	CSD– Annexure B
X	Tax Clearance Certificate Annexure C
X	Copy of Statutory Notice (Advert) Annexure D
X	Company Registration (NPO 118-191) Annexure E
X	Valuation Certificate & Hand plan Annexure F
X	Fully completed and signed COMBINED (MBD Documents) Annexure G
X	
X	
X	
X	
X	
X	
X	
X	
X	

6. PROJECTED DATES: N/A

7. MOTIVATION FOR APPLICABILITY OF REGULATION 36:

7.1 BACKGROUND

An application to purchase Erf 526 Lovu was received from the Illovu Assembly of God, with registration number 118-191 NPO, a religious organization that aspires to purchase the site for worship purposes.

The site is currently zoned for community facility purposes and is located in a residential area. A place of worship is a free entry use subject to the submission and approval of building plans for a place of worship.

The church has occupied the land since 2010 and has erected a structure built with steel and iron sheets, which is used for worship purposes and has applied to purchase this land since 2013.

8. MOTIVATION

8.1 A report was tabled to the necessary Committees and the recommendation to sell by private treaty was adopted by full Council at its meeting held on 29 August 2024 and extract of Council resolution is attached marked (Annexure "A").

8.2 In line with Council Resolution, the Public Notice was advertised on 27 September 2024 and closed on 14 October 2024 and no objections to the proposed sale were received. (Public Notice Attached as Annexure D).

8.3 It has been confirmed by legal opinion that private treaty sales of this nature should be dealt with in terms of Section 36(1) (a) (v) of the Supply Chain Management Regulations.



- 8.4 The use of this provision is not as a result of poor planning as it is impractical to follow official procurement process. Via the Public Notice, we have taken into account that other potential tenderers were not prejudiced and the requirements of Section 217 of the Constitution have been met.
- 8.5 The Head: Real Estate accepts full responsibility and accountability for the report and its contents.

10 RECOMMENDATIONS:

- 10.1 Approval be granted to deviate from the procurement process in accordance with Section 36(1)(a)(v) of the Supply Chain Management Policy to Alienate and transfer by private treaty Erf 526 Lovu to Illovu Assembly of God registration number 118-191 NPO for worship purposes.
- 10.2 Subject to the adoption of 1 above, the City Manager record the reasons for any deviations and report it to the next meeting of Council or board of directors in the case of a Municipal Entity and include it as a note to the annual financial statements.
- 10.3 The market value of the property is indicated above, as per the Council approval, it is recorded that the transfer of the property will be at less than their fair market value in terms of Regulation 13(2) of the "MATR" so that the interest of the state and the local community would be better served.
- 10.3.1 that the sale price will be determined to be R67,000.00 (sixty-seven thousand rand).
- 10.4 That subject to the adoption of paragraphs 10.1 – 10.3 above, the Head Real Estate be authorized to sign all the documentation necessary to give effect to this transaction.

Bathobile Ntobela		13/11/2024
Name of Project Manager	Signature	Date
031 311 4350	Declaration by Project Manager: <i>I have prepared this report in a fair and proper manner in accordance with the conditions of contract, and relevant Codes of Conduct</i>	
Contact Telephone Number		

Fathima Khan		13/11/2024
Name Senior Manager: Freehold	Signature	
031 311 4310		
Contact Telephone Number		



Thapelo Mmusinyane		25/11/2025
Name of Unit Head	Signature	Date
031 311 4322		
Contact Telephone Number		

Sinegugu Ncube		03/12/24
Name of Unit Head SCM	Signature	Date
031 311 1164		
Contact Telephone Number		

Dr Sandile Mnguni	Signed by: HAWARD JABULANI DLAMU Signed at: 2024-12-04 09:17:19 +02:00 Reason: I approve this document 	04/12/24
Name of Treasury Delegate	Signature	Date
031 311 1131		
Contact Telephone Number		
Musa Ndaba		05/12/2024
Name of Manager: Compliance Monitoring	Signature	Date
031 322 7014		
Contact Telephone Number		

Submission of reports

All reports should be forwarded to Musa Ndaba, Compliance Monitoring, 6th Floor, Engineering Building, 166 K E Masinga Road (formerly Old Fort Road), on or before the deadline dates for submission, together with accompanying documentation. Tel. 322-7015

Incomplete submissions will not be placed onto the meeting agenda.

ANNEXURE A

**Copy of Council approval dated 29 August 2024 -
Annexure A**