



SUBMISSION TO DEVIATE FROM NORMAL PROCUREMENT PROCESS: SOLE SUPPLIER

TO	MR NHLAKANIPHO NKONTWANA HEAD OF DEPARTMENT
CC	MS SINEGUGU HLELA ACTING CHIEF DIRECTOR: ENTERPRISE DEVELOPMENT MRS DHARSHINI RAICHUND DIRECTOR: SUPPLY CHAIN MANAGEMENT MR KHAYA MTHETHWA CHIEF FINANCIAL OFFICER
SUBJECT	REQUEST FOR APPROVAL TO DEVIATE FROM NORMAL SCM PROCUREMENT PROCESSES AND UTILIZE SINGLE-SOURCED QUOTATION FROM H&G EXHIBITION PARTNERSHIP WITH REGARDS TO THE PARTICIPATION OF COOPERATIVES AND SMMES AT THE EAST COAST RADIO HOUSE & GARDEN SHOW 2023 AND APPROVAL FOR PROVISION OF ACCOMMODATION FOR 30 SMMES AND COOPERATIVES
CONTRACT DURATION	1 TO 9 JULY 2023
SUBMITTED BY	MS SIHLE MAZIBUKO DIRECTOR: COOPERATIVES AREA 1
DATE	8 JUNE 2023

1. PURPOSE

- 1.1 To request approval from the Head of Department to deviate from normal Supply Chain Management processes in line with Treasury Regulation 16A 6.4 and SCM Instruction Note 3 of 2021/2022 – Enhancing compliance to award a contract to **H&G Exhibition Partnership** being a sole service provider for an amount of **R738,104.50** for the participation of SMMES and Co-operatives particularly in Clothing & Textile in the market access platform at

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the East Coast Radio House and Garden Show 2023 that is scheduled to take place from 1 to 9 July 2023 at the Durban Exhibition Centre.

2. BACKGROUND

- 2.1 The East Coast Radio (ECR) House & Garden Show is KwaZulu-Natal's biggest Home & Lifestyle Consumer exhibition event that has been able to attract around 80,000 visitors annually. Offering a unique indoor-outdoor experience, the ECR House and Garden Show is the longest standing show of its kind in the area and has become a must attend event.
- 2.2 This is a 10-day event that boasts over 30,000 sqm of show space with over 500 exhibitors including leading brands, lifestyle products, home furnishings and accessories, gardening and outdoor living, food, appliances, home finishes, DIY and much more. The key feature attractions are also created specifically for each show.
- 2.3 H&G Exhibition Partnership has been over the years been able to secure partnership with one of the biggest KZN's radio stations, East Coast Radio (ECR) and ECR has been supporting the House and Garden Show with a guaranteed media value, as well as endorsement by ECR DJ's. Other marketing efforts include local newspaper advertising, an extensive outdoor campaign, a comprehensive digital strategy and a heavy-weight of PR focus with a total marketing value estimated to be more than R10 million.
- 2.4 The ECR House & Garden show has established itself as a must attend event, that has attracted visitors and exhibitors from outside of the KwaZulu-Natal Province and that also boosts tourism and the economy of the City of eThekweni and the province as a whole.
- 2.5 Durban being the second biggest economy and contributor to the Gross Domestic Product (GDP) of the country, and that alone assists the SMMEs



and Cooperatives to be able to play the meaning role in the province's economic growth.

3. LINKAGES TO STRATEGIC GOALS AND OBJECTIVES

3.1 The Strategic goals and objectives of Enterprise Development is to co-ordinate the support and development of sustainable Small Medium Micro Enterprise's (SMMEs) & Co-operatives, including social enterprise, that contribute to the growth and development of the economy of the Province of KwaZulu-Natal.

4. REASON FOR DEVIATION

4.1 The SMME/Co-operatives sector faces a number of challenges ranging from but not limited to:

- 4.1.1 Business formation advise;
- 4.1.2 Lack of information on market trends and development;
- 4.1.3 Business management skills and training;
- 4.1.4 Trade and commercial information;
- 4.1.5 Company Audits, assessments and technical support;
- 4.1.6 Business coaching and mentorship;
- 4.1.7 Market access and business linkages; and
- 4.1.8 Financial Literacy



- 4.2 The ECR House and Garden Show will be able to assist these SMMEs and Co-operatives to be able to gain market access for the products and services they are offering to the market. Participation at the ECR House and Garden Show will also assist them to learn new trends for the markets for their growth and development, and be able to participate meaningfully to the economic activities of the province and a country as whole.
- 4.3 As cited and alluded in the preliminary paragraphs that ECR House and Garden Show is the KZN's biggest Home & Lifestyle Consumer Exhibition event attracting around 80,000 visitors and participants annually.
- 4.4 It is a common cause that government, inter-alia, utilizes the procurement of goods and services as a tool to achieve its mandate in line with the Supply Chain Management prescripts and frameworks. However, due the nature of the services that are required for the participation of the SMMEs and Co-operatives at the ECR House & Garden Show, it makes its very difficult to procure the services of H&G Exhibition Partnership using the normal procurement processes.
- 4.5 Due to the nature of the ECR House and Garden Show, it is highly impractical to follow the normal quotation process since H&G Exhibition Partnership are the owners and thus the sole service provider of the ECR House and Garden Show event, and there is no any other service provider that have rights to coordinate and manage the House and Garden Show.
- 4.6 Hence approval is sought from Accounting Officer to deviate from the normal procurement processes and appoint H&G Exhibition partnership as a sole service provider for the provision of exhibition space and associated infrastructure including marketing and communication requirements.
- 4.7 Herewith also attached is the statement of exclusivity and sole supplier status letter from H&G Exhibition Partnership confirming that, they are the sole

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supplier and service provider that have exclusive rights to the East Coast Radio House & Garden Show that is scheduled to take place from 1 to 9 July 2023 at the Durban Exhibition Centre.

5. LEGAL FRAMEWORK

SCM INSTRUCTION NOTE 3 OF 2021/2022 ENHANCING COMPLIANCE, TRANSPARENCY AND ACCOUNTABILITY IN SUPPLY CHAIN MANAGEMENT

Deviation from Normal Bidding Processes

If in a specific case it is impractical to invite competitive bids, the AO/AA may procure the required goods and services by other means, provided that the reasons for deviating from competitive bids must be recorded and approved by the AO/AA.

Other means include

- (a) Limited bidding
- (b) Written price quotations within the threshold determined by National Treasury Instructions; and
- (c) Procurement that occurs in emergency situations and urgent cases

Treasury Regulation 16A 6.4

"If in a specific case it is impractical to invite competitive bids, the Accounting Officer or Accounting Authority may procure the required goods or services by other means, provided that the reasons for deviating from inviting competitive bids must be recorded and approved by the Accounting Officer or Accounting Authority."

6. SERVICE PROVIDER DETAILS

Name:	H & G EXHIBITION PARTNERSHIP
CSD number:	MAAA1328155
BBBEE Status of the Supplier:	Level 4 (100% BBBEE Procurement Recognition Level)
Tax Status:	Tax Compliant
Vat Registration No.:	4950275216
State Employee (Yes/No):	No
Tender Default Register (Yes/No):	No

7. FINANCIAL IMPLICATIONS

8.1 The expenditure for the required services and appointment of H&G Exhibition Partnership for the participation of the identified SMMEs and Co-operatives has been budgeted for under Branch: Integrated Economic Development Services; Programme 2: Enterprise Development – Co-operatives Area 1 for the financial year 2023/24; under Item: Exhibitions.

8.2 The total estimated cost for the procurement of H&G Exhibition Partnership services of will not exceed R738,104.50 which includes exhibition for 30 SMMEs and Co-operatives to participate at the House & Garden Show for the period of ten (10) days, including the exhibition stands and other temporary facilities and equipment's required for the exhibition.

Item	Description	Amount
1	Exhibition for 30 SMMEs and Co-operatives to participate at the House & Garden Show for 10 days for stand rental	Hall 206 x Floor Space Only @ R2,250 ea 206 x Package @ R525 ea 56 x Shelving @ R290 ea 56 x Chairs @ R220 ea 28 x Tables @ R485 ea Outdoor 10 x Floor Space (Discounted) @ R0 ea 40 x Floor Space @ R655 ea 2 x Plug Points @ R920 ea
Total Estimated Cost		R738,104.50



8. COMPULSORY DOCUMENTS TO BE ATTACHED TO THIS SUBMISSION

- Annexure A –** Specifications
- Annexure B –** Quotations from Service Provider
- Annexure C –** Confirmation of Sole Service Provider Letter
- Annexure D –** Site Layout and Design of Exhibition Spaces
- Annexure E –** SBD4 – Bidders Disclosure Form

9. ADMINISTRATION AND PROCESS SIGN OFF

NAME	ROLE	SIGNATURE	DATE
Sihle Mazibuko	Project Leader	Signed by: Leocardia Sihle Mazibuko Signed at: 2023-06-09 05:59:36 +02:00 Reason: APPROVED 	08/06/23
Sinegugu Hlela	Acting Chief Director	Signed by: Sinegugu Hlela Signed at: 2023-06-12 11:59:22 +02:00 Reason: I approve this document 	12/06/23
Dharshini Raichund	Director SCM	Signed by: Dharshini Raichund Signed at: 2023-06-12 12:14:31 +02:00 Reason: I approve this document 	12/06/23
Khaya Mthethwa	CFO	Signed by: Khayelihle Njabulo Mthethwa Signed at: 2023-06-14 07:54:17 +02:00 Reason: I approve this document 	14/06/23

10. APPROVAL BY HEAD OF DEPARTMENT

12.1 To request approval from the Head of Department to deviate from normal Supply Chain Management processes in line with Treasury Regulation 16A 6.4 and SCM Instruction Note 3 of 2021/2022 – Enhancing compliance to award a contract to H&G Exhibition Partnership being a sole service provider for an amount of R738,104.50 for the participation of SMMEs and Co-operatives particularly in Clothing & Textile in the market access platform at the East Coast Radio House and Garden Show 2023 that is scheduled to take place from 1 to 9 July 2023 at the Durban Exhibition Centre.

NAME	ROLE	SIGNATURE	DATE
Nhlakanipho Nkontwana	Head of Department	Signed by: Brightboy Nhlakanipho Nkont Signed at: 2023-06-14 14:26:17 +02:00 Reason: I approve this document 	14/06/23

Comments

Ensure adherence to SCM.