

**public works**

Department:  
Public Works

REPUBLIC OF SOUTH AFRICA

**PRESENTATION TO : AMC**

**BRANCH NAME : SCM**

**PRESENTER : VUYILE BALISO – DD: SCM**

**SUBJECT : DEVIATION REPORT FOR THE PERIOD  
ENDING AUGUST 2018**

**DATE : 31 AUGUST 2018**



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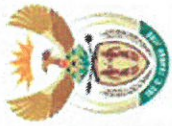
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3. Count of all deviations request submitted to National Treasury (NT) at 31 August 2018
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## BACKGROUND

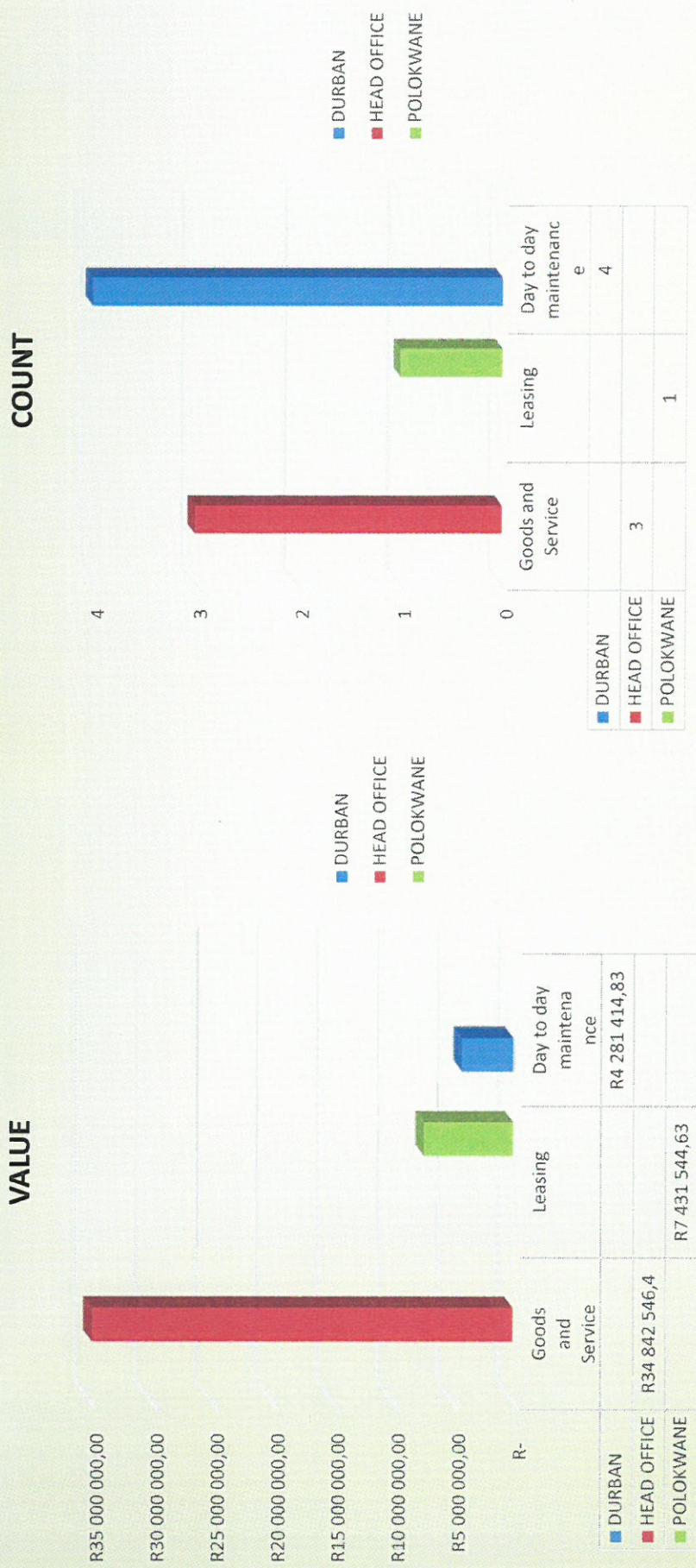
- ❑ SCM Circular 24 of 2017 approved on 18 August 2017 articulated institutional arrangements and processes for managing of deviations within the Department.
- ❑ Accordingly deviations are recommended by NBAC and sent to National Treasury who support / not support them.
- ❑ The supported ones are then approved by the AO or delegate
- ❑ Deviations not supported by NT are not processed by the department .



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# REPORTED DEVIATIONS PER CATEGORY, VALUE AND COUNT AS AT 31 AUGUST 2018



**This graph highlights 8 reported deviations to National Treasury to the value of R46 555 505,91 recommended by the Departmental Bid Adjudication Committee (See attached register)**



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# REPORTED DEVIATIONS PER CATEGORY, VALUE AND COUNT AS AT END AUGUST 2018



This graph highlights 19 requested deviations to National Treasury and are as follows;

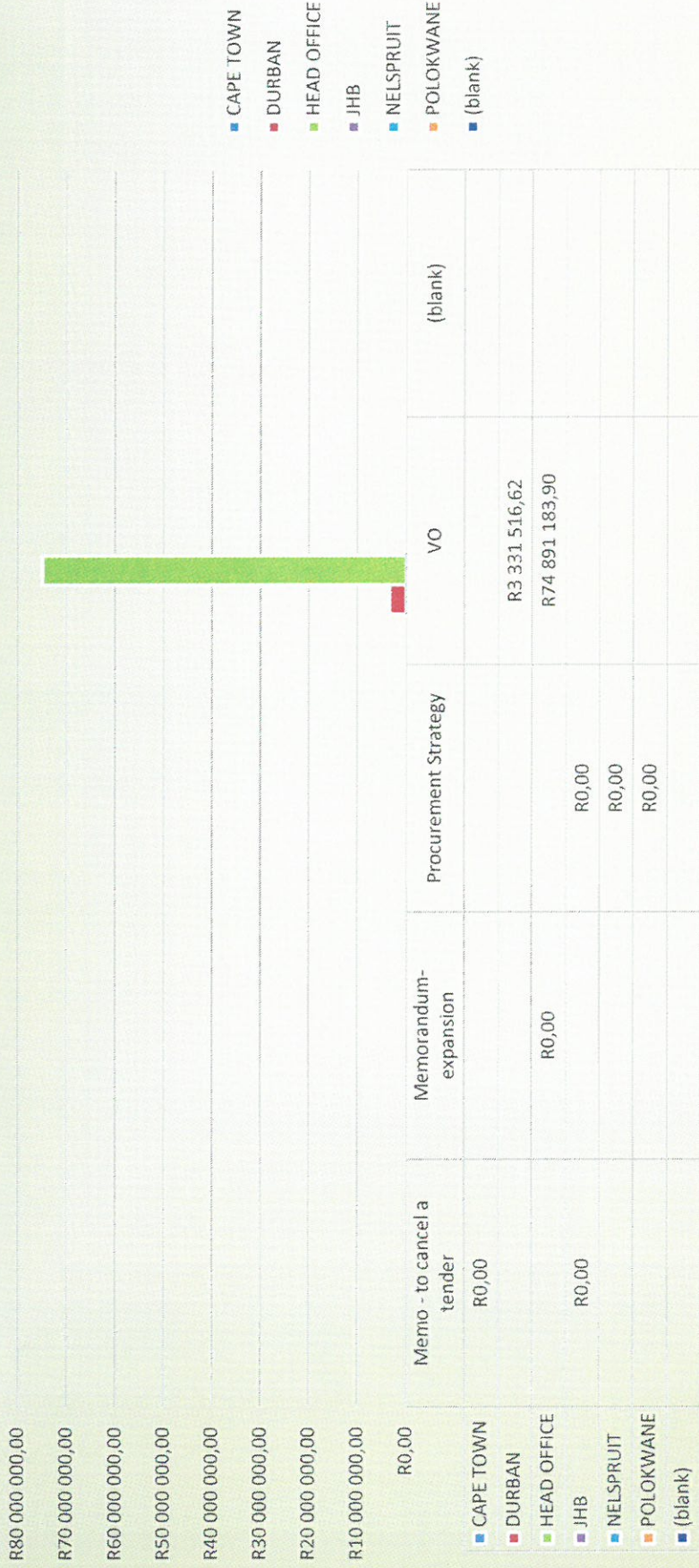
- Cancellation with no value – 09
- Expansion – 01
- Variation order - 03
- Strategies without values – 06
- Note: only 09 was supported by NT out of 19. All deviations not Supported were not processed,



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# REPORTED DEVIATIONS PER CATEGORY AND VALUE AS AT 31 AUGUST 2018



This graph highlights 19 requested deviations to National Treasury and are as follows;

- Cancellation with no value
- Expansion without Value
- Variation order - Only one (1) VO to the value of R 3 130 589,13 was supported by NT out of three (3) VO totalling R78 222 700,52. All not supported were not processed
- Strategies without values



## PROGRESS MADE TO REDUCE DEVIATIONS

- ❑ The Department has established term Contracts for the State Funerals, State Visits and Cabinet Lekgotla due to the impracticality of going out on open tender.
- ❑ Any deviation in excess of the prescribed threshold will only be allowed in exceptional cases subject to prior written approval from the relevant Treasury.



# RECOMMENDATION

- AMC IS REQUESTED TO NOTE THE:**
- DEVIATION REPORT ENDING 31 August 2018,**



## DEVIATIONS REQUESTS SUBMITTED TO NATIONAL TREASURY AT 31 AUGUST 2018

NO	REF NO	OFFICE	TENDER NO	DESCRIPTION	Project Manager	RECOMMENDED BY:	DATE RECOMMENDED:	DATE SUBMITTED TO NATIONAL TREASURY	TYPE OF A SUBMISSION	SERVICE PROVIDER	ORIGINAL TENDER AMOUNT	AMOUNT OF THE CURRENT VOICE	PROCUREMENT PROCEDURE	MTAGSA DECISION	DATE OF RESPONSE BY NT	DATE COMMUNICATED TO THE END USER
1		CAPE TOWN	CPT100818	Vunithiyandop & Vredendal: DCS: Klawer and Vredendal SAPS: Facilities for disabled people, rectification of cancellation of tender	Mr Heinrich Smith	NBAC	2-May-18	14-May-18	Memo - to cancel a tender	N/A	R	R	Open	Supported	25-Jul-18	27-Jul-18
2		CAPE TOWN	CPT100817	Rondebosch, Groote Schuur Estate, Infrastructure Upgrade	Mr RCG Langhans	RBAC	18-Apr-18	15-May-18	Memo - to cancel a tender	N/A	R	R	Open	Supported	13-Aug-18	13-Aug-18
3		JHB	JHB17133	Department of Correctional Services, Modderbee Prison, Operation, repair and maintenance of coal fired boilers, clarifiers and steam pipe lines for a total of 12 boilers	Mr Alpheus Thulare	RBAC	6-Mar-18	15-Jun-18	Memo - to cancel a tender	N/A	R	R	Open	Supported	7-Sep-18	7-Sep-18
4		JHB	JHB17116	DCS: Bronhof Prison: Repairs and maintenance of electrical and mechanical installations	Mr Steven Matlakanyane	RBAC	27-Mar-18	15-Jun-18	Memo - to cancel a tender	N/A	R	R	Open	Additional information was requested	26-Jun-18	26-Jun-18
5		JHB	JHB17112	48 Finnerl Street: Workshop refurbishment for ICT Disaster Recovery	Mr Jeremiah Venter	RBAC	8-Feb-18	18-Jun-18	Memo - to cancel a tender	N/A	R	R	Open	Additional information was requested	29-Jun-18	29-Jun-18
6	4/2/2/2/2/4/C00	JHB	JHB17114	DCS: Diepkloof Prison: Repairs and maintenance of electrical and mechanical installations	Mr Mangal Phatodi	RBAC	15-Jun-18	28-Jun-18	Memo - to cancel a tender	N/A	R	R	Open	Not supported	20-Jun-18	20-Jun-18
7		HEAD OFFICE	H16079	Traneen Correctional Services: Replacement of Temporary Prison with a facility for 484 inmates including security fence and sportfield	Mr Shuman Lidoho	VOC	17-May-18	12-Jun-18	VO	Musan Trading Enterprise CC	R 37,445,591.95	R 10,625,328.40	Open	Not supported	20-Jun-18	20-Jun-18
8	4/2/2/2/4/V00	HEAD OFFICE	H16079	Additional accommodation requirement: completion contract	Mr Shuman Lidoho	VOC	17-May-18	4-Jul-18	VO	Musan Trading Enterprise CC	R 37,445,591.95	R 3,130,599.13	Open	supported	13-Sep-18	13-Sep-18
9		POLOKWANE	NELSPRUIT	Additional accommodation requirement: completion contract	Mr ER Kgopa	NBAC-L	6-Dec-17	8-Dec-17	Procurement Strategy	Ames Family Property Holding Trust	R	R	Negotiated	Supported with conditions that the rates be set above the market rates	14-Dec-17	14-Dec-17
		JHB	NELSPRUIT	Labour	Mr N Nkwamendo	NBAC-L	3-Apr-18	12-Apr-18	Procurement Strategy	Movent Business Group	R	R	Negotiated	Not supported	16-Apr-18	16-Apr-18
		CAPE TOWN	CPTL00717	KwaMhanga Department of Home Affairs: Acquisition of Office accommodation, measuring 673.25m2 and 05 parking bays	Mr N Mbele	NBAC-L	22-May-18	23-May-18	Procurement Strategy	Physical Department of Public Works	R	R	Negotiated	Additional information was requested	26-Jun-18	26-Jun-18
		NELSPRUIT	PS00116	SASSA: Maintenance and repair of a generator (non-responsible) cancellation of tender	Mr C Celesto	NBAC-L	13-Jun-18	14-Jun-18	Memo - to cancel a tender	N/A	R	R	Open	Additional information was requested	2-Jul-18	2-Jul-18
		NELSPRUIT	PS00216	KABOKWENI: To procure Kabokweni High Site for a period of 9 years and 11 months: SAPS	Mr Andiswa Fliot	NBAC-L	19-Jun-18	26-Jun-18	Procurement Strategy	Kabokweni High Site	R	R	Negotiated	Not supported	29-Jun-18	29-Jun-18
		HEAD OFFICE	PS00216	Request for Approval Procurement Strategy (Negotiated Procedure)	Mr N Mbele	NBAC-L	26-Jun-18	28-Jun-18	Procurement Strategy	Molamo Tribal Authority	R	R	Negotiated	Supported	2-Jul-18	2-Jul-18
		JHB	4/2/2/2/4-PS00318	MATSAMO: Acquisition of office accommodation, measuring 126.83m2 and 04 parking bays for the Department of Home Affairs for the period of 24 months	Mr R Matlala	NBAC-L	21-Jun-18	22-Jun-18	Memo and Disapproval	N/A	R	R	Negotiated	Supported	26-Jun-18	26-Jun-18
		CAPE TOWN	OPTSC012/17	Request for approval for expansion of more than 15% for the acquisition of additional accommodation for the Department of Justice and Constitutional Development for Judicial Commission into allegations on	Mr N Nkwamendo	RBAC	19-Jun-18	19-Jul-18	Procurement Strategy	Emfuleni Municipality	R	R	Negotiated	Supported	25-Jul-18	25-Jul-18
		JHB	JHB17124	Request for approval to deviate from the Normal Procurement process and procure New Lease via negotiated procedure for the Department of Labour in Matieland Thesoro Center, Evelyn	Mr Gary Bunnell	RBAC	5-Dec-17	6-Aug-18	Memo - to cancel a tender	N/A	R	R	Open	Additional information was requested	13-Aug-18	13-Aug-18
		JHB	JHB17124	Repairs of Electrical HT Transformers, Mini-Substation and Switchgears to various areas within the jurisdiction of Johannesburg Regional Office for the period of 24 months	Mr Azwangwela Madau	NBAC	22-Aug-18	6-Sep-18	Memo - to cancel a tender	N/A	R	R	Open	Additional information was requested	11-Sep-18	11-Sep-18
		DURBAN	DBN 1604/15	conditioning and ventilation system WCSB 044407	Mr Mzwandile Dube	VOC	30-Aug-18	30-Aug-18	VO	Mehoo Engineering Services	R 3,331,516.02	R 733,182.01	Open	Not supported	11-Sep-18	11-Sep-18

# REPORTED DEVIATIONS AS

No	REF NO:	OFFICE	Tender Description	COMMODITY	PROJECT MANAGER	SERVICE PROVIDER	TENDER NUMBER	Date of Letter of Acceptance	REPORTED TO AGSA/NT	DATE SENT TO NATIONAL TREASURY AND AUDITOR-GENERAL (Must be within 10 days of Award)	SUPPORTING DOCUMENTS	PROCESSED TURNAROUND TIME (Letter of acceptance date less date sent to NT & AGSA)	Number of non working days	Turnaround Time to report to National Treasury & AGSA
1		HEAD OFFICE	The Procurement of Orlando Stadium for the memorial and special official funeral for the late Mama Winnie Madikizela Mandela	Goods and Service	Mr Basie Kgasoane	Stadium Management Company of South Africa	N/A	10-Apr-18	NT	15-Apr-18	Yes	6	2	4
2		POLOKWANE	Limpopo Province Tzaneen: 06 Kew Street: Procurement of alternative accommodation for 702.68m <sup>2</sup> with 10 parking bays, 500 litres of water tanks and standby generator using negotiated procedure: Department of Labour	Leasing	Mr ER Kgopa	Anver Family Property Holding Trust	11PLN19/01	16-May-18	AG	16-May-18	Yes	0	0	-
3		DURBAN	Service, repair and replacement of fire equipment at Med C, U Centre female and youth school that was long over due	Day to day maintenance	Mr Ssongiseni Nxumalo	Fire Check	DUR/1017-116575/CEM-1607	23-Oct-17	NT	8-Jun-18	Yes	228	72	156
4	4/2/2/2/4-AW001/18	DURBAN	Replacement of the hangar roof/IBR sheetings and fire glass sheets	Day to day maintenance	Ms S Gumede	Osolwazi Trading Pty Ltd	DUR/0817/115814-DE-1987	24-Aug-17	NT	8-Jun-18	Yes	195	93	102
5	4/2/2/2/4-AW002/18	HEAD OFFICE	Appointment of a Microsoft Licencing Solution provider for a period of 36 months	Goods and Service	Ms L. Nkedi	First Technology National (Pty) Ltd	HP18/001	12-Jun-18	AG	8-Aug-18	Yes	31	16	15
6	4/2/2/2/4-AW003/18	DURBAN	Replacement of the blown off asbestos roof sheeting. (Reference number: DUR/1017/116773 - DE- 2078.	Day to day maintenance	Ron A Singh	Sodubos Trading Enterprise	DUR/1017/116773-DE-2078	18-Dec-17	NT	16-Aug-18	Yes	160	77	83
7	4/2/2/2/4-AW004/18	DURBAN	Replacement of the blown off asbestos roof sheetings. (Reference number: DUR/1017/116776 - DE- 2080.	Day to day maintenance	Ron A Singh	Sinohase Investments	DUR/1017/116776-DE-2080.	19-Dec-17	NT	20-Aug-18	Yes	161	79	82
8	4/2/2/2/4-AW005/18	HEAD OFFICE	Renewal of PMIS Software Licences for a period of 24 months	Goods and Service	Ms Ruth Ramtiroko	Equisystems CC	H18/007GS	28-Aug-18	NT	7-Sep-18	Yes	8	2	6

## AT: April to September 2018

Legislated timeframe for reporting to NT	If not reported within 10 days of prescribed time frames <b>Provide reasons</b> .	REPORTING MONTH	AMOUNT	PROCUREMENT STRATEGY / PROCEDURE	DIVISION	Client Department for PMTE	Reason for the Deviation	Consequence Management (Provide action/corrective measures initiated and taken against official(s) for non compliance to the reporting timelines.	Notes
10	N/A	April	R 2,890,471	Negotiated	PMTE	DPW	Single Source	N/A	None
10	N/A	May	R 7,431,545	Negotiated	PMTE	Department of Labour	Urgent	N/A	None
10	Delay in submitting the quantified invoices in order to determine the exact amount for reporting	June	R 1,041,225	Negotiated	PMTE	DPW	Emergency	Warning Letter issued to Regional Manager	None
10	Delay in submitting the quantified invoices in order to determine the exact amount for reporting	June	R 1,041,225	Negotiated	PMTE	Correctional Services	Emergency	Warning Letter issued to Regional Manager	None
10	Late Feedback reporting to SCM after award.	August	R 30,000,000	Nominated	PMTE	DPW	Single Source	As a corrective measure, Legal Service Unit to copy SCM when issuing LOAs.	Feedback received late to SCM hence the reporting was delayed.
10	Delay in submitting the quantified invoices in order to determine the exact amount for reporting	August	R 1,012,361	Negotiated	PMTE	SANDF	Emergency	Warning Letter issued to Regional Manager	None
10	Delay in submitting the quantified invoices in order to determine the exact amount for reporting	August	R 1,186,605	Negotiated	PMTE	SANDF	Emergency	Warning Letter issued to Regional Manager	None
10	N/A	September	R 1,952,076	Negotiated	PMTE	DPW	Sole Proprietor	N/A	Still awaiting NT