



# **national treasury**

Department:

National Treasury

**REPUBLIC OF SOUTH AFRICA**

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**Ref: 43/1/2/5/1**

Adv. Sam Vukela  
The Director General  
Department of Public Works  
Private Bag X65  
**PRETORIA**  
0001

**Email:** [Xolani.Makhonco@dpw.gov.za](mailto:Xolani.Makhonco@dpw.gov.za) or [Busisiwe.Skhosana@dpw.gov.za](mailto:Busisiwe.Skhosana@dpw.gov.za)

Dear Adv. Sam Vukela

## **REPORTING: DEVIATION FROM THE COMPETITIVE BIDDING PROCESS: APPOINTMENT OF SODUBOS TRADING ENTERPRISE**

1. The National Treasury acknowledges receipt of your letter dated 16 August 2018.
2. Your department is reporting deviation from the normal procurement process to appoint Sodubos Trading Enterprises through the emergency procurement process for the replacement of the blown off asbestos roof sheeting's at the Merebank Military Base , building 219 in Durban in the amount of R1 012 360.52 and the work was done towards the end of October 2017.
3. The deviation report was recommended by the Regional Bid Committee on 31 July 2018.
4. The reason for the deviation is emergency procurement. The asbestos roof sheeting was blown off and needed to be replaced.
5. The reason provided is not justifiable. The asbestos roof sheets were damaged on 13 October 2017 and the contractor was appointed on 18 December 2017.
6. National Treasury notes the deviation.
7. The report was not submitted within the prescribed ten (10) working days.
8. The department has an obligation to ensure that any contract for goods and services is in accordance with a system that is fair, equitable, transparent, competitive and cost – effective.
9. This award must be published on the e-tender portal/tender bulletin.

Kind regards,

**SOLLY TSHITANGANO**

**CHIEF DIRECTOR: SCM GOVERNANCE, MONITORING AND COMPLIANCE**

**DATE: 27/8/2018**

**CC: AUDITOR-GENERAL OF SOUTH AFRICA**



**public works**

Department:  
Public Works  
REPUBLIC OF SOUTH AFRICA

**SUPPLEMENT TO THE DEVIATION REPORT IN TERMS OF  
TREASURY REGULATIONS 16A6.4 AND PRACTICE NOTE NO.6 OF  
2007/08**

**TO: National Treasury and Auditor General**

**FROM: National Department of Public Works  
Supply Chain Management**

**TEL: 012 406 1864**

**REF NO: 4/2/2/2/4-AW003/18**

**Description of goods & Service and the name of the Service Provider**

**Service Description**

Replacement of the blown off asbestos roof sheeting. (Reference number:  
DUR/1017/116773 - DE- 2078.

**Service Provider : Sodubos Trading Enterprise.**

**Site : Merebank Military Base. Building 219.**

**Brief background**

- Site name is at Merebank Army base located in KZN under Durban Regional Office.
- Average staff in the whole premises are approximately 700.
- Area of defect as logged by the end user Client Ms.H.Orffer dated 13/10/2017.
- The defect is logged to replacement of the blown off asbestos roof sheets.
- This task was undertaken by the contractor (Sodubos Trading Enterprise )
- The site abnormalities became so unbearable to both the client and Site Managers that the service was treated as an emergency during October 2017 because of the storm that hit the area.
- SCM recommended that this service to be carried out as an emergency.

## FINANCIAL IMPLICATIONS

The Contractor quoted the final amount of R 1 012360.52 inclvat

## Procurement method applied and the reasons for deviating from normal procurement processes

### Procurement method:

Emergency procurement process was done towards the end of October 2017 for the same service.

### Reasons

The damages to the Asbestos roof sheets was classified as very critical during October and November 2017 for the daily operations of the army in order to perform duties and provide the services to the state .

Normal Tender processes would take considerably too long time to complete.

Approved by:

Acting CD: SCM:

Date:

  
D. L. KOTA  
2018-08-16

CC: Auditor-General



## public works

Department:  
Public Works  
REPUBLIC OF SOUTH AFRICA

### SUPPLEMENT TO THE DEVIATION REPORT IN TERMS OF TREASURY REGULATIONS 16A6.4 AND PRACTICE NOTE.6 OF 2007/08

**TO:** NATIONAL TREASURY AND AUDITOR GENERAL

**FROM:** NATIONAL DEPARTMENT OF PUBLIC WORKS  
SUPPLY CHAIN MANAGEMENT

**TEL:** 012 406 1864

**REF:** 4/2/2/2/4-C005/18

#### DESCRIPTION OF GOODS & SERVICES AND THE NAME OF THE SUPPLIER INVOLVED

Renewal of PMIS Software Licences for a period of 24 months (SOLE PROPRIETOR)

**SUPPLIER INVOLVED:** Equisystems CC

#### BRIEF BACKGROUND

DPW/ PMTE is using the Property Management Information System (PMIS) Legacy Software for managing immovable assets. The Department is in the process of rolling out a new ERP system but requires to keep the Legacy PMIS available before the rollout and afterwards for reporting and auditing purposes.

Equisystems CC is the sole provider of PMIS software. Therefore this is a negotiated procedure with the sole provider.

## FINANCIAL IMPLICATIONS

The cost of the renewal of licences for a period of 24 months is **R1 952 075.55**

## PROCUREMENT METHOD APPLIED AND THE REASONS FOR DEVIATING FROM THE NORMAL TENDERING PROCESS

**Procurement method:** Negotiated Procedure


Reasons for deviating:

The service provider is a sole source providing such licences. The award was approved by the Department's National Bid Adjudication Committee as per the attached **Annexure A**.

Approved by:

Acting DDG SCM:

Date: 7/9/18



R. NAIDOO