



a world class African city

**TO ALL : HEADS OF DEPARTMENTS  
: SCM PRACTITIONERS OF USER DEPARTMENTS  
: PROJECT MANAGERS OF DEPARTMENTS**

**SUPPLY CHAIN MANAGEMENT PRACTICE NOTE FOR DEVIATIONS 1/2021**

**1. PURPOSE**

The purpose of this Practice Note is to provide guidance to Heads of Departments, SCM Practitioners of the City’s user departments of the procedure to be followed when compiling and submitting Deviation reports to the Executive Adjudication Committee (EAC) for consideration and possible approval by the Accounting officer.

**2. BACKGROUND**

Group Strategic Supply Chain Management is committed to ensure that all procurement through Deviations fully complies with the provisions of the Municipal Supply Chain Management Regulation 36.

This practice note seeks to address the continuous use, described as abuse, of Deviations as a method of procurement of goods and services in the City. This has been prompted by the increasing number of Deviations declared as non-compliant with Regulation 36 and therefore classified as irregular by the Auditor General (AG).

The City’s Supply Chain Management Policy, read with the Supply Chain Management Regulations and circulars issued by National Treasury allows the Accounting Officer to dispense with the official procurement processes to procure any required goods and services in the following circumstances

**1. In an emergency**

- An emergency is any instance where the available time frame renders it impossible to follow normal procurement processes. Please note that the procurement must not be due to procrastination or poor planning that leads to a situation being declared an emergency will result in the subsequent deviation being classified as irregular.
- **Emergency means an unexpected or sudden event that must be dealt with urgently as the situation may give rise to the interruption of municipal services (essential or otherwise) that may possibly result in:**
  - Threats to human lives or safety
  - An increase in human suffering;
  - a negative impact on human rights;
  - damage to property;
  - suffering or death of Animals;
  - damage to the environment
  - the Municipality incurring significant expense; or



a world class African city

o **A compromise to the Security of the State.**

- **True emergencies:** Unforeseen circumstances that could not have been planned for requiring immediate action to avoid material loss of assets or service delivery to avoid a dangerous or risky situation or misery.
- A self-created emergency as a result of **poor planning** does not qualify.
- **Induced emergency:** A situation requiring immediate action to avoid material loss of assets or service delivery, which could have been avoided through planning or preventative action. Any instance where **a process runs out of time**, thus requiring immediate action, does not constitute a 'true emergency' and may be regarded as irregular.

**2. Single provider ( Sole Service Provider)**

- a. Products, works or services can be supplied only by a particular supplier and no alternative or substitute exists.

Original Equipment Manufacturers

- o A change of Supplier would compel the City to obtain spare parts or additional equipment or services that were obtained from the original manufacturer
- o Changing the source or type of materials such as chemicals lubricants or fuels would necessitate the complete exchange of material due to incompatibility of materials from different sources

Existing Contracts

- o At times additional products, works or services which were not in the initial contract become necessary in order to complete the plant, complex system or product. Separation of these requirement from the original will be impractical to achieve the envisaged deliverables due to technical reasons.

User preferences

- o This may only be considered as sole supplier situation for standardization of requirements within the prescribed functional processes.

**3. Special works of Art or Historical objects**

**4. Animals for the Zoo and**

- 5. In exceptional cases** where it is impractical or impossible to follow the normal procurement processes.

**For example:** Security or confidentiality- These instances occur where the security or confidentiality of a matter is so sensitive that following the normal procurement processes may compromise the security or confidentiality of the requirement.

**NB: Poor planning, delays in the procurement process and lack of sound contract performance management are not reasons accepted as EXCEPTIONAL CASES for any deviation.**



a world class African city

### 3. PROCEDURE TO BE FOLLOWED WHEN DEALING WITH DEVIATIONS

All deviation reports must, before being submitted to Executive Adjudication Committee for consideration and possible approval by the Accounting Officer, be accompanied by WRITTEN comments solicited from the following departments:

3.1 Group Finance Budget to confirm budget availability and expenditure to date.

**The following are contact details of the responsible person:**

Name & Surname	Designation	Contact details	Location	Duration
Ntuthuzelo April	Director: Group Budgeting	Tel: 011 358 3557 Email: <a href="mailto:NtuthuzeloA@joburg.org.za">NtuthuzeloA@joburg.org.za</a> 0813529394	13 Floor, 66 Jorissen Street, Jorissen Place, Braamfontein, 2001	1 Day only

- a. Group Strategic Supply Chain Management to confirm reasons for deviation in line with MFMA Regulations 36, how the contract was sourced from the inception stage and check the number of times a particular contract has been approved through a deviation.

**The following are contact details of the responsible person:**

Name & Surname	Designation	Contact details	Location	Duration
Moleboge Motsoetla	Manager: Risk and Compliance	Tel: 011 407 6296 Email: <a href="mailto:Molebogem@joburg.org.za">Molebogem@joburg.org.za</a> 0716082134	15 <sup>th</sup> floor, 158 Civic Boulevard, Braamfontein, 2001	1 Day only

- b. Group Legal and Contracts to confirm legality of deviation.

**The following are contact details of the responsible person:**

Name & Surname	Designation	Contact details	Location	Duration
Nicole Das Neves	Acting Director: Group Legal	Tel: Email: <a href="mailto:NicoleD@joburg.org.za">NicoleD@joburg.org.za</a> 0835110162	3 <sup>rd</sup> floor, 158 Civic Boulevard, Braamfontein, 2001	1 Day only

The deviation report must be sent to the three departments **at the same** and allow for a maximum of 3(three) days for provision of comments that must be attached to the deviation report to be submitted to EAC.

Proof of submitting to the 3(three) departments must also be annexed to the report.



a world class African city

City of Johannesburg  
Office of the City Manager

2<sup>nd</sup> Floor CCW  
Metropolitan Centre  
158 Civic Boulevard  
Braamfontein

PO Box 1049  
Johannesburg  
South Africa  
2000

Tel +27(0) 11 407 7300  
Fax +27(0) 86 719 6338

[www.joburg.org.za](http://www.joburg.org.za)

#### 4. APPLICATION OF THE PRACTICE NOTE AND EFFECTIVE DATE

This Practice Note is applicable to all Departments and takes effect immediately.

#### 5. CONTACT INFORMATION

Enquiries related to this Practice Note should be directed to:

Name & Surname	Designation	Contact details	Location
Bongani Mntambo	Group Head: GSSCM	Tel: 011 407 6304 Email: <a href="mailto:BonganiMn@joburg.org.za">BonganiMn@joburg.org.za</a> 0832972308	15th floor, 158 Civic Boulevard, Braamfontein, 2001

Mr. Floyd Brink  
Acting City Manager  
City of Joburg

20/07/2021

Date