

SUPPLEMENTARY AGENDA II

FINAL COUNCIL MEETING
THURSDAY, 22 OCTOBER 2026

At
10:00

ITEM NO	SUBJECT	PAGE
6.	NEW MATTERS SUBMITTED BY THE ACTING MUNICIPAL MANAGER	
6.16	REPORT TO COUNCIL ON THE DEVIATION APPROVAL BY THE MUNICIPALITY FROM 01 JULY 2026 TILL 30 SEPTEMBER 2026 – 2026/2027 FINANCIAL YEAR	2
9.	ADJOURNMENT	6

6.16

SC16/10/26 REPORT TO COUNCIL ON THE DEVIATION APPROVAL BY THE MUNICIPALITY FROM 01 JULY 2026 TILL 30 SEPTEMBER 2026 – 2026/2027 FINANCIAL YEAR

REPORT FROM THE ACTING DIRECTOR FINANCIAL SERVICES

PURPOSE OF THE REPORT

The purpose of this item submission is to report to Municipal Council on the retrospective deviation approval by the Municipality during the implementation of Supply Chain Management Policy from the 01 July 2026 to 30 September 2026. It is key for Council to note these deviation expenditures, and justifiable/ compelling reasons associated with the approval granted by the Accounting Officer are in line with and in accordance with MFMA and SCM Regulations as guided by the Regulations 36 of MFMA, and in compliance with the Municipal Supply Chain Management Policy and Procedures.

BACKGROUND

During the period between 01 July 2026 and 30 September 2026, the Municipal Manager dispense with supply chain management policies and procedures as guided by the regulations 36 on the emergency basis, sole suppliers and exceptional cases or circumstances. Various appointments were made through deviation totalling **R 59,059,809.46**

- Details of the appointments and the reasons thereof are attached as Annexure A

In light of the above, SCM Regulations 36 prescribed that the Accounting Officer may dispense the official procurement process established by the Municipal SCM policy and to procure any required goods and services through any convenient process, which may include direct procurement on any other exceptional circumstance or case where it is impractical or impossible to follow official procurement process, where it can be demonstrated that goods or services are produced or available from a single source/single provider only, and also on an emergency which is considered an unforeseeable, and sudden event which may be materially harmful or potentially harmful consequences for the Municipality which requires urgent actions.

The policy and regulations prescribed that the Accounting Officer must record reasons for any deviations in terms of sub-section (1)(a) and (b) of the SCM policy and report them to Council and include them as a note in the annual financial statements.

N.B See attached deviation register for more detailed information.

APPLICABLE LEGISLATION AND REGULATIONS

Municipal Finance Management Act and SCM Regulations 36

RECOMMENDATIONS OF THE ACTING DIRECTOR FINANCIAL SERVICES

- [a] That the total of **R 59,059,809.46** deviations expenditure approved by the Accounting Officer from 01 July 2026 to 30 September 2026 for the 2026/2027 Financial year, be noted;

- [b] That the reasons associated with the approval of the deviations in line with the approved Municipal SCM policy and SCM regulations, be approved;
- [c] That the deviation register for the period of 01 July 2026 to 30 September 2026 of the 2026/27 financial year be noted and appropriate recommendations be made where applicable; and
- [d] That the deviations that do not comply to the criteria be recorded as irregular expenditure, since they could not be avoided.

APPENDIX / ADDENDUM

Deviation Register: From 01 July 2026 till 30 September 2026.

File Number: 9/1/2/10

Execution: Acting Director: Financial Services

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Deviation Awards 2026/27

2026/2027

Description of award

The following awards were made during the 2026/27 financial year: 01 July 2026 - 30 September 2026

No.	Company Name	Deviation Number	Description:	Awarded Amount	Variations/Extensions	Award Strategy	Approval date of Municipal Manager	Estimated Date of Completion	Reason	Creditor Number
1	Dephethogo Trading	D001/2026/27	Appointment of security service provider for a period of three months commencing 01 July 2026 until 30 September 2026	R 4 884 293,82		Rate Based - Total amount unknown. Total based on generated orders for the period 01/07/2026 - 30/09/2026. Guarding: C Grade Guard: R 15 545,02 per month; Supervisor Grade B: R 15 545,02 per month; Administrative Costs & overheads incl Grade A: R 62 718,06 per month; Monthly Alarm Monitoring & response: R 1 795,84 per site	2026/07/01	2026/09/30	Exceptional Case	11555
2	Oputentia Financial Services	D002/2026/27	Provision of short-term insurance	R 2 465 466,00		Current insurance tender expires 30 June 2026. The evaluation process was time consuming. Tender in award phase	2026/07/01	2026/08/31	Exceptional Case	11350
3	Ignite Advisory Services	D003/2026/27	Organisation-Wide Performance Management System (PMS)	R 500 000,00		The requested extension is necessitated by the fact that the procurement process for the appointment of a service provider for the provision of organisation-wide performance management system services has commenced but has not yet been finalised.	2026/07/03	2027/07/30	Exceptional Case	5835
4	Syntell (Pty) Ltd	D004/2027/27	Deviation for supply, installation and maintenance of static red light and speed violation cameras and back-room processing services	R 2 987 234,25		To request for approval for the appointment pending the finalization of T20/2024/25. Commencement from 01 July 2026 to 30 September 2026 - Rate based - R195 per paid fine. Total amount as per order generated. Expenditure will be incurred from 1 July 2026	2026/06/30	2026/09/30	Exceptional Case	3860
5	Anila Investment; VTC Supplies and Services; T&F Construction; Aqua Transport Plant Hire	D005/2026/27	Request to allow the department to enter into a direct appointment with the same suppliers and conditions as contained in Tender 17 of 2023/24 until new tender process is finalised	R 13 317 547,51		The deviation will allow the department to continue to provide services to the community and to adhere to the commitments made as part of the Section 154 Support Plan. Rate Based - Total amount unknown - total amount as per orders generated. Expenditure will be incurred from 1 July 2026 - 30 September 2026	2026/06/30	Until new tender is awarded	Exceptional Case	10892, 9599, 9793, 10671
6	Noble Spectatus Fund 4	D006/2026/27	Leasing a portion of erg 711, Krysna (Customer Care Building) for office space (1 July 2026 - 30 June 2027)	R 3 023 099,96		Rental of office space (Customer Care Building)	2026/07/23	2027/06/30	Exceptional Case	9855
7	Africa Skills Village	D007/2026/27	Replacement of a skills provider for the Electrical Apprenticeship program	R 1 856 610,00		Electrical Apprenticeship for 36 months	2026/07/30	2030/07/29	Exceptional Case	8627
8	T Mabuya Investment Holdings	D008/2026/27	Contract Administration and Construction Monitoring and Close-out for upgrade of Bongani Sportfield - Phase 2	R 750 950,00		Appointment of professional service provider to finalise the project	2026/08/26		Exceptional Case	
9	B&V Contractors & Zutari	D009/2026/27	Emergency Repairs to be Executed - Krysna Bigai River Sewerage Pollution	R 2 557 591,38			2026/07/22		Emergency	3341, 10608

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10	George Commercial Tyre Services	D010/2026/27	Supply and deliver of tyre, call outs and puncture repairs	R	419 419,50		Total amount Unknown - Reported amount as per orders generated from 01/07/2026 - 30/09/2026	2026/07/13	2026/10/11	Exceptional Case	10946	
11	GPARM	D011/2026/27	Close protection services	R	3 710 903,02	R	5 610 903,02	Close Protection services for the Executive Mayor & Councillors			Emergency	
12	Various Service providers	D012/2026/28	Extension of current deviation for the construction of low-income houses	R	11 500 000,00				2026/08/19	2026/09/30	Exceptional Case	
13	All Sound Security	D013/2026/28	Close protection services	R	1 138 500,00			Close Protection Services for The Acting Municipal Manager			Emergency	
14	SPEC Corrosion	D014/2026/28	Emergency Bulk Water Supply Project - Knysna Refurbishment of Gouna Pumpstation	R	520 962,98				2026/08/20		Emergency	11778
15	Leadership Academy for Guardians of Government	D015/2026/28	CPD Training	R	47 920,00			Training for Internal Audit Professionals	2026/09/22		Sole Supplier	11808
16	TMT Supplies & Services	D016/2026/29	Appointment of a service provider for the provision of traffic contravention management, back-office processing, static fixed, semi-fixed and mobile speed enforcement, red-light enforcement, ANPR and collection roadblock support services for a maximum period of 120 days or until the commencement of the new long-term contract	R	685 400,00			Provision of traffic contravention management, back-office processing, static fixed, semi-fixed and mobile speed enforcement, red-light enforcement, ANPR and collection roadblock support services	2026/09/29	2027/01/31	Exceptional Case	7257
17	Actom	D017/2026/29	Procure the Eskom's 22kv NECRT	R	714 150,00			Eskom specified that the replacement of the unit must be an Actom make. Actom is the sole provider of the NECRT	2026/09/14	Upon purchase order	Emergency	7155
18	Akura Manufacturing Engineering Company	D018/2026/29	Undertake Emergency repairs at the Knysna transfer station repairs of Auxiliary pump	R	97 747,70			Mechanical failure at the Knysna Transfer Station	2026/09/23	Delivery based on approved order	Emergency	3320
19	Bradley Conradie Halton & Cheddie Attorneys	D019/2026/29	Officer Leading Evidence	R	137 500,00			Full investigation of Municipal Manager	2026/08/20	Upon Finalisation of investigation	Exceptional Case	11742
20	Ultimate Consulting Solutions	D020/2026/30	Presiding Officer	R	200 000,00			Full investigation of Municipal Manager	2026/08/21	Upon Finalisation of investigation	Exceptional Case	11791
21	Autumn Skies	D021/2026/30	Installation of a subsoil drainage system at the Hunters Home Cemetery	R	884 706,50				2026/07/30	2026/09/30	Exceptional Case	5357
22	Deon & Carina Boshoff	D022/2026/38	Leasing a portion of erf 2984, Knysna (Concilium Building 24 Queen Street for office space	R	156 178,72			The provision of suitable office space is required for the Chief: Municipal Health, three Environmental Health Practitioners, one Admin Assistant, reception area, and a designated space for the storage of cleaning materials	2026/09/23	2027/02/28	Exceptional Case	5468
23	Adiodes	D023/2026/39	Khayaletu & Vision Housing projects	R	796 125,40			Professional engineering, construction supervision and certification services	2026/09/09	Upon completion of all units	Exceptional Case	11700
24	Maswana JV	D024/2026/40	Additional planning services for Erf 3339, Homile	R	96 600,00						Exceptional Case	11508

R 53 448 906,44 R 5 610 903,02

Awarded Deviations		
Exceptional Cases	17	R 44 961 131,36
Emergency	6	R 14 360 758,10
Sole Supplier	1	R 47 920,00
Total	24	R 59 059 809,46

9. ADJOURNMENT