



**DISTRICT MUNICIPALITY
UMASIPALA WESITHILI
DISTRIKSMUNISIPALITEIT**

Raadslede	Councillors	Ooceba
Eden Distriksmunisipaliteit	Eden District Municipality	Umasipala Wesithili se Eden
Meneer/Dame	Sir/Madam	Mnumzana/Nkosikazi

20 Oktober / October / kweyeDwarha 2016

Kennis geskied hiermee ingevolge Artikel 29 (2) van die Wet op Plaaslike Regering: Munisipale Strukture, 1998, Wet 117 van 1998, dat 'n **Spesiale Raadsvergadering** van die 2016/2021 termyn van die Eden Distriksmunisipaliteit gehou sal word in die **CA Robertson Raadsaal, Yorkstraat 54, George, op Vrydag, 04 November 2016** om **11:00** ten einde oorweging aan die items soos in die agenda uiteengesit, te skenk.

*Notice is hereby given in terms of Section 29 (2) of the Local Government: Municipal Structures Act, 1998, Act 117 of 1998, that a **Special Council meeting** of the 2016/2021 term of the Eden District Municipality will be held in the **CA Robertson Council Chambers, 54 York Street, George, on Friday, 04 November 2016 at 11:00** to consider the items as set out in the agenda.*

Kukhutshwe isaziso ngokoMhlathi 29 (2) woRhulumente Basekhaya: Umgaqo Wesimo soMasipala, 1998, uMgaqo 117 wango 1998, sokub **intlenganiso Yamashumi Amabini yeBhunga** ka 2016/2021 yoMasipala Wesithili se Eden izakubanjwa **kwiGumbi leBhunga I CA Robertson, 54 York Street, e George ngoLwesihlanu, 04 kweyeNkanga 2016** ngo **11:00** ukuqwalasela imiba ekuluhlu lwengxoxo.

UITVOERENDE BESTUURDER: KORPORATIEWE / STRATEGIESE DIENSTE /
EXECUTIVE MANAGER: CORPORATE / STRATEGIC SERVICES / UMLAWULI
OYINTLOKO: IINKONZO ZOBAMBISWANO

Item	Agenda	Bladsy/ Page/ Iphepha
GENERIC ITEMS / <i>GENERIESE ITEMS</i> / IMIBA ENGUNDOQO		
	OPENING AND WELCOME / <i>OPENING EN VERWELKOMING</i> / UVULO NOLWAMKELO	
DC 40/11/16	APOLOGIES / <i>VERSKONINGS</i> / IZINGXENGXEZO	-
DC 41/11/16	COMMUNICATIONS BY THE SPEAKER / <i>MEDEDELINGS DEUR DIE SPEAKER</i> / UNXIBELELWANO LOSOMLOMO	
DC 42/11/16	COMMUNICATIONS BY THE EXECUTIVE MAYOR / <i>MEDEDELINGS DEUR DIE UITVOERENDE BURGEMEESTER</i> / UNXIBELELWANO LUKA SODOLOPHU	-
DC 43/11/16	COMMUNICATIONS BY THE MUNICIPAL MANAGER / <i>MEDEDELINGS DEUR DIE MUNISIPALE BESTUURDER</i> / UNXIBELELWANO LUKA SODOLOPHU	-
DC 44/11/16	DECLARATION OF INTEREST BY COUNCILLORS AND OFFICIALS / <i>VERKLARING VAN BELANGE DEUR RAADSLEDE EN AMPTENARE</i> / UKUCHAZWA KWENJONGO NGOOCEBA KUNYE NAMAGOSA	-

**ITEMS FROM THE SPEAKER / ITEMS VANAF DIE SPEAKER / IMIBA
EVELA KUSOMLOMO**

DC 45/11/16	<p>REPORT ON THE REPRESENTATION OF COUNCIL ON EXTERNAL BODIES / VERSLAG RAKENDE DIE VERTEENWOORDIGING VAN DIE RAAD OP EKSTERNE LIGGAME / INGXELO NGOKUBANDAKANYEKA KOCEBA / KWIMICIMBI YANGAPHANDLE</p> <p><i>Refer: Report 4/1/2 dated 2016 from the Speaker (Cllr MS Willemse)</i></p>	1 – 5
DC 46/11/16	<p>DELEGATION AND AUTHORIZATIONS DURING COUNCIL'S RECESS PERIOD: DECEMBER/JANUARY 2016/2017 / DELEGASIE EN MAGTIGING GEDURENDE DIE RAAD SE RESES PERIODE: DESEMBER/JANUARIE 2016/2017 / UNIKELO LWAMAGUNYA NGEXESHA LOKUPHUMLA KEWBHUNGA: KWEYOOMNGA/KWEYOMQUNGU 2016/2017 (547144)</p> <p><i>Refer: Report (5/21) dated 12 October 2016 from the Speaker (Cllr MS Willemse)</i></p>	6 – 8

**URGENT MATTERS FROM THE MUNICIPAL MANAGER /
DRINGENDE ITEMS VANAF DIE MUNISIPALE BESTUURDER /
IMIBA ENGXAMISEKILEYO EVELA KUMPHATHI MASIPALA**

	Item on In Committee agenda / Item op In-Komitee agenda	

**ITEMS SUBMITTED FROM THE EXECUTIVE MAYORAL COMMITTEE
/ ITEMS VOORGELê VANAF DIE UITVOERENDE
BURGEMEESTERSKOMITEE / IMIBA ENIKEZELWEYO NEVELA
KUSODOLOPHU**

DC 47/11/16	<p>EXTENSION OF SERVICE LEVEL AGREEMENT OF WORLEY PARSONS FOR THE ESTABLISHMENT OF A REGIONAL LANDFIL FACILITY FOR EDEN DISTRICT MUNICIPALITY / VERLENGING VAN DIENSLEWERINGSOOREENKOMS VAN WORLEY PARSONS VIR DIE VESTIGING VAN 'N STREEK STORTINGSTERREIN VIR EDEN DISTRIKSMUNISIPALITEIT / UKWANDISWA KWABACEBISI KWEZOLABELWANO, ISIVUMELELWANO LOLUNTU/LWABUCALA NGOKUMISELWA KOBUXHAKAXHAKA LWEBALA LENDINGQI LOMASIPALA WESITHILI SE EDEN KUQUKA EZINYE INDELA ZOKUPHATHWA KWENKUNKUMA NGEZOBUCHWEPHESHA (537321)</p> <p><i>Refer: Report (17/5/1/1) dated 29 August 2016 from the Executive Manager: Community Services (C Africa): Manager District Waste Management (ME Hubbe)</i></p>	9 – 29
DC 48/11/16	<p>INVENTORY: WRITE OFF OF STORE ITEMS / VOORRAAD OPNAME: AFSKRYF VAN STOORITEMS / ULUHLU: LWEMPAHLA EKUFUNKA ICINYIWE KWIMIBA YEZOGCINO (539936)</p> <p><i>Refer: Report (7/1/1) dated 12 September 2015 from the Executive Manager: Financial Services (L Hoek)</i></p>	30 – 41
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DC 52/11/16	<p>REPORT ON THE PAYMENT OF SALARIES FOR DECEMBER 2016 / VERSLAG RAKENDE DIE BETALING VAN SALARISSE VIR DESEMBER 2016 / INGXELO NGOKUHLAWULWA KWEMIVUSO KWINYANGA YOMNGA 2016 (545409)</p> <p><i>Refer: Report (5/9) dated 12 October 2016 from the Executive Manager: Corporate/Strategic Services: (B Holtzhausen)</i></p>	51 – 52
DC 53/11/16	<p>REPORT REGARDING THE MUNICIPAL FINANCE IMPROVEMENT PROGRAMME PHASE II (MFIP II) UP TO AUGUST 2016 / VERSLAG RAKENDE DIE MUNISIPALE FINANSIËLE VORDERINGSPROGRAM FASE II TOT EN MET AUGUSTUS 2016 / INGXELO MALUNGA NEBAKALA II LOKUPHUCULWA KWEMALI ZOMASIPALA UZAKUTHI GA NGEYETHUPHA 2016 (539175)</p> <p><i>Refer: Report (4/1/2/5/1) dated 12 September 2015 from the Executive Manager: Financial Services (L Hoek)</i></p>	53 – 68
DC 54/11/16	<p>EXTENSION OF THE CURRENT PERFORMANCE MANAGEMENT SERVICE LEVEL AGREEMENT BETWEEN EDEN DISTRICT MUNICIPALITY AND IGNITE / VERLENGING VAN DIE HUIDIGE PRESTASIEBESTUUR DIENSLEWERINGSOOREENKOMS TUSSEN EDEN DISTRIKSMUNISIPALITEIT EN IGNITE / UKKWANDISWA KWESIVUMELWANO SONIKEZELO LWENKONSO PHAKATHI KOMASIPALA WESITHILI SE EDEN KUNYE NE IGNITE (547061)</p> <p><i>Refer: Report (9/11/1) dated 18 October 2016 from the Municipal Manager/Performance Management Unit (IG Saayman)</i></p>	69 – 151
DC 55/11/16	<p>REPORT ON THE IRREGULAR EXPENDITURE INCURRED DURING FIREFIGHTING OPERATIONS / VERSLAG RAKENDE ONREËLMATIGE UITGAWES AANGEGAAN GEDURENDE BRANDBESTRYDING BEDRYWIGHUDE / INGXELO ENCITHO ENGEKHOMTHETWENI NEBANGELWE ZINKQUBO ZOKUCIMA UMLILO (544509)</p> <p><i>Refer: Report (6/12/1/1) dated 07 October 2016 from the Executive Manager Community Services /Mayor/Municipal Manager</i></p>	152 – 166

**ITEMS DIRECTLY SUBMITTED TO COUNCIL / ITEMS DIREK AAN
DIE RAAD VOORGEHOU / IMIBA NENIKEZELWE KWIBHUNGA**

DC 56/11/16	<p>REPORT ON THE TERMS OF REFERENCE (TOR) FOR MPAC / VERSLAG RAKENDE DIE TERME VAN VERWYSING VIR DIE MUNISIPALE PUBLIEKE REKENINGEKOMITEE (MPRK) / INGXELO NGOKWEMIGAQO NEMIGAQALISELO YEKOMITI YENCWADI ZOLUNTU ZOMASIPALA (MPAC) (541030)</p> <p><i>Refer: Report (10/1/1) dated 26 October 2016 from the Executive Manager Corporate Strategic Services (B Holtzhausen)</i></p>	167 – 182
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Rdl / Cllr CN Lichaba
Rdl / Cllr D Xego
Rdl / Cllr S De Vries
Rdl / Cllr NF Kamte
Rdl / Cllr MP Mapitiza
Rdl / Cllr TA Simmers
Rdl / Cllr D Saayman
Rdl / Cllr BN Van Wyk
Rdl / Cllr RE Spies
Rdl / Cllr T Van Rensburg
Rdl / Cllr N Ndayi
Rdl / Cllr AJ Rossouw
Rdl / Cllr KS Lose
Rdl / Cllr T Fortuin
Rdl / Cllr JP Johnson
Rdl / Cllr IT Mangaliso
Rdl / Cllr SM Odendaal
Rdl / Cllr SS Mbandezi
Rdl / Cllr BHJ Groenewald
Rdl / Cllr E Meyer
Rdl / Cllr RH Ruiters
Rdl / Cllr I Stemela
Rdl / Cllr EH Stroebe
Rdl / Cllr RS Figland
Rdl / Cllr PJ Van der Hoven
Rdl / Cllr T Teyisi
Rdl / Cllr V Gericke
Rdl / Cllr K Windvogel
Rdl / Cllr JCLambaateen
Rdl / Cllr RR Wildschut
Rdl / Cllr NC Jacob
Rdl / Cllr M Booyen
Rdl / Cllr MV Molosi
Rdl / Cllr MS Willemse
Rdl / Cllr L Tyokolo

SPECIAL DISTRICT COUNCIL

04 NOVEMBER 2016

DC 45/11/16

REPORT ON THE REPRESENTATION OF COUNCIL ON EXTERNAL BODIES / *VERSLAG RAKENDE DIE VERTEENWOORDIGING VAN DIE RAAD OP EKSTERNE LIGGAME* / INGXELO NGOKUBA NGAMALUNGU KOCEBA KWI MIBUTHO ENGAPHANDLE KWE BHUNGA

(4/1/2)

06 October 2016

REPORT FROM THE OFFICE FROM THE SPEAKER (CLLR M WILLWMSE)**PURPOSE OF THE REPORT**

To submit a report on the representation of Council to serve on various external bodies/councils.

BACKGROUND

The report served before a Governance Committee meeting held on 16 September 2016. During the meeting it was resolved as follows:

"That Council appoints the following representatives and secundis to represent Council in the respective external bodies:

That councillors from the opposition parties be nominated to serve as secundis for the District Assessment Committee.

That the existence of the following bodies/committees be determined and reported to the Committee:

- *Trustees of Museums*
- *Provcom*
- *South Cape Electricity Distribution*
- *Water Consumer Associations"*

Subsequent to the abovementioned resolution, the Executive Manager Roads Services responded as follows regarding **Provcom**:

"Tegnies bestaan hy nog in dat hy nie offisieël afgeskaf is nie, maar daar het die laaste 5 jaar niks gebeur nie."

Trustees of Museums (Diaz/CP Nel/ George/Kleinbrak)

A letter dated 23 August 2016 has been received from CP Nel Museum requesting a representative from Eden District Municipality to serve on the Trustee Board. (Annexure A).

Diaz, George and Klein Brakrivier Trustees of Museums are still functioning, therefore, councillors must be appointed to represent Council on the Trustees of Museums.

South Cape Electricity Distribution and Water Consumer Associations

Numerous telephone calls to the respective offices were made, with no success. It is however proposed that councillors and secundis be appointed to serve on the respective Associations.

Eden Agripark

During a Special Council meeting held on 30 September 2016, Cllr K Windvogel asked about the **Eden Agripark**.

The following information has been obtained regarding this matter:

An Agripark is a networked innovation system of agricultural production, processing, logistics, marketing, training and extension services, located in District Municipalities.

As a network it enables a market-driven combination and integration of various agricultural activities and rural transformation services.

The Agripark comprises of three (3) units, namely:

- The Farmer Production Support Unit (FPSU).
- The FPSU is a rural outreach unit, connected with the Agri-hub, and does primary collection, some storage, some processing for the local market, and extension services including mechanisation.
- Agri-Hub Unit (AH).

It should be noted that the Department of Rural Development requested that Eden District Municipality chair these meetings.

RELEVANT LEGISLATION

Section 79 of Local Government: Municipal Structures Act, Act 117 of 1998.

FINANCIAL IMPLICATIONS

None

UITVOERENDE OPSOMMING

Raadslede moet aangewys word om die Raad te verteenwoordig op die verskeie eksterne liggame en/of komitees. Die bestaan van die volgende rade/komitees was ondersoek:

- *Trustee Rade van Museums*
 - *CP Nel Museum*
 - *Diaz/Groot Brakrivier Museum*
 - *George Museum*
- *Suid-Kaap Karoo Elektrisiteit Verspreiding*
- *WATERVERBRUIKER ASSOSIASIES*
- *Agripark*

RECOMMENDATION

That Council appoints the following representatives and secundus to represent Council in the following external bodies:

EXTERNAL BODY:

REPRESENTATIVE:

SECUNDUS:

Trustees of Museums:

- | | | |
|--------------------------------|--------------------|----------------|
| • CP Nel Museum (Oudthsoorn) | - Cllr R Wildschut | Cllr B van Wyk |
| • Diaz/Groot Brakrivier Museum | - Cllr E Meyer | Cllr R Ruiters |
| • George Museum | - Cllr I Stimela | |

South Cape Electricity Distribution: - Cllr T Simmers

Eden Agripark - Cllr J Johnson

Water Consumer Associations:

- | | | |
|----------------|-------------------|---------------------|
| • Bo-Goukou | - Cllr S Odendaal | Cllr T van Rensburg |
| • Modderrivier | - Cllr K Lose | Cllr I Stimela |
| • Brandrivier | - Cllr J Johnson | Cllr T van Rensburg |

AANBEVELING

Dat die Raad die volgende verteenwoordigers en sekundis aanwys om die Raad in die volgende eksterne organisasies te verteenwoordig:

EKSTERNE INSTANSIE:**VERTEENWOORDIGER: SECUNDUS:*****Trusteerade van Museums:***

- | | | |
|-----------------------------------|-------------------|---------------|
| • CP Nel Museum
(Oudthsoorn) | - Rdl R Wildschut | Rdl B van Wyk |
| • Diaz/Groot Brakrivier
Museum | - Rdl E Meyer | Rdl R Ruiters |
| • George Museum | - Rdl I Stimela | - |

Suid-Kaap Karoo Elektrisiteits-***verspreiding:***

- Rdl T Simmers	-
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Eden Agripark

- Cllr J Johnson	-
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WATERVERBRUIKERS ASSOSIASIES:

- | | | |
|----------------|-------------------|---------------------|
| • Bo-Goukou | - Cllr S Odendaal | Cllr T van Rensburg |
| • Modderrivier | - Cllr K Lose | Cllr I Stimela |
| • Brandrivier | - Cllr J Johnson | Cllr T van Rensburg |

ISINDULULO

Ukuba iBhunga lichonge abameli balandelayo kunye namasekela abo, ukuze bamele
I Bhunga kulamacandelo alandelayo:

AMABUTHO ANGAPHANDLE:**ABAMELI:****AMASEKELA:****Abathenjwa Bendawo Zembalei:**

- CP Nel Museum (Oudthsoorn)
- Diaz/Groot Brakrivier Museum
- George Museum

- Ceba R Wildschut
- Ceba E Meyer
- Ceba I Stimela

Ceba B van Wyk
Ceba R Ruiters

Unikezelo Lombane kuMzantsi Kapa:

- Ceba T Simmers

Eden Agripark

- Ceba J Johnson

Ibutho Labasebenzizi Bamanzi:

- Bo-Goukou
- Modderrivier
- Brandrivier

- Ceba S Odendaal
- Ceba K Lose
- Ceba J Johnson

Ceba T van
Rensburg
Ceba I Stimela
Ceba T van
Rensburg

MAYORAL COMMITTEE

28 OCTOBER 2016

SPECIAL DISTRICT COUNCIL

04 NOVEMBER 2016

DC 46/11/16

**DELEGATIONS AND AUTHORIZATIONS DURING COUNCIL'S
RECESS PERIOD / *DELEGASIES EN MAGTIGINGS GEDURENDE*
DIE RAAD SE RESESTYDPERK / ABACHONGWA KUNYE
NAMAGUNYA NGETHUBA OOCBA BETHATHE IKHEFU (547144)**

(5/2/1)

12 October 2016

REPORT FROM THE SPEAKER**PURPOSE OF THE REPORT**

To delegate powers and to authorise the Executive Mayor and the Municipal Manager or their authorized replacements to exercise certain powers during Council's term of recess from 05 December 2016 until 13 January 2017.

BACKGROUND

In view of the fact that the Executive Mayor intends to recommend to Council to enter in a period of recess from 05 December 2016 to 13 January 2017, will therefore be required that interim measurements be put in place in order to ensure that Council's activities, such as management, services and administration continue.

It is recommended that in view of the aforementioned period of recess, the Executive Mayor, Cllr M Booysen and the Municipal Manager, Mr GW Louw, or his successor in title, be delegated and authorised to perform all official Council duties, responsibilities and functions during the period of with the exception of those indicated in Section 160 (2) of the Constitution of the Republic of South Africa, 1996 namely:

- a) the passing of by-laws
- b) the approval of budgets
- c) the imposition of rates and other taxes, levies and duties; and
- d) the raising of loans
- e) disposal of Council properties
- f) appointment and dismissal of the municipal manager and section 56 managers in terms Section 56 of the Systems Act, Municipal Systems Act 32 of 2000 and Section 82 of the Structures Act 117 of 1998.

- g) all functions which are according to legislation reserved for Council only

RELEVANT LEGISLATION

Municipal Systems Act 32 of 2000
Municipal Structures Act 117 of 1998

FINANCIAL IMPLICATIONS

None

UITVOERENDE OPSOMMING

Aangesien die Waarnemende Uitvoerende Burgemeester van voornemens is om by die Raad aan te beveel dat die Raad in reses gaan vanaf 05 Desember 2016 tot 13 Januarie 2017, is dit noodsaaklik om te verseker dat werksaamhede en statutêre verpligtinge voortgesit word. Ten einde dit te reël is dit nodig dat die Uitvoerende Burgemeester en Munisipale Bestuurder vir genoemde tydperk daartoe gemagtig word.

RECOMMENDATION

1. That in view of the aforementioned period of recess, the Executive Mayor, Cllr M Booysen and the Municipal Manager, Mr GW Louw, or his successor in title, be delegated and authorized to perform all official Council duties, responsibilities and functions during the period 05 December 2016 till 13 January 2017 with the exception of those indicated in Section 160 (2) of the Constitution of the Republic of South Africa, 1996 namely:
 - a) the passing of by-laws
 - b) the approval of budgets
 - c) the imposition of rates and other taxes, levies and duties; and
 - d) the raising of loans
 - e) disposal of Council properties
 - f) appointment and dismissal of the municipal manager and section 56 managers in terms Section 56 of the Systems Act, Municipal Systems Act 32 of 2000 and Section 82 of the Structures Act 117 of 1998.
 - g) all functions which are according to legislation reserved for Council only
2. That Council will be in recess for the period 05 December 2016 until 13 January 2017.

AANBEVELING

1. *Dat in die lig van die voorgenome reses tydperk van die Raad, die Uitvoerende Burgemeester, Rdl M Booysen en die Munisipale Bestuurder, Mnr GW Louw, of sy opvolger in titel, gedelegeer en gemagtig word om die Raad se amptelike verpligtinge, verantwoordelikhede en funksies vir die reses periode van 05 Desember 2016 tot 13 Januarie 2017, uit te voer met die uitsondering van die ondergenoemdes soos in Artikel 160 (2) van die Grondwet van die Republiek van Suid-Afrika, 1996, vervat:*
 - a) *die aanname van verordeninge;*
 - b) *die goedkeuring van begrotings;*
 - c) *die oplegging van eiendomsbelasting en ander belastings, heffings en regte en*
 - d) *die verkryging van lenings.*
 - e) *vervreemding van raadseiendom*
 - f) *aanstelling en skorsing van die Munisipale Bestuurder en Artikel 56 bestuurders in terme van Artikel 56 van die Munisipale Stelselwet 32 van 2000 en Artikel 82 van die Munisipale Strukturewet 117 van 1998.*
 - g) *Alle funksies wat in terme van wetgewing slegs vir die Raad gereseveer is*
2. *Dat die Raad in reses sal wees vir die periode 05 Desember 2016 tot 13 Januarie 2017.*

ISISINDULULO

1. Sokuba ngokwexesha elihleliweyo lokuphumla kweBhunga, makunikwe uSodolophi, uCeba M Booysen kunye neBambela Mphathi Masipala uMnu, GW Louw, igunya elipheleleyo lokwenza yonke imicimbi nemisebenzi yeBhunga esemthethweni kwixesha eliqala ngomhla wesi 05 kweyoMnga 2016 de ibengumhla we 13 kweyeMqungu 2017 igunya elo alichaphazeli ezingongoma zibhalwe kwiSebe 160(2) loMgaqo Siseko woMzantsi Afrika ka 1996, ezizezi:
 - a) uKuphunyezwa kwemithethwana yedolophi
 - b) uKuphunyezwa kohlahlo lwabiwo-mali
 - c) uKummisela irhafu yezakhiwo kwakunye naluphi na uhlobo lwerhafu
 - d) uKwenza iimali-mboleko (amatyala)
 - e) ukuthengisa imihlaba nezakhiwo zeBhunga, kunye no
 - f) kuqesha nokugxotha uMphathi Masipala kunye neemanejala eziqeshwe ngokweSebe 56 loMthetho, ngokweSebe 56 loMthetho I Municipal Systems Act, uMthetho 32 ka 2000 kunye neSebe 82 loMthetho I Municipal Structures Act, uMthetho 117 ka 1998.
 - g) Lomiba ibekelwe kanye ibhunga lomasipala.
2. Sokuba iBhunga lobasekhefini ukususela ngomhla we 05 kweyoMnga 2016 de kubengumhla we 13 kweyeMqungu 2017.

MAYORAL COMMITTEE

28 OCTOBER 2016

SPECIAL DISTRICT COUNCIL

04 NOVEMBER 2016

DC 47/11/16

EXTENSION OF SERVICE LEVEL AGREEMENT OF WORLEY PARSONS FOR THE ESTABLISHMENT OF A REGIONAL LANDFILL FACILITY FOR THE EDEN DISTRICT MUNICIPALITY / VERLENGING VAN DIENSLEWERINGSOOREENKOMS VAN WORLEY PARSONS VIR DIE VESTIGING VAN 'N STREEK LANDVUL STORTINGSTERREIN VIR EDEN DISTRIKSMUNISIPALITEIT / UKWANDISWA KWABACEBISI KWEZOLWABELWANO, ISIVUMELWANO SEBAKALA LENKONZO I WORLEYPARSONS- UBAMBISWANO LOLUNTU/LWABUCALA NGOKUMISELWA KOBUXHAKAXHAKA LWEBALA LENDINGQI LOMASIPALA WESITHILI SE EDEN KUQUKA EZINYE INDLELA ZOKUPHATHWA KWENKUNKUMA NGEZOBUCHWEPHESHA (537321)

(17/5/1/1)

29 August 2016

REPORT FROM THE EXECUTIVE MANAGER: MANAGER COMMUNITY SERVICES: MANAGER: DISTRICT WASTE MANAGEMENT (M HUBBE)

PURPOSE OF THE REPORT

To request Council approval to extend the Service Level Agreement of the Transactional Advisors, WorleyParsons, and to approve additional cost for work performed under Tender E/04/10-11.

BACKGROUND/DISCUSSION

The report served before a Mayoral Committee meeting held on 28 September 2016. During the meeting it was resolved as follows:

"That the report be withdrawn from the agenda and referred to the DCF meeting which will take place on 29 September 2016.09.29."

Subsequent to the abovementioned resolution, herewith the response from the Executive Manager Community Services, Mr C Africa.

"After yesterday`s meeting with the MEC the majority of the Municipalities agreed that we must go ahead with the project."

Eden Municipal Council has already taken a decision in 2007 to investigate the possibility to establish a regional landfill facility to accommodate household and hazardous waste from the municipalities of Bitou, Knysna, George and Mossel Bay. The decision was taken after PetroSA had indicated that their landfill site would no longer receive any waste from municipalities beginning of July 2010, which was extended to December 2016 with certain conditions. The municipalities have also indicated in their Integrated Waste Management Plans and Integrated Development Plans the need for a regional landfill facility.

The Environmental Impact Study was finalised in the beginning of 2013 with submission of the final Environmental Impact Report to the Department of Environmental Affairs and Development Planning. The Department of Environmental Affairs and Development Planning has issued Eden District Municipality with an Environmental Authorization and the Department of Environmental Affairs has issued a Waste License (number 12/9/11/L1395/9) to Eden District Municipality.

The registration of the consolidated property in the name of Eden District Municipality has been finalised. The property in question was from the Bennie Pienaar Trust for 5.6 million.

Due to the fact that Council does not have the necessary funds to construct the Regional Landfill Facility, the decision was taken to investigate the possibility to secure a Private, Public Partnership (PPP) to build and operate the facility over a ten year contract period, which was also supported by Provincial and National Treasury. WorleyParsons was appointed after a competitive bidding process on 9 May 2011 by Eden District Municipality to assist Council with the Public Private Partnership Process to appoint a private partner to build and operate a regional landfill facility for a period of ten years. On 30 June 2012 the Service Level Agreement of WorleyParsons was extended in order to include Alternative Waste Treatment Technology options in the Public, Private Partnership Process. This extension was by virtue of a Council resolution DC 587/01/14.

Funding assistance was requested from the Development Bank of Southern Africa (DBSA) and National Treasury (NT) to fund the additional cost of R 1 707 035.00 to include the alternative technology. The approval process for funding assistance took more than a year before the funding was available to Eden District Municipality and final approval was granted on 4 October 2013. Council has, after the final approval was received from the DBSA and NT, approved the extension of WorleyParsons service level agreement on 28 January 2014 (DC 587/01/14). Due to the above mentioned delays, the Service Level Agreement was only finalised and signed by all parties on 14 March 2014. The Transactional Advisors only proceeded with the additional work after the Service Level Agreement (SLA) was approved.

However the Legal Advisor of Council, at the time, has not amended the original Service Level Agreement implementation date of 30 June 2012 to 14 March 2014. The assumption was made that the Service Level Agreement validity started on the date of signature of 14 March 2014, for a period of two years, ending on 14 March 2016. With this assumption in mind payment was made to the Transactional Advisor when requested by using the existing financial payment system of Council. Management is however of the opinion that the SLA had expired on 30 June 2014 if the SLA start date of 30 June 2012 is taken into consideration. Four payments to the TA was made after SLA expiry date of 30 June 2014 with a total cost of R1 228 190.40 (VAT inclusive).

The Transactional Advisors, WorleyParsons, has indicated their willingness to extend their existing contract with Eden District Municipality but with an additional cost to Council of R 2 636 502.00 (VAT inclusive). They have also indicated additional work that they performed from the original SLA implementation date with a total cost of R 1 701 771.28 (VAT inclusive).

FINANCIAL IMPLICATIONS

R 2 636 502.00 - additional cost to extend the Service Level Agreement.

R 663 683.88 - additional cost due to Municipalities not budgeting for landfill cost.

R 1 038 087.49 – additional cost claimed by WorleyParsons since the expiration date of the Service Level Agreement (to be disputed by Council)

RELEVANT LEGISLATION

National Environmental Management: Waste Act, No. 59 of 2008

Municipal Finance Management Act, No. 56 of 2003

Municipal Systems Act, No. 32 of 2000

Municipal Systems Amendment Act, No. 44 of 2003.

Municipal Structure Act, No. 117 of 1998

Local Government: Municipal Public – Private Partnership Regulations (1 April 2005)

COMMENTS: MUNICIPAL MANAGER

I cannot over emphasise the importance of this project to the regional economy of the Southern Cape, especially with reference to eco-tourism, unavailability of a fully licensed landfill facility and a general decline in waste management standards. Section 116 of the MFMA, 56 of 2003, provides that a contract procured through the supply chain management system may be amended by the parties, but only after the reasons for the amendment have been tabled in the Council and the local community has been given reasonable notice of the intention and has been invited to submit representations to the municipality. Extended and exhaustive negotiations have taken place with the participating municipalities with the view to ensuring that financial support exists for the project.

The Municipal Manager of Eden District Municipality has been assigned to lead the process, with the assistance from Provincial Treasury and Provincial Department of Environmental Affairs and Planning. The current projected cost for this facility is between R60 – R70 million per annum over a ten year period.

UITVOERENDE OPSOMMING

Eden Distrik Munisipale Raad het reeds in 2007 die besluit geneem om ondersoek in te stel na die vestiging van 'n streek landvul fasiliteit vir gebruik deur Bitou, Knysna, George en Mosselbaai Munisipaliteite.

Hierdie besluit is geneem na aanleiding van PetroSA se aanduiding dat hulle terrein nie meer beskikbaar gaan wees vanaf ingang 2010 vir die ontvangs van huishoudelike afval vanaf munisipaliteite nie. Die datum is egter drie keer verleng as gevolg van provinsiale prosesse wat gevolg moet word in die omgewingsimpakstudie en vertragings met inligting en besluite vanaf munisipaliteite wat die uitvoering van die ondersoek verleng het.

Die munisipaliteite het ook aangedui in hulle Geïntegreerde Afval Bestuursplanne van 2006 dat die Distrikmunisipaliteit 'n streek fasiliteit moet skep en wat dan ook so in hulle onderskeie Geïntegreerde Ontwikkelingsplanne opgeneem is.

Die finale Omgewingsimpakstudie is in die begin 2013 ingedien by die Departement van Omgewingsake en Ontwikkelingsbeplanning. Intussen is die Omgewingsgoedkeuring deur die Departement van Omgewingsake en Ontwikkelingsbeplanning uitgereik. Die Departement van Omgewingsake het die lisensie vir die bedryf van 'n Landvul Fasiliteit ook uitgereik aan Eden Distrikmunisipaliteit.

Aangesien hierdie Raad alreeds vroeg in 2008 besef het dat hy nie oor die nodige fondse gaan beskik vir die oprigting van die streek fasiliteit nie, is 'n besluit geneem om die Private, Publieke Vennootskap (PPV) pad te volg ten einde 'n privaat vennoot te verkry om die oprigting en bestuur van die streek fasiliteit te behartig vir 'n tydperk van tien (10) jaar.

Die betrokke eiendom waar die fasiliteit gevestig moet word, is reeds deur hierdie Raad aangekoop en in sy naam oorgedra.

Die diens ooreenkoms, van die Transaksie Adviseurs, wat deur hierdie Raad aangestel is om behulpzaam te wees met die aanstel van 'n Private, Publieke Vennootskap vir die konstruksie en bedryf van 'n Streek Landvul Fasiliteit vir 'n tydperk van tien (10) jaar, het verval op 30 June 2014.

Hierdie Diensooreenkoms moet verleng word met 'n addisionele tien maande ten einde die proses af te handel. Die WorleyParsons is bereid om die kontrak te verleng maar met addisionele koste van R 2 6363 502.00 (BTW ingesluit). Hulle versoek 'n bedrag van R 1 701 771.28 (BTW ingesluit) vir addisionele werk verrig vanaf die vervaldatum van die huidige diens ooreenkoms.

Die finale Omgewingsimpakstudie is in die begin 2013 ingedien by die Departement van Omgewingsake en Ontwikkelingsbeplanning. Intussen is die Omgewingsgoedkeuring deur die Departement van Omgewingsake en Ontwikkelingsbeplanning uitgereik. Die Departement van Omgewingsake het die lisensie vir die bedryf van 'n Landvul Fasiliteit ook uitgereik aan Eden Distrikmunisipaliteit.

Aangesien hierdie Raad alreeds vroeg in 2008 besef het dat hy nie oor die nodige fondse gaan beskik vir die oprigting van die streek fasiliteit nie, is 'n besluit geneem om die Private, Publieke Vennootskap (PPV) pad te volg ten einde 'n privaat vennoot te verkry om die oprigting en bestuur van die streek fasiliteit te behartig vir 'n tydperk van tien (10) jaar. Die betrokke eiendom waar die fasiliteit gevestig moet word, is reeds deur hierdie Raad aangekoop en in sy naam oorgedra. R 5.6 miljoen is betaal vir die betrokke eiendomme.

Die diens ooreenkoms, van die Transaksie Adviseurs, wat deur hierdie Raad aangestel is om behulpsaam te wees met die aanstel van 'n Private, Publieke Vennootskap vir die konstruksie en bedryf van 'n Streek Landvul Fasiliteit vir 'n tydperk van tien (10) jaar, het verval op 30 June 2014.

Hierdie Diensooreenkoms moet verleng word met 'n addisionele tien maande ten einde die proses af te handel. Die WorleyParsons is bereid om die kontrak te verleng maar met addisionele koste van R 2 636 502.00 (BTW ingesluit). Hulle versoek 'n bedrag van R 1 701 771.28 (BTW ingesluit) vir addisionele werk verrig vanaf die vervaldatum van die huidige diens ooreenkoms.

RECOMMENDATION

1. That the Service Level Agreement concluded under Tender E/04/10-11, with WorleyParsons, is extended as from 01 July 2014 until 30 June 2017.
2. That cognisance be taken of the fact that the provisions of Section 33 of the Municipal Finance Management Act 56 of 2003 must be adhered to which will only become effective after the tender has been awarded to the preferred bidder.
3. That a separate report dealing with the appointment of the preferred bidder and the due diligent process to be followed, will be submitted to Council in due course.
4. That approval is granted for the payment of R 663 683.00 (for work already performed) and R 2 636 502.00 for work to be performed until conclusion of the Public/ Private Partnership process, subjected to funding by the participating B-Municipalities.
5. That the provisions of Section 116 of the Municipal Finance Management Act 56 of 2003 be observed.

AANBEVELING

1. *Dat die Diensooreenkoms soos goedgekeur onder Tender E/04/10-11 met WorleyParsons verleng word vanaf 01 Julie 2014 tot 30 Junie 2017.*
2. *Dat kennis geneem word van die voorskrifte in Artikel 33 van die Munisipale Finansiëlebestuur Wet 56 van 2003 wat nog gevolg moet word na die toekenning van die Publieke/ Private Vennootskap aan die voorkeur tenderaar.*
3. *Dat die Raad voorsien word, deur die loop van die volgende tien maande, van 'n volledige verslag ten opsigte van die aanstelling van die voorkeur tenderaar asook die proses wat daarna gevolg moet word.*
4. *Dat goedkeuring verleen word vir die vergoeding van die bedrag van R 663 683.00 (vir die werk reeds gelewer) asook die bedrag van R 2 636 502.00 vir vergoeding van die werk wat nog gelewer moet word om die Publieke/ Private Vennootskap proses af te handel, onderhewig aan die voorsiening van die betrokke kostes deur die B- Munisipaliteite.*
5. *Dat voldoen word aan die voorskrifte soos vervat in Artikel 116 van die Munisipale Finansiëlebestuurswet, Wet 56 van 2003.*

ISINDULULO

1. Sesokuba Isivumelwano Sebakala Lenkonzo nesiqukunjelwe phantsi Kwesiniki Maxabiso E/04/10-11, kunye nabakwa WorleyParsons, sandiswe ukususela ngomhla 01 kweyeKhala 2014 uyakutsho 30 kweyeSilimela 2017.
2. Sesokuba kunikwe ingqwalasela kwinto yokuba isibonelelo soMhlathi 33 zoMthetho Wolawulo Lwemali zoMasipala umthetho 56 wango 2003 kufuneka ethotyelwe nozakubasemthethweni emveni kokuba iziniki maxabiso ziye zanikwa kabo bafanelekileyo.
3. Sesokuba ingxelo eyodwa nejongene nokuchongwa kwalowo ufanelekileyi kunye nenkqubo efanelekileyo yamkelwe, ukuze inikezelwe kwiBhunga ngexesha elifanelekileyo.
4. Sesokuba kunikezwe imvume yokuhlawula imali e R 663 683.00 (yomsebenze osele wenziwe) kunye nemali eyi R 2 636 502.00 yomsebenzi ozakwenziwa de kuqukunjelwe inkqubo Yoluntu/Ubambiswano Lwabucala, ngokuxhomekeka kwezibonelelo ngaboMasipala bathabatha inxaxheba bebakala B.
5. Sesokuba isibonelelo somhlathi 116 Somthetho Wolawulo Lwemali zoMaisipala uMthetho 56 wango 2003 uthathelwe ingqalelo.

ANNEXURE A


WorleyParsons

resources & energy

31 Allen Drive
 Loevenstein 7530 PO Box 396, Bellville 7535
 South Africa
 Telephone: +27 (0)21 912 3000
 Facsimile: +27 (0)21 912 3222
 www.worleyparsons.com
 WorleyParsons RSA (Pty) Ltd
 REG NO: 1989/002048/07

23 June 2016

Enquiries: Jabez Steenkamp
 Ref: Project 258650

Mr. Morton Hubbe
 Eden District Municipality
 54 York Street
 George

Dear Mr. Hubbe

EDEN LANDFILL PPP - CHANGE OF SCOPE OF SERVICE NO 1
VARIOUS ADDITIONAL WORK

I refer to our discussions held in your offices in George on 22 February 2016 relating to historical changes of scope of service, which WorleyParsons have experienced during the execution of this project, and your request to be provided with the detail of such changes.

The following background information is relevant: Since the inception of the Eden Landfill project with a Section 78 study in April 2011 a number of factors had a significant impact on the overall cost of getting a Public-Private Partnership (PPP) agreement in place. Discussions about an extended scope to include alternative waste treatment technologies were initiated in September 2011. This led to a project scope adjustment that was submitted to the DBSA in January 2012 and in the initial discussions the DBSA indicated that the approval process would be very short and a verbal time of about two weeks were given. This in the end took over a year. The contract extension was subsequently signed on 14 March 2014 after the extension to the WorleyParsons contract also took about a year to be approved by the Eden District Municipality.

Further to the delays mentioned above, the nature of this PPP between a district municipality and a private partner (the first of its kind in South Africa), brought about unexpected additional work (including attending various meetings) for Mr Chris Liebenberg and Mr Johan Louw and his associate as detailed in the quotation in Attachment 1.

The cost impact of Change of Scope of Service no 1 is detailed in the quotation in Attachment 1 as follows:

- Total Additional Cost = R 883,998.00 (excl. VAT)
- The time impact of this change is addressed separately

Please note that these costs do not include any disbursements such as Air Transport, Road Transport, parking or any other out of pocket expenses. Although these costs are significant for WorleyParsons, they have been excluded to keep the cost of the change as low as possible.

WorleyParsons RSA (Pty) Ltd
 Directors: •DJ Dreyer (CEO)
 •GMN Elsler, •MG Ntolo

•REG NO: 1989/002048/07

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We would welcome the opportunity to discuss the detail of the additional work in a meeting involving Mr Chris Liebenberg and Mr Johan Louw, who was intimately involved in this work, to clarify anything that is unclear.

WorleyParsons hereby request your approval of our request for Change of Scope of Service no 1 in terms of clause 8 of the conditions of contract.

We thank you for your kind consideration of this matter and we trust that you will find the above in order.

Yours faithfully
WorleyParsons RSA

Jabez Steenkamp

Project Manager

Eden Regional Landfill PPP Additional Cost								
Description	Hours		Rate per Hour		Total		Grand Total	
	Marius	J Louw	Marius	J Louw	Marius	J Louw		
By-law opinion	0	25	R 1,239	R 1,500	R -	R 37,500	R 37,500	
Financial model assessment	16	10	R 1,239	R 1,500	R 19,824	R 15,000	R 34,824	
Financial model rebuild	80	32	R 1,239	R 1,500	R 99,120	R 48,000	R 147,120	
Explain new financial model to CFO	16	8	R 1,239	R 1,500	R 19,824	R 12,000	R 31,824	
Adjust financial model	16	4	R 1,239	R 1,500	R 19,824	R 6,000	R 25,824	
Prepare to workshop Bidder financial model with CFO	16	8	R 1,239	R 1,500	R 19,824	R 12,000	R 31,824	
Workshop Bidder financial model with CFO	8	0	R 1,239	R 1,500	R 9,912	R -	R 9,912	
Determine charges to local municipalities	12	6	R 1,239	R 1,500	R 14,868	R 9,000	R 23,868	
Workshop charges to local municipalities with CEO	8	16	R 1,239	R 1,500	R 9,912	R 24,000	R 33,912	
Oversight Committee	0	8	R 1,239	R 1,500	R -	R 12,000	R 12,000	
Total	172	117			R 213,108	R 175,500	R 388,608	

Eden Regional Landfill PPP Additional Cost			
Description	Hours	Rate per Hour	Grand Total
	Chris Liebenberg	Chris Liebenberg	
Attending 10 additional Steercom and other project meetings and presentations during the 2 year time delay period due to DBSA funding and contractual approvals	120	R 1,470	R 176,400
Attending 9 additional meetings with National Treasury, technical project and Steercom presentations than allowed for originally due to process taking much longer than anticipated and for a number of additional committee	108	R 1,470	R 158,760
Updates and revisions to technical reports due to much longer time over which the project extended	55	R 1,470	R 80,850
Preparations and attending BEC and BAC meetings not originally allowed for	30	R 1,470	R 44,100
Additional time spent on discussions and meetings to address the financial and legal aspects of guaranteeing payment to the concessionaire	24	R 1,470	R 35,280
Total	337		R 495,390

Total Additional Hours:	626
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Total Additional Cost Excluding VAT	R	883,998
Total 14% VAT	R	123,760
Total Additional Cost Including VAT	R	1,007,758



WorleyParsons
resources & energy

31 Allen Drive
Looventshoek 7530 PO Box 388, Bellville 7535
South Africa
Telephone: +27 (0)21 912 3900
Facsimile: +27 (0)21 912 3222
www.worleyparsons.com
WorleyParsons RSA (Pty) Ltd
REG NO: 1989/00204807

12 August 2016

Enquiries: Jabez Steenkamp
Ref: Project 258650

Mr. Morton Hubbe
Eden District Municipality
54 York Street
George

Dear Mr. Hubbe

EDEN LANDFILL PPP - CHANGE OF SCOPE OF SERVICE NO 2: BRIEFING NOTE PROCESS

I refer to the meeting held on 12 July 2016 in Akhile's offices where Eden asked for a revised quotation for changes of scope of service for upcoming work as defined in minutes of meeting copied below. We confirm that Eden decided at the meeting that this process will replace the BAFO process.

1. Information meeting with Local Municipalities (Provincial Oversight Committee). It is important get their buy-in and commitment to the PPP, since they will ultimately pay for it. They are the ultimate "clients", and therefore a KEY stakeholder for the PPP, that needs to be actively engaged so they become more and more part of the "problem", and ultimately become part of the solution. Eden to inform Local Municipalities accordingly. I suggest the letter goes out under the signature of the Municipal Manager. Morton to action.
2. Eden to apply for Capital contribution and tariff increase above CPI from National Treasury (Johan Hattingh) – this must be a very Eden Regional Landfill PPP specifically ring fenced request. Eden to arrange a meeting with Johan Hattingh and discuss the matter with him as a matter of urgency. The next national budget cycle needs to be taken cognisance of. Eden has to take advantage of this window of opportunity. Transaction Advisor should support Eden at such a meeting. Morton to action.
3. The Transaction Advisor is to explain the difference in the value of the bids received and the feasibility study values. This should form part of the TVR: IIB submission. Johan Louw task.
4. TA to change program and cost (expansion of tender WorleyParsons) Johan Louw to take the first stab at it.
5. Inform BEC. Morton to action.
6. Inform BAC for approval Morton to action.
7. Compile draft briefing note Eden, Local Municipalities and Transaction Advisor team to participate.
8. Meeting finalise briefing note. Eden, Local Municipalities and Transaction Advisor team.
9. Briefing note to be approved by BAC. Morton.
10. Hold briefing meetings (x3, Johan, please confirm correct) with three Bidders. Eden Eden, Local Municipalities and Transaction Advisor team.

WorleyParsons RSA (Pty) Ltd
Directors: • DJ Dreyer (CEO)
• QMN Esterhuysen (MD)

• REG NO: 1989/00204807

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11. Bidders Respond (Date) Correct.
12. Evaluate bidder responses.
13. Updated Value for Money Assessment Report (Date)
14. Up dated Value for Money report to BEC and BAC.
15. VAR Up dated Value for Money report to Council (Notification)
16. Request Obtain TVR II B
17. Appoint preferred and reserve bidders.
18. Letter to unsuccessful bidder.
19. Start negotiation stage

The cost impact of Change of Scope of Service no 2 for the additional process is detailed in the quotation in Attachment A which includes:

1. activities aligned with Module 5 of the Municipal Service Delivery and PPP Guidelines regarding the processes,
2. The cost for the remaining original Scope activities were deducted
3. Total Additional Cost = R 1,952,712.00 (excl. VAT)

The Time impact of this change is detailed in Attachment B, which changes the Completion Date to 6 July 2017.

The indicative forecast invoicing is attached in the Invoice Forecast page, and detailed in attached Invoices 1 to 8. The cost for each phase is shown on Attachment A.

WorleyParsons hereby request your approval of our request for Change of Scope of Service no 2 in terms of clause 8 of the conditions of contract.

We thank you for your kind consideration of this matter and we trust that you will find the above in order.
Please contact the writer should anything be unclear.

Yours faithfully
WorleyParsons RSA

Jabez Steenkamp
Senior Project Manager

ATTACHMENT A: Eden Regional Landfill Way Forward with Briefing Note Process

Task Description	Number of Meetings	Location	Air Transport	Road Transport	Parking	Jalco Stations	Contra Licensing	Nite de Villiers	Johan Lear
			Ticket Cost	Rate per Kilometer	Rate Per Day	Rate Per Hour	Rate Per Hour	Rate Per Hour	Rate Per Hour
			R 2,000	R 4.50	R 170	R 1,467	R 1,467	R 1,467	R 1,467
Bidders Briefing Note Process									
Step 1: Planning note for bidder 1	1	Office not	0	0	0	0	0	0	0
Step 2: Planning note for bidder 2	1	Office not	0	0	0	0	0	0	0
Step 3: Planning note for bidder 3	1	Office not	0	0	0	0	0	0	0
Step 4: Planning note for bidder 4	1	Office not	0	0	0	0	0	0	0
Step 5: Planning note for bidder 5	1	Office not	0	0	0	0	0	0	0
Step 6: Planning note for bidder 6	1	Office not	0	0	0	0	0	0	0
Step 7: Planning note for bidder 7	1	Office not	0	0	0	0	0	0	0
Step 8: Planning note for bidder 8	1	Office not	0	0	0	0	0	0	0
Step 9: Planning note for bidder 9	1	Office not	0	0	0	0	0	0	0
Step 10: Planning note for bidder 10	1	Office not	0	0	0	0	0	0	0
Step 11: Planning note for bidder 11	1	Office not	0	0	0	0	0	0	0
Step 12: Planning note for bidder 12	1	Office not	0	0	0	0	0	0	0
Step 13: Planning note for bidder 13	1	Office not	0	0	0	0	0	0	0
Step 14: Planning note for bidder 14	1	Office not	0	0	0	0	0	0	0
Step 15: Planning note for bidder 15	1	Office not	0	0	0	0	0	0	0
Step 16: Planning note for bidder 16	1	Office not	0	0	0	0	0	0	0
Step 17: Planning note for bidder 17	1	Office not	0	0	0	0	0	0	0
Step 18: Planning note for bidder 18	1	Office not	0	0	0	0	0	0	0
Step 19: Planning note for bidder 19	1	Office not	0	0	0	0	0	0	0
Step 20: Planning note for bidder 20	1	Office not	0	0	0	0	0	0	0
Step 21: Planning note for bidder 21	1	Office not	0	0	0	0	0	0	0
Step 22: Planning note for bidder 22	1	Office not	0	0	0	0	0	0	0
Step 23: Planning note for bidder 23	1	Office not	0	0	0	0	0	0	0
Step 24: Planning note for bidder 24	1	Office not	0	0	0	0	0	0	0
Step 25: Planning note for bidder 25	1	Office not	0	0	0	0	0	0	0
Step 26: Planning note for bidder 26	1	Office not	0	0	0	0	0	0	0
Step 27: Planning note for bidder 27	1	Office not	0	0	0	0	0	0	0
Step 28: Planning note for bidder 28	1	Office not	0	0	0	0	0	0	0
Step 29: Planning note for bidder 29	1	Office not	0	0	0	0	0	0	0
Step 30: Planning note for bidder 30	1	Office not	0	0	0	0	0	0	0
Step 31: Planning note for bidder 31	1	Office not	0	0	0	0	0	0	0
Step 32: Planning note for bidder 32	1	Office not	0	0	0	0	0	0	0
Step 33: Planning note for bidder 33	1	Office not	0	0	0	0	0	0	0
Step 34: Planning note for bidder 34	1	Office not	0	0	0	0	0	0	0
Step 35: Planning note for bidder 35	1	Office not	0	0	0	0	0	0	0
Step 36: Planning note for bidder 36	1	Office not	0	0	0	0	0	0	0
Step 37: Planning note for bidder 37	1	Office not	0	0	0	0	0	0	0
Step 38: Planning note for bidder 38	1	Office not	0	0	0	0	0	0	0
Step 39: Planning note for bidder 39	1	Office not	0	0	0	0	0	0	0
Step 40: Planning note for bidder 40	1	Office not	0	0	0	0	0	0	0
Step 41: Planning note for bidder 41	1	Office not	0	0	0	0	0	0	0
Step 42: Planning note for bidder 42	1	Office not	0	0	0	0	0	0	0
Step 43: Planning note for bidder 43	1	Office not	0	0	0	0	0	0	0
Step 44: Planning note for bidder 44	1	Office not	0	0	0	0	0	0	0
Step 45: Planning note for bidder 45	1	Office not	0	0	0	0	0	0	0
Step 46: Planning note for bidder 46	1	Office not	0	0	0	0	0	0	0
Step 47: Planning note for bidder 47	1	Office not	0	0	0	0	0	0	0
Step 48: Planning note for bidder 48	1	Office not	0	0	0	0	0	0	0
Step 49: Planning note for bidder 49	1	Office not	0	0	0	0	0	0	0
Step 50: Planning note for bidder 50	1	Office not	0	0	0	0	0	0	0
Step 51: Planning note for bidder 51	1	Office not	0	0	0	0	0	0	0
Step 52: Planning note for bidder 52	1	Office not	0	0	0	0	0	0	0
Step 53: Planning note for bidder 53	1	Office not	0	0	0	0	0	0	0
Step 54: Planning note for bidder 54	1	Office not	0	0	0	0	0	0	0
Step 55: Planning note for bidder 55	1	Office not	0	0	0	0	0	0	0
Step 56: Planning note for bidder 56	1	Office not	0	0	0	0	0	0	0
Step 57: Planning note for bidder 57	1	Office not	0	0	0	0	0	0	0
Step 58: Planning note for bidder 58	1	Office not	0	0	0	0	0	0	0
Step 59: Planning note for bidder 59	1	Office not	0	0	0	0	0	0	0
Step 60: Planning note for bidder 60	1	Office not	0	0	0	0	0	0	0
Step 61: Planning note for bidder 61	1	Office not	0	0	0	0	0	0	0
Step 62: Planning note for bidder 62	1	Office not	0	0	0	0	0	0	0
Step 63: Planning note for bidder 63	1	Office not	0	0	0	0	0	0	0
Step 64: Planning note for bidder 64	1	Office not	0	0	0	0	0	0	0
Step 65: Planning note for bidder 65	1	Office not	0	0	0	0	0	0	0
Step 66: Planning note for bidder 66	1	Office not	0	0	0	0	0	0	0
Step 67: Planning note for bidder 67	1	Office not	0	0	0	0	0	0	0
Step 68: Planning note for bidder 68	1	Office not	0	0	0	0	0	0	0
Step 69: Planning note for bidder 69	1	Office not	0	0	0	0	0	0	0
Step 70: Planning note for bidder 70	1	Office not	0	0	0	0	0	0	0
Step 71: Planning note for bidder 71	1	Office not	0	0	0	0	0	0	0
Step 72: Planning note for bidder 72	1	Office not	0	0	0	0	0	0	0
Step 73: Planning note for bidder 73	1	Office not	0	0	0	0	0	0	0
Step 74: Planning note for bidder 74	1	Office not	0	0	0	0	0	0	0
Step 75: Planning note for bidder 75	1	Office not	0	0	0	0	0	0	0
Step 76: Planning note for bidder 76	1	Office not	0	0	0	0	0	0	0
Step 77: Planning note for bidder 77	1	Office not	0	0	0	0	0	0	0
Step 78: Planning note for bidder 78	1	Office not	0	0	0	0	0	0	0
Step 79: Planning note for bidder 79	1	Office not	0	0	0	0	0	0	0
Step 80: Planning note for bidder 80	1	Office not	0	0	0	0	0	0	0
Step 81: Planning note for bidder 81	1	Office not	0	0	0	0	0	0	0
Step 82: Planning note for bidder 82	1	Office not	0	0	0	0	0	0	0
Step 83: Planning note for bidder 83	1	Office not	0	0	0	0	0	0	0
Step 84: Planning note for bidder 84	1	Office not	0	0	0	0	0	0	0
Step 85: Planning note for bidder 85	1	Office not	0	0	0	0	0	0	0
Step 86: Planning note for bidder 86	1	Office not	0	0	0	0	0	0	0
Step 87: Planning note for bidder 87	1	Office not	0	0	0	0	0	0	0
Step 88: Planning note for bidder 88	1	Office not	0	0	0	0	0	0	0
Step 89: Planning note for bidder 89	1	Office not	0	0	0	0	0	0	0
Step 90: Planning note for bidder 90	1	Office not	0	0	0	0	0	0	0
Step 91: Planning note for bidder 91	1	Office not	0	0	0	0	0	0	0
Step 92: Planning note for bidder 92	1	Office not	0	0	0	0	0	0	0
Step 93: Planning note for bidder 93	1	Office not	0	0	0	0	0	0	0
Step 94: Planning note for bidder 94	1	Office not	0	0	0	0	0	0	0
Step 95: Planning note for bidder 95	1	Office not	0	0	0	0	0	0	0
Step 96: Planning note for bidder 96	1	Office not	0	0	0	0	0	0	0
Step 97: Planning note for bidder 97	1	Office not	0	0	0	0	0	0	0
Step 98: Planning note for bidder 98	1	Office not	0	0	0	0	0	0	0
Step 99: Planning note for bidder 99	1	Office not	0	0	0	0	0	0	0
Step 100: Planning note for bidder 100	1	Office not	0	0	0	0	0	0	0
Sub-total - briefing note process	100		R 2,000	R 450	R 170	R 1,467	R 1,467	R 1,467	R 1,467
Sub-total - cost per item - briefing note process			R 20	R 4.50	R 1.70	R 14.67	R 14.67	R 14.67	R 14.67
Negotiation Process									
1. Bidder 1: Planning note for bidder 1	1	Office not	0	0	0	0	0	0	0
2. Bidder 2: Planning note for bidder 2	1	Office not	0	0	0	0	0	0	0
3. Bidder 3: Planning note for bidder 3	1	Office not	0	0	0	0	0	0	0
4. Bidder 4: Planning note for bidder 4	1	Office not	0	0	0	0	0	0	0
5. Bidder 5: Planning note for bidder 5	1	Office not	0	0	0	0	0	0	0
6. Bidder 6: Planning note for bidder 6	1	Office not	0	0	0	0	0	0	0
7. Bidder 7: Planning note for bidder 7	1	Office not	0	0	0	0	0	0	0
8. Bidder 8: Planning note for bidder 8	1	Office not	0	0	0	0	0	0	0
9. Bidder 9: Planning note for bidder 9	1	Office not	0	0	0	0	0	0	0
10. Bidder 10: Planning note for bidder 10	1	Office not	0	0	0	0	0	0	0
11. Bidder 11: Planning note for bidder 11	1	Office not	0	0	0	0	0	0	0
12. Bidder 12: Planning note for bidder 12	1	Office not	0	0	0	0	0	0	0
13. Bidder 13: Planning note for bidder 13	1	Office not	0	0	0	0	0	0	0
14. Bidder 14: Planning note for bidder 14	1	Office not	0	0	0	0	0	0	0
15. Bidder 15: Planning note for bidder 15	1	Office not	0	0	0	0	0	0	0
16. Bidder 16: Planning note for bidder 16	1	Office not	0	0	0	0	0	0	0
17. Bidder 17: Planning note for bidder 17	1	Office not	0	0	0	0	0	0	0
18. Bidder 18: Planning note for bidder 18	1	Office not	0	0	0	0	0	0	0
19. Bidder 19: Planning note for bidder 19	1	Office not	0	0	0	0	0	0	0
20. Bidder 20: Planning note for bidder 20	1	Office not	0	0	0	0	0	0	0
21. Bidder 21: Planning note for bidder 21	1	Office not	0	0	0	0	0	0	0
22. Bidder 22: Planning note for bidder 22	1	Office not	0	0	0	0	0	0	0
23. Bidder 23: Planning note for bidder 23	1	Office not	0	0	0	0	0	0	0
24. Bidder 24: Planning note for bidder 24	1	Office not	0	0	0	0	0	0	0
25. Bidder 25: Planning note for bidder 25	1	Office not	0	0	0	0	0	0	0
26. Bidder 26: Planning note for bidder 26	1	Office not	0	0	0	0	0	0	0
27. Bidder 27: Planning note for bidder 27	1	Office not	0	0	0	0	0	0	0
28. Bidder 28: Planning note for bidder 28	1	Office not	0	0	0	0	0	0	0
29. Bidder 29: Planning note for bidder 29	1	Office not	0	0	0	0	0	0	0
30. Bidder 30: Planning note for bidder 30	1	Office not	0	0	0	0	0	0	0
31. Bidder 31: Planning note for bidder 31	1	Office not	0	0	0	0	0	0	0
32. Bidder 32: Planning note for bidder 32	1	Office not	0	0	0	0	0	0	0
33. Bidder 33: Planning note for bidder 33	1	Office not	0	0	0	0	0	0	0
34. Bidder 34: Planning note for bidder 34	1	Office not	0	0	0	0	0	0	0
35. Bidder 35: Planning note for bidder 35	1	Office not	0	0	0	0	0	0	0
36. Bidder 36: Planning note for bidder 36	1	Office not	0	0	0	0	0	0	0
37. Bidder 37: Planning note for bidder 37	1	Office not	0	0	0	0	0	0	0
38. Bidder 38: Planning note for bidder 38	1	Office not	0	0	0	0	0	0	0
39. Bidder 39: Planning note for bidder 39	1	Office not	0	0	0	0	0	0	0
40. Bidder 40: Planning note for bidder 40	1	Office not	0	0	0	0	0	0	0
41. Bidder 41: Planning note for bidder 41	1	Office not	0	0	0	0	0	0	0
42. Bidder 42: Planning note for bidder 42	1	Office not	0	0	0	0	0	0	0
43. Bidder 43: Planning note for bidder 43	1	Office not	0	0	0	0	0	0	0
44. Bidder 44: Planning note for bidder 44	1	Office not	0	0	0	0	0	0	0
45. Bidder 45: Planning note for bidder 45	1	Office not	0	0	0	0	0	0	0
46. Bidder 46: Planning note for bidder 46	1	Office not	0	0	0	0	0	0	0
47. Bidder 47: Planning note for bidder 47	1	Office not	0	0	0	0	0	0	0
48. Bidder 48: Planning note for bidder 48	1	Office not	0	0	0	0	0	0	0
49. Bidder 49: Planning note for bidder 49	1	Office not	0	0	0	0	0	0	0
50. Bidder 50: Planning note for bidder 50	1	Office not	0	0	0	0	0	0	0
51. Bidder 51: Planning note for bidder 51	1	Office not	0	0	0	0	0	0	0
52. Bidder 52: Planning note for bidder 52	1	Office not	0	0	0	0	0	0	0
53. Bidder 53: Planning note for bidder 53	1	Office not	0	0	0	0	0	0	0
54. Bidder 54: Planning note for bidder 54	1	Office not	0	0	0	0	0	0	0
55. Bidder 55: Planning note for bidder 55</									

LESS ORIGINAL CONTRACT SCOPE ACTIVITIES FROM STAGE IIB ONWARDS

	Tendered amount/	Progress	Amount due now
Treasury views and recommendations (B)			
Negotiations with private utilities	R 173,080.00	OK	R 173,080.00
Audit with documents	R 88,860.00	OK	R 88,860.00
Treasury views and recommendations (B)			
Final terms and agreement (submission to board) for app. system	R 67,190.00	OK	R 67,190.00
Compile close out report	R 47,310.00	OK	R 47,310.00
Sub-total: Treasury views & Recommendations (B) (B)			R 358,800.00
Total: Cost to complete the work (Real VAT)			
Less Original contract Scope activities from Page 20 amounts (Real VAT)			R 3,578,000.00
Total Change Order (incl VAT)			R 1,889,730.00
Total (incl VAT)			R 2,775,378.00
Total Change Order (incl VAT)			R 2,226,091.68

ANNEXURE C



WorleyParsons
resources & energy

31 Allen Drive
Loevenstein 7530 PO Box 388, Bellville 7535
South Africa
Telephone: +27 (0)21 912 3000
Facsimile: +27 (0)21 912 3222
www.worleyparsons.com
WorleyParsons RSA (Pty) Ltd
REG NO. 1989/002048/07

1 July 2016

Enquiries: Jabez Steenkamp
Ref: Project 258650

Mr. Morton Hubbe
Eden District Municipality
54 York Street
George

Dear Mr. Hubbe

EDEN LANDFILL PPP - CHANGE OF SCOPE OF SERVICE NO 3:

ADDITIONAL WORK FROM JANUARY TO MAY 2016

The advisory team undertook work from January to 31 May 2016, relating to addressing issues between Eden and partner municipalities. These issues relate to affordability for Eden and especially the partner municipalities, who have indicated that affordability of the Landfill is a serious concern for them. Typical work undertaken was affordability modelling and related meetings with various stakeholders as described in more detail on Attachments 1, 2, 3 and 4. This work is a Change to the Scope of Service.

The impact of Change of Scope of Service no 3 is detailed in the quotations in Attachments 1, 2, 3 and 4:

- Total Additional Cost = R 475,118.84 (excl. VAT)
- The time impact of this change extends the Completion Date to 31 May 2016.

WorleyParsons hereby request your approval of our request for this Change of Scope of Service in terms of clause 8 of the conditions of contract.

We thank you for your kind consideration of this matter and we trust that you will find the above in order. Please contact the writer should anything be unclear.

Yours faithfully
WorleyParsons RSA

Jabez Steenkamp
Senior Project Manager

WorleyParsons RSA (Pty) Ltd
Directors: •DJ Dreyer (CEO)
•QMN Elsler, •MG Molo

•REG NO. 1989/002048/07

EcoNomics

Attachment 1: Eden Regional Landfill PPP - Additional Cost from 1 Jan. to 31 May 2016			
Description	Hours	Rate/h	Total
Johan Louw (from Attachment 2)			R 329,934.84
Chris Liebenberg (from Attachment 3)			R 93,380.00
Nico de Villiers (from Attachment 4)			R 34,200.00
Jabez Steenkamp	12	R 1,467.00	R 17,604.00
Total Additional Cost Excluding VAT			R 475,118.84
Total 14% VAT			R 66,516.64
Total Additional Cost including VAT			R 541,635.48

Attachment 3: Eden Regional Landfill PPP - Chris Liebenberg			
Description	Hours	Rate per Hour	Total
Updates and revisions to technical reports due to much longer time over which the project extended	7	R 1,610	R 11,270
Additional reporting and meetings to address new issues from the partner municipalities which was addressed in the past.	51	R 1,610	R 82,110
Total (Excl VAT)	58		R 93,380


WorleyParsons

resources & energy

31 Allen Drive
 Loevenstein 7530 PO Box 358, Bellville 7535
 South Africa
 Telephone: +27 (0)21 912 3000
 Facsimile: +27 (0)21 912 3222
 www.worleyparsons.com
 WorleyParsons RSA (Pty) Ltd
 REG NO: 1989/002046/07

7 July 2016

Enquiries: Jabez Steenkamp
 Ref: Project 258650

Mr. Morton Hubbe
 Eden District Municipality
 54 York Street
 George

Dear Mr. Hubbe

EDEN LANDFILL PPP - CHANGE ORDER NO 4:
ESCALATION OF COSTS AFTER COMPLETION DATE OF 30 JUNE 2014

Please refer to the following background information: Since the inception of the Eden Landfill project with a Section 78 study in April 2011 a number of factors had a significant impact on the timing and overall cost of getting a Public-Private Partnership (PPP) agreement in place. Discussions about an extended scope to include alternative waste treatment technologies were initiated in September 2011. This led to a project scope adjustment that was submitted to the DBSA in January 2012 and in the initial discussions the DBSA indicated that the approval process would be very short and a verbal time of about two weeks were given. This in the end took over a year. The contract extension was subsequently signed on 14 March 2014 after the extension to the WorleyParsons contract also took about a year to be approved by the Eden District Municipality.

These delays had a severe impact on us, as WorleyParsons entered into a contract with a fixed price for the contract duration. According to clause 4 of the Service Level Agreement: "...the agreement shall commence on 30 June 2012 and shall terminate upon completion of the services described in the agreement and as in Annexure A, which shall not exceed two years from the date of commencement of this agreement, ..." The Completion Date was therefore 30 June 2014, but due to various delays outside of the control of WorleyParsons, this date was not achieved and the work is still ongoing.

WorleyParsons has continued to work in good faith during this extended period to support the client, but we clearly cannot be expected to continue working 4 years later on 2012 rates. Our prices are subject to escalation after the original Completion Date i.e. 30 June 2014, and this constitutes an amendment to the agreement.

WorleyParsons RSA (Pty) Ltd
 Directors: •DJ Drayer (CEO)
 •GMN Elsler, •MG Mingo

•REG NO: 1989/002046/07

EcoNomics


WorleyParsons

resources & energy

EcoNomics

The impact of Change Order no 4 is detailed in the quotation in Attachments 1, as well as the four invoices attached. Escalation has thus been applied to all costs incurred after 30 June 2014, by escalating the invoice amounts of invoices which were submitted after this date. The escalation was calculated based on 6% per annum for all invoices issued between 30 June 2014 and 30 June 2016.

- Total Additional Cost = R 99,384.98 (excl. VAT)
- The Time impact of this change is addressed separately

WorleyParsons hereby request your approval of our request for this Change Order in terms of clause 6 of the Service Level Agreement.

We thank you for your kind consideration of this matter and we trust that you will find the above in order. Please contact the writer should anything be unclear.

Yours faithfully
WorleyParsons RSA

Jabez Steenkamp

Senior Project Manager

Eden Regional Landfill PPP Additional Cost - Invoice Escalation					
Description	Invoice Date	Invoice Amount excl VAT	Escalation (6%) on invoice from 30/06/14 - 30/06/15	Escalation (6%) on invoice from 30/06/15 - 30/06/16	Total Escalation
Invoice 6	27-Nov-14	R 393,750	R 23,625		R 23,625
Invoice7	14-Nov-14	R 437,355	R 26,241		R 26,241
Invoice 8	30-Jul-15	R 246,255	R 14,775	R 15,662	R 30,437
Invoice 9	15-Jun-16	R 154,382	R 9,263	R 9,819	R 19,082
Total					R 99,385

Total Additional Cost Excluding VAT	R 99,384.98
Total 14% VAT	R 13,913.90
Total Additional Cost Including VAT	R 113,298.88


WorleyParsons

resources & energy

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 REG NO: 1988/002948/07

7 July 2016

Enquiries: Jabez Steenkamp
 Ref: Project 258650

Mr. Morton Hubbe
 Eden District Municipality
 54 York Street
 George

Dear Mr. Hubbe

EDEN LANDFILL PPP - CHANGE OF SCOPE OF SERVICE NO 5:
DRAFTING OF THE LEGAL OPINION ON PAYMENT MECHANISM BETWEEN DISTRICT AND LOCAL MUNICIPALITIES

The nature of this PPP between a district municipality and a private partner (the first of its kind in South Africa), brought about unexpected additional work that needed to be completed, including the drafting of a legal opinion on the payment mechanism between district and local municipalities by Mr Nico de Villiers between June to July 2014. This work is a Change to the Scope of Service.

The impact of Change Order no 5 is detailed in the quotation in Attachment 1.

- Total Additional Cost = R 54,000.00 (excl. VAT)
- The Time impact of this change zero

WorleyParsons hereby request your approval of our request for this Change Order in terms of clause 8 of the Service Level Agreement.

We thank you for your kind consideration of this matter and we trust that you will find the above in order. Please contact the writer should anything be unclear.

Yours faithfully
 WorleyParsons RSA

Jabez Steenkamp

Senior Project Manager

WorleyParsons RSA (Pty) Ltd
 Directors: •DJ Dreyer (CEO)
 •OMN Elsler, •MG Molo

•REG NO: 1988/002048/07

Eden Regional Landfill PPP Additional Cost - Drafting of the Legal Opinion on payment mechanism between district and local municipalities			
Description	Hours	Rate per Hour	Grand Total
	Nico de Villiers	Nico de Villiers	
29/07/2014 Preparation of Opinion: Accountability of Partner Municipalities	4	R 1,500	R 6,000
14/06/2014 Preparation of Opinion: Affordability and Appropriate Payment Mechanisms	6	R 1,500	R 9,000
17/06/2014 Consultation with client – George (Day Fee)	8	R 1,500	R 12,000
02/07/2014 Consultation with client – George (Day Fee)	8	R 1,500	R 12,000
03/07/2014 Preparations for drafting of final opinion to Client and National Treasury	5	R 1,500	R 7,500
08/07/2014 Drafting Opinion: Appropriate Payment Mechanisms	5	R 1,500	R 7,500
Total			R 54,000

MAYORAL COMMITTEE
SPECIAL DISTRICT COUNCIL

28 OCTOBER 2016
04 NOVEMBER 2016

DC 48/11/16

**INVENTORY: WRITE OFF OF STORE ITEMS / VOORRAADOPNAME:
AFSKRYF VAN STOORITEMS / ULUHLU LWEMPAHLA EKUFUNEKA
ICINYIWE KWIMIBA YEZOGCINO (539936)**

(7/1/1)

18 July 2016

REPORT FROM THE EXECUTIVE MANAGER FINANCIAL SERVICES (L HOEK)

PURPOSE OF THE REPORT

Is to provide feedback on Inventory count for 2015/16 Financial year end and obtain approval for the write-off of inventory as a result of being obsolete or not identified in the stock count.

BACKGROUND

Council performs an annual stock take as per legislative requirements, Municipal Finance Management Act, no 56 of 2003, section 63, 96 & 122.

Section 63. Asset and Liability Management:

1. *The accounting officer of a municipality is responsible for the management of*
 - a) *the assets of the municipality, including the safeguarding and the maintenance of those assets.*
2. *The accounting officer must for the purposes of subsection (1) take all reasonable steps to ensure -*
 - a) *that the municipality has and maintains a management, accounting and information system that accounts for the assets and liability of the municipality;*
 - b) *That the municipality's assets and liabilities are valued in accordance with standards of generally recognised accounting practise; and*
 - c) *That the municipality has an maintains a system of internal control of assets and liabilities, including and asset and liabilities register, as may be prescribed*

Section 122, Preparation of Financial statements -

1. *Every municipality and every municipal entity must for each financial year prepare annual financial statements which –*
 - a) *Fairly represents the state of affairs of the municipality or entity, its performance against its budget, its management or revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year*

Standards of Generally Recognised Accounting Practice 12 (GRAP 12)

- .45 *When inventories are sold, exchanged or distributed the carrying amount of those inventories shall be recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expense is recognised when the goods are distributed, or related service is rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories shall be recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write down of inventories, arising from an increase in net realisable value or current replacement cost, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.*

Stock takes were performed at all four of Eden District Municipalities' stores, namely the George Store, Oudtshoorn Store, Riversdale Store and Fire Brigade Store, as well as the fuel depots over the region.

The discrepancies can be attributed to various activities that have transpired such as:

- i. Due to age, 2 of the tanks at the Knysna depot did not pass the tests and had to be filled with concrete.
- ii. Fuel dipping variation due to estimates from undefined calibration on the dipping stick.
- iii. Rounding off resulting from fuel pumps that are non-digital and not 100 percent accurate in the pump readings.
- iv. Obsolete stock due to weather cracks, milk passed Best Before Dates and broken items.
- v. Uniondale depot's petrol is only used by the George Municipality and has to be billed for the litres issued to them: evaporation and undefined calibration is for the books of Eden District Municipality.

The report is part of the preparation process for drafting Financial Statements and ensuring that the inventory value reflected on the face of the statement of financial position gives a fair valuation of what is purported to be in the books of council.

Stock take process primarily focuses on the following assertions with regards to stock; existence of stock, completeness of stock and accurate valuation of stock in the financial records of council.

Stock to be written off: R13 404.37

CORRECTIVE MEASURES

- Control measures with regards to frequency of dipping
- Old tanks are monitored daily to detect loss

FINANCIAL IMPLICATIONS

Stock loss R13 404.37

RELEVANT LEGISLATION

Local Government: section 95, General Financial Management functions of accounting officers, Municipal Finance Management Act 56 of 2003

UITVOERENDE OPSOMMING

Die versoek is om goedkeuring by die Raad te kry vir die afskrywing van voorraadverskille sodat die voorraad se waarde weerspieël kan word.

RECOMMENDATION

That the amount of R13 404.37 be written off in order to ensure faithful representation on the existence, completeness and valuation assertion for inventory on hand.

AANBEVELING

Dat die bedrag van R13 404.37 afgeskryf word om die korrekte weergawe te reflekteer van voorraad op hande.

ISINDULULO

Sesokuba imali neyi R13 404.37 icinywe ngelinge lokuqinisekisa intembeko kubukho, ugqibelelo kunye nokuhlengahlengiswa koluhlu lwempahla olukhoyo.

APPENDIX

A Variance Report: Stores/depots

APPENDIX A

VARIANCE REPORT

GEORGE STORE: 30 JUNE 2016

store 01

FOLIO NO	DESCRIPTION	ON SHELVE	ON ABAKUS	DIFFERENCE	Rc EACH	TOTAL
1004	Agri TFD / Utto	168	166	2	28.56	57.12
1006	Taurus 80W90L GL 5	248	249	-1	29.76	(29.76)
1007	Topaz 10W Hydraulic	60	58	2	33.18	66.37
1008	Engine oil Rubia	42	41	1	29.76	29.76
1011	Gear oil GL 4	184	185	-1	29.58	(29.58)
1015	Hydraulic oil 68	224	223	1	26.25	26.25
1018	ATF auto fluid	254	250	4	39.55	158.19
1020	Gear oil 85/140	286	282	4	29.03	116.13
1056	Navy combat pants	97	96	1	206.63	206.63
1063	Black jerseys	64	63	1	260.66	260.66
2068	Anti freeze	160	159	1	43.68	43.68
3021	Bolts 12 x 40mm	195	166	29	2.14	62.03
3053	Washer split 10mm	80	100	-20	0.19	(3.83)
3054	Waher flat 10mm	98	96	2	0.19	0.38
3090	Body washers 6mm	109	115	-6	0.38	(2.29)
4026A	Milk pots*	32	44	-12	189.31	(2,271.78)
TOTAL						(1,310.04)

*Obsolete: milk passed best before date

GEORGE FUEL: 30 JUNE 2016

store 02

FOLIO NO	DESCRIPTION	TANK liters	ABAKUS liters	DIFFERENCE	Rc EACH	TOTAL
1001	Petrol	556	557	-1	10.92	(10.92)
1001A	Petrol	4104	4145	-41	11.03	(452.43)
1002A	Diesel	28775	28675	100	10.47	1,047.33
TOTAL						583.98

RIVERSDALE STORE: 30 JUNE 2016

store 10

FOLIO NO	DESCRIPTION	ON SHELVE	ON ABAKUS	DIFFERENCE	Rc EACH	TOTAL
1003	Degreasing fluid	410	411	-1	22.80	(22.80)
1006	Taurus 80W90L GL5	140	141	-1	24.39	(24.39)
1008	Engine oil Rubia	465	463	2	29.75	59.49
1016	CPT 30	172	170	2	29.13	58.26
2068	Anti freeze	142	140	2	42.57	85.13
TOTAL						155.69

RIVERSDALE FUEL: 30 JUNE 2016

store 11

FOLIO NO	DESCRIPTION	TANK liters	ABAKUS liters	DIFFERENCE	Rc EACH	TOTAL
1002	Diesel	8036	8172	-136	10.05	(1,366.37)
TOTAL						(1,366.37)

FIRE BRIGADE: 30 JUNE 2016

store 15

FOLIO NO	DESCRIPTION	SHELVE	ABAKUS	DIFFERENCE	Rc EACH	TOTAL
1360	Bulb: double contact 24V	28	30	-2	5.00	(10.00)
1402	Wurth micro absorbent	291	293	-2	285.00	(570.00)
1404	Degreasing agent	8	9	-1	420.00	(420.00)
TOTAL						(1,000.00)

VAN WYKSDORP FUEL: 30 JUNE 2016

store 20

FOLIO NO	DESCRIPTION	TANK liters	ABAKUS liters	DIFFERENCE	Rc EACH	TOTAL
1002	Diesel	10577	9647	930	10.44	9,710.87
TOTAL						9,710.87

ALBERTINIA FUEL: 30 JUNE 2016

store 25

FOLIO NO	DESCRIPTION	TANK liters	ABAKUS liters	DIFFERENCE	Rc EACH	TOTAL
1002V	Diesel	8602	8568	34	10.28	349.61
TOTAL						349.61

HEIDELBERG FUEL: 30 JUNE 2016

store 30

FOLIO NO	DESCRIPTION	TANK liters	ABAKUS liters	DIFFERENCE	Rc EACH	TOTAL
1002Z	Diesel	1960	1924	36	9.70	349.21
TOTAL						349.21

HERBERTSDALE FUEL: 30 JUNE 2016

store 35

FOLIO NO	DESCRIPTION	TANK liters	ABAKUS liters	DIFFERENCE	Rc EACH	TOTAL
1002F	Diesel	5865	5840	25	10.02	250.45
TOTAL						250.45

KNYSNA FUEL: 30 JUNE 2016

store 45

FOLIO NO	DESCRIPTION	TANK liters	ABAKUS liters	DIFFERENCE	Rc EACH	TOTAL
1001J	Petrol	0	325	-325	8.94	(2,906.42)
1002K	Diesel	0	48	-48	8.42	(404.10)
1002L	Diesel	5158	5682	-524	9.42	(4,935.21)
TOTAL						(8,245.73)

Tank scurry
filledTank scurry
filled**OUDTSHOORN FUEL: 30 JUNE 2016**

store 55

FOLIO NO	DESCRIPTION	TANK liters	ABAKUS liters	DIFFERENCE	Rc EACH	TOTAL
1001	Petrol	6729	7538	-809	11.14	(9,010.39)
1002	Diesel	32456	32648	-192	10.28	(1,974.18)
TOTAL						(10,984.57)

OUDTSHOORN STORE: 30 JUNE 2016

store 50

FOLIO NO	DESCRIPTION	SHELVE	ABAKUS	DIFFERENCE	Rc EACH	TOTAL	
1003	Degreasing fluid	268	257	11	23.38	257.23	
1010	Litholube	6	4	2	526.03	1,052.06	
1015	Hydraulic oil 68	380	375	5	30.17	150.83	
1016	CPT 30	276	264	12	29.24	350.84	
1018	ATF Aut fluid	244	246	-2	43.23	(86.47)	
1035	Taurus	162	159	3	29.19	87.56	
2024	Number plate lights	5	7	-2	57.17	(114.33)	Obsolete: lights broken
2025	Rubber fuel line 8mm	5	3	2	35.00	70.00	
2068	Anti freeze	220	211	9	44.15	397.32	
2072	Fuses	234	236	-2	1.32	(2.64)	
2147	Mirror	0	1	-1	106.66	(106.66)	Obsolete: mirror broken
2166	Spark plugs	76	78	-2	14.15	(28.30)	
3534	Tube 185 x 14	0	1	-1	71.49	(71.49)	Obsolete: weather cracks
3544	Tube 1100 x 20	0	3	-3	239.04	(717.13)	Obsolete: weather cracks
3545	Tube 1400 x 24	5	6	-1	545.56	(545.56)	
3546	Tube 17.5 x 25	0	2	-2	716.96	(1,433.92)	Obsolete: weather cracks
TOTAL						(740.66)	

LADISMITH FUEL: 30 JUNE 2016

store 60

FOLIO NO	DESCRIPTION	TANK liters	ABAKUS liters	DIFFERENCE	Rc EACH	TOTAL
1002	Diesel	4796	4791	5	9.47	47.37
TOTAL						47.37

UNIONDALE FUEL: 30 JUNE 2016store
70

FOLIO NO	DESCRIPTION	TANK liters	ABAKUS liters	DIFFERENCE	Rc EACH	TOTAL
1001	Petrol	8413	8679	-266	11.16	(2,969.62)
1002	Diesel	7108	6852	256	9.92	2,540.52
TOTAL						(429.10)

George Municipality only
user of petrol - we can
only charge them for the
liters served to them and
not evaporation

CALITZDORP FUEL: 30 JUNE 2016

store 80

FOLIO NO	DESCRIPTION	TANK liters	ABAKUS liters	DIFFERENCE	Rc EACH	TOTAL
1002	Diesel	11393	11361	32	10.27	328.53
TOTAL						328.53

HEROLD FUEL: 30 JUNE 2016

store 90

FOLIO NO	DESCRIPTION	TANK liters	ABAKUS liters	DIFFERENCE	Rc EACH	TOTAL
1002	Diesel	2332	2340	-8	10.26	(82.05)
TOTAL						(82.05)

TANKER FUEL: 30 JUNE 2016

store 96

FOLIO NO	DESCRIPTION	TANK liters	ABAKUS liters	DIFFERENCE	Rc EACH	TOTAL
1002	Diesel	8873	8966	-93	10.98	(1,021.56)
TOTAL						(1,021.56)

SPECIAL DISTRICT COUNCIL

04 NOVEMBER 2016

DC 49/11/16

**ANNUAL INCREASE OF REMUNERATION OF MEMBERS OF THE
AUDIT AND PERFORMANCE AUDIT COMMITTEE / UNYUSO
LWEMIVUZO LONYAKA LWAMALUNGU EKOMITI YEZOPHICOTHO
KUNYE NOMSEBENZI WEZOPHICOTHO (537858)**

4/1/2/4/1

1 September 2016

**REPORT FROM THE MUNICIPAL MANAGER (GW LOUW) / CHIEF AUDIT
EXECUTIVE (J-W DE JAGER)**

PURPOSE OF THE REPORT

The purpose of the report is to table to the Financial Services Portfolio Committee, for consideration, a proposal of an annual increase in the remuneration of the members of the Audit and Performance Audit Committee ("APAC") of 5.5%.

BACKGROUND / DISCUSSION

APAC members are currently remunerated by means of a fixed monthly fee as per Council Resolution DC 455/03/13 (27 March 2013). A fee increase of 6% were approved and granted for the 2014/15 financial year and 5.5% for the 2015/16 financial year.

On 14 September 2015 National Treasury ("NT") published an approval of a 5.5% increase in the remuneration of non-official members of audit committees, effective from 1 April 2015 (NT has not issued any updated guidelines in this regard since). This percentage increase is not binding on the Municipality, but it is however considered to be a good guideline for the annual increase of APAC members' remuneration.

As the last increase of Eden DM's APAC members remuneration was affected on 1 July 2015, it is proposed that a 5.5% increase again be granted to members of the APAC, effective 1 July 2016.

FINANCIAL IMPLICATIONS

Increase of 5.5% on current remuneration levels.

	<u>Current</u>	<u>After proposed increase:</u>
Mr J Stoffels (Chairman)	R 4 473.20	R 4 719.23
Mr N Metelerkamp (Member)	R 3 132.24	R 3 303.46
Ms A Potgieter (Member)	R 3 132.24	R 3 303.46
Adv D Block (Member)	R 3 132.24	R 3 303.46
TOTAL per MONTH	R 13 866.92	R 14 629.61
 TOTAL Cost	 R166 403.04	 R175 555.32

The budgeted amount for Remuneration of APAC members (vote 1012115001001) is sufficient to cover the proposed 5.5% increase.

RELEVANT LEGISLATION

- Section 166 of the Municipal Finance Management Act No. 56 of 2003, and
- Section 1.4.8 of the APAC Charter

COMMENTS: MUNICIPAL MANAGER

Recommendation supported, provision has been made in the budget for the salary.

UITVOERENDE OPSOMMING

Die maandelikse vergoeding vir die lede van die Oudit en Prestasie Ouditkomitee ("OPOK") is in Oktober 2014 verhoog met 6%, effektief 1 Julie 2014, en weer met 5.5% effektief 1 Julie 2015. Hierdie dien as voorstel dat die vergoeding van die OPOK lede weer met 5.5% verhoog word, effektief 1 Julie 2016, in lyn met die verhogingspersentasie soos goedgekeur deur die Minister van Finansies en gesirkuleer deur Nasionale Tesourie in 'n skrywe gedateer 14 September 2015.

RECOMMENDATION

That a 5.5% increase be awarded to the APAC members, effective from 1 July 2016, funded from the existing budget for this purpose.

AANBEVELING

Dat 'n 5.5% verhoging toegeken word aan die lede van die OPOK, effektief vanaf 1 Julie 2016, en befonds word vanuit die bestaande begroting soos goedgekeur vir hierdie doel.

ISINDULULO

Sesokuba umyinge we 5.5% wochatha unikezwe amalungu e APAC, ukususela ngomhla 1 kweyeKhala 2016, nokubonelelwa kulwabiwomali olukhoyo nolujoliswe koku.

ANNEXURE

National Treasury letter: Remuneration of Non-Official Members: Audit Committees



**NATIONAL TREASURY
REPUBLIC OF SOUTH AFRICA**

Private Bag X115, Pretoria, 0001 Tel: +27 12 315 5111, Fax: +27 12 315 5234

Enquiries: JC Krüger Ref: FP20-8/6/2/2/4/1/001 Tel: 012 315 5219 Fax: 012 315 5330 E-mail: Chris.Kruger@treasury.gov.za

TO ALL –

ACCOUNTING OFFICERS OF CONSTITUTIONAL INSTITUTIONS, AND NATIONAL AND PROVINCIAL DEPARTMENTS, HEADS OF PROVINCIAL TREASURIES AND ACCOUNTING AUTHORITIES OF PUBLIC ENTITIES

REMUNERATION OF NON-OFFICIAL MEMBERS: COMMISSIONS & COMMITTEES OF INQUIRY, AND AUDIT COMMITTEES

1. The Minister of Finance, in terms of Treasury Regulation 20.2.2, granted approval to amend the **maximum remuneration payable per day** to non-official members of *Commissions* and *Committees of Inquiry* by 5.5 per cent with effect from 1 April 2015 as follows:

	COMMISSION OF INQUIRY		COMMITTEE OF INQUIRY	
	Per day	Per hour	Per day	Per hour
Chairperson	R4 584	R573	R3 784	R473
Member	R3 408	R426	R2 296	R287

2. With reference to Treasury Regulation 3.1.6, the remuneration applicable to **Committees of Inquiry** is applicable to members of **Audit Committees** appointed from outside the public service.
3. The indicated rates are sitting fees and exclusive of payments in respect of preparation, research and travelling (to and from meeting venues) time.
4. *Employees of National, Provincial and Local Government or Institutions, Agencies and Entities of Government serving on Commissions or Committees of Inquiry or audit committees are not entitled to additional remuneration.*
5. Any additional expenditure that could arise by implementing this approval must be defrayed from institutions'/departments'/public entities' existing budget allocations.

 **G. H. MANACK**
GOOLAM MANACK
(CHIEF DIRECTOR: PUBLIC ENTITIES GOVERNANCE UNIT)
for DIRECTOR-GENERAL: NATIONAL TREASURY

DATE **14/9/2015**

2015 Cir - C-C of Inq & Aud Com(20150806)

MAYORAL COMMITTEE

28 OCTOBER 2016

SPECIAL DISTRICT COUNCIL

04 NOVEMBER 2016

DC 50/11/16

PROPOSED CLOSURE OF OFFICES FOR THE PERIOD 23 DECEMBER 2016 TO 02 JANUARY 2017 / VOORGESTELDE SLUITING VAN KANTORE VIR DIE TYDPERK 23 DESEMBER 2016 TOT 02 JANUARIE 2017 / ISIPHAKAMISO SOKUVALWA KWE OFISI NGEXESHA LOMHLA 23 KWEYOMNGA 2016 NGO 02 KWEYE MQUNQU 2017 (545408)

(5/9)

12 October 2016

REPORT FROM THE EXECUTIVE MANAGER: CORPORATE /STRATEGIC SERVICES (B HOLTZHAUSEN)

PURPOSE OF THE REPORT

To obtain Council's approval on the proposed closure of Eden's offices for the period 23 December 2016 until 02 January 2017. (three (3) working days).

BACKGROUND

Most of Eden's employees are taking their annual leave over the festive season. It is almost tradition by now that Eden's offices are closed between Christmas Day and New Year's Day. As with previous years, it is recommended to Council to consider the closing of Eden's offices over the festive season from 23 December 2016 to 02 January 2017, provided that responsible departments ensure arrangements for the rendering of essential and emergency services.

COMMENTS: MANAGEMENT

The recommendations are supported.

UITVOERENDE OPSOMMING

Die oorweldigende meerderheid van Eden se personeel neem hul jaarlikse vakansieverlof oor die seisoen tydperk. Dit is so te sê al tradisie dat Eden se kantore tussen Kersdag en Nuwejaarsdag gesluit is.

Soos met vorige jare, word die Raad versoek om oorweging aan die sluiting van Eden se kantore te skenk oor die feesseisoen vanaf 23 Desember 2016 tot 02 Januarie 2017, met dien verstaande dat die betrokke departemente die lewering van essensiële en nooddienste verseker gedurende die genoemde tydperk.

RECOMMENDATION TO COUNCIL

1. That all Eden's offices, including the public works in the district shall close on Friday, 23 December 2016 at 12:00 and re-open on Tuesday, 03 January 2017 at 07:30.
2. That staff members be requested to apply for holiday leave for the period 28 December 2015 till 02 January 2017 (3 days).
3. That the relevant council departments make the necessary arrangements in respect of the rendering of essential and emergency services over the period mentioned above.
4. That the closure of Eden's offices over the said period be advertised in newspapers circulating in the Eden District.

AANBEVELING AAN DIE RAAD

1. *Dat Eden se kantore, ingesluit openbare werke in die totale distrik sal sluit op Vrydag, 23 Desember 2016 om 12:00 en sal heropen op Dinsdag, 03 Januarie 2017 om 07:30.*
2. *Dat dit van personeellede verwag sal word om verlofaansoeke in te dien ten opsigte van die tydperk 28 Desember 2016 tot 02 Januarie 2017 (3 dae).*
3. *Dat die betrokke raadsdepartemente geskikte reëlins met betrekking tot die lewering van essensiële en noodsaaklike dienste oor genoemde tydperk sal tref.*
4. *Dat die sluit van Eden se kantore oor genoemde periode in die nuusblaaie wat in die Eden distrik geadverteer word.*

ISINDULULO WKIBHUNGA

1. Sesokuba iofisi ze Eden, kuquka nezenkonzo zoluntu kwisithili zizakuvalwa ngoLwesihlanu, 23 kweyoMnga 2016 ngentsimbi 12:00 ziyokuvulwa ngoLwesibini, 03 kweYomqungu 2017 nge 07:30.
2. Sesokuba abasebenzi bacelwe ukuba bafake isicelo zabo zeholide ukususela ngomhla 28 kweyoMnga 2016 uyakutsho 02 kweYomqungu 2017 (iintsuku 3).

3. Sesokuba amasebe afanelekileyo ebhunga enze amalungiselelo afanelekileyo ngokuphathelene nonikezelo lwenkonzo ezingundoqo kunye nenkonzo kaxakeka kwelixesha liphawulwe ngentla.
4. Sesokuba ukuvalwa kwe ofisi ze Eden kwelixesha lichaziweyo kupapashwe kwimaphephandaba akhutshwa kwiSithili se Eden.

MAYORAL COMMITTEE

20 OCTOBER 2016

DISTRICT COUNCIL

04 NOVEMBER 2016

DC 51/11/16

CLOSURE OF ROADS SERVICES DEPARTMENT'S OFFICES FOR THE PERIOD 18 DECEMBER 2016 TO 13 JANUARY 2017 / *SLUITING VAN PAAIE DIENSTE DEPARTEMENT SE KANTORE VIR DIE TYDPERK 18 DESEMBER 2016 TOT 13 JANUARIE 2017* / UKUVALWA KWE OFISI ZESEBE LENKONZO ZENDLELA KWIXESHA ELISUSELA NGOMHLA18 KWEYOMNGA 2016 UYAKUTHSO 13 KWEYOMQUNGU 2017 (545479)

(5/9)

12 October 2016

REPORT FROM THE EXECUTIVE MANAGER: ROADS SERVICES DEPARTMENT (JC OTTERVANGER)

PURPOSE OF THE REPORT

To inform Council of the closure of the Roads Services Department for the period 18 December 2016 to 13 January 2017.

BACKGROUND

The Road Services Department closes once per year during the festive season to coincide with the builders and school holidays as well as the restriction of heavy earth moving equipment as a result of the increase in traffic on the road network. In order to implement the annual programme effectively and efficiently, it requires that all staff members take leave over that period.

FINANCIAL IMPLICATIONS

Employees have to put in leave for this period. Essential services employees will be paid overtime when they have to work.

RELEVANT LEGISLATION

Collective Agreement in Building Industry Bargaining Council

Section 20 of the Bargaining Council Employment Act, Act 75 of 1997

UITVOERENDE OPSOMMING

Die Paaie Dienste Departement sluit elke jaar gedurende die feesseisoen ten einde saam te val met die bouers- en lang skool vakansies. Hierdie word genoodsaak as gevolg van die toename in verkeer op die nasionale padnetwerk asook die beperking van vervoer van swaar grondverskuiwingsmasjienerie op openbare paaie. Ten einde die werksprogram effektief te implementeer word dit genoodsaak dat alle personeel gedurende hierdie tydperk verlof neem.

RECOMMENDATION TO COUNCIL

1. That Roads Services Department be closed from 15 December 2016 at 10:00 and re-open on Monday, 16 January 2017 at 07:20.
2. That skeleton staff will be on duty during the closing period for emergency work.
3. That all Road Department staff members submit leave for this period.

AANBEVELING AAN DIE RAAD

1. *Dat die Paaie Dienste Departement sluit vir die tydperk vanaf 15 Desember 2016 om 10:00 en heropen op Maandag, 16 Januarie 2017 om 07:20.*
2. *Dat bystandspanne gedurende die tydperk aandiens sal wees vir noodwerke.*
3. *Dat alle amptenare verlof vir hierdie periode indien.*

ISINDULULO KWIBHUNGA

1. Sesokuba Isebe Lenkonzo Zednlela livalwe ukususela ngomhla 15 kweyoMnga 2015 ngentsimbi 10:00 liyokuvula ngoMvulo, 16 kweyoMqungu 2017 nge 07:20.
2. Sesokuba abasebenzi abathile babesenkomeni ngexesha kuvaliwe ngelilungiselela umsebenzi kaxakeka.
3. Sesokuba bonke abasebenzi beZobuchule bafake isicelo zabo zekhefu.

APPENDIX

None

MAYORAL COMMITTEE

28 OCTOBER 2016

SPECIAL DISTRICT COUNCIL

04 NOVEMBER 2016

DC 52/11/16

**REPORT ON THE PAYMENT OF SALARIES FOR DECEMBER 2016 /
 VERSLAG RAKENDE DIE BETALING VAN SALARISSE VIR DESEMBER
 2016 / INGXELO NGENTLAWULO ZEMIVUZO KWEYOMNGA 2016
 (545409)**

(4/1/2)

12 October 2016

**REPORT FROM THE EXECUTIVE MANAGER: CORPORATE/STRATEGIC
 SERVICES (B HOLTZHAUSEN)**

PURPOSE OF THE REPORT

To obtain approval for the earlier payment of salaries in respect of December 2016.

BACKGROUND

Salaries are normally paid on the 25th of a month or the working day closest to the 25th of the month.

Eden's records indicate clearly that most of the staff members are having their annual leave over festive seasons and go on holiday when schools close early in December.

RELEVANT LEGISLATION

Section 66 of the Municipal Finance Management Act, No 56 of 2003.

FINANCIAL IMPLICATIONS

As per approved salary budget.

COMMENTS: MUNICIPAL MANAGER

The recommendations are supported.

**COMMENTS: EXECUTIVE MANAGER CORPORATED AND STRATEGIC
 SERVICES**

The recommendations are supported.

UITVOERENDE OPSOMMING

Salarisse word gewoonlik betaal op die 25ste van elke maand of die werksdag die naaste aan die 25ste. Eden se rekords toon dat meerderheid van die personeel hul jaarlikse verlof gedurende die feestyd neem wanneer skole vroeg in Desember sluit.

RECOMMENDATION TO COUNCIL

1. That it be recommended to Council that the December 2015 salary payment shall be on 19 December 2016.
2. That the abovementioned arrangement shall be seen as an exception to Council's standing resolution in respect of the 25th of each month, being the official payment date.
3. That the exception shall only be in respect of December 2016.

AANBEVELING AAN DIE RAAD

1. *Dat die Desember 2016 salaris betaaldag, 19 Desember 2016 sal wees.*
2. *Dat bogenoemde reëling as 'n uitsondering teenoor die Raad se staande besluit ten opsigte van die 25ste van elke maand as amptelike betaaldag, beskou word.*
3. *Dat hierdie uitsondering slegs ten opsigte van Desember 2016 sal wees.*

SOKUNDULULA KWIBHUNGA

1. Sesokuba kundululwe kwi Bhunga ukuba imivuzo yoMnga 2016 izakuhlulwa ngomhla 19 kweyoMnga 2016.
2. Sesokuba lamalungiselelo aphawulwe ngentla azakuthatyathwa njengakhethekileyo kwisigqibo esimileyo se Bhunga sokwamkela ngomhla 25 kwinyanga, njengomhla osemthethweni wokwamkela.
3. Sesokuba oku kuthetheka kuzakuqhubeka kweyoMnga 2016.

FINANCIAL SERVICES COMMITTEE

10 OCTOBER 2016

MAYORAL COMMITTEE

28 OCTOBER 2016

SPECIALDISTRICTCOUNCIL

04 NOVEMBER 2016

DC 53/11/16

**REPORT REGARDING THE MUNICIPAL FINANCE IMPROVEMENT
PROGRAMME PHASE II (MFIP II) UP TO AUGUST 2016 / *VERSLAG
RAKENDE DIE MUNISIPALE FINANSIËLE VORDERINGSPROGRAM
FASE II TOT EN MET AUGUSTUS 2016* / INGXELO MALUNGA
NEBAKALA II LOKUPHUCULWA KWEMALI ZOMASIPALA UZAKUTHI
GA NGEYETHUPHA 2016 (539175)**

12 September 2016

REPORT FROM THE CHIEF FINANCIAL OFFICER (L HOEK)**PURPOSE OF THE REPORT**

To table, for consideration, the August 2016 Municipal Finance Improvement Support Plan II (MFIP II): Monthly Report, conducted by J W Krut, contracted in by Government Technical Advisory Centre (GTAC) and to brief the newly appointed council and the financial services committee on the purpose of the MFIP II.

BACKGROUND

Refer to the attached MFIP II Terms of Reference and a short MFIP II slide show that will be presented at the meeting.

In terms of paragraph 3 of the MFIP II Terms of Reference (TOR), June 2015, progress made on the MFIP II Support Plan and other financial matters must be reported to the Financial Services Committee and Municipal Council.

FINANCIAL IMPLICATIONS

The MFIP II is funded by GTAC.

RELEVANT LEGISLATION

Municipal Finance Management Act, Act 56 of 2003.

COMMENTS: ACCOUNTING OFFICER AND CHIEF FINANCIAL OFFICER

It needs to be mentioned that:

- The budgeted hours for the MFIP II was mostly spend by the adviser on the mSCOA Project Process as for the restructuring process EdenDM has gone through, leaving the finance - and other departments with key vacant positions;
- The progress on the mSCOA Project will be submitted to the mSCOA Steering Committee on the 15 September 2016 and thereafter to all oversight committees and council.
- Please refer to the MFIP II progress report for more detail on the activities.

UITVOERENDE OPSOMMING

Die aangehegte MFIP II, Augustus 2016 vorderingsverslag, het ten doel om verslag te doen rakende die vordering van die MFIP II soos deur JW Krut, adviseer vir 'Government Technical Advisory Centre' (GTAC), saamgestel en bestuur word. Die fokus was grootendeels op die mSCOA projek en n vorderingsversalg sal op 15 September 2016 aan die mSCOA Staande Komitee voorgele word en daarna aan alle oorsigkomitees en die Raad.

RECOMMENDATION

That the contents of the report be noted.

AANBEVELING

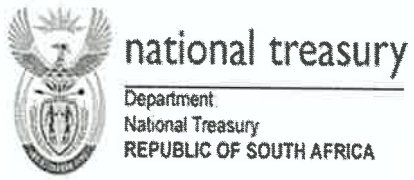
Dat kennis geneem word van die inhoud van die verslag.

ISINDULULO

Sesokuba I MFIP II, ingxelo yenkqubela kweyeThupha 2016, idinga ingqwalasela yekomiti.

APPENDIX

- MFIP II Terms of Reference (TOR)
- MFIP II slide show
- MFIP II August 2016 Monthly Report.



MUNICIPAL FINANCE IMPROVEMENT PROGRAMME PHASE II MFIP II

EDEN DISTRICT MUNICIPALITY

MFIP II Steering Committee

Terms of Reference

EDEN DISTRICT MUNICIPALITY
MFIP II MFIPII Steering Committee

Terms of Reference

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1. MANDATE

National Treasury approved support to Eden District Municipality under the Municipal Finance Improvement Programme Phase II for the period March 2015 to March 2017. According to the programme conditions a MFIP II Steering Committee should be constituted within one month of the commencement of the support or may be part of the Finance Services Committee.

2. COMPOSITION OF THE COMMITTEE

2.1 CHAIRPERSON

The chairperson of the MFIP II Steering Committee will be the MMC for finance.

2.2 PRINCIPAL MEMBERS

Principal members shall include:

- ☐ MMC for Finance
- ☐ Municipal Manager
- ☐ CFO
- ☐ All Divisional Managers in the BTO

2.3 ALTERNATIVE MEMBERS

Each principal member may nominate an alternative member to attend on his/her behalf. The committee chairperson shall be informed and agree to the appointment of the alternative member prior to the committee meeting. The use of alternative members is restricted to those occasions where a principal member is legitimately absent.

2.4 CO-OPTION OF MEMBERS

Individuals may be co-opted onto the forum for their specialist expertise on a temporary or permanent basis at the discretion of the chairperson.

2.5 DEPUTISING FOR THE CHAIRPERSON

If the chairperson will not be present during a scheduled meeting, he or she will delegate one of the principal members to chair the meeting, failing which the chairperson shall be appointed by the majority of members present.

2.6 SECRETARIAT

To entrench ownership within the municipality the person as appointed by the Committee, shall be the secretary of the Committee. It is recommended that the Interns, on a rotational basis, be responsible for taking minutes, distributing documents and presenting reports. This would enable them acquire skills such as minute taking, report writing, presentations and communication.

3 ROLE OF THE MFIP II STEERING COMMITTEE

The role of the MFIP II Steering Committee, approved by the Council, is as follows:

- ☐ Review the MFIP II Support Plan and recommend for approval by the Municipal Council;
- ☐ Monitor the implementation of the National Treasury financial management reforms, MFMA and its regulations as well as the MFIP II Support Plan, and recommend appropriate action where there is lack of implementation;
- ☐ Monitor non-compliance with the MFMA calendar and develop and oversee remedial action to address issues causing non-compliance;
- ☐ Oversee the financial performance, position and processes of the municipality;

- ☐ Report to the Finance Portfolio Committee and Municipal Council on the progress made on the MFIP II Support Plan and other financial matters.
- ☐ Report on the progress made on the relevant staff members to acquire minimum competency levels;
- ☐ Ensure bi-monthly meetings of the MFIP II Steering Committee are held and are effective;
- ☐ Ensure that skills transfer is done by service providers involved in critical finance areas such as the Annual Financial Statements and Generally Recognised Accounting Practice implementation; and
- ☐ Develop goals, objectives and key performance indicators for the committee for approval by the Municipal Council.

4. RESPONSIBILITIES OF THE MFIP II STEERING COMMITTEE CHAIRPERSON

The responsibilities of the MFIP II Steering Committee Chairperson are as follows:

- ☐ Set the agenda for each meeting;
- ☐ Ensures that agendas and supporting material is delivered to members in advance of meetings;
- ☐ Receive Review Reports/Monitoring Reports with the relevant supporting documentation prepared and submitted by the NT Advisor, and other role players, where applicable, in the approved format;
- ☐ Ensure the purpose of each meeting is clear to members and the agenda is adopted at the beginning of each meeting that is, reporting in terms of the approved MFIP II Support Plan;
- ☐ Ensure that the relevant Review/Monitoring Reports of the NT Advisor and other role players, where applicable, are tabled and assessed.
- ☐ Approve and sign off on behalf of the Council on all outcomes/deliverables in terms of the Support Plan, when required; and
- ☐ Report to EXCO/Council.

5. RESPONSIBILITIES OF THE STEERING COMMITTEE MEMBERS

The individual Steering Committee members have the following responsibilities:

- ☐ Understand the goals, objectives, and desired outcomes of MFIP II;
- ☐ Ensure commitment and take a genuine interest in the programme outcomes and overall success;
- ☐ Support the Chairperson in achieving the programme outcomes;
- ☐ Communicate positively about the programme;
- ☐ Ensure that the programme is taking the appropriate decisions to achieve the outcomes and deliverables;
- ☐ Ensure that the programme is aligned with the Municipality's relevant strategies, policies and the relevant plans;
- ☐ Actively participate in meetings through attendance, discussion, and review of reports, minutes, papers and other Steering Committee documents; and
- ☐ Deliver effectively on tasks assigned by the Chairperson.

6. RESPONSIBILITIES OF THE MFIP II TECHNICAL ADVISOR

The MFIP II Technical Advisor based at the Municipality has the following responsibilities:

- ☐ Ensure that the Steering Committee members understand the goals, objectives, outputs, roles and responsibilities and desired outcomes of the MFIP II in terms of the Support Plan;
- ☐ Compile and submit Monitoring and Review progress reports in terms of the MFIP II, with the relevant supporting documentation, to the Chairperson prior to the Steering Committee meetings;

- ☐ Adequately discuss the Monitoring and Review progress reports so that the various role players are well informed of progress on each outcome/deliverable;
- ☐ Provide all relevant supporting information to enable the Chairperson to approve and sign off on behalf of the Council on all outcomes/deliverables;
- ☐ Maintain a project file with all relevant documentation as required by National Treasury; and
- ☐ Report to National Treasury on the prescribed format/template.

7. COMMITTEE ADMINISTRATION

7.1 MEETINGS OF THE COMMITTEE

The Steering Committee meetings will be convened on a bi-monthly basis and will be incorporated in the municipal schedule of meetings of the Finance Service committee.

Other ad-hoc meetings may also be convened to meet the time frames outlined in the MFIP II Support Plan. The frequency of the meetings will subsequently be reviewed in terms of the success of achieving the desired outcomes.

A meeting package will be sent to members three to five business days in advance of a Steering Committee meeting. This package will include the following:

- ☐ Agenda for the upcoming meeting.
- ☐ Minutes of previous meeting.
- ☐ Monitoring and Review progress reports, with the supporting documentation for the project.
- ☐ Any other documents/information to be considered at the meeting.

7.2 MINUTES

At the meetings:

- ☐ Minutes of each meeting shall be taken by the secretariat. If the secretariat is not available, then the chairperson shall delegate this responsibility to one of the attendees;
- ☐ All material reviewed or presented at the meeting shall be appropriately identified in the minutes and attached to the minutes;
- ☐ Decisions and recommendations, including dissenting opinions and abstentions, shall be accurately recorded in the minutes. Unresolved matters will be referred to the Finance Portfolio Committee for decision;
- ☐ One principal member should move for the adoption of the minutes, which should be seconded by another principal member;
- ☐ Actions arising from any meeting shall be noted in the minutes along with the name of the responsible person and due date;
- ☐ The secretariat shall provide members with a summary of all action/decisions within 3 working days of the meeting; and
- ☐ At the request of a principal member of the meeting or at his/her own discretion, the chairperson may exclude co-opted members from the discussion of a particular agenda item, or even request that the individual excuse himself or herself from a meeting.

7.3 URGENT MATTERS

- ☐ With regard to matters requiring urgent attention, the committee is empowered to deal with these matters, and is not restricted to the terms of reference (set out herein).
- ☐ The process to be followed in such an instance is as follows:
- ☐ Once the chairperson of the committee has determined that a matter is urgent the chairperson of the committee and members shall be notified thereof and the committee secretariat shall convene an urgent meeting of the committee.
- ☐ All committee members shall be given notice of the meeting and no minimum notice period shall be required.

- ☐ Copies of relevant documents relating to the urgent matter or a summary thereof shall be forwarded to all committee members.
- ☐ All committee members are entitled to attend such urgent meeting.
- ☐ The committee shall make a decision with regard to any such matter.
- ☐ The decision of the committee shall then be tabled at the next committee meeting for noting.
- ☐ The committee, in carrying out its responsibilities under these terms of reference:
- ☐ Is authorized to investigate any activity within its terms of reference.
- ☐ May, at its discretion, require other employees of the Municipality to attend meetings or parts of meetings.
- ☐ May consult with and seek any information it requires from any employee, and all employees shall be required to cooperate with any request made by the committee in the course of its duties.

7.4 LIMITATION OF AUTHORITY

The Steering committee will have no authority to change the Support Plan without the written approval of National Treasury.

7.5 QUORUM AND DECISION MAKING

7.5.1 Quorum

A minimum number of fifty percent plus one of the Steering Committee members is required for quorum and for the decision-making purposes. In the absence of the Chairperson the standing rules of order for Council shall apply.

7.5.2 Decisions

- ☐ A decision carried by the majority of members present at a meeting, shall be a decision of the committee provided the decision lies within the mandate/powers/constitution of the committee.
- ☐ The chairperson may, at his/her discretion, refer any matter to the Finance Portfolio Committee for a decision.

8. RECORD KEEPING

All records generated by the Steering committee shall be kept on the premises of the municipality. The minutes shall be retained for a minimum period of 5 years.

9. CODE OF CONDUCT FOR MEMBERS

In order to ensure good ethical practice, the chairperson and members of the forum shall:

- ☐ Always act in an ethical manner in accordance with Municipal Code of Conduct.
- ☐ Ensure that there is no conflict of interest, or declare their interest, in relation to any matter discussed by the forum.
- ☐ Make every effort to attend all Steering committee meetings.

Non-compliance with the code of conduct must be escalated to the committee chairperson.

10. PROCESS FOR MONITORING

The committee shall conduct self-evaluation of its self-evaluation of its performance and effectiveness at least once a year.

Compiled by:*John Kruyt***J.W. KRUYT**

Initials and Surname

Designation: Advisor

Date: 12 September 2016**Functional Responsibility:****G. LOUW**

Initials and Surname

Designation: Municipal

Date:.....**Authorized by:**

Initials and Surname

Designation: Chairperson

Date:.....

EDEN DISTRICT MUNICIPALITY

MUNICIPAL FINANCE IMPROVEMENT PROGRAMME PHASE II (MFIP II)

MFIP II MONTHLY REPORT

PERIOD: 1 August 2016 TO 31 August 2016

Municipal Manager:

Name _____ Signature _____ Date _____

Chief Financial Officer:

Name _____ Signature _____ Date _____

MFIP II Advisor:

Name _____ Signature _____ Date _____

SUMMARY HOURS SPENT PER ACTIVITY FOR MONTH

PART 1 - INSTITUTIONAL

IS1	Program Administration	-
IS2	Advisory training sessions	-
IS3	Workshops and Seminars	-
IS4	Absence Other	24.0
IS5	Absence - Sick	-
IS6	Public holidays	16.0
IS7	Rapid Response	-
1.1	MFMA Support Plan	-
1.2	MFMA Steering Committee	-
1.3	Appointment MM and CFO	-
2.1	Review BTO Organogram	-
2.2	Appointment BTO Staff	-
2.3	Intern Development	-
2.4	BTO Staff Development	-
3.1	Review IA Organogram	-
3.2	Appointment IA Staff	-
3.3	IA Staff Development	-
4	MFMA System of Delegations	-

Sub Total: Institutional

40.0

PART 2 - TECHNICAL

1	Revenue Management	-
2	Cash Management	6.0
3.1	Budget Preparation	17.0
3.2	Budget Management	7.0
3.3	Budget Administration	-
4	Reporting	28.0
5	Expenditure Management	37.0
6	Asset Management	37.0
7	Supply Chain Management	12.0
8	Standard Chart of Accounts	20.0
9	Uniform Norms and Ratios	-
10	Business Continuity Plan	-
11	FMCM	-

Sub Total: Technical

164.0

Sub Total: Institutional

40.0

Sub Total: Technical

164.0

Total Hours

204.0

Less: Absence

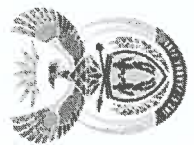
40.0

Hours Billed

164.0

Municipal Finance Management Programme Phase II MFIP II – Eastern District MFIP II advisory report

Presented by John Krüger – September 2016



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Discussion Points

1. MFIP II Support Rendered
2. Future Focus of MFIP II Support Plan
3. Challenges and Possible Opportunities

1. Financial position

- Problem statement: “ Eden’s revenue increases by 3% and expenditure by 7%”. Therefore needed a new way of thinking:
- Holiday resorts;
- Health and Emergency services;
- Utilise the Eden District Municipality’s structure;
- Staff complement.

2. Restructure

- Operations redefined to enable a review of the organogram.

3. Financial Management and Internal Control systems

- Verified and address levels of deficiency in the functionality of Eden’s financial management and internal control systems;
- mSCOA;
- Capacity building.

1. Financial Management and Internal Control systems (continue)

- Effective Financial Management and Internal Control systems;
- Business processes;
- Standard Operating Procedures;
- Capacity building.

2. mSCOA implementation (continue)

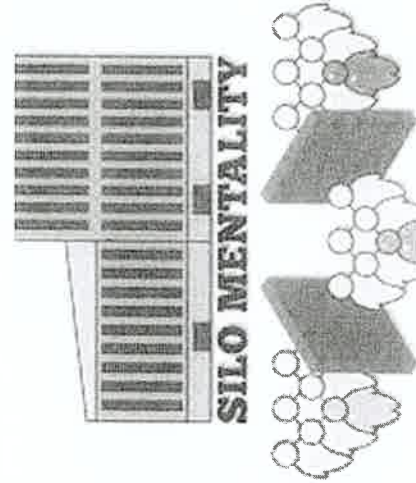
- Facilitate the process to ensure mSCOA readiness by July 2017;
- Capacity building.

3. Change Management

- Champion Change Management for the whole of the Municipality

mSCOA

mSCOA is a great opportunity for all initiatives such as “Back to the Basics”, Financial Reform, Business Processes, MFIP II and to **break**.....





THANK YOU

MAYORAL COMMITTEE

28 OCTOBER 2016

COUNCIL MEETING

04 NOVEMBER 2016

DC 54/11/16

**EXTENSION OF THE CURRENT PERFORMANCE MANAGEMENT
SERVICE LEVEL AGREEMENT BETWEEN EDEN DISTRICT
MUNICIPALITY AND IGNITE / *UITBREIDING VAN DIE HUIDIGE
PRESTASIE BESTUUR DIENSLEWERINGS KONTRAK TUSSEN EDEN
DISTRIKSMUNISIPALITEIT EN IGNITE / UKWANDISWA
KWESIVUMELWANO SONIKEZELO LWENKONZO PHAKATHI
KOMASIPALA WESITHILI SE EDEN KUNYE NE IGNITE (547061)***

(9/11/1)

18 October 2016

**REPORT FROM THE MUNICIPAL MANAGER :(GW LOUW) / REPORT FROM
PERFORMANCE MANAGEMENT UNIT (IG SAAIMAN)**

PURPOSE OF THE REPORT

To request approval from the new Council for the extension of the current Performance service level agreement between Eden District Municipality and Ignite.

BACKGROUND/DISCUSSION

Ignite was appointed by the Municipality to provide electronic tools and support to assist with the management of municipal performance and related activities.

The current service level agreement between Eden District Municipality and Ignite has terminated on 30 June 2016

Funds have been obtained from Provincial Government in order to fund the following;

- Organizational Performance Management(current electronic system – Ignite)
- Implement Individual Performance Management on first three levels of employment (current electronic system assisting with this function – Ignite)
- Individual Performance Management will take up to three years to be completely implement up to the lowest level of employment

Risk Assist

- The Risk Assist module was not optimally used by employees and thus management decided during the Risk Management Committee meeting held in April 2016 that we will not be using this module for the 16/17 financial year. Therefor it was excluded from the newly drafted SLA.

Approval was granted from the previous Mayoral Committee on 24 May 2016 and at Council on 27 May 2016. After the approval, an advert was posted for public feedback with regards to the request for extension.

FINANCIAL IMPLICATIONS

Refer to the attached reports

RELEVANT LEGISLATION

Local Government: Municipal Systems Act, No. 32 of 2000, Chapter 6, Performance Management

Municipal Finance Management Act, No.56 of 2003, 116

COMMENTS: MUNICIPAL MANAGER

By virtue of the National treasury directive, that all municipalities (257) must be MSCOA compliant by 01/07/2017. National Treasury has also requested municipalities not to procure any new systems, until the MSCOA integration phase has been completed. Ignite is currently a 'stand alone' system, but needs to be integrated with the main financial system. In view of the challenges that are predicted with this change –over, my recommendation would be to extend the current Ignite contract with 2 years – 30 June 2018.

UITVOERENDE OPSOMMING

Sedert Julie 2011 lewer Ignite 'n baie goeie diens ten opsigte van beide elektroniese bystand sowel as een tot een bystand in die prestasie afdeling. Deur die gebruik van die sisteem en bystand soos benodig, maak dit die evaluering en monitoring van die munisipaliteit se prestasie baie meer effektief.

RECOMMENDATION

1. That approval be granted for the extension of the current service level agreement with Ignite for two (2) years until 30 June 2018.
2. That that the provisions of Section 116 of the Local Government: Municipal Finance Act, Act 56 of 2003 have been adhered to.

AANBEVELING

1. *Dat goedkeuring verleen word vir die verlenging van die huidige ooreenkoms met Ignite vir twee (2) jaar tot en met 30 Junie 2018.*
2. *Dat daar voldoen is aan die voorskrifte vervat in terme van Artikel 116 van die Plaaslike Regering: Munisipale Finansiële wet, Wet 56 van 2003.*

ISINDULULO

1. Sesokba kunikezwe uqwalaselo olunzulu kwaye kuphnyezwe ukwandiswa kwesivumelwano soknikezelwa kwenkonzo ibeyiminyaka emibini uyakutsho 30 kweyeSilimela 2018.
2. Sesokuba kunikwe ingqwalasela kwinto yokuba akukhange kubekho zimvo/galelo oluye lwafunyanwa kuluntu kwaye izibonelelo zoMhlathi 116 zoRhulumente Wasekhaya: Umthetho Wemali zoMasipala, uMthetho 56 wango 2003 uqwalaselwe.

APPENDIX

- I. Performance Management Business Plan/Project Plan
- II. Memorandum of Agreement between The Western Cape Government and Eden District Municipality
- III. Service Level Agreement
- IV. Press release: Public Perusal



Eden District Municipality

Business Plan for Western Cape Financial
Management Support Grant

Project Name: Performance Management

June 2015



Contents	Page No
1. Project/Programme Introduction	
2. Executive Summary	
3. Project/Programme Profile	
3.1 Background	
3.2 Project/Programme Goal	
3.3 Impact/Outcome	
3.4 Project/Programme Outputs	
4. Policy Alignment	
5. Risk/SWOT Analysis	
6. Activity and resource schedule	
7. Funding	
7.1 Proposed sources of funding	
7.2 Motivation for funding	
8. Monitoring, Reporting and Evaluation	
8.1 Reporting	
9. Assumptions and risks	
9.1 Assumptions	
9.2 Risk Management Matrix	
10. Other information	
10.1 List of stakeholders	
11. Approval by Municipal Manager	

1. Project/Programme Introduction

Project/Programme Name	Performance Management
Intended Output	Implementation of Organizational and Individual Performance
Vote	1014075038498 (Individual Performance), 1014075038551 (Organizational Performance, Performance Management APR/SDBIP)
Responsible Municipal Official	Ilse Saciman
Project/Programme Manager/Director	Ilse Saciman
Date	05 February 2016
Project/Programme Life Cycle (Start and End dates)	1 July 2015 – 30 June 2018
Total Project/Programme Cost	R300 000 for individual Performance, R100 000 for Organizational Performance
Project Cost required from Provincial Treasury	R300 000
Project Cost Co-funding from Municipality	R100 000

2. Executive Summary

A high level summary to orientate the reader to all the aspects of the Project/Programme must be provided, giving a synopsis of the most important information included in the Business Plan.

Narrative Summary (provided as a guide)	
Project/Programme Goal, impact & outcome	<p>To implement Individual Performance Management from the highest level to the lowest level of employment To have a fully effective and efficient organizational performance management system in place Both systems are legislatively required for full implementation</p> <p>In order to fully monitor and evaluate the growth of the organization, a structure filtering right through to each individual, must be implemented on a phase level basis. This project will provide the opportunity at an individual level for the following:</p> <ul style="list-style-type: none"> - It will allow the individual to reach agreements aligned to the overall team, department and municipal objectives - It will provide the individual employee with clear definitions of responsibility and deliverables - It will provide clear feedback channels on overall performance - It will give leeway to recognition and clear understanding of own and other's performance within the organization <p>The Objectives of this project are:</p> <ul style="list-style-type: none"> - Link with departments, teams and individuals do reach in a combined effort the overall municipal or departmental goals - To identify individual's potential, weaknesses and strengths - Facilitate the development of a results – orientated organizational culture - Must recognize and reward excellent performance - Identify and improve poor performance
Project/Programme Purpose	Compliance with Legislative Requirements: Municipal Systems Act, Municipal Regulations, Municipal Financial Management Act

Narrative Summary (provided as a guide)	
	<p>By implementing this project, the following results can be expected:</p> <ul style="list-style-type: none"> - Modifying and enriching jobs - Creating new and improved skills amongst employees - Improving communication within the municipality - Extended career development - Change management - New reward structured implemented
Project/Programme Output(s)	<p>Reasons stipulated above</p> <p>Assist the Municipality on an ongoing basis with Performance Management</p>
Performance Indicators	<p>Complete Top Level and Departmental Service Delivery and Budget Implementation Plan</p> <p>Complete Individual Performance management system linking to the organizational goals</p>
Key Inputs/Activities	<p>Organizational Performance</p> <ul style="list-style-type: none"> - Compilation of the SDBIP (TL and Dep) - Compilation of Performance Agreements - Annual Performance Reports - Ignite System for monthly updates, monitoring and evaluation - Performance Reviews <hr/> <p>Individual Performance linked to Organizational Performance</p> <p>Phase 1</p> <ul style="list-style-type: none"> - Development of Policies - Workshops on Policies - Approval of Policies - Development of the final manual

<p>Narrative Summary (provided as a guide)</p>	<p><u>Phase 2</u></p> <ul style="list-style-type: none"> - The development of the electronic performance management system for individuals - Implementation of system <p><u>Phase 3</u></p> <ul style="list-style-type: none"> - Development of agreements - Workshop of agreements - Approval of agreements - Alignment with the Skills Development Plan of the Municipality - Establishment of reviews and period pertaining to legislation/agreed upon terms <p><u>Phase 4</u></p> <ul style="list-style-type: none"> - Staff facilitated implementation of performance management - Facilitation of reviews - Establishment of the culture - First roll out to levels up to post level 3
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3. Project/Programme Profile (Detailed project information)

- 3.1 Background
- 3.2 Project/Programme Goal
- 3.3 Impact/Outcome
- 3.4 Project/Programme Outputs

Describe the short-term results to be produced that are the immediate consequences of Project/Programme activities. The performance indicators should be a measure to determine whether the Project/Programme has achieved the stated outputs.			
Project/ Programme outputs	Performance indicator	Baseline (Current status)	Target
Annual Performance Report	To compile the Annual Report according to the legislative Requirements	Compliant	30 August 2016
Compilation of the SDBIP	To compile both the Top Layer SDBIP and the Departmental SDBIP	Compliant	31 July 2016

4. Policy alignment

- Eden District Municipality: Performance Management Policy Framework
- Municipal Systems Act, 2000 – Chapter 6
- Municipal Financial Management Act 56 of 2003
- Toolkits from SALGA, National and Provincial Treasury and Government

2022

5. Risk/SWOT Analysis

This section should provide information on Strengths, Weaknesses, Opportunities and Threats that the Project/Programme might have and create. All the stakeholders should be involved in order to make an informative Analysis.

Strengths	Weaknesses	Opportunities	Threats
In house knowledge of the subject	Shortage of funding Shortage of staff		Non compliance with legislation



6. Activity resource schedule

The following should be considered when completing the activity schedule:

- List detailed inputs or activities identified in the Project/Programme plan
- List outputs or outcomes that are linked to inputs or activities
- Clearly indicate how the outputs or outcomes will be measured
- Estimate start up, duration and completion of inputs or activities
- Estimate budget or cost implications for each input or activity
- Allocate inputs or activities to a municipal official for accountability

Criteria to test the completeness of the activity schedule:

- Status, completion is measurable
- Start and End are clearly defined
- Input or activity produces an output or outcome
- Time, costs can be estimated
- Activity duration is within 'acceptable' limits

Outputs in phases

Inputs/Activities	Outputs/Outcomes	Performance indicators	Delivery Date	Budget/Cost (R)	Responsible official
Implementation of Performance Management within the Municipality	To implement performance management within the Municipality addressing all spheres of legislation	To fully monitor and evaluate the growth of the organization, Structuring a filtering process through to each individual.	Ongoing	R250 – R545 000	Performance Management Officer (only one person within the Unit)



7. Funding

7.1 Proposed sources of funding

The following should be provided when completing this section:
<ul style="list-style-type: none">• Reprioritization from own budget• Additional funding to be requested from Provincial Revenue Fund (Western Cape Financial Management Support Grant)• Where the funding is from donations and/or conditional grants, information on material conditions that are to be met to secure funding must be provided (to be sourced from donor or transferring department)

7.2 Motivation

The following should be provided when completing this section:
<ul style="list-style-type: none">• Provide details on how the cost has been determined (e.g. estimate based on latest market prices/trends, actual quotes, etc)• Data sources and relevant period (if cost estimates are based on current market prices/trends).• Information on implications if the requested funds are not made available (e.g. Project/Programme will be discarded or its scope will be reduced (specify service delivery implications)).

B

8. Monitoring, Reporting and Evaluation

Provide details on monitoring and evaluation plan. Monitoring depends on data collection, it is therefore important to indicate how such data will be collected. If there are cost implications, these costs should be defined in the budget. Data collection may not be easy, let alone analysing it effectively and turning it into useful management information. There are different approaches that can be used for qualitative and quantitative data analysis. Below are some methods that could be used to analyse the data collected:

- Monitoring is about comparing what was originally planned with what actually happens. This analysis should form the basis for any monitoring, review and reporting system;
- Monitoring, evaluation and reporting could be an analysis of data over different time periods – analyse whether the situation is improving or not taking into account seasonal variations and explanation thereof.
- Some of the service delivery activities should be monitored using norms and standards. Therefore information should be collected and compared with the agreed norms and standards to help manager measure their performance and identify where there is a need for improvements.

8.1 Reporting

Report Type	Report due dates	Data source	Frequency of data collection	Responsible person
Monthly report	20 th of each month for the month prior	Ignite	monthly	Performance Management Officer
Quarterly report	17 th of the next month for the quarter prior	Ignite	quarterly	Performance Management Officer
Annual report	15 August	Ignite and departmental inputs	Once a financial year for the year prior	Performance Management Officer

9. Assumptions and risks

9.1 Assumptions

Include any assumptions that have been made in arriving at the cost estimates and proposed Project/Programme implementation plan. Where the achievement of the Project/Programme's objectives/goals depends on external factors, these should be mentioned/indicated (risk factors).

Summary	Assumptions	Risk Indicators
	<i>The necessary conditions that must exist for the cause – effect to behave as expected</i>	<i>Risk indicators that will undermine the validity of the assumption</i>
Project/Programme Goal	Quotation from the service provider (Ignite)	Input from the Departments for the information on the Ignite system, providing evidence
Outcomes	Quotation from the service provider	Input from the Departments for the information on the Ignite system, providing evidence
Outputs	Quotation from the service provider	Input from the Departments for the information on the Ignite system, providing evidence
Activities	Quotation from the service provider	Input from the Departments for the information on the Ignite system, providing evidence

9.2 Risk Management Matrix

Complete the following table with regards to the risk assessment. This should consider all the risk elements of the Project/Programme with respect to internal, external environment. This need to be updated and reviewed on a regular basis (as part of the annual review and planning processes)

Risk	Potential adverse impact	Risk Level (H/M/L)	Risk management strategy	Responsible person
Financial	Non – compliance with legislation	H	Gain funding from external resources	Municipal Manager and PMS Officer
Staff shortage	Workload too much, burn out	M	Re – look at the organizational organogram	Municipal Manager

10. Other information

10.1 List of stakeholders

A list of all stakeholders involved in the Project/Programme, who will form partnership with the department in the implementation of the Project/Programme, must be reflected together with their commitments (Financial and Non-Financial).

Name of a stakeholder	Relationship	Commitment (Financial/Non-Financial)
Ilse Gail Saaiman Ignite	PMS Official within the Municipality Service provider	Non – financial Financial (we remunerate the service provider for certain functions)

11. Approval by Municipal Manager

Approved by: C. W. Howard 08/02/2016
Name Signature Date

On behalf of the Municipality (Municipal Manager)

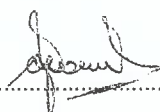
1. This is to certify that the business plan has been reviewed and it meets all the minimum requirements.

Completed By: IG Soaiman (Initials & Surname of the Project Manager)

Signature: 

Date: 08/02/2016

Approved By: G.W. Houde (Initials & Surname of the Municipal Manager)

Signature: 

Date: 08/02/2016

MEMORANDUM OF AGREEMENT

Entered into by and between:

THE WESTERN CAPE GOVERNMENT

via the

WESTERN CAPE PROVINCIAL TREASURY

(Herein represented by Zakariya Hoosain in his capacity as Accounting Officer of the
Provincial Treasury)

(Hereinafter referred to as "the Department")

and

EDEN DISTRICT MUNICIPALITY

(Herein represented by Mr G Louw in his capacity as Municipal Manager of
Eden District Municipality)

(Hereinafter referred to as the Municipality)

WHEREAS the Provincial Government of the Western Cape, in terms of section 154(1) of the Constitution of the Republic of South Africa, 1996, must support and strengthen the capacity of local government in the Province, to manage their own affairs, to exercise their powers and to perform their functions;

AND WHEREAS the Provincial Government, in terms of section 34(1) of the Municipal Finance Management Act, 2003 (Act 56 of 2003), must by agreement assist municipalities in building their capacity for efficient, effective and transparent financial management;

AND WHEREAS the parties have reached an agreement in terms of which the Department will transfer an amount of R300 000 ("the funds") to the Municipality as assistance towards the **Annual Report/SDBIP Support** of Eden District Municipality. The purpose is as set out in the business plan, marked as Annexure A, which was submitted to the Department and incorporated herein ("the project").

NOW THEREFORE THE PARTIES RECORD THEIR AGREEMENT AS FOLLOWS:

The Department shall effect payment of the funds not later than 31 March 2016, subject to the following terms and conditions:

1. This agreement shall be effective as from the date of signature to give effect to the gazetting and transfer of the funds to the municipality.
2. Funds must only be utilised for the purpose as captured in the business plan that was submitted for funding to the Department.



3. The Municipality must appoint service providers in accordance with the statutory procurement processes that may be applicable.
4. The Municipality must ensure that the requirements of all applicable circulars, instructions, guidelines and practise notes issued by the National Treasury in terms of the Municipal Finance Management Act, 2003 (Act 56 of 2003) are adhered to.
5. The funds shall be deposited into the Municipality's primary bank account opened in the name of the Municipality with any banking institution in the Republic of South Africa, registered in term of Section 7 of the Municipal Finance Management Act, 2003 (Act 56 of 2003).
6. Interest earned may only be utilised for the benefit of the project in the Business Plan.
7. Surplus funds, including interest earned thereon, must be paid back to the Department immediately after the completion of the project, clearly indicating the project reference number.
8. Unspent funds at 30 June of each financial year must revert back to the Department, unless a Municipality makes a roll over application for such funds to be rolled over to complete the projects and such application is approved by the Department in writing.
9. All financial records and documentation, indicating the project number or reference number, must be retained for audit purposes and must be made available by the Municipality to the Department on request.
10. A report signed by the Municipal Manager confirming that the transferred funds were only utilised for the financial management support, which indicates the total allocation, total expenditure and total interest generated must be



forwarded to the Head of Treasury within six (6) months of the end of the 2015/16 Municipality's financial year.

11. The Municipal Manager must confirm that the utilisation of the funds was audited internally. This confirmation must form part of the documentation submitted to the Department for audit purposes which is being referred to in clause 9 of this agreement.
12. The Municipality must submit monthly financial returns and quarterly non-financial reports as per the grant framework, to the Head of Treasury for the duration of this agreement. The returns are due on the same date that a municipal section 71 report is submitted.
13. The Department reserves its right to request additional information pertaining to any matters or issues raised in or relevant matters or issues omitted from a return, and the Department reserves its right to carry out on-site inspections of the project to inspect evidence of expenditure and to quantify the outputs.
14. The Municipality grants authorised provincial officials' access to its financial records pertaining to the projects at all reasonable times and these officials shall be entitled to inspect the Municipality records at the Municipality premises after the Department has furnished the Municipality with reasonable written notice of its intention to do so.
15. The Head of Treasury will:
 - (i) Ensure that the business plan meet the minimum requirements and that conditions contained in the gazette are complied with when transferring funds to the Municipality;
 - (ii) Receive written assurance from the Municipality, through signing this agreement, that the Municipality implements effective, efficient and transparent financial management and internal control systems;



- (iii) Enforce compliance with prescribed conditions as contained in this Memoranda of Agreement and the allocations' gazette that was published on 19 February 2016; and
- (iv) Ensure that the Department receives value for money from the transfers made to the Municipality.

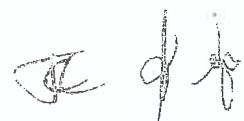
16. The Municipal Manager provides assurance that:

- (i) The business plan that was submitted for funding meet minimum requirements;
- (j) The Municipality implements effective, efficient and transparent financial management and internal control systems to manage the funds; and
- (ii) The Municipality will ensure value for money on the outputs that will be delivered.

17. Should the Municipality breach any or all of the terms and conditions as set out in this agreement, and failing to remedy such breach within seven working days of receiving written notice from the Department requiring it to do so, the Department, without detriment to any other remedy which may be available to it in law, shall be entitled to cancel this agreement and to claim back all allocated funds with interest from the Municipality.

18. Any dispute which may arise between the parties as to the interpretation, application or performance of this agreement, including its validity or termination, or with regard to any further agreement which may result there from and which cannot be settled amicably, may be submitted by either party to final and binding arbitration, to be held in Cape Town, without detracting from a party's right to institute action or motion proceedings in a court of competent jurisdiction in Cape Town in respect of any dispute that may arise out of this agreement.

19. This Memorandum of Agreement constitutes the sole and only agreement between the parties pertaining to the subject matter thereof, and no



amendments thereto shall be of any force or effect unless reduced to writing and signed by both parties.

20. If any of the clauses of this agreement or annexures thereto are found to be invalid or not binding on the parties, such finding will not affect the validity of this agreement and the parties agree to be bound by the other provisions of the agreement.

21. The parties choose the following addresses for purposes of serving any notices –

21.1 Eden District Municipality

Physical: 54 York Street, GEORGE, 6530

Postal: PO Box 12, GEORGE, 6530

Facsimile: (044) 874 1013

Contact person: Mr G Louw (Municipal Manager)

21.2 The Department:

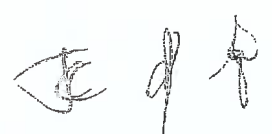
For attention: Mr M Sigabi

Physical: 7 Wale Street, Cape Town

Postal: Private Bag X9165, Cape Town 8000

Facsimile: (021) 483 4337

Contact person: Mr M Booysen



SIGNED AT CAPE TOWN ON THIS 02 DAY OF MARCH 2016

THE DEPARTMENT

AS WITNESSES:

1. 2.

SIGNED AT GEORGE ON THIS 02 DAY OF MARCH 2016



THE MUNICIPALITY

AS WITNESSES:

1.  2. 

SERVICE LEVEL AGREEMENT

Entered into by and between

EDEN DISTRICT MUNICIPALITY

A municipality duly established in terms of Local Government Municipal Structures Act
117 of 1998

(Herein represented by **GODFREY WINSTON LOUW** in his capacity as **Municipal
Manager** duly authorised thereto)
(Hereinafter referred to as “**the Municipality**”)

and

IGNITE ADVISORY SERVICES (PTY) LTD

(A private company, duly incorporated in accordance with the laws of the Republic of
South Africa, with registration number 2006/035577/07, having its main place of
business at 4th Floor, Cento East Wing, Bella Rosa Village, Bellville, 7530, herein
represented by Attie Butler in his capacity as Managing Director, duly authorised
thereto)

(Hereinafter referred to as “**IGNITE**”)

PREAMBLE:

- A. **WHEREAS** the Municipality has appointed IGNITE to provide electronic tools and support to assist with the management of municipal performance and related activities.
- B. **AND WHEREAS** IGNITE has accepted such appointment and shall render the services to the Municipality on the terms and conditions as set out in this agreement.

ACCORDINGLY, THE PARTIES AGREE AS FOLLOWS:**1. INTERPRETATION**

- 1.1 *"The agreement"* shall mean this Service Level Agreement (SLA), together with the tender documentation, the General Conditions of Contract (GCC), and any other annexures hereto, and *"this agreement"* shall have a corresponding meaning.
- 1.2 *"Active Users"* means the users that the Client Administrator has not terminated on the Product by the 25th day of the calendar month;
- 1.3 *"Client Administrator"* means the person identified at the inception of the service that will:
- be responsible for the administrative functions of the municipal database
 - have access to the administrator profile
 - be tasked with communicating with the Helpdesk.
 - The municipality is responsible for assigning the role to a specific person;
- 1.4 *"Database"* means the independent, encrypted database that is created for the municipality;
- 1.5 *"Monthly Fee"* means the monthly charge excluding VAT (Value Added Tax);

- 1.6 “*Password*” means the password that is assigned to the user to gain access to the electronic tools;
- 1.7 “*Support hours*” means 08h00 to 17h00 (Central Africa Time) from Monday to Thursday and 08h00 to 15h00 (Central Africa Time) on Fridays excluding South African Public Holidays;
- 1.8 “*User*” means the person whom has logged onto the electronic tool and is using an agreed module;
- 1.9 “*Username*” means the username assigned to user of the electronic tool;
- 1.10 The terms and conditions contained in the General Conditions of Contract (GCC), incorporated herein, and annexed hereto as “A”, form part of the agreement between the Parties.
- 1.11 In the event of any inconsistency between the provisions of this Agreement (SLA) and the terms and conditions contained in the GCC, the provisions of this Service Level Agreement shall prevail over the terms and conditions contained in the GCC.

2. THE SERVICES

- 2.1 IGNITE shall render the services as set out in clause 2.2, in respect of the Municipality, and on the terms and conditions as set out in this agreement (hereinafter referred to as “the Services”):
- 2.2 IGNITE shall render the following Services:
 - 2.2.1 Implement the following modules requested by the municipality and provide access to the number of users to these modules (electronic tool) as approved by the municipality;
 - 2.2.1.1 Compliance;

- 2.2.1.2 SDBIP;
 - 2.2.1.3 Annual Performance Report.
 - 2.2.1.4 Eunomia software.
 - 2.2.1.5 Individual Performance;
 - 2.2.2 Availability of the system at least 95% of time per month;
 - 2.2.3 Ongoing user support via Ignite Helpdesk e-mail responding to all system related requests within 48 hours;
 - 2.2.4 Reasonable means to ensure the security of data in the municipality's database;
 - 2.2.5 Daily on-site and bi-weekly off-site backups of data;
 - 2.2.6 Maintenance and updating of modules to comply with minimum legislative requirements; and
 - 2.2.7 Support in terms of section 5.1 below.
- 2.3 The Services shall commence on 1 July 2016 and will terminate on 30 June 2018;
- 2.4 The contract may be extended based on effective delivery of the services and in terms of the municipality's supply chain management policy;
- 2.5 The support services do not include the following
- 2.5.1 Additional uploading of data, e.g. monthly financial data;
 - 2.5.2 Additional training sessions and/or additional onsite support;
 - 2.5.3 Additional requests to change any data such as KPI's; etc;
 - 2.5.4 Preparation of monthly, quarterly or annual performance reports;
 - 2.5.5 Monitoring if updating of actual results take place at municipal level;
 - 2.5.6 Monitoring if actual results were captured correctly by the users;
 - 2.5.7 Compliance module legislative updates; and
 - 2.5.8 Any other consulting services required.

- 2.6 The municipality will be responsible to:
- 2.6.1 assign a Client Administrator to deal with all correspondence, communication, account queries, product selection, user activation and maintenance on the municipal database created for the municipality. The municipality agrees not to give any unauthorised third parties access to the modules who do not comply with the agreed requirements.
 - 2.6.2 maintain the confidentiality of the municipality's data. The approval of users and changes in passwords must be done by taking due care of the required security matters. The Client Administrator is also a User in his/her own right and agrees to accept the responsibility for all activities that occur under his / her Username and Password.
 - 2.6.3 The User is responsible for maintaining the confidentiality of his/her Username, Company code and Password and for restricting access to their computer, and the User agrees to accept responsibility for all activities that occur under their Username and Password.
 - 2.6.4 IGNITE has no control over internet service providers who manage municipal intranet and internet and the municipality acknowledges and agrees that IGNITE is not responsible for the availability of such external sites or resources, and does not endorse and is not responsible or liable for any content or other materials on or available from such sites or resources. IGNITE will not be responsible or liable, directly or indirectly, for any damage or loss caused or alleged to be caused by or in connection with use of or reliance on any such content, goods or services available on or through any such site or resource.

3. REPORTING AND LEVELS OF SERVICE TO BE RENDERED BY IGNITE

- 3.1 The services referred to in clause 2 must be incorporated herein to form an integral part of this agreement.
- 3.2 IGNITE will report to the Performance Management Official.

4. WARRANTIES

- 4.1 IGNITE warrants that the services will be performed in a professional and workmanlike manner, consistent with industry standards reasonably applicable to such services.

4.2 REMEDIES FOR BREACHES

In the event of any defective performance from IGNITE or failure to furnish the agreed level of service, IGNITE will make reasonable efforts to restore the service to a sufficient operating condition on an urgent basis.

- 4.3 Should IGNITE fail to fulfill their obligations under this agreement or fail to furnish the agreed level of service, the Municipality may, without limitation to any other legal remedies available to it, give IGNITE 21 (twenty one) days written notice to attend to the matter to the Municipality's satisfaction or to comply with the terms of this agreement, failing which this agreement will be cancelled.

4.4 INDEMNIFICATION

If, as a result of IGNITE's negligence, the Municipality suffer loss or property damage, IGNITE will reimburse the Municipality for the portion of any damages for which IGNITE is found to be liable.

- 4.5 Should IGNITE wish to reproduce any reports it produced in the execution of this Agreement, it will obtain prior written approval from the Municipality, which approval shall not be unreasonably withheld.

5. PAYMENT SCHEDULE

5.1 The Municipality will remunerate IGNITE the following fees (exclusive of VAT) on inception:

ACTIVITY		FEES
Data management fees (one fee for all modules)	Monthly	R1 000
User fees for SDBIP	Per user per month	R100
User fees for Compliance	Per user per month	R100
Facilitate the drafting of the SDBIP and uploading	Annually	R87 800
Facilitate the drafting of the SDBIP system descriptions	Annually	R37 000
Updating of the policy framework, PM manual and two workshops	Once-off	Done
PM system implementation	As required	R56,000
S57 Performance agreements	Annually	R14,000
S57 Performance Report support	Annually	R4,000
Performance Management for staff - facilitate implementation and alignment with skills development plans	As and when required	R94,000
Facilitate performance reviews of individual staff	As and when required	R39,000
Training to staff	Per day	R7,480
Hands-on support	Per day	R6,800
Facilitate the drafting of the annual performance report	Annually	R31,570
Additional: Consulting work and out of scope work		
** Excludes: individual performance charged at fixed fee	Quarterly	R3,300
The above fees include 25 MB of data per module per month.	Additional MB	R0.75
A sliding scale can be negotiated for high volumes of users		

5.2 The fees referred to in paragraph 5.1 will be subject to an annual increase which will not exceed 8% per annum which proposed increase will be agreed with the Municipality before implementation.

5.3 The Municipality shall pay IGNITE on a monthly basis within 30 (thirty) days of receipt of a monthly invoice.

5.4 Payments by the Municipality to IGNITE shall be made into a bank account in South Africa, as identified in writing by IGNITE to the Municipality.

- 5.5 The following details must be reflected on the invoice forwarded to the Municipality by IGNITE:

5.5.1 VAT payable; and

5.5.2 Total amount payable with reference to the activities and outputs referred to in clause 2 of this agreement, as well as details of time spent on such activities.

- 5.6 The Municipality will verify the correctness of an invoice, and notify IGNITE of any possible discrepancies within 10 (ten) days of receipt of the invoice. If the invoice is correct the amount due shall be payable within 30 (thirty) days from receipt of the invoice. If the Municipality identifies any material discrepancies the invoice will be referred back to IGNITE, and the amount due will be payable within 30 (thirty) days from receipt of a corrected invoice.

6. INDEPENDENT CONTRACTOR

- 6.1 IGNITE is appointed as an independent contractor, and not as an employee, and at all relevant times during the currency of this Agreement no employer/employee relationship shall exist between the parties. The Municipality shall not be liable for any injury, loss or damage directly or indirectly incurred by IGNITE, as an independent contractor, arising out of or in connection with the Services rendered by IGNITE in accordance with this Agreement.
- 6.2 This Agreement replaces any other previous verbal or written agreement entered into between the parties.

7. ENTIRE AGREEMENT

- 7.1 This Agreement constitutes the entire agreement between the parties and no amendment, alteration, addition or variation of any right, term or condition of this Agreement will be of any force or effect unless reduced to writing and signed by the parties to this Agreement.
- 7.2 The parties agree that there are no conditions, variations or representations, whether oral or written and whether expressed or implied or otherwise, other than those contained in this Agreement.

8. WAIVER

- 8.1 No waiver of any of the terms and conditions of this Agreement shall be binding unless expressed in writing and signed by the party giving the same, and any such waiver shall be affected only in the specific instance and for the purpose given.
- 8.2 No failure or delay on the part of either party in exercising any right, power or privilege precludes any other or further exercising thereof or the exercising of any other right, power or privilege.
- 8.3 No indulgence, leniency or extension of time which any party (*"the Grantor"*) may grant or show the other party, shall in any way prejudice the Grantor or preclude the Grantor from exercising any of its rights in terms of this Agreement.

9. SETTLEMENT OF DISPUTES

- 9.1 Without detracting from either party's right to institute action or motion proceedings in the High Court or other Court of competent jurisdiction in the

Republic of South Africa in respect of any dispute that may arise out of or in connection with this agreement, the parties may, by mutual consent, follow the mediation and/or arbitration procedure as set out in clauses 9.2 and 9.3.

9.2 Mediation

- 9.2.1 Subject to the provisions of clause 9.1, any dispute arising out of or in connection with this agreement may be referred by the parties without legal representation to a Mediator in the Republic of South Africa.
- 9.2.2 The dispute shall be heard by the Mediator at a place and time to be determined by him or her in consultation with the parties.
- 9.2.3 The Mediator shall be selected by agreement between the parties.
- 9.2.4 If an agreement can not be reached upon a particular Mediator within 3 (three) business days after the parties have agreed to refer the matter to mediation, then the President for the time being of the Law Society of the Cape of Good Hope shall be requested to nominate the Mediator within 7 (seven) business days after the parties have failed to agree.
- 9.2.5 The Mediator shall at his or her sole discretion determine whether the reference to him or her shall be made in the form of written or verbal representations, provided that in making this determination he or she shall consult with the parties and may be guided by their common reasonable desire of the form in which the said representations are to be made.

- 9.2.6 The parties shall have 7 (seven) business days within which to finalise their representations. The Mediator shall within 7 (seven) business days of the receipt of the representations express in writing an opinion on the matter and furnish the parties each with a copy thereof by hand or by registered post.
- 9.2.7 The opinion so expressed by the Mediator shall be final and binding upon the parties unless either party is unwilling to accept the opinion expressed by the Mediator. In such event, the aggrieved party may institute legal proceedings in a court of competent jurisdiction, unless the parties agree to refer the dispute to arbitration in accordance with clause 9.3. The expressed opinion of the mediator shall not prejudice the rights of either party in any manner whatsoever in the event of legal proceedings or arbitration, as the case may be.
- 9.2.8 The costs of mediation shall be determined by the Mediator.
- 9.2.9 Liability for such costs shall be apportioned by the Mediator and shall be due and payable to the Mediator on presentation of his or her written account.

9.3 Arbitration

- 9.3.1 Subject to the provisions of clause 9.1, the parties may agree to refer any dispute arising out of or in connection with this agreement, to arbitration.
- 9.3.2 Arbitration shall be held in George informally and otherwise in accordance with the provisions of the Arbitration Act, No. 42 of 1965, it being intended that if possible it shall be held and concluded within 10 (ten) business days.

9.3.3 Save as otherwise specifically provided herein, the Arbitrator shall be if the matter in dispute is:

- (a) primarily a legal matter, a practicing Senior Advocate of the Cape Bar;
- (b) any other matter, an independent and suitably qualified person as may be agreed upon between the parties to the dispute.

9.3.4 If agreement cannot be reached on whether the question in dispute falls under 9.3.3(a) or 9.3.3(b) and/or upon a particular Arbitrator within 3 (three) business days after the parties have agreed on arbitration, then the Chairperson for the time being of the Cape Bar Council shall be requested to:

- (a) determine whether the question in dispute falls under 9.3.3(a) or 9.3.3(b); and/or
- (b) nominate the Arbitrator within 7 (seven) business days after the parties have failed to agree.

9.3.5 The Arbitrator shall give his or her decision within 5 (five) business days after the completion of the arbitration. The Arbitrator may determine that the costs of the arbitration are to be paid either by one or the other or both of the parties.

9.3.6 The decision of the Arbitrator shall be final and binding and may be made an order of the Cape of Good Hope Provincial Division of the High Court upon the application by any party to the arbitration.

- 9.4 Notwithstanding the provisions contained in clause 17 of the GCC, disputes between the parties shall be governed exclusively by, and settled in terms of, clause 9.1 to 9.3 of this Service Level Agreement.

10. CONFIDENTIAL INFORMATION

- 10.1 IGNITE shall not, during the currency of this agreement, or at any time thereafter, utilise or cause to be utilised, and/or directly or indirectly publish or cause to be published or otherwise disclose or cause to be disclosed to any third party, any of the Confidential Information of the Municipality, government in any other sphere, or any government institution or organ of state.
- 10.2 The Municipality shall hold in confidence all Confidential Information received from IGNITE and not divulge the Confidential Information to any person, including any of its employees, save for the employees directly involved with the execution of this agreement.
- 10.3 For purposes of this clause "Confidential Information" shall mean –
- 10.3.1 Any information disclosed, revealed or exchanged and which pertains to, but is not limited to, all intellectual property rights, all trade secrets, all agreements, the content of all possible future agreements which may be entered into with any other party, all knowledge obtained by way of research and development, irrespective of whether the aforementioned information that is revealed is applicable to technical, operational or financial aspects of the other party;
- 10.3.2 Any information of whatever nature, which has been or may be obtained by the other party, whether in writing or in electronic form or

pursuant to discussions between the parties, or which can be obtained by examination, testing, visual inspection or analysis, including, without limitation, scientific, business or financial data or information, know-how, formulae, processes, designs, sketches, photographs, plans, drawings, specifications, sample reports, models, studies, findings, computer software, inventions or ideas;

10.3.3 Analyses, concepts, compilations, studies and other material prepared by or in possession or control of the recipient which contain or otherwise reflect or are generated from any such information as is specified in this definition;

10.3.4 All information which a third party has in terms of any agreement made available to either party and which has become known to the other party in the course of rendering the Services; and

10.3.5 Any dispute between the parties resulting from this Agreement.

10.4 The parties shall -

10.4.1 use the Confidential Information only for the purpose of giving effect to the terms and conditions of this Agreement;

10.4.2 treat and safeguard the Confidential Information as private and confidential; and

10.4.3 ensure proper and secure storage of all Confidential Information.

10.5 Any documents or records (including written instructions, notes or memoranda) relating to the Services which are provided to IGNITE or which come into IGNITE's possession during the currency of this Agreement, are deemed to be

the property of the Municipality and shall be surrendered to the Municipality on demand, and in the event of the expiry or termination of this Agreement, IGNITE will not retain any copies thereof or extracts there from without obtaining the prior written permission of the Municipality.

10.6 IGNITE –

10.6.1 acknowledges that he/she has carefully considered the provisions of the clause;

10.6.2 agrees that this clause is, after taking all relevant circumstances into account, reasonable and necessary for the proper protection of the interests of the Municipality and the Government of the Republic of South Africa and that if he/she should at any time dispute the reasonableness of this clause, then the onus of proving such unreasonableness shall be on IGNITE; and

10.6.3 acknowledges that he/she has entered into this Agreement freely and voluntarily and that no circumstances exist and/or existed for him/her alleging, either now or at any future time, that he was at a disadvantage in agreeing to the restraints set out in this clause, or was not in an equal bargaining position with the Municipality in agreeing thereto.

11. NOTICE AND DOMICILIUM

11.1 The parties choose as their respective *domicilium citandi et executandi* for the purposes of legal proceedings and for the purpose of giving or sending any notice provided for or necessary in term of this Agreement, the following addresses:

THE MUNICIPALITY:

Eden District Municipality

54 York Street.

George

6530

IGNITE:

IGNITE Advisory Services

4th Floor

Cento East Wing

Bella Rosa Village

BELLVILLE

7530

- 11.2 Each of the parties shall be entitled, from time to time by written notice to the other, to vary its *domicilium* to any other address within the Western Cape Province of the Republic of South Africa which is not a post office box or *poste restante*.
- 11.3 All notices to be given in terms of this Agreement shall be given in writing and be delivered or sent by prepaid registered post to the party's chosen *domicilium citandi et executandi*.
- 11.4 If delivered by hand, a notice shall be presumed to have been received on the date of delivery, or, if sent by prepaid registered post, be presumed to have been received 7 (seven) business days after the date of posting.
- 11.5 Notwithstanding anything to the contrary contained in this agreement, a written notice or communication actually received by one of the parties from the other party, shall be adequate written notice of communication to such party.

THE MUNICIPALITY represented by
Godfrey Winston Louw.

1. _____

2. _____

**IGNITE represented by
Attie Butler.**

1. _____

2. _____

Annexure “A”**LOCAL GOVERNMENT PROCUREMENT****GENERAL CONDITIONS OF CONTRACT****1. Definitions**

1. The following terms shall be interpreted as indicated:
 - 1.1 “Closing time” means the date and hour specified in the bidding documents for the receipt of bids.
 - 1.2 “Contract” means the written agreement entered into between the Municipality and IGNITE, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
 - 1.3 “Contract price” means the price payable to IGNITE under the contract for the full and proper performance of his contractual obligations.
 - 1.4 “Corrupt practice” means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.
 - 1.5 “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognised new product results that is substantially different in basic characteristics or in purpose or utility from its components.
 - 1.6 “Day” means calendar day.

- 1.7 "Delivery" means delivery in compliance of the conditions of the contract or order.
- 1.8 "Delivery ex stock" means immediate delivery directly from stock actually on hand.
- 1.9 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, IGNITE bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
- 1.10 "Force majeure" means an event beyond the control of IGNITE and not involving IGNITE's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the Municipality in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.11 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.12 "GCC" means the General Conditions of Contract.
- 1.13 "Goods" means all of the equipment, machinery, and/or other materials that IGNITE is required to supply to the Municipality under the contract.

- 1.14 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by IGNITE or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.
- 1.15 "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.16 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.17 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.18 "Project site," where applicable, means the place indicated in bidding documents.
- 1.19 "The Municipality" means the organisation purchasing the goods.
- 1.20 "Republic" means the Republic of South Africa.
- 1.21 "SCC" means the Special Conditions of Contract.
- 1.22 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other

incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of IGNITE covered under the contract.

- 1.23 "Written" or "in writing" means handwritten in ink or any form of electronic or mechanical writing.

2. Application

- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.
- 2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.
- 2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

3. General

- 3.1 Unless otherwise indicated in the bidding documents, the Municipality shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za

4. Standards

- 4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.

**5. Use of
contract documents
and information;
inspection**

- 5.1 IGNITE shall not, without the Municipality's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the Municipality in connection therewith, to any person other than a person employed by IGNITE in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
- 5.2 IGNITE shall not, without the Municipality's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the Municipality and shall be returned (all copies) to the Municipality on completion of IGNITE's performance under the contract if so required by the Municipality.
- 5.4 IGNITE shall permit the Municipality to inspect IGNITE's records relating to the performance of IGNITE and to have them audited by auditors appointed by the Municipality, if so required by the Municipality.

6. Patent rights

- 6.1 IGNITE shall indemnify the Municipality against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the Municipality.

**7. Performance
security**

- 7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the Municipality the performance security of the amount specified in SCC.

- 7.2 The proceeds of the performance security shall be payable to the Municipality as compensation for any loss resulting from IGNITE's failure to complete his obligations under the contract.
- 7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the Municipality and shall be in one of the following forms:
- (a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the Municipality's country or abroad, acceptable to the Municipality, in the form provided in the bidding documents or another form acceptable to the Municipality; or
 - (b) a cashier's or certified cheque
- 7.4 The performance security will be discharged by the Municipality and returned to IGNITE not later than thirty (30) days following the date of completion of IGNITE's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

8. Delivery and documents

- 8.1 Delivery of the goods shall be made by IGNITE in accordance with the terms specified in the contract. The details of shipping and/or other documents to be furnished by IGNITE are specified in SCC.
- 8.2 Documents to be submitted by IGNITE are specified in SCC.

9. Transportation

- 9.1 Should a price other than an all-inclusive delivered price be required, this shall be specified in the SCC.

10. Incidental services

- 10.1 IGNITE may be required to provide any or all of the following services, including additional services, if any, specified in SCC:

- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
- (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
- (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
- (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve IGNITE of any warranty obligations under this contract; and
- (e) training of the Municipality's personnel, at IGNITE's office and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

10.2 Prices charged by IGNITE for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by IGNITE for similar services.

11. Payment

11.1 The method and conditions of payment to be made to IGNITE under this contract shall be specified in SCC.

11.2 IGNITE shall furnish the Municipality with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.

11.3 Payments shall be made promptly by the Municipality, but in no case later than thirty (30) days after submission of an invoice or claim by IGNITE.

11.4 Payment will be made in Rand unless otherwise stipulated in SCC.

12. Prices

12.1 Prices charged by IGNITE for goods delivered and services performed under the contract shall not vary from the prices quoted by IGNITE in his bid, with the exception of any price adjustments authorized in SCC or in the Municipality's request for bid validity extension, as the case may be.

13. Assignment

13.1 IGNITE shall not assign, in whole or in part, its obligations to perform under the contract, except with the Municipality's prior written consent.

**14. Delays in the
supplier's
performance**

14.1 Delivery of the goods and performance of services shall be made by IGNITE in accordance with the time schedule prescribed by the Municipality in the contract.

14.2 If at any time during performance of the contract, IGNITE or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, IGNITE shall promptly notify the Municipality in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of IGNITE's notice, the Municipality shall evaluate the situation and may at his discretion extend IGNITE's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.

14.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.

14.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, IGNITE's point of supply is not situated at or near the place where the supplies are required, or IGNITE's services are not readily available.

15. Force Majeure

15.1 Notwithstanding the provisions of GCC Clauses above, IGNITE shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

15.2 If a force majeure situation arises, IGNITE shall promptly notify the Municipality in writing of such condition and the cause thereof. Unless otherwise directed by the Municipality in writing, IGNITE shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

**16. Termination
for insolvency**

16.1 The Municipality may at any time terminate the contract by giving written notice to IGNITE if IGNITE becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to IGNITE, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the Municipality.

**17. Settlement of
Disputes**

17.1 If any dispute or difference of any kind whatsoever arises between the Municipality and IGNITE in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

17.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the Municipality or IGNITE may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.

17.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.

17.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.

17.5 Notwithstanding any reference to mediation and/or court proceedings herein,

(a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and

(b) the Municipality shall pay IGNITE any monies due IGNITE.

18. Limitation of liability

18.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;

(a) IGNITE shall not be liable to the Municipality, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of IGNITE to pay penalties and/or damages to the Municipality; and

(b) the aggregate liability of IGNITE to the Municipality, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

19. Governing Language

19.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.

20. Applicable law

20.1 The contract shall be interpreted in accordance with South

African laws, unless otherwise specified in SCC.

21. Notices

- 21.1 Every written acceptance of a bid shall be posted to IGNITE concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice
- 21.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

SERVICE LEVEL AGREEMENT

Entered into by and between

EDEN DISTRICT MUNICIPALITY

A municipality duly established in terms of Local Government Municipal Structures Act
117 of 1998

(Herein represented by **GODFREY WINSTON LOUW** in his capacity as **Municipal
Manager** duly authorised thereto)

(Hereinafter referred to as "**the Municipality**")

and

IGNITE ADVISORY SERVICES (PTY) LTD

(A private company, duly incorporated in accordance with the laws of the Republic of
South Africa, with registration number 2006/035577/07, having its main place of
business at 4th Floor, Cento East Wing, Bella Rosa Village, Bellville, 7530, herein
represented by Attie Butler in his capacity as Managing Director, duly authorised
thereto)

(Hereinafter referred to as "**IGNITE**")

PREAMBLE:

- A. WHEREAS** the Municipality has appointed IGNITE to provide electronic tools and support to assist with the management of municipal performance and related activities.
- B. AND WHEREAS** IGNITE has accepted such appointment and shall render the services to the Municipality on the terms and conditions as set out in this agreement.

ACCORDINGLY, THE PARTIES AGREE AS FOLLOWS:**1. INTERPRETATION**

- 1.1 *"The agreement"* shall mean this Service Level Agreement (SLA), together with the tender documentation, the General Conditions of Contract (GCC), and any other annexures hereto, and *"this agreement"* shall have a corresponding meaning.
- 1.2 *"Active Users"* means the users that the Client Administrator has not terminated on the Product by the 25th day of the calendar month;
- 1.3 *"Client Administrator"* means the person identified at the inception of the service that will:
- be responsible for the administrative functions of the municipal database
 - have access to the administrator profile
 - be tasked with communicating with the Helpdesk.
 - The municipality is responsible for assigning the role to a specific person;
- 1.4 *"Database"* means the independent, encrypted database that is created for the municipality;
- 1.5 *"Monthly Fee"* means the monthly charge excluding VAT (Value Added Tax);

- 1.6 “*Password*” means the password that is assigned to the user to gain access to the electronic tools;
- 1.7 “*Support hours*” means 08h00 to 17h00 (Central Africa Time) from Monday to Thursday and 08h00 to 15h00 (Central Africa Time) on Fridays excluding South African Public Holidays;
- 1.8 “*User*” means the person whom has logged onto the electronic tool and is using an agreed module;
- 1.9 “*Username*” means the username assigned to user of the electronic tool;
- 1.10 The terms and conditions contained in the General Conditions of Contract (GCC), incorporated herein, and annexed hereto as “A”, form part of the agreement between the Parties.
- 1.11 In the event of any inconsistency between the provisions of this Agreement (SLA) and the terms and conditions contained in the GCC, the provisions of this Service Level Agreement shall prevail over the terms and conditions contained in the GCC.

2. THE SERVICES

- 2.1 IGNITE shall render the services as set out in clause 2.2, in respect of the Municipality, and on the terms and conditions as set out in this agreement (hereinafter referred to as “the Services”):
- 2.2 IGNITE shall render the following Services:
 - 2.2.1 Implement the following modules requested by the municipality and provide access to the number of users to these modules (electronic tool) as approved by the municipality;
 - 2.2.1.1 Compliance;

- 2.2.1.2 SDBIP;
 - 2.2.1.3 Annual Performance Report.
 - 2.2.1.4 Eunomia software.
 - 2.2.1.5 Individual Performance;
 - 2.2.2 Availability of the system at least 95% of time per month;
 - 2.2.3 Ongoing user support via Ignite Helpdesk e-mail responding to all system related requests within 48 hours;
 - 2.2.4 Reasonable means to ensure the security of data in the municipality's database;
 - 2.2.5 Daily on-site and bi-weekly off-site backups of data;
 - 2.2.6 Maintenance and updating of modules to comply with minimum legislative requirements; and
 - 2.2.7 Support in terms of section 5.1 below.
- 2.3 The Services shall commence on 1 July 2016 and will terminate on 30 June 2018;
- 2.4 The contract may be extended based on effective delivery of the services and in terms of the municipality's supply chain management policy;
- 2.5 The support services do not include the following
- 2.5.1 Additional uploading of data, e.g. monthly financial data;
 - 2.5.2 Additional training sessions and/or additional onsite support;
 - 2.5.3 Additional requests to change any data such as KPI's; etc;
 - 2.5.4 Preparation of monthly, quarterly or annual performance reports;
 - 2.5.5 Monitoring if updating of actual results take place at municipal level;
 - 2.5.6 Monitoring if actual results were captured correctly by the users;
 - 2.5.7 Compliance module legislative updates; and
 - 2.5.8 Any other consulting services required.

- 2.6 The municipality will be responsible to:
- 2.6.1 assign a Client Administrator to deal with all correspondence, communication, account queries, product selection, user activation and maintenance on the municipal database created for the municipality. The municipality agrees not to give any unauthorised third parties access to the modules who do not comply with the agreed requirements.
 - 2.6.2 maintain the confidentiality of the municipality's data. The approval of users and changes in passwords must be done by taking due care of the required security matters. The Client Administrator is also a User in his/her own right and agrees to accept the responsibility for all activities that occur under his / her Username and Password.
 - 2.6.3 The User is responsible for maintaining the confidentiality of his/her Username, Company code and Password and for restricting access to their computer, and the User agrees to accept responsibility for all activities that occur under their Username and Password.
 - 2.6.4 IGNITE has no control over internet service providers who manage municipal intranet and internet and the municipality acknowledges and agrees that IGNITE is not responsible for the availability of such external sites or resources, and does not endorse and is not responsible or liable for any content or other materials on or available from such sites or resources. IGNITE will not be responsible or liable, directly or indirectly, for any damage or loss caused or alleged to be caused by or in connection with use of or reliance on any such content, goods or services available on or through any such site or resource.

3. REPORTING AND LEVELS OF SERVICE TO BE RENDERED BY IGNITE

- 3.1 The services referred to in clause 2 must be incorporated herein to form an integral part of this agreement.
- 3.2 IGNITE will report to the Performance Management Official.

4. WARRANTIES

- 4.1 IGNITE warrants that the services will be performed in a professional and workmanlike manner, consistent with industry standards reasonably applicable to such services.

4.2 REMEDIES FOR BREACHES

In the event of any defective performance from IGNITE or failure to furnish the agreed level of service, IGNITE will make reasonable efforts to restore the service to a sufficient operating condition on an urgent basis.

- 4.3 Should IGNITE fail to fulfill their obligations under this agreement or fail to furnish the agreed level of service, the Municipality may, without limitation to any other legal remedies available to it, give IGNITE 21 (twenty one) days written notice to attend to the matter to the Municipality's satisfaction or to comply with the terms of this agreement, failing which this agreement will be cancelled.

4.4 INDEMNIFICATION

If, as a result of IGNITE's negligence, the Municipality suffer loss or property damage, IGNITE will reimburse the Municipality for the portion of any damages for which IGNITE is found to be liable.

- 4.5 Should IGNITE wish to reproduce any reports it produced in the execution of this Agreement, it will obtain prior written approval from the Municipality, which approval shall not be unreasonably withheld.

5. PAYMENT SCHEDULE

5.1 The Municipality will remunerate IGNITE the following fees (exclusive of VAT) on inception:

ACTIVITY		FEES
Data management fees (one fee for all modules)	Monthly	R1 000
User fees for SDBIP	Per user per month	R100
User fees for Compliance	Per user per month	R100
Facilitate the drafting of the SDBIP and uploading	Annually	R87 800
Facilitate the drafting of the SDBIP system descriptions	Annually	R37 000
Updating of the policy framework, PM manual and two workshops	Once-off	Done
PM system implementation	As required	R56,000
S57 Performance agreements	Annually	R14,000
S57 Performance Report support	Annually	R4,000
Performance Management for staff - facilitate implementation and alignment with skills development plans	As and when required	R94,000
Facilitate performance reviews of individual staff	As and when required	R39,000
Training to staff	Per day	R7,480
Hands-on support	Per day	R6,800
Facilitate the drafting of the annual performance report	Annually	R31,570
Additional: Consulting work and out of scope work		
** Excludes: individual performance charged at fixed fee	Quarterly	R3,300
The above fees include 25 MB of data per module per month.	Additional MB	R0.75
A sliding scale can be negotiated for high volumes of users		

- 5.2 The fees referred to in paragraph 5.1 will be subject to an annual increase which will not exceed 8% per annum which proposed increase will be agreed with the Municipality before implementation.
- 5.3 The Municipality shall pay IGNITE on a monthly basis within 30 (thirty) days of receipt of a monthly invoice.
- 5.4 Payments by the Municipality to IGNITE shall be made into a bank account in South Africa, as identified in writing by IGNITE to the Municipality.

- 5.5 The following details must be reflected on the invoice forwarded to the Municipality by IGNITE:

5.5.1 VAT payable; and

5.5.2 Total amount payable with reference to the activities and outputs referred to in clause 2 of this agreement, as well as details of time spent on such activities.

- 5.6 The Municipality will verify the correctness of an invoice, and notify IGNITE of any possible discrepancies within 10 (ten) days of receipt of the invoice. If the invoice is correct the amount due shall be payable within 30 (thirty) days from receipt of the invoice. If the Municipality identifies any material discrepancies the invoice will be referred back to IGNITE, and the amount due will be payable within 30 (thirty) days from receipt of a corrected invoice.

6. INDEPENDENT CONTRACTOR

- 6.1 IGNITE is appointed as an independent contractor, and not as an employee, and at all relevant times during the currency of this Agreement no employer/employee relationship shall exist between the parties. The Municipality shall not be liable for any injury, loss or damage directly or indirectly incurred by IGNITE, as an independent contractor, arising out of or in connection with the Services rendered by IGNITE in accordance with this Agreement.
- 6.2 This Agreement replaces any other previous verbal or written agreement entered into between the parties.

7. ENTIRE AGREEMENT

- 7.1 This Agreement constitutes the entire agreement between the parties and no amendment, alteration, addition or variation of any right, term or condition of this Agreement will be of any force or effect unless reduced to writing and signed by the parties to this Agreement.
- 7.2 The parties agree that there are no conditions, variations or representations, whether oral or written and whether expressed or implied or otherwise, other than those contained in this Agreement.

8. WAIVER

- 8.1 No waiver of any of the terms and conditions of this Agreement shall be binding unless expressed in writing and signed by the party giving the same, and any such waiver shall be affected only in the specific instance and for the purpose given.
- 8.2 No failure or delay on the part of either party in exercising any right, power or privilege precludes any other or further exercising thereof or the exercising of any other right, power or privilege.
- 8.3 No indulgence, leniency or extension of time which any party (*"the Grantor"*) may grant or show the other party, shall in any way prejudice the Grantor or preclude the Grantor from exercising any of its rights in terms of this Agreement.

9. SETTLEMENT OF DISPUTES

- 9.1 Without detracting from either party's right to institute action or motion proceedings in the High Court or other Court of competent jurisdiction in the

Republic of South Africa in respect of any dispute that may arise out of or in connection with this agreement, the parties may, by mutual consent, follow the mediation and/or arbitration procedure as set out in clauses 9.2 and 9.3.

9.2 Mediation

- 9.2.1 Subject to the provisions of clause 9.1, any dispute arising out of or in connection with this agreement may be referred by the parties without legal representation to a Mediator in the Republic of South Africa.
- 9.2.2 The dispute shall be heard by the Mediator at a place and time to be determined by him or her in consultation with the parties.
- 9.2.3 The Mediator shall be selected by agreement between the parties.
- 9.2.4 If an agreement can not be reached upon a particular Mediator within 3 (three) business days after the parties have agreed to refer the matter to mediation, then the President for the time being of the Law Society of the Cape of Good Hope shall be requested to nominate the Mediator within 7 (seven) business days after the parties have failed to agree.
- 9.2.5 The Mediator shall at his or her sole discretion determine whether the reference to him or her shall be made in the form of written or verbal representations, provided that in making this determination he or she shall consult with the parties and may be guided by their common reasonable desire of the form in which the said representations are to be made.

9.2.6 The parties shall have 7 (seven) business days within which to finalise their representations. The Mediator shall within 7 (seven) business days of the receipt of the representations express in writing an opinion on the matter and furnish the parties each with a copy thereof by hand or by registered post.

9.2.7 The opinion so expressed by the Mediator shall be final and binding upon the parties unless either party is unwilling to accept the opinion expressed by the Mediator. In such event, the aggrieved party may institute legal proceedings in a court of competent jurisdiction, unless the parties agree to refer the dispute to arbitration in accordance with clause 9.3. The expressed opinion of the mediator shall not prejudice the rights of either party in any manner whatsoever in the event of legal proceedings or arbitration, as the case may be.

9.2.8 The costs of mediation shall be determined by the Mediator.

9.2.9 Liability for such costs shall be apportioned by the Mediator and shall be due and payable to the Mediator on presentation of his or her written account.

9.3 Arbitration

9.3.1 Subject to the provisions of clause 9.1, the parties may agree to refer any dispute arising out of or in connection with this agreement, to arbitration.

9.3.2 Arbitration shall be held in George informally and otherwise in accordance with the provisions of the Arbitration Act, No. 42 of 1965, it being intended that if possible it shall be held and concluded within 10 (ten) business days.

- 9.3.3 Save as otherwise specifically provided herein, the Arbitrator shall be if the matter in dispute is:
- (a) primarily a legal matter, a practicing Senior Advocate of the Cape Bar;
 - (b) any other matter, an independent and suitably qualified person as may be agreed upon between the parties to the dispute.
- 9.3.4 If agreement cannot be reached on whether the question in dispute falls under 9.3.3(a) or 9.3.3(b) and/or upon a particular Arbitrator within 3 (three) business days after the parties have agreed on arbitration, then the Chairperson for the time being of the Cape Bar Council shall be requested to:
- (a) determine whether the question in dispute falls under 9.3.3(a) or 9.3.3(b); and/or
 - (b) nominate the Arbitrator within 7 (seven) business days after the parties have failed to agree.
- 9.3.5 The Arbitrator shall give his or her decision within 5 (five) business days after the completion of the arbitration. The Arbitrator may determine that the costs of the arbitration are to be paid either by one or the other or both of the parties.
- 9.3.6 The decision of the Arbitrator shall be final and binding and may be made an order of the Cape of Good Hope Provincial Division of the High Court upon the application by any party to the arbitration.

- 9.4 Notwithstanding the provisions contained in clause 17 of the GCC, disputes between the parties shall be governed exclusively by, and settled in terms of, clause 9.1 to 9.3 of this Service Level Agreement.

10. CONFIDENTIAL INFORMATION

- 10.1 IGNITE shall not, during the currency of this agreement, or at any time thereafter, utilise or cause to be utilised, and/or directly or indirectly publish or cause to be published or otherwise disclose or cause to be disclosed to any third party, any of the Confidential Information of the Municipality, government in any other sphere, or any government institution or organ of state.
- 10.2 The Municipality shall hold in confidence all Confidential Information received from IGNITE and not divulge the Confidential Information to any person, including any of its employees, save for the employees directly involved with the execution of this agreement.
- 10.3 For purposes of this clause "Confidential Information" shall mean –
- 10.3.1 Any information disclosed, revealed or exchanged and which pertains to, but is not limited to, all intellectual property rights, all trade secrets, all agreements, the content of all possible future agreements which may be entered into with any other party, all knowledge obtained by way of research and development, irrespective of whether the aforementioned information that is revealed is applicable to technical, operational or financial aspects of the other party;
- 10.3.2 Any information of whatever nature, which has been or may be obtained by the other party, whether in writing or in electronic form or

pursuant to discussions between the parties, or which can be obtained by examination, testing, visual inspection or analysis, including, without limitation, scientific, business or financial data or information, know-how, formulae, processes, designs, sketches, photographs, plans, drawings, specifications, sample reports, models, studies, findings, computer software, inventions or ideas;

10.3.3 Analyses, concepts, compilations, studies and other material prepared by or in possession or control of the recipient which contain or otherwise reflect or are generated from any such information as is specified in this definition;

10.3.4 All information which a third party has in terms of any agreement made available to either party and which has become known to the other party in the course of rendering the Services; and

10.3.5 Any dispute between the parties resulting from this Agreement.

10.4 The parties shall -

10.4.1 use the Confidential Information only for the purpose of giving effect to the terms and conditions of this Agreement;

10.4.2 treat and safeguard the Confidential Information as private and confidential; and

10.4.3 ensure proper and secure storage of all Confidential Information.

10.5 Any documents or records (including written instructions, notes or memoranda) relating to the Services which are provided to IGNITE or which come into IGNITE's possession during the currency of this Agreement, are deemed to be

the property of the Municipality and shall be surrendered to the Municipality on demand, and in the event of the expiry or termination of this Agreement, IGNITE will not retain any copies thereof or extracts there from without obtaining the prior written permission of the Municipality.

10.6 IGNITE –

- 10.6.1 acknowledges that he/she has carefully considered the provisions of the clause;
- 10.6.2 agrees that this clause is, after taking all relevant circumstances into account, reasonable and necessary for the proper protection of the interests of the Municipality and the Government of the Republic of South Africa and that if he/she should at any time dispute the reasonableness of this clause, then the onus of proving such unreasonableness shall be on IGNITE; and
- 10.6.3 acknowledges that he/she has entered into this Agreement freely and voluntarily and that no circumstances exist and/or existed for him/her alleging, either now or at any future time, that he was at a disadvantage in agreeing to the restraints set out in this clause, or was not in an equal bargaining position with the Municipality in agreeing thereto.

11. NOTICE AND DOMICILIUM

- 11.1 The parties choose as their respective *domicilium citandi et executandi* for the purposes of legal proceedings and for the purpose of giving or sending any notice provided for or necessary in term of this Agreement, the following addresses:

THE MUNICIPALITY:

Eden District Municipality
54 York Street.
George
6530

IGNITE:

IGNITE Advisory Services
4th Floor
Cento East Wing
Bella Rosa Village
BELLVILLE
7530

- 11.2 Each of the parties shall be entitled, from time to time by written notice to the other, to vary its *domicilium* to any other address within the Western Cape Province of the Republic of South Africa which is not a post office box or *poste restante*.
- 11.3 All notices to be given in terms of this Agreement shall be given in writing and be delivered or sent by prepaid registered post to the party's chosen *domicilium citandi et executandi*.
- 11.4 If delivered by hand, a notice shall be presumed to have been received on the date of delivery, or, if sent by prepaid registered post, be presumed to have been received 7 (seven) business days after the date of posting.
- 11.5 Notwithstanding anything to the contrary contained in this agreement, a written notice or communication actually received by one of the parties from the other party, shall be adequate written notice of communication to such party.

2016.

2. _____

Annexure “A”**LOCAL GOVERNMENT PROCUREMENT****GENERAL CONDITIONS OF CONTRACT****1. Definitions**

1. The following terms shall be interpreted as indicated:
 - 1.1 “Closing time” means the date and hour specified in the bidding documents for the receipt of bids.
 - 1.2 “Contract” means the written agreement entered into between the Municipality and IGNITE, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
 - 1.3 “Contract price” means the price payable to IGNITE under the contract for the full and proper performance of his contractual obligations.
 - 1.4 “Corrupt practice” means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.
 - 1.5 “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognised new product results that is substantially different in basic characteristics or in purpose or utility from its components.
 - 1.6 “Day” means calendar day.

- 1.7 "Delivery" means delivery in compliance of the conditions of the contract or order.
- 1.8 "Delivery ex stock" means immediate delivery directly from stock actually on hand.
- 1.9 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, IGNITE bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
- 1.10 "Force majeure" means an event beyond the control of IGNITE and not involving IGNITE's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the Municipality in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.11 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.12 "GCC" means the General Conditions of Contract.
- 1.13 "Goods" means all of the equipment, machinery, and/or other materials that IGNITE is required to supply to the Municipality under the contract.

- 1.14 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by IGNITE or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.
- 1.15 "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.16 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.17 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.18 "Project site," where applicable, means the place indicated in bidding documents.
- 1.19 "The Municipality" means the organisation purchasing the goods.
- 1.20 "Republic" means the Republic of South Africa.
- 1.21 "SCC" means the Special Conditions of Contract.
- 1.22 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other

incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of IGNITE covered under the contract.

- 1.23 "Written" or "in writing" means handwritten in ink or any form of electronic or mechanical writing.

2. Application

- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.

- 2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.

- 2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

3. General

- 3.1 Unless otherwise indicated in the bidding documents, the Municipality shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.

- 3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za

4. Standards

- 4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.

- 5. Use of contract documents and information; inspection**
- 5.1 IGNITE shall not, without the Municipality's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the Municipality in connection therewith, to any person other than a person employed by IGNITE in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
- 5.2 IGNITE shall not, without the Municipality's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the Municipality and shall be returned (all copies) to the Municipality on completion of IGNITE's performance under the contract if so required by the Municipality.
- 5.4 IGNITE shall permit the Municipality to inspect IGNITE's records relating to the performance of IGNITE and to have them audited by auditors appointed by the Municipality, if so required by the Municipality.
- 6. Patent rights**
- 6.1 IGNITE shall indemnify the Municipality against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the Municipality.
- 7. Performance security**
- 7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the Municipality the performance security of the amount specified in SCC.

7.2 The proceeds of the performance security shall be payable to the Municipality as compensation for any loss resulting from IGNITE's failure to complete his obligations under the contract.

7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the Municipality and shall be in one of the following forms:

- (a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the Municipality's country or abroad, acceptable to the Municipality, in the form provided in the bidding documents or another form acceptable to the Municipality; or
- (b) a cashier's or certified cheque

7.4 The performance security will be discharged by the Municipality and returned to IGNITE not later than thirty (30) days following the date of completion of IGNITE's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

8. Delivery and documents

8.1 Delivery of the goods shall be made by IGNITE in accordance with the terms specified in the contract. The details of shipping and/or other documents to be furnished by IGNITE are specified in SCC.

8.2 Documents to be submitted by IGNITE are specified in SCC.

9. Transportation

9.1 Should a price other than an all-inclusive delivered price be required, this shall be specified in the SCC.

10. Incidental services

10.1 IGNITE may be required to provide any or all of the following services, including additional services, if any, specified in SCC:

- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
- (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
- (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
- (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve IGNITE of any warranty obligations under this contract; and
- (e) training of the Municipality's personnel, at IGNITE's office and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

10.2 Prices charged by IGNITE for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by IGNITE for similar services.

11. Payment

11.1 The method and conditions of payment to be made to IGNITE under this contract shall be specified in SCC.

11.2 IGNITE shall furnish the Municipality with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.

11.3 Payments shall be made promptly by the Municipality, but in no case later than thirty (30) days after submission of an invoice or claim by IGNITE.

11.4 Payment will be made in Rand unless otherwise stipulated in SCC.

12. Prices

12.1 Prices charged by IGNITE for goods delivered and services performed under the contract shall not vary from the prices quoted by IGNITE in his bid, with the exception of any price adjustments authorized in SCC or in the Municipality's request for bid validity extension, as the case may be.

13. Assignment

13.1 IGNITE shall not assign, in whole or in part, its obligations to perform under the contract, except with the Municipality's prior written consent.

14. Delays in the supplier's performance

14.1 Delivery of the goods and performance of services shall be made by IGNITE in accordance with the time schedule prescribed by the Municipality in the contract.

14.2 If at any time during performance of the contract, IGNITE or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, IGNITE shall promptly notify the Municipality in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of IGNITE's notice, the Municipality shall evaluate the situation and may at his discretion extend IGNITE's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.

14.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.

14.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, IGNITE's point of supply is not situated at or near the place where the supplies are required, or IGNITE's services are not readily available.

15. Force Majeure

15.1 Notwithstanding the provisions of GCC Clauses above, IGNITE shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

15.2 If a force majeure situation arises, IGNITE shall promptly notify the Municipality in writing of such condition and the cause thereof. Unless otherwise directed by the Municipality in writing, IGNITE shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

**16. Termination
for insolvency**

16.1 The Municipality may at any time terminate the contract by giving written notice to IGNITE if IGNITE becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to IGNITE, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the Municipality.

**17. Settlement of
Disputes**

17.1 If any dispute or difference of any kind whatsoever arises between the Municipality and IGNITE in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

17.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the Municipality or IGNITE may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.

17.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.

17.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.

17.5 Notwithstanding any reference to mediation and/or court proceedings herein,

(a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and

(b) the Municipality shall pay IGNITE any monies due IGNITE.

18. Limitation of liability

18.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;

(a) IGNITE shall not be liable to the Municipality, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of IGNITE to pay penalties and/or damages to the Municipality; and

(b) the aggregate liability of IGNITE to the Municipality, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

19. Governing Language

19.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.

20. Applicable law

20.1 The contract shall be interpreted in accordance with South

African laws, unless otherwise specified in SCC.

21. Notices

- 21.1 Every written acceptance of a bid shall be posted to IGNITE concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice
- 21.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

PRESS RELEASE

Mr Godfrey Louw
Municipal Manager
Eden District Municipality
mm@edendm.co.za
Telephone: 044-803 1445

Mr Herman Pieters
Senior Communication Officer
herman@edendm.co.za
Tel: 044 803 1419

FOR IMMEDIATE RELEASE
16 August 2016

EXTENSION OF SLA BETWEEN IGNITE ADVISORY SERVICES AND EDEN DISTRICT MUNICIPALITY (EDEN DM)

On 29 September 2016, the Eden DM Council will discuss the possible extension of a 2011 Service Level Agreement between Ignite Advisory Services and Eden DM. Should the extension be approved, Ignite Advisory Services will provide services to Eden DM from October 2016 till September 2018 via a web-based platform that offers the following:

- Performance Management;
- Business Process Management;
- Governance;
- Risk Management;
- Strategy & Integrated Planning;
- Innovation & Operation Excellence; and
- Business Process Re-engineering.

Eden DM specifically appointed Ignite for the past 5 years to render support in terms of individual-and organisational performance management.

Ignite has accepted the initial appointment and is willing to continue to render the contracted services to Eden DM as set out in the SLA. The concept agreement is available for public perusal on Eden District Municipality's website at the following

short link: <http://goo.gl/hD7rda>. Read more about Ingite Advisory here:
<http://www.igniteconsult.co.za>.

Mr Godfrey Louw, the Eden DM Municipal Manager said that: "In terms of Section 116 of the Municipal Finance Management Act, Act 56 of 2003, a contract of agreement procured through the Supply Chain Management policy, may be amended by the parties, but only after the local community has been given reasonable notice of the intention to amend the contract or agreement."

The local community is henceforth invited to provide comments, if any, in writing to Mr Godfrey Louw, Municipal Manager, Eden District Municipality, 54 York Street, George or e-mail pa.mm@edendm.co.za.

For any information about the above, contact the Performance Management Official, Ms Ilse Saaiman at gail@edendm.co.za

ENDS

Editors note: A service level agreement (SLA) is a contract between a service provider and the end user that defines the level of service expected from the service provider. SLAs are output-based in that their purpose is specifically to define what the customer will receive.

SPECIAL DISTRICT COUNCIL

04 NOVEMBER 2016

DC 55/11/16

**REPORT ON THE IRREGULAR EXPENDITURE INCURRED DURING
FIREFIGHTING OPERATIONS / *VERSLAG RAKENDE ONREËLMATIGE
UITGAWES AANGEGAAN GEDURENDE BRANDBESTRYDING
BEDRYWIGHED* / INGXELO ENCITHO ENGEKHOMTHETWENI
NEBANGELWE ZINKQUBO ZOKUCIMA UMLILO (544509)**

(6/12/1/1)

07 October 2016

REPORT FROM EXECUTIVE MANAGER: COMMUNITY SERVICES (CLIVE AFRICA) / CHIEF FIRE OFFICER (FREDDY THAVER)

PURPOSE OF THE REPORT

To notify the Finance Committee of the payment for the Southern Cape Fire Protection Association (SCFPA) for the amounts as invoiced, for services provided during firefighting operations and to propose a plan of action to avert the recurrence of this irregular expenditure.

BACKGROUND / DISCUSSION

The SCFPA has in the past established a working relationship with the Eden District Municipality Emergency Services by virtue of a Memorandum of Understanding (MOU) that made resources from the SCFPA available for firefighting purposes during emergencies. It has been recently discovered that the MOU was never approved by council as is required of following due processes.

All the transactions with the SCFPA are therefore possible irregular expenditure by virtue of the absence of council approval and SCM processes not being followed. The situation is further exacerbated by the presence of members of the state being directors on the board of the SCFPA. Section 44 of the Municipal Supply Chain Regulations states:

"Prohibition on awards to persons in the service of the state

The supply chain management policy of a municipality or municipal entity must, irrespective of the procurement process followed, state that the municipality or municipal entity may not make any award to a person—

(a) who is in the service of the state;

(b) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or

(c) who is an advisor or consultant contracted with the municipality or municipal entity."

In terms of the above the transactions with the SCFPA is therefore considered irregular. Although irregular processes have been followed, the MOU has thus far proved to be a successful venture for the provision of aerial firefighting and ground support and has proven to be successful in the mitigation of fire spread within the veld, forest and the urban interface within the Eden District Municipality boundaries.

At recent fire incidents the SCFPA was called upon for assistance with their resources which included ground teams and aerial firefighting resources. The above mentioned incidents are tabled below indicating the area of the incident, the date and the amount invoiced for the services provided.

Area of Incident	Date	Invoice Number	Invoice Amount
Grootvadersbos	22/04/16	14834	R 1,008.90
Brandwag	31/05/16	14749	R 1,282.50
Hoekwil	11-12/08/16	14814	R 117,599.42
		14826	R 1,053.44
		14815	R 7,980.87
		14842	R 3,557.60
Middel Keurbooms	30/08 – 02/09/16	14841	R 30,339.11
		14845	R 22,630.32
TOTAL			R 185,452.16

The resource capacity in the possession of the SCFPA is invaluable when combating the types of fires normally experienced in the Southern Cape and when used optimally it allows for an offensive strategy to be employed. An offensive strategy entailing a direct attack has to be employed when lives and property are in danger and the use of aerial support with complementary ground troops assists in making an impact on the fire spread. The desired effect can only be achieved if the actions are co-ordinated and done efficiently due to the limited number of firefighters within the Eden District Emergency Services.

The above table is an indication of the recent incidents at which resources of the SCFPA were used this fiscal year. These calls were examples of the responses that are required during the extreme conditions that are experienced. The following is a synopsis of the large incidents:

Hoekwil Fires:

The Hoekwil fires was two days of extreme conditions with high temperatures and berg winds that created fire hazards and which made firefighting extremely difficult in terms of extinguishing and responding to the large number of calls. On the 12th of August 2016 there were 25 calls in the Eden district which resulted in all the fire services within the district being committed at incidents during daylight hours. The Hoekwil area is a residential area alongside the Ebb and Flow dam. The fire spread amongst the reeds, to the residential area and phenomenally spread from house to house. Four houses caught alight and were completely destroyed by the extreme heat that was created by the fire and the strong winds. The four houses were valued at between R18 million to R20 million. Quick intervention with strategic backburns and aerial firefighting using helicopters prevented the fire from spreading to the other houses numbering approximately 50 properties. The estimated saving during firefighting operations on this day, only in the Hoekwil area was approximately R 150,000 000.00.

Middel Keurbooms Fires:

The Middel Keurbooms fires was also a result of extreme weather conditions that culminated in a fire that had spread approximately 50 kilometers. Two houses with a combined value of approximately R 5, 000 000.00 was totally destroyed. Residential properties including rented accommodation, farms, forestry plantations, livestock and other businesses valued at billions of rands were in danger of being destroyed by the fires that were raging in the valley. Once again strategic firefighting including the use of backburns and the co-ordination with partners for the use of helicopters, manpower and other equipment and resources assisted in bringing the situation under control and final extinguishment a few weeks later.

The use of external resources not belonging to the district cannot be overemphasized in stabilizing an out of control incident and it is for this purpose that resources were requested and used. In terms of a now realized irregular process, resources of the SCFPA were utilized and it is for this purpose that section 36 of the Municipal Supply Chain Regulations needs to be referenced in settling the payment to the service provider. Section 36 states:

“Deviation from, and ratification of minor breaches of, procurement processes

(1) A supply chain management policy may allow the accounting officer—

(a) To dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only—

(i) In an emergency;

Prepared by: In partnership with:

(ii) If such goods or services are produced or available from a single provider only;

(iii) For the acquisition of special works of art or historical objects where specifications are difficult to compile;

(iv) Acquisition of animals for zoos; or

(v) In any other exceptional case where it is impractical or impossible to follow the official procurement processes; and

(b) To ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

(2) The accounting officer must record the reasons for any deviations in terms of subregulation (1)(a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements.

(3) Subregulation (2) does not apply to the procurement of goods and services contemplated in regulation 11(2)."

In terms of the above and in view of the services being procured during emergencies, payment for the services provided is required to be completed.

The situation that the district currently finds itself is to be averted by establishing partnerships with service providers that are within the ambit of the Municipal Supply Chain regulations. The alternative to transaction with the SCFPA is to enter into agreements directly with the Department of Environmental Affairs (DEA), which is the department that has awarded the tender to the FFA for the provision of aerial support for the duration of the tender. The other alternative is to enter into an agreement with the Western Cape Government under the auspices of Department of Local Government, Disaster Management and Fire and Rescue Services directorate who will act as the implementing agent. The Western Cape Government has thus far indicated a positive response in the proposed plan via the offices of the Director: Disaster Management and fire and Rescue Services.

FINANCIAL IMPLICATIONS

The attached invoices (annexure 1) are a reflection of the associated costs for services rendered by the SCFPA and are as follows:

1. 14834	R 1,008.90
2. 14749	R 1,282.50
3. 14814	R 117,599.42
4. 14826	R 1,053.44
5. 14815	R 7,980.87
6. 14842	R 3,557.60
7. 14841	R 30,391.11
8. 14845	R 22,630.32

The total amount payable for all the above invoices is: **R 185,452.16**

Vote Number	: 16 01 5034 001
Vote Description	: Contracted Services
Available Budget	: R 2 641 000.50
Cost	: R 185,452.16

The above amount is excluding the standing costs of the aerial support which will be the subject of a further report once approval has been received on the procedural route to follow.

RELEVANT LEGISLATION

Fire Brigade Services Act 99 of 1987

Local Government Municipal Structures Act 117 of 1998

SANS 10090

Local Government: Municipal Finance Management Act 56 of 2003

Municipal Supply Chain Management Regulations

COMMENTS: MUNICIPAL MANAGER

This was an emergency and regulation 36 permits the accounting officer to deviate from SCM policy. In terms of the Fire Brigade Services Act of 1987 the accounting officer is charged with the protection of property and the prevention of loss of lives. These fires were managed to avoid further losses, hence the recommendations are supported.

COMMENTS: SENIOR MANAGER ROADS SERVICES

Die Afrikaans "uitvoerende opsomming" section is not a true reflection of the English version, revisit the wording of the Afrikaans section. Include in the report the proposed way forward with regards to the entering into a MOA with DEA/Province

Recommendation is not correct, finance committee cannot give approval for payment.

COMMENTS: LEGAL SERVICES

Recommendation should be that the Municipal Manager, in terms of Regulation 36, deviates from the SCM Policy as this was an emergency. Furthermore, that Finance takes note of the deviation.

COMMENTS: SENIOR MANAGER ROADS SERVICES

Noted.

UITVOERENDE OPSOMMING

Die Maatskappy, SCFPA en Eden Distriksmunisipaliteit Nooddienste het voorheen deur middel van 'n Memorandum van Verstandhouding, 'n ooreenkoms gehad het, waarin voorsiening gemaak is vir brandweer doeleindes van die distriksmunisipaliteit deur SCFPA benut kan word tydens nood. Hierdie verstandhouding was egter nooit deur die Raad goedgekeur nie.

RECOMMENDATION

1. That the deviations in terms of Section 36 of the Municipal Finance Management Regulations be noted.
2. That approval be granted for the payment of R185 504.60 to the Southern Cape Fire Protection Association (SCFPA).
3. That the expenditure mentioned in two (2) above be paid from the contract services vote.

AANBEVELING

1. *Dat kennis geneem word van die afwyking in terme van Artikel 36 van die Munisipale Finansiële Bestuursregulasies.*
2. *Dat goedkeuring verleen word vir die betaling van R185 504.60 aan die Suid-Kaap Brandbeskerming Assosiasie (SKBA).*
3. *Dat die spandering genoem in twee (2) hierbo betaal word vanuit die kontrakdienste posnommer.*

ISINDULULO

1. Seskuba utenxo lwemiqathango yoMhlathi 36 yeMithetho Yolawulo Lwemali zoMasipala uthathelwe ingqalelo.
2. Sesokuba kunikwe imvune yentlawulo ye R185 504.60 Kwihlakani Lezokhuselo Lomlilo LoMzantsi Kapa(SCFPA)

3. Sesokuba incitho ephawulwe kwisibini(2) ngasentla ihlawulo kwivoti yenkonzo zesivumelwano.

APPENDIX

Annexure A:

Invoices from the SCFPA for services provided.

ANNEXURE A

Southern Cape Fire Protection Ass - NPC Private Bag x12 Knysna 6570 Tel: 044 302 6912 Fax: 044 382 5461 Email: adminfpa@telkomsa.net VAT Nr: 432 026 3439 Reg Nr: 2012/017921/08	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2" style="text-align: center;">Tax Invoice</th> </tr> <tr> <td style="width: 50%;">Date</td> <td style="width: 50%;">24/08/2016</td> </tr> <tr> <td>Page</td> <td>1</td> </tr> <tr> <td>Document No</td> <td>INA14814</td> </tr> </table>	Tax Invoice		Date	24/08/2016	Page	1	Document No	INA14814
Tax Invoice									
Date	24/08/2016								
Page	1								
Document No	INA14814								
Eden District Municipality PO Box 12 George 6530	Deliver to 54 York Street George 6530								

Account	Your Reference	Tax Exempt	Tax Reference	Sales Code
15	HOEKWILL FIRE AUG 2016	N	400 084 6289	Inclusive

Code	Description	Quantity	Unit Price	Disc%	Tax	Nett Price
Hoekwill fire - 11 Aug 2016						
RS01	Fire fighting hrs - ZS PFS	2.2000	4,694.63		1,266.37	10,328.19
RS01	Fire fighting hrs - ZS HLZ	2.3000	32,917.50		9,297.75	75,710.25
RS01	Chemicals - ZS HLZ	132.000	75.41		1,222.44	9,954.12
		0				
RS01	Fire fighting hrs - ZS HLZ	0.5000	32,917.50		2,021.25	16,458.75
RS01	Fire fighting kms - DXD322M P	187.000	27.53		632.22	5,148.11
		0				
Date: 11 August 2016 Dispatch: George Dispatcher: Margie Hopewell Movement name: Hoekwill Landowner: Eden DM Caller name: Gerhard Otto obo Freddy Thaver Authoriser: Freddy Thaver Auth No: Freddy Thaver						

Banking Details: ABSA Branch Code: 63 20 05 Account Number: 407 0144 056 Southern Cape Fire Protection Association Please note payment terms are strictly 30 days from invoice date.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Sub Total</td> <td style="width: 40%;">103,157.39</td> </tr> <tr> <td>Discount @ 0.00%</td> <td>0.00</td> </tr> <tr> <td>Amount Excl Tax</td> <td>103,157.39</td> </tr> <tr> <td>Tax</td> <td>14,442.03</td> </tr> <tr> <td>Total</td> <td>117,599.42</td> </tr> </table>	Sub Total	103,157.39	Discount @ 0.00%	0.00	Amount Excl Tax	103,157.39	Tax	14,442.03	Total	117,599.42
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Discount @ 0.00%	0.00										
Amount Excl Tax	103,157.39										
Tax	14,442.03										
Total	117,599.42										

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Eden District Municipality PO Box 12 George 6530	Deliver to 54 York Street George 6530																					
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 15%;">Account</th> <th style="width: 35%;">Your Reference</th> <th style="width: 10%;">Tax Exempt</th> <th style="width: 15%;">Tax Reference</th> <th style="width: 25%;">Sales Code</th> </tr> <tr> <td>15</td> <td>HOEKWIL FIRE</td> <td style="text-align: center;">N</td> <td>400 084 6289</td> <td>Inclusive</td> </tr> </table>		Account	Your Reference	Tax Exempt	Tax Reference	Sales Code	15	HOEKWIL FIRE	N	400 084 6289	Inclusive											
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Southern Cape Fire Protection Ass - NPC Private Bag x12 Knysna 6570 Tel: 044 302 6912 Fax: 044 382 5461 Email: adminfpa@telkomsa.net VAT Nr: 432 026 3439 Reg Nr: 2012/017921/08	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2" style="text-align: center;">Tax Invoice</th> </tr> <tr> <td style="width: 50%;">Date</td> <td style="width: 50%;">24/08/2016</td> </tr> <tr> <td>Page</td> <td>1</td> </tr> <tr> <td>Document No</td> <td>INA14815</td> </tr> </table>	Tax Invoice		Date	24/08/2016	Page	1	Document No	INA14815													
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Banking Details: ABSA Branch Code: 63 20 05 Account Number: 407 0144 055 Southern Cape Fire Protection Association Please note payment terms are strictly 30 days from invoice date.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Sub Total</td> <td style="width: 50%;">7,000.76</td> </tr> <tr> <td>Discount @ 0.00%</td> <td>0.00</td> </tr> <tr> <td>Amount Excl Tax</td> <td>7,000.76</td> </tr> <tr> <td>Tax</td> <td>980.11</td> </tr> <tr> <td>Total</td> <td>7,980.87</td> </tr> </table>	Sub Total	7,000.76	Discount @ 0.00%	0.00	Amount Excl Tax	7,000.76	Tax	980.11	Total	7,980.87											
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Southern Cape Fire Protection Ass - NPC Private Bag x12 Knysna 6570 Tel: 044 302 6912 Fax: 044 382 5461 Email: adminfpa@telkomsa.net VAT Nr: 432 026 3439 Reg Nr: 2012/017921/08		Tax Invoice Date: 28/09/2016 Page: 1 Document No: INA14842														
Eden District Municipality PO Box 12 George 6530		Deliver to 54 York Street George 6530														
Account	Your Reference	Tax Exempt	Tax Reference	Sales Code												
15	HOEKWIL FIRE	N	400 084 6289	Inclusive												
Code	Description	Quantity	Unit Price	Disc%	Tax	Nett Price										
RS01	11/08/2016 Farleigh WoF team production hours	1.0000	3,557.60		436.90	3,557.60										
Banking Details: ABSA Branch Code: 63 20 05 Account Number: 407 0144 056 Southern Cape Fire Protection Association Please note payment terms are strictly 30 days from invoice date.					<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Sub Total</td> <td style="width: 40%; text-align: right;">3,120.70</td> </tr> <tr> <td>Discount @ 0.00%</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>Amount Excl Tax</td> <td style="text-align: right;">3,120.70</td> </tr> <tr> <td>Tax</td> <td style="text-align: right;">436.90</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">3,557.60</td> </tr> </table>		Sub Total	3,120.70	Discount @ 0.00%	0.00	Amount Excl Tax	3,120.70	Tax	436.90	Total	3,557.60
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Eden District Municipality PO Box 12 George 6530	Deliver to 54 York Street George 6530
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Account	Your Reference	Tax Exempt	Tax Reference	Sales Code
15	GROOTVADERSBOSCH FIRE	N	400 084 6289	Inclusive

Code	Description	Quantity	Unit Price	Disc%	Tax	Nett Price
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22/04/2016						
WITR2	Riversdale team transport to Grootvadersbosch - fire fighting	118.000 0	8.55		123.90	1,008.90

Banking Details:

ABSA
 Branch Code: 63 20 05
 Account Number: 407 0144 056
 Southern Cape Fire Protection Association

Please note payment terms are strictly 30 days from invoice date.

Sub Total	885.00
Discount @ 0.00%	0.00
Amount Excl Tax	885.00
Tax	123.90
Total	1,008.90

Southern Cape Fire Protection Ass - NPC Private Bag x12 Knysna 6570 Tel: 044 302 6912 Fax: 044 382 5461 Email: adminfpa@telkomsa.net VAT Nr: 432 026 3439 Reg Nr: 2012/017921/08	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2" style="text-align: center;">Tax Invoice</th> </tr> <tr> <td style="width: 50%;">Date</td> <td style="width: 50%;">28/09/2016</td> </tr> <tr> <td>Page</td> <td>1</td> </tr> <tr> <td>Document No</td> <td>INA14841</td> </tr> </table>	Tax Invoice		Date	28/09/2016	Page	1	Document No	INA14841
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Date	28/09/2016								
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Document No	INA14841								
Eden District Municipality PO Box 12 George 6530	Deliver to 54 York Street George 6530								

Account	Your Reference	Tax Exempt	Tax Reference	Sales Code
15	MIDDEL KEURBOOMS FIRE	N	400 084 6289	Inclusive

Code	Description	Quantity	Unit Price	Disc%	Tax	Nett Price
	29/08/2016					
RS01	PB12 Vehicle Kms	177.000	8.98		195.20	1,589.46
RS01	TB81 Vehicle Kms	204.000	16.46		412.37	3,357.84
	31/08/2016					
RS01	BP12 Vehicle Kms	308.000	8.98		339.66	2,765.84
RS01	PB29 Vehicle Kms	277.000	8.98		305.48	2,487.46
RS01	SU18 Vehicle Kms	140.000	16.46		283.00	2,304.40
RS01	FT20 Vehicle Kms	42.000	20.95		108.06	879.90
	02/09/2016					
RS01	PB12 Vehicle Kms	110.000	8.98		121.31	987.80
RS01	TB81 Vehicle Kms	556.000	16.46		1,123.90	9,151.76
RS01	SU18 Vehicle Kms	120.000	16.46		242.57	1,975.20
RS01	FT20 Vehicle Kms	62.000	20.95		159.51	1,298.90
RS01	S33 Vehicle Kms	169.000	20.95		434.80	3,540.55

Banking Details: ABSA Branch Code: 63 20 05 Account Number: 407 0144 056 Southern Cape Fire Protection Association Please note payment terms are strictly 30 days from invoice date.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Sub Total</td> <td style="width: 40%; text-align: right;">26,613.25</td> </tr> <tr> <td>Discount @ 0.00%</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>Amount Excl Tax</td> <td style="text-align: right;">26,613.25</td> </tr> <tr> <td>Tax</td> <td style="text-align: right;">3,725.86</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">30,339.11</td> </tr> </table>	Sub Total	26,613.25	Discount @ 0.00%	0.00	Amount Excl Tax	26,613.25	Tax	3,725.86	Total	30,339.11
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Southern Cape Fire Protection Ass - NPC Private Bag x12 Knysna 6570 Tel: 044 302 6912 Fax: 044 382 5461 Email: admin@telkomsa.net VAT Nr: 432 026 3439 Reg Nr: 2012/017921/08	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2" style="text-align: center;">Tax Invoice</th> </tr> <tr> <td style="width: 50%;">Date</td> <td style="width: 50%;">29/09/2016</td> </tr> <tr> <td>Page</td> <td>1</td> </tr> <tr> <td>Document No</td> <td>INA14845</td> </tr> </table>	Tax Invoice		Date	29/09/2016	Page	1	Document No	INA14845
Tax Invoice									
Date	29/09/2016								
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Document No	INA14845								
Eden District Municipality PO Box 12 George 6530	Deliver to 54 York Street George 6530								

Account	Your Reference	Tax Exempt	Tax Reference	Sales Code
15	MIDDELKEURBOOMS FIRE	N	400 084 6289	Inclusive

Code	Description	Quantity	Unit Price	Disc%	Tax	Nett Price
	Middelkeurbooms fire-30/08/16 - 02/09/16					
WITS1	Sedgefield WoF team production	33.0000	52.67		213.45	1,738.11
WITS1	30/08/2016 - 01/09/2016	18.0000	37.22		82.28	669.96
WITS1	Sedgefield base manager production	250.0000	8.55		262.50	2,137.50
		0				
WITGE1	George WoF team production	9.0000	237.00		261.95	2,133.00
WITGE1	30/08/2016 - 02/09/2016	42.7500	40.01		210.05	1,710.43
WITGE1	George base manager production	331.0000	10.83		440.23	3,584.73
		0				
WITL1	Ladismith WoF team production	36.0000	105.34		465.71	3,792.24
	31/08/2016 - 02/09/2016					
WITC2	Crags WoF team production	46.0000	52.67		297.54	2,422.82
WITC2	29/08/2016 - 01/09/2016	24.0000	37.22		109.70	893.28
WITC2	Crags base manager production	415.0000	8.55		435.75	3,548.25
		0				

Banking Details: ABSA Branch Code: 63 20 05 Account Number: 407 0144 056 Southern Cape Fire Protection Association Please note payment terms are strictly 30 days from invoice date.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Sub Total</td> <td style="width: 40%;">19,851.16</td> </tr> <tr> <td>Discount @ 0.00%</td> <td>0.00</td> </tr> <tr> <td>Amount Excl Tax</td> <td>19,851.16</td> </tr> <tr> <td>Tax</td> <td>2,779.16</td> </tr> <tr> <td>Total</td> <td>22,630.32</td> </tr> </table>	Sub Total	19,851.16	Discount @ 0.00%	0.00	Amount Excl Tax	19,851.16	Tax	2,779.16	Total	22,630.32
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Date	10/06/2016														
Page	1														
Document No	INA14749														
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Code	Description	Quantity	Unit Price	Disc%	Tax	Nett Price									
WITGE1	George WoF team transport	150.000 0	8.55		157.50	1,282.50									
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Sub Total	1,125.00														
Discount @ 0.00%	0.00														
Amount Excl Tax	1,125.00														
Tax	157.50														
Total	1,282.50														

SPECIAL DISTRICT COUNCIL

04 NOVEMBER 2016

DC 56/11/16

**REPORT ON THE TERMS OF REFERENCE FOR MUNICIPAL PUBLIC
ACCOUNTS COMMITTEE (MPAC) / *VERSLAG RAKENDE DIE TERME
VAN VERWYSING VAN MUNISIPALE PUBLIEKE REKENINGE
KOMITEE (MPRK) / INGXELO NGOKWEMIGAQO NEMIGQALISELO
YEKOMITI YENCWADI ZOLUNTU ZOMASIPALA (MPAC) (541030)***

(10/1/1)

26 October 2016

**REPORT FROM THE EXECUTIVE MANAGER CORPORATE/STRATEGIC
SERVICES (B HOLTZHAUSEN)**

PURPOSE OF THE REPORT

To submit the amended Terms of Reference (TOR) in respect of the Municipal Public Account Committee (MPAC) to Council for approval.

BACKGROUND

A report regarding the restructuring of Committees served before a Special Council meeting held on 30 September 2016. During the meeting it was resolved as follows:

"That the following councillors be nominated to serve on the various Section 79 and 80 Committees as set out in the attached document:

That Cllr V Gericke be nominated as Chairperson of the Municipal Public Accounts Committee (MPAC).

Subsequent to the above resolution, MPAC was established as follows:

- Cllr V Gericke
- Cllr T Van Rensburg
- Cllr AJ Rossouw
- Cllr RE Spies
- Cllr BN Van Wyk
- Cllr D Xego
- Cllr CN Lichaba

The TOR of the previous Council served before a MPAC meeting scheduled for 18 October 2016. (**Annexure A**).

The meeting was postponed after it was agreed that a Special MPAC meeting between the members and Manager Legal Services be arranged to workshop/discuss the TOR only. The said workshop/meeting took place on Thursday, 20 October 2016.

The amended Terms of Reference for MPAC is attached as **Annexure B**.

Municipal Public Accounts Committee (MPAC) is one of the Committees in terms of Section 79 of the Local Government: Municipal Structures Act 117 of 1998 to serve as an oversight committee to deal with Oversight Reports on annual reports as per Section 129 (1) of the Municipal Finance Management Act 56 of 2003.

The Committee plays an effective, financial accountability role at the local sphere of government. It enhances the accountability process by ensuring that there is objective oversight and allows for public comments in addition to other established governance committees, such as Council, Mayoral Committee and the Audit and Performance Audit Committee.

FINANCIAL IMPLICATIONS

None

RELEVANT LEGISLATION

Section 41 (1)(c) of the Constitution Act 108 of 1996 provides that all spheres of government and all organs of state within each sphere must- provide effective, transparent, accountable and coherent government for the Republic as a whole.

Section 79 of the Local Government: Municipal Structures Act 117 of 1998.

Section 129 (1) of the Local Government: Municipal Finance Management Act, Act 56 of 2003.

UITVOERENDE OPSOMMING

Die Raad het tydens 'n spesiale vergadering gehou op 30 September 2016 soos volg besluit:

“Dat die volgende raadslede aangewys word om op die verskeie Artikel 79 en 80 komitees te dien, soos uiteengesit in die aangehegte dokument:

Dat Rd V Gericke aangewys word as Voorsitter van die Munisipale Publieke Rekening Komitee (MPRK). “

Na aanleiding van bogenoemde besluit is die Munisipale Publieke Rekening Komitee gestig.

*Die TVV van die vorige Raad, (**Aanhangsel A**) was bespreek/gewerkswinkel deur die huidige MPRK lede en die Bestuurder Regsdienste op 20 Oktober 2016. Die gewysigde TVV word aangeheg as **Aanhangsel B**.*

Die daarstelling van 'n staande komitee rakende Openbare Rekeninge as een van die komitees in terme van Artikel 79 van die Plaaslike Owerheid Strukture Wet 117 van 1998 om as toesighoudende komitee insig te verkry oor jaarverslae soos per Artikel 129(1) van die Munisipale Finansiële Bestuurswet 56 van 2003.

RECOMMENDATION

That the Terms of Reference for the Municipal Public Accounts (MPAC) be approved.

AANBEVELING

Dat die Terme van Verwysing vir Munisipale Publieke Rekeninge Komitee (MPRK) goedgekeur word.

ISINDULULO

Sesokuba Imiqathango Nemigqaliselo Yencwado Zoluntu zoMasipala (MPAC) yamkelwe.

APPENDIX

ANNEXURE A

**MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
TERMS OF REFERENCE (Of previous Council (2011/2016
term))**

1. INTRODUCTION:

The Municipal Public Accounts Committee (MPAC) is established in terms of Section 79 of the Municipal Structures Act, 117 of 1998, as amended, and performs an oversight function on behalf of Council. Through the Municipal Public Accounts Committee, Council will be able to provide the public with assurance that public money and assets are being managed properly and that value for money is being rendered.

The establishment of the Municipal Public Accounts Committee is a further link in the accountability process by ensuring objective political oversight in addition to and over other governance structures.

2. APPOINTMENT OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE AND THE LEGAL FRAMEWORK:

The following principles guide the work of Municipal Public Accounts Committee:

- 2.1 The Municipal Council must determine the functions of the Committee and approve the terms of reference for the Committee.

- 2.2 The Municipal Council must delegate specific powers to the Municipal Public Accounts Committee in terms of Section 59 of the Municipal Systems Act. ***These delegations must be included in the Delegations Register. The review of any delegations to the Municipal Public Accounts Committee will remain the responsibility of Council.***
- 2.3 The Municipal Council may determine the procedure of the Committee or allow it to determine its own procedure.
- 2.4 The Municipal Council appoints the members of the Municipal Public Accounts Committee from amongst the Non-Executive Councillors.
- 2.5 The Municipal Council appoints the Chairperson of the MPAC.
- 2.6 The Municipal Council may dissolve the MPAC at any time by way of a Council resolution.
- 2.7 The Municipal Council may remove any member of the Committee at any time by way of a Council resolution
- 2.8 The Municipal Council may allow the MPAC to co-opt advisory members who are not members of the Council, within the limits determined by the Council.
- 2.9 The meetings of the MPAC should, as far as is possible and practical, be open to the public in accordance with Section 160 (7) of the Constitution.
- 2.10 The Municipal administration must ensure that adequate financial and human resources are made available to support the functions of the MPAC.
- 2.11 Meetings of the MPAC should be provided for and included in the annual calendar of the Council.
- 2.12 The MPAC reports directly to the Municipal Council and the Chairperson of the MPAC liaises directly with the Speaker on the inclusion of reports of the MPAC in the Council agenda.

3. FUNCTIONING OF MPAC:

- 3.1 *The Committee must always conduct itself in a non-party political manner.*
- 3.2 Meetings of the Committee should be open to the public, in terms of Section 160 (7) of the Constitution, unless it is unreasonable to do so. The Committee has the authority to determine if a matter should be closed to the public, after discussion amongst members. The media should also have access to the MPAC meetings.

- 3.3 The Auditor-General and Internal Audit or his/her representatives have free access to all meetings (whether dealing with open or closed matters). It is not an imperative that these entities attend every meeting of the MPAC. However, they must be invited to all the MPAC activities and meetings.
- 3.4 The appointment of the Chairperson must be in terms of a Council resolution. The Chairperson may not be an office bearer/Executive Councillor in the Municipality. The Chairperson must be an experienced Councillor who has the necessary skills and expertise to Chair this critical Committee. ***The Chairperson shall be from the opposition party.*** If the Chairperson is absent from a meeting, the members present must elect a member from the meeting to Chair that particular meeting.
- 3.5 Members' term of office runs concurrently with the term of the Council.
- 3.6 ***MPAC shall consist of five (7) Councillors with knowledge of financial and governance matters.***
- 3.7 Should vacancies occur, Council will fill the position in the next Council meeting.
- 3.8 The Committee is **not** prevented from undertaking its activities while awaiting the appointment of a new member.
- 3.9 The quorum for all meetings shall be 50% plus one member.
- 3.10 The Committee may co-opt a maximum of two additional members who have the pre-requisite skills as it deems necessary. It is proposed that the Chairperson of the Audit Committee is one such additional member. The names of the additional / co-opted members shall be reported in the Annual Report of Council.

Administrative support

- 3.11 The Municipal administration, through the Municipal Manager, must ensure adequate financial and human resources are made available to support the Committee. All requests for assistance must only be via the Office of the Municipal Manager or his/her duly delegated official. Any requests for documentation and information must also be made in writing to the Office of the Municipal Manager.
- 3.12 Formal agendas and minutes of the meetings must be prepared by a staff member, identified by the Municipal Manager, under guidance of the Chairperson.

- 3.13 Notice of special meetings of MPAC shall be given at least 14 days prior to the meeting. Agendas and relevant documents shall be received at least 7 days prior to meeting for preparation purposes.
- 3.14 The Committee must meet at least four times per annum. These dates are to be identified at the start of each calendar year and co-ordinated with Council's schedule of meetings. The work of the MPAC Committee must be programmed to link with the overall planning cycle of the Council. The MPAC Committee must ensure that all legislative deadlines which relates to its role, are adhered to.
- 3.15 *The effectiveness of the MPAC Committee must be evaluated by the MPAC Committee at its last meeting in each calendar year. A report in this respect must be tabled to Council, whereupon Council must evaluate the MPAC Committee.*

Reporting

- 3.16 The MPAC will report to Council after each of its pre-determined meetings. The MPAC will provide Council with a programme of its planned activities as well as a report of activities for the calendar year. These reports will include details of meetings, the proposed work programme and any key resolutions required or taken.
- 3.17 The MPAC Committee may bring items to full Council, via the Office of the Speaker.
- 3.18 The full Council must deliberate on any recommendations from the MPAC Committee at an open public meeting, unless the MPAC Committee specifically the calendar year. These reports will include details of meetings, the proposed work programme and any key resolutions required or taken.
- 3.19 Council must reach finality on matters in the shortest time possible in order to ensure expedient work.

Attendance of meetings

- 3.20 Members are to observe the Rules of Order as determined for Council.
- 3.21 Members are to refrain from lengthy debates at public hearings as the intention is to obtain information from other parties.
- 3.22 The MPAC Committee members shall be removed if they are absent from three meetings in a row – with or without an apology – unless Council deems otherwise.

- 3.23 The Chairperson of the MPAC Committee, through the Municipal Manager, may request the attendance of the applicable Director(s) as and when needed, depending on the content and detail of the agenda.
- 3.24 The MPAC Committee may also invite any persons, ***including political office-bearers*** with relevant experience, both internally and externally, to attend or give evidence. ***The Office of the Municipal Manager must be notified of any requests to staff members in order to make the necessary internal arrangements.***
- 3.25 The Manager: Administration will provide secretarial and logistical support to the MPAC Committee. The Auditor-General, The Audit Committee and Internal Audit will provide the MPAC Committee with technical support.
- 3.26 The Chairperson of the Finance Portfolio Committee shall be invited to be in attendance at all MPAC Committee Meetings.

Authority and role of MPAC

- 3.27 In order to fulfil its role, the MPAC Committee shall have access to the following documents, as they become available:
- Section 71 reports;(monthly budget statements)
 - Section 72 reports;(Mid-year Budget and performance assessment)
 - Financial statements of the Municipality;
 - The final audit opinion and documents from the Audit Committee related thereto;
 - Any information in terms of Section 128 and Section 133 of the MFMA; and
 - Quarterly Report of the Executive Mayor in term of Section 52(d) of the MFMA (Implementation of the Budget and the Financial state of affairs of municipality)
 - The Annual Report (section 127)
- 3.28 Any documents or information to which the MPAC is entitled and which it has requested must be provided without delay.
- 3.29 The functions of the MPAC are:
- (a) To consider and evaluate the Annual Report as tabled to Council, and thereafter make recommendations to Council in this regard. The Committee must receive the report no more than two weeks after tabling to Council.

- (b) To compile an Oversight Report and table in Council no later than two months from the date of which the Annual Report was tabled, in terms of Section 129 of the MFMA.
- (c) To monitor that all submissions and calls for comment have been undertaken as per Section 127(5), 130 and 132 of the MFMA.
- (d) To review whether matters raised in past Annual Reports have been attended to, as well as whether recommendations made in previous Oversight Reports in terms of Section 129 of the MFMA have been attended to.
- (e) Any unforeseen and unavoidable expenditure, in terms of Section 29 of the MFMA, must be reported to the MPAC with proof of the necessary appropriation in the adjustment budget. After consideration of the matter, the MPAC must report to Council on the matter.
- (f) Any unauthorised, irregular or fruitless expenditure, in terms of Section 32 of the MFMA, incurred by the Council, Executive Mayor, political office bearers or officials, must be reported to the MPAC. The Accounting Officer must report to the MPAC on all steps taken to authorise or certify or recover or write off the expenditure, as well as whether any criminal action was instituted. The MPAC must report to Council on the appropriateness of action taken.
- (g) To report to Council if an annual budget has not been compiled and submitted to Council in terms of Section 16 of the MFMA.
- (h) To monitor whether the Executive Mayor has initiated a review of the IDP post elections and annually thereafter. If such review is not done, the MPAC must report to Council.
- (i) To consider and comment on the following:
 - Section 72 reports (Mid-year Budget and performance assessment);
 - The final audit opinion and documents from the Audit Committee related thereto;
 - Any information in terms of Section 128 and Section 133 of the MFMA; and
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- (j) To recommend an investigation in its area of responsibility, after reviewing any investigation report already undertaken by the municipality or the Audit Committee;
- (k) In the case of any irregular expenditure or any fruitless and wasteful expenditure incurred by the municipality or municipal entities, the MPAC ***will have the right to call upon the Executive Mayor, Accounting Officer of the municipality or municipal entity's and the Chairperson of the Municipal entity's Board of Directors to appear before it to provide information or clarity.***
- (l) The MPAC may, for the purposes of Section 130 of the MFMA, engage directly with the public and consider public comments.
- (m) ***To perform any other functions assigned to it through a resolution of council within its area of responsibility***



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2.5 The Municipal Council appoints the Chairperson of the MPAC.

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- 2.7 The Municipal Council may remove any member of the ~~Committee~~ MPAC at any time by way of a Council resolution, subject to the applicable legislation and/or procedures being complied with.
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