KOUGA
local municipality
Good Governance through Service Excellence

# ORDINARY COUNCIL MEETING

# AGENDA

Date : 28 August 2020
Time : 10:00
Venue : Virtual Meeting

| KOUGA MUNICIPALITY (EC108) | UMASIPALA I-KOUGA (EC108) | MUNISIPALITEIT KOUGA (OK108) |
|---|---|---|
| **NOTICE CONVENING A MEETING** | **ISAZISO NGENTLANGANISO** | **KENNISGEWING VAN VERGADERING** |
| **NOTICE IS HEREBY GIVEN** in terms of the amended Directions on Municipal Operations and Governance, in terms of Section 27(2) of the Disaster Management Act, 2002, that a virtual Ordinary Council Meeting will be held on | **OKU KUKWAZISA** malunga neZikhokelo eziLungisiweyo ekuSebenzeni koMasipala kunye noLawulo ngokweMigaqqo yeCandelo lama 27(2) loMthetho woLawulo lweNtlekele ka 2002, ukuba kubanjwe intlanganiso ebonakalayo yesigqeba Ye khansile | **KENNIS GESKIED HIERMEE** ingevolge die gewysigde Aanwysings Vir Munisipale Bedrywighede En Bestuur, Ingevolge Artikel 27 (2) van die Wet op Rampbestuur, 2002, dat 'n virtuele raadsvergadering gehou sal word op |
| **DATE: 28 August 2020** | **UMHLA: 28 EyeThupha 2020** | **DATUM: 28 Augustus 2020** |
| **TIME: 10:00** | **IXESHA: 10:00** | **TYD: 10:00** |
| **H. BORNMAN**<br>**SPEAKER** | **H. BORNMAN**<br>**USOMLOMO** | **H. BORNMAN**<br>**SPEAKER** |

***Councillors are required to comply with the Standing Rules and Orders of Council and all its Committees By-law as promulgated in the Provincial Gazette on 22 October 2018 No.4134 and applicable to this meeting of Council. Any person who willfully contravenes any provision of these rules shall be guilty of an offence and which contravention shall be dealt with in accordance with the disciplinary procedures for Councillors.***

## A G E N D A

1. **NOTICE OF MEETING**
2. **OPENING AND WELCOME**
3. **ABSENT WITH LEAVE**
4. **ABSENT WITHOUT LEAVE**
5. **PRESENTATIONS**
6. **ACKNOWLEDGEMENTS, CONDOLENCES & CONGRATULATIONS**
7. **STATEMENTS OR COMMUNICATIONS BY THE SPEAKER**
8. **STATEMENTS OR COMMUNICATIONS BY THE EXECUTIVE MAYOR**

9. **DECLARATION OF INTEREST**

10. **STATUTORY MATTERS**

11. **CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETINGS**

11.1 Minutes of the Ordinary Council Meeting held on 26 June 2020

Pages 11-27

11.2 Minutes of the Special Council Meeting held on 30 June 2020

Pages 28-33

11.3 Minutes of the Special Council Meeting held on 30 July 2020

Pages 34-40

12. **MATTERS DEALT WITH IN TERMS OF DELEGATED AUTHORITY BY THE EXECUTIVE MAYOR**

***(The reports by the Executive Mayor, in terms of the provisions of Section 63 of the Local Government Municipal Systems Act, 32 of 2000, on matters dealt with by the Executive Mayor in terms of delegated authority as detailed in the Minutes to be noted).***

13 **REPORTS OF COMMITTEES OF COUNCIL**

None

14. **REPORT BY THE OFFICE OF THE MUNICIPAL MANAGER**

**20/08/MM1** Council Resolutions – July 2020

Pages 43-82

**20/08/MM2** Process Plan For The IDP Review, Budget And PMS For The Year 2021/22

Pages 83-95

**28/08/MM3** Draft Institutional Risk Register

Pages 96-107

**20/08/MM4** Introduction Of The Draft Sponsorship Policy

Pages 108-117

**28/08/MM5** Report On Exercise Of Delegated Authority By The Executive Mayor

Pages 118-128

15. **REPORTS BY THE EXECUTIVE MAYOR**

15.1 **REPORTS BY THE CHAIRPERSON: FINANCE**

**20/08/F1** Policy On Provision For Doubtful Debt And Write-Off Of Irrecoverable Debt

Pages 130-143

**20/08/F2** Amendments To The 2019/20 Budget – Approval Of Unspent Funds As At 30 June 2020

Pages 144-149

**20/08/F3** Revised Supply Chain Management Policy

Pages 150-224

15.2 **REPORTS BY THE CHAIRPERSON: CORPORATE SERVICES**

**20/08/CORP1** Report On Ward Committee Policy

Pages 226-249

**20/08/CORP2** Replacement Of Members On The Municipal Public Accounts Committee (MPAC)

Pages 250-252

**20/08/CORP3** Review Of Overtime Policy
***(to be distributed under separate cover)***

15.3 **REPORTS BY THE CHAIRPERSON: INFRASTRUCTURE & ENGINEERING**

**20/08/I&E1** Drought Funding: Progress with Borehole Development and Water Conservation and Demand Management Projects

Pages 254-267

**20/08/I&E2** Re: Progress on Grant Funding (MIG & EPWP) May & June 2020

Pages 268-275

**20/08/I&E3** Day to Day Operations of the Fleet Section during the period of May 2020 and June 2020

Pages 276-321

**20/08/I&E4** Report: 100 Electrification Project: Progress Report and Spending up to date

Pages 322-324

**20/08/I&E5** Report: Allocation for Energy Efficiency and Demand Side Management (EESDM) Grant 2019/20

Pages 325-328

**20/08/I&E6** Report On The Negotiations For The Purchase Of Erf 9951 (Portion 147 A Portion Of Portion 63 Of The Farm Klein Zeekoei Rivier No 335): Jeffreys Bay

Pages 329-361

15.4 **REPORTS BY THE CHAIRPERSON: COMMUNITY SERVICES**

**20/08/CS1** Keep Kouga Clean: Wheelie Bin Rollout

Pages 363-365

**20/08/CS2** Upgrading of Humansdorp Traffic Department

Pages 366-369

**20/08/CS3** Progress Report On Repairs And Maintenance On Kouga Facilities

Pages 370-385

15.5 **REPORTS BY THE CHAIRPERSON: PLANNING & DEVELOPMENT**

**20/08/PD1** Monthly Progress Report on Human Settlements grant funded pipeline projects

Pages 387-406

**20/08/PD2** Progress Report on the electrification of Donkerhoek informal settlement

Pages 407-409

**20/08/PD3** Town Planning Progress Report: Municipal Planning Tribunal (MPT): July 2019 – June 2020

Pages 410-416

**20/08/PD4** Preparation Of The Jeffreys Bay Central Business District Precinct Plan

Pages 417-444

15.6 **REPORTS BY THE CHAIRPERSON: LOCAL ECONOMIC DEVELOPMENT & TOURISM**

**20/08/LED&T1** Building Green Inclusive Municipalities (BIGM) Programme – Report on Business Retention and Expansion Survey on Kouga Tourism Sector

Pages 446-468

**20/08/LED&T2** Local Economic Development Strategy Implementation – 2020/2021 Annual Work Plan

Pages 469-472

**20/08/LED&T3** LED & Tourism Covid-19 Support For Tourism Sector In Kouga

Pages 473-474

**20/08/LED&T4** Sponsorship Of R20 000.00(Twenty Thousand Rands Only) To Rip Curl Online Surf Event

Pages 475-479

**20/08/LED&T5** Kouga SMME Development Draft Policy

Pages 480-495

16. **REPORTS FOR INFORMATION PURPOSES**

16.1 **REPORTS BY THE OFFICE OF THE MUNICIPAL MANAGER**

***(The below items submitted to the Mayoral Committee meeting held on 21 July 2020)***

**20/07/MM1** Call Centre Report On Service Delivery Requests January – February 2020

Pages 497

16.2 **REPORTS BY THE CHAIRPERSON: FINANCE**

***(The below items submitted to the Mayoral Committee meeting held on 21 July 2020)***

**20/07/F1** Revenue Management: Monthly Debtors Report – May 2020

Page 498

**20/07/F2** Revenue Management and Customer Care report for the month of May 2020

Pages 498

**20/07/F3** Report on Debt Handed Over for Collection as at 31 May 2020

Pages 498

**20/07/F4** Monthly Report of all Council Properties Leases as at 31 May 2020

Pages 498

**20/07/F5** Short-Term Insurance Claims Report for the month of May 2020

Pages 498

**20/07/F6** ICT Report for the month of May 2020

Pages 499

**20/07/F7** Monthly Report of all Council Properties Leases as at 30 June 2020

Page 499

**20/07/F8** Short-Term Insurance Claims Report for the Month of June 2020

Pages 499

**20/07/F9** ICT Report for the month of June 2020

Pages

16.3 **REPORTS BY THE CHAIRPERSON: CORPORATE SERVICES**

***(The below items submitted to the Mayoral Committee meeting held on 21 July 2020)***

**20/07/CORP2** Portfolio Resolutions for 2 June 2020

Pages 500

**20/07/CORP3** Monthly Report for the Corporate Services Directorate: Administration Section as at June 2020 & year on year comparative stats

Pages 500

**20/07/CORP4** SDBIP Report as at 30 June 2020

Pages 500

**20/07/CORP5** HR Report for May 2020 to June 2020

Pages 501

**20/07/CORP6** Year on year Comparative HR Report

Pages 501

**20/07/CORP7** Public Participation Progress Report

Pages 501

16.4 **REPORTS BY THE CHAIRPERSON: INFRASTRUCTURE & ENGINEERING**

***(The below items submitted to the Mayoral Committee meeting held on 21 July 2020)***

**20/07/I&E5** Report on Electrical Maintenance for the month of May 2020 and June 2020

Pages 502

16.5 **REPORTS BY THE CHAIRPERSON: COMMUNITY SERVICES**

***(The below items submitted to the Mayoral Committee meeting held on 21 July 2020)***

**20/07/CS3** Progress Report On The Implementation Of The Service Delivery Budget Implementation Plan (SDBIP) As At 30 June 2020

Pages 502

**20/07/CS6** Appointment Of 60 X Covid-29 Disaster Management Volunteers

Pages 503

16.6 **REPORTS BY THE CHAIRPERSON: PLANNING & DEVELOPMENT**

***(The below items submitted to the Mayoral Committee meeting held on 21 July 2020)***

**20/07/PD5** Town Planning Progress Report: 4th Quarter: April to June 2020

Pages 503

**20/07/PD6** Institutional Performance Report: 2019/20 Financial Year: 4th Quarter Period 1 April To 30 June 2020 (SDBIP)

Pages 504

16.7 **REPORTS BY THE CHAIRPERSON: LOCAL ECONOMIC DEVELOPMENT & TOURISM**

***(The below items submitted to the Mayoral Committee meeting held on 21 July 2020)***

**20/07/LED&T3** Institutional Performance Report: 2019/20 Financial Year: 4th Quarter Period 1 April To 30 June 2020 (SDBP)

Pages 504

17. **CLOSURE**

---

**Distribution list:**
Executive Mayor
Speaker
All Councillors
Municipal Manager
All Directors
Relevant Managers
Committee Services

# CONFIRMATION OF PREVIOUS COUNCIL MINUTES

**MINUTES OF A VIRTUAL IN COMMITTEE ORDINARY COUNCIL MEETING OF THE KOUGA MUNICIPALITY HELD ON FRIDAY, 26 JUNE 2020 AT 10:00**

| | | |
|---|---|---|
| **PRESENT: Councillors** | H Bornman | (Speaker) |
| | H Hendricks | (Executive Mayor) |
| | B Williams | |
| | Cllr F Campher | |
| | D Benson | |
| | F Baxter | |
| | B Dhludhlu | |
| | L Vorster | |
| | NS Botha | |
| | R Jantjies | |
| | T Jantjes | |
| | WPD Gertenbach | |
| | C August | |
| | M Biko | |
| | M van Niekerk | |
| | W Coenraad | |
| | M Dayimani | |
| | E Februarie | |
| | S Jujwana | |
| | S Makasi | |
| | M Peters | |
| | P Oliphant | |
| | J Mayoni | |
| | C Matroos | |
| **Officials & Municipal Manager** | C du Plessis | (Municipal Manager) |
| | R Lorgat | (Chief Financial Officer) |
| | V Felton | (Director: Infrastructure & Eng) |
| | K Moodley | (Director: Corporate Services) |
| | F Mabusela | (Director: Planning, Dev & Tourism) |
| | L Opperman | (Manager: Legal Services) |
| | L Randall | (Media Liaison Officer |
| | B de Groot | (Sen Admin Officer: Committees) |

1. **NOTICE OF MEETING**

The Speaker read the notice convening the meeting and advised that in terms of the amended Directions on Municipal Operations and Governance and in terms of Section 27(2) of the Disaster Management Act, 2002, that a virtual Ordinary Council Meeting will be held using the zoom platform.

2. **OPENING AND WELCOME**

The Speaker welcomed everyone present and requested Cllr D Benson to open the proceedings with a prayer.

Cllr Februarie raised a urgent matter in respect of Councillors not being able to participate in the Council meeting due to not having sufficient data and requested the Administration address the matter urgently.

3. **WITH LEAVE OF ABSENCE**

BF Rheeder (Alderman)
A Mabukane
V Vumazonke

4. **WITHOUT LEAVE OF ABSENCE**

None

5. **PRESENTATION**

None

6. **ACKNOWLEDGEMENTS, CONDOLENCES & CONGRATULATIONS**

Birthday Wishes – Cllr N Botha

Cllr Mabukane to be kept in prayers in this trying time while undergoing treatment.

Condolences conveyed to Cllr Coenraad in the passing of her husband – a moment of silence was afforded.

The Executive Mayor expressed gratitude to Director Planning, Development & Tourism and all officials involved for all the tremendous word done in Hankey and prioritising the communities needs especially in Stofwolk.

7. **STATEMENTS OR COMMUNICATION BY THE SPEAKER**

The Speaker stated that Ward Offices may operate unless there is evidence of COVID-19 cases requested that each Ward Councillors is open the offices at their discretion.

In terms of the Ward Development Fund, Ward Councillors requested to urgently submit the priority lists by consulting with for respective Ward Committees for the new Financial Year. A communication from the Office of the Speaker will be forwarded to all Ward Councillors.

8. **STATEMENTS OR COMMUNICATION BY THE EXECUTIVE MAYOR**

The Executive Mayor stated that due to COVID-19 there are over 100 active cases in Kouga especially in Loerie, which is a small community, is serious and regarded as a crisis having approximately 50 positive cases. The community is urged to adhere to the Health and Safety measures failing which will result in more positive cases. The Executive Mayor and Cllr Februarie are currently requesting masks and PPE's from the District Municipality. Law Enforcement support has also been requested to monitor and control the area in respective of the safety of the community.

Currently there are 10 positive cases within the Municipality of which some are in hospital and serious. Some of the sections in the municipality have been closed until regarded as safe areas to re-open.

The Municipal Manager was thanked for taking pro-active action and urged that all take the necessary safety measures seriously by maintaining social distancing, sanitizing and mandatory wearing of a facial mask.

The Executive Mayor stated that the Final Budget will be tabled at the meeting which will reflect the current financial situation caused by the global COVID-19 pandemic but there will be an opportunity for the Adjustments Budget throughout the financial year and as the situation improves adjustments will be made accordingly. As a strong municipality, will remain resilient and face challenges and will overcome the current crisis.

The Executive Mayor wished all safety and good health during the next 2-3 weeks.

Cllr Oliphant extended appreciation for dealing with the serious crisis at hand and stated that the DA Leadership should distance themselves from making racist remarks with reference to apartheid.

A Point of Order was raised by the Executive Mayor by stating that the remarks made by Cllr Oliphant had no relevance to the meeting and requested that such remark be withdrawn failing which the matter is to be dealt with in terms of the Standing Rules of Order and that such Cllr be fined.

The Speaker stated that Cllr Oliphant was Out of Order and requested that he withdrawn his statement as it had no relevance to the agenda.

Cllr Oliphant stated that he was not going to withdraw the remark made as it was a National debate.

Cllr Februarie stated that in terms of transparency and fairness it be noted that the ANC component was being treated unfairly because when a Point of Order is raised it is questioned as to what the Point of Order is.

The Executive Mayor stated that the Point of Order which he had raised was on a point of relevance as per Rule 32:-

"32. ***Relevance***

*32.1 A member who speaks shall confine his/her speech strictly to the motion or matter under discussion or to an explanation or a question of order."*

Cllr Februarie stated that the statement made by Cllr Oliphant had relevance to the matter.

The Speaker stated that it did not have relevance to the agenda or subject matter.

Cllr Dayimani stated that the Speaker is to be consistent and should this not be the case, there will be no order in the meeting. He further stated the Executive Mayor requested that Cllr Oliphant be fined without due processes followed and regards this action out of order as the Executive Mayor cannot sanction such on another Councillor as the matter should be actioned by the Rules & Ethics Committee.

The Speaker stated that the Rules & Ethics Committee is deals with such matters and can only make recommendations to Council, the matter will be dealt with on the correct platform.

9. **REPORT BACK: SARAH BAARTMAN DISTRICT MUNICIPALITY REPRESENTATIVES**

**20/06/SBDM1** **SARAH BAARTMAN DISTRICT MUNICIPALITY REPORT – JUNE 2020**

**Resolved (26 June 2020)**

1. That the SBDM report – June 2020 be noted.

10. **REPORT BACK: INTERGOVERNMENTAL RELATIONS FORUM (IGR)**

None

11. **REPORT BACK: MUNIMEC**

The next MUNIMEC meeting is scheduled for 18 July 2020.

12. **DECLARATION OF INTEREST**

None

13. **STATUTORY MATTERS**

14. **CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETINGS**

14.1 **MINUTES OF THE ORDINARY COUNCIL MEETING HELD ON 29 MAY 2020**

**Resolved (26 June 2020)**

1. That the minutes of the Ordinary Council meeting held on 29 May 2020 be approved.

Proposed: R Jantjies Seconded: B Dhludhlu

14.2 **MINUTES OF THE SPECIAL COUNCIL MEETING HELD ON 5 JUNE 2020**

**Resolved (26 June 2020)**

1. That the minutes of the Special Council meeting held on 5 June 2020 be approved.

Proposed: F Campher Seconded: W Gertenbach

14.3 **MINUTES OF THE SPECIAL COUNCIL MEETING HELD ON 12 JUNE 2020**

**Resolved (26 June 2020)**

1. That the minutes of the Ordinary Council meeting held on 29 May 2020 be approved.

Proposed: D Benson Seconded: C August

15. **MATTERS DEALT WITH IN TERMS OF DELEGATED AUTHORITY BY THE EXECUTIVE MAYOR**

***(The reports by the Executive Mayor, in terms of the provisions of Section 63 of the Local Government Municipal Systems Act, 32 of 2000, on matters dealt with by the Executive Mayor in terms of delegated authority as detailed in the Minutes to be noted).***

16 **REPORTS OF COMMITTEES OF COUNCIL**

16.1 **BAD DEBTS COMMITTEE**

Dealt with under the Confidential Section of the Agenda

17. **REPORTS BY THE OFFICE OF THE MUNICIPAL MANAGER**

**20/06/MM4 FINAL AMENDED 2020/21 IDP REVIEW OF THE 5 YEAR IDP (2017/2022)**

Cllr Februarie raised concern that the IDP is institutional vs Ward based and focus should be on the needs of the community in the respective Wards.

Cllr Oliphant stated that the questions raised by the Paradise Beach owners are fundamental questions and are to be attended to and further stated that there are more challenges in effluent areas and should be more responsive in the upgrading of the areas.

Cllr Peters raised concern with regards to unspent funds which indicates less than actual available and enquired as to what happens to the unspent funds.

The Municipal Manager stated that unspent funds is referred to Council for approval for a rollover whereafter the respect Wards will decide on the allocation of such funds.

Cllr Gertenbach advised that a rollover of funds will only be on the capital component and not on the operational component.

The Municipal Manager advised that all letters received will be responded to after approval of the budget in order to address issues raised.

**Resolved (26 June 2020)**

1. That the **Final Amended IDP** for the 2020/21 Review be approved in terms of the provisions of Section 25 of the Local Government Municipal Systems Act, 32 of 2000.

2. That the **Final Amended IDP** document be submitted to the MEC and relevant stakeholders within 10 days of acceptance by Council.

3. That the **Final Amended IDP** be published on the municipal website within 10 days of acceptance by the Council.

Proposed: B Dhludhlu Seconded: M Dayimani

**20/06/MM5** **AMENDMENT OF A COUNCIL RESOLUTION – 19/07/MM4 OF A COUNCIL MEETING HELD ON 3O JULY 2019**

Cllr Williams requested clarity on the processes for the renewal of the lease contract for the Jeffreys Bay Bowling Club commences in March 2018 as his understanding was that there is a lease agreement in place until 2025/26.

The Manager: Legal Services advised that the item makes reference to the Driving Range only as there is an existing lease agreement with the Bowling Club. The only amendment refers to point 3 of the previous Council resolution.

Cllr Oliphant requested that a list of all council leased properties be made available especially leases pertaining to the halls as well as ownership.

Cllr Dayimani requested clarity for what reason is the lease agreement proposed to be terminated with the Driving Range.

Cllr Williams stated that the Driving Range owed a substantial amount to the municipality and therefore the proposal was to terminate the agreement.

Cllr Februarie expressed his dismay that recommendations are changed/added at the meeting and was of the opinion that no proper oversight of the item can thus be made. If the lease agreement was entered into during 2018 why are drastic action only take now.

Cllr Dayimani enquired whether the Driving Range was the only entity owing money to the municipality.
The Manager: Legal Services advised that payments arrangements with the Driving Range had been made previously which is now followed by an eviction order.

Cllr B Williams proposed that an additional recommendation be included:-

*That the Driving Range lease agreement be terminated and that all outstanding monies owed to Kouga Municipality be recovered.*

Proposed: B Williams Seconded: N Botha

**Proposal 1**

*"That the Driving Range lease agreement be terminated and that all outstanding monies owed to Kouga Municipality be recovered."*

Cllr Dayimani called for a division of vote as the Opposition Party was of the opinion that by terminating the lease agreement with the Driving Range would not be in the best interest of the public and could possibly result in a litigation process.

| | |
|---|---|
| F Baxter | in favour |
| D Benson | in favour |
| B Dhludhlu | in favour |
| B Williams | in favour |
| N Botha | in favour |
| R Jantjies | in favour |
| M van Niekerk | in favour |
| M Biko | in favour |
| T Jantjes | in favour |
| C August | in favour |
| W Gertenbach | in favour |
| F Campher | in favour |
| W Coenraad | in favour |
| L Vorster | in favour |
| H Hendricks | in favour |
| H Bornman | in favour |
| P Oliphant | not in favour |
| P Nkwalase | not in favour |
| M Dayimani | not in favour |
| E Februarie | not in favour |
| S Jujwana | not in favour |
| M Peters | not in favour |
| C Makasi | not in favour |

| | | |
|---|---|---|
| In favour of the amended recommendation | = | 16 |
| Not in favour of the amended recommendation | = | 7 |

**Resolved (26 June 2020)**

i) That Council amend the Council resolution as resolved under 19/07/MM4 by amending 19/07/MM4 (3) as follows:

**"That a long-term lease agreement be considered for Erf 873 Jeffreys Bay in respect of the portion to be subdivided and rezoned as contemplated in 2 above."**

ii) That the Council Resolution 19/07/MM4 now reads as follows:

*1. That Council rescind the Council resolution as resolved under 17/8/F23 by removing the reference made to Erf 873 Jeffreys Bay, to the effect that the Council Resolution be implemented in exclusion of the reference to Erf 873 Jeffreys Bay as reflected:*

*Erf 873 Jeffreys Bay*

| | | | | | |
|---|---|---|---|---|---|
| *Erf 873* | *Jeffreys Bay* | *Kouga Mun* | *Open Space 2* | *82 908ha* | *R33 133 000* |

- *That processes for the renewal of the lease contract for the Jeffreys Bay Bowling Club commences in March 2018.*
- *That the Jeffreys Bay Golf Club and the Driving Range be approved for long term (10 years) lease agreement as one unit.*
- *That the rental income complies with the MFMA.*

2. *That Erf 873, Jeffreys Bay, in extent of 82,908ha be subdivided and rezoned for sporting facilities and that the remainder of Portion Erf 873, Jeffreys Bay, be rezoned for future development.*

3. *That a long-term lease agreement be considered for Erf 873 Jeffreys Bay in respect of the portion to be subdivided and rezoned as contemplated in 2 above.*

4. *That Council confirms, in terms of Section 14(2) of the Local Government: Municipal Finance Management Act, the assets herein, is not needed to provide the minimum level of basic municipal services.*

5. *That Council approve the advertisement inviting interested parties to lease the asset mentioned herein, and in line with the Policy and Procedures for the disposal of immovable assets, as approved by Council.*

(iii) That the Driving Range lease agreement be terminated and that all outstanding monies owed to Kouga Municipality be recovered.

Proposed: B Williams Seconded: N Botha

18. **REPORTS BY THE EXECUTIVE MAYOR**

18.1 **REPORTS BY THE CHAIRPERSON: FINANCE**

**20/06/F28 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) - BUDGET FOR THE 2020/21 TO 2022/23 FINANCIAL YEARS**

The Executive Mayor tabled the Budget.

Cllr Oliphant expressed gratitude for affording the opportunity to engage in discussions in respect of the budget prior to being tabled Council.

Cllr Williams proposed the following to be included in the recommendation:-

- that the MIG Budget for 2020/2021 be aligned to the Council resolution 20/05/MM3 of 29 May 2020;
- that the Sewer Pump Station budget allocation of R2,4m be deduced by R1,1m and be added to container toilets to assist with the bucket eradication.

Proposed: B Williams Seconded: D Benson

Cllr Dayimani stated that the upgrading of gravel roads only indicate for Jeffreys Bay and should also cater for gravel roads in Humansdorp.

Cllr Williams advised that at the Council meeting held on 29 May 2020 the MIG Funding was amended that the upgrading of gravel roads would be for the whole of Kouga.

With regards to the Agriculture budget, the matter will be addressed in the Adjustments Budget.

Cllr Februarie enquired about the following:-

- 6,26% staff related costs;
- Agreement to employ 75 workers – only a few were employed in the previous financial year;
- Provision for Debt impairment;
- Provision of internal funding;

The CFO stated that the collection rate was reduced from 96% to 85% due to the effect of COVID-19 and therefore priorities had to be re-assessed. The provision of debt impairment was determined based on an annual collection rate of 85% for rates and charges except for electricity charges. The budget had to cut drastically to prioritise and accommodate service delivery within the budget. Contracted services in terms of maintenance was reduced and cost containment had occurred as well as other expenditure relating to the daily operations of the municipality. The provided amount on the budget equates to 6,06% of the total operating expenditure. In terms of the capital budget, the purchase of laptops has been prioritised in this financial year to ensure that officials can work from home. In terms of the new software, is to improve the electronic system which is critical in optimizing the operational functions especially in SCM.

Cllr Williams advised that the drop in the collection rate was to adopt a cash-based budget.

Cllr Oliphant requested permission to be excused (12:10)
The Municipal Manager stated that there was a reduction of R77m on the staff component. Negotiations with the respective Unions on future salary increases – the general increase of 6,25% is in line with the approved salary Wage Collective Agreement. Matter has been referred to the Bargaining Council. A moratorium has been place on all vacant posts. The appointment of the remaining 75 workers has been postponed and in terms of the Collective Agreement, the Unions were in agreement to implement at a later stage.

Cllr Dayimani referred to the Executive Summary as critical issues are raised and enquired as to what relief measures have been implemented to assist and support residents, businesses and SMME's as this is directly linked to revenue collection. The option of immovable assets not required for basic services and suggests that property be identified for alienation for the purposes of projects and by not selling land on an Adhoc basis. Objectives are to be determined with the alienation of immovable assets.

Cllr Dayimani further enquired in terms of the commission of new boreholes in line to secure the provision of water supply. The R150m for drought disaster relief – how much was spent and will the outstanding balance be rolled over. What prevented the municipality in spending the entire amount as impoverished areas still have to rely on water tanks. Some areas namely Hankey and Patensie still remain without the provision of water.

Cllr Jujwana enquired as to why the critical positions which are still employed on a temporary basis are not permanently appointment.

The Speaker referred to the statement made by the Municipal Manager that no vacant posts will be filled due to the current financial situation of the municipality. The appointment of the temporary employees has been postponed although regarded as critical positions.

The Municipal Manager advised that negotiations with the Unions at LLF have already taken place which will remain an ongoing issues but will be addressed. If stringent financial measures were not implemented, the municipality would have exceeded reserves by end September 2020 and envisages that several adjustments budgets will be tabled going forward.

The Municipal Manager further stated that projects were delayed due to the National lockdown which was further extended. When contractors where back on site, the obtaining of materials posed problematic as suppliers were not delivering. When projects were in full production, positive COVID-19 cases reported which also caused delays to continue.

The Director: Corporate Services advised that the general increase of 6,25% in line with the approved salary Wage Collective Agreement reached over a 3year period failing which would have been in contravention of the Collective Agreement. In terms of the biometric system, a 3year tender had already been awarded but due to the COVID-19 situation, it had to be suspended and the funds were rolled over to the new financial year as the tender has to be honoured.

The Executive Mayor stated that packages have been offered in terms of social and economic relief in respect of tariffs as adopted by Council. Tariff have been reduced on properties. Payment relief options have been incorporated have been offered on electricity arrears by not charging interest. In terms of pensioners, cut on rates to the whole of Kouga on an application basis. Borehole expenditure – construction companies closed with the National Lockdown and commenced beginning June 2020 on approval by Province. In respect of immovable assets, the Spatial Development Framework still needs to be approved by Province and National Government. The SDF will clearly indicate all land in Kouga area i.e. agricultural land, industrial land etc., which could possibly be alienated.

Director: Infrastructure & Engineering advised that in terms of the drought relief projects, currently the funds are not completely spent but envisage that the funds will be spent by end of June 2020 as unspent funds may not be rolled over.

Director: Planning, Development & Tourism stated that support has been offered via the LED helpdesk to assist SMME's and business by uploading information on the database. A concept in terms of a local support group which was approved by Council, aims to support businesses in distress.

**Resolved (26 June 2020)**

1. That the Executive Mayor recommends that the Council, by resolution taken by the majority of its full number and in terms of Section 30(2) of the Local Government: Municipal Structures Act No. 117 of 1998 (as amended), read in conjunction with Section 24 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approves the Annual Budget for the 2020/21 financial year and the indicative allocations for the projected outer years 2021/22 and 2022; and the multi-year and single year capital appropriations, as set out in the following tables, including the associated recommendations.

    a) Consolidated Budget Summary [Table A1]
    b) Budgeted Financial Performance (revenue and expenditure by standard classification); [Table A2]
    c) Budgeted Financial Performance (revenue and expenditure by municipal vote); [Table A3]
    d) Budgeted Financial Performance (revenue by source and expenditure by type); [Table A4]
    e) Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source. [Table A5]

2. That the budgeted financial position, budgeted cash flows, cash-backed reserves/accumulated surplus, asset management and basic service delivery targets be noted as set-out in the following tables:

    a. Budgeted Financial Position; [Table A6]
    b. Budgeted Cash Flows; [Table A7]
    c. Cash backed reserves and accumulated surplus reconciliation; [Table A8]
    d. Asset management; [Table A9]
    e. Basic service delivery measurement. [Table A10]

3. That the tariffs be increased as follows, with effect from 1 July 2020:

| | |
|---|---|
| Property rates | 5.25% |
| Water | 8.1% |
| Sanitation | 7% |
| Refuse | 7% |
| Electricity (average increase in electricity income) | 6.25% |
| Environmental Management Fee | 0% |

a) Indicative tariffs for 2021/22 and 2022/23 will be increased as follows:

| | **2021/22** | **2022/23** |
|---|---|---|
| Property rates | 5.25% | 5.25% |
| Water | 7.1% | 7.1% |
| Sanitation | 6.5% | 6.5% |
| Refuse | 6.5% | 6.5% |
| Electricity (average increase in electricity income) | 6.25% | 6.25% |
| Environmental Management Fee | 0% | 0% |

4. That the MIG Budget for 2020/2021 be aligned to the Council resolution 20/05/MM3 of 29 May 2020.

5. That the Sewer Pump Station budget allocation of R2,4m be reduced by R1,1m and be added to container toilets to assist with the bucket eradication.

Proposed: B Williams Seconded: D Benson

**20/06/F29** **REVISION OF FEES AND CHARGES FOR THE 2020/21 FINANCIAL YEAR: SPORTS AND RECREATION**

Cllr Williams mentioned that with input received that it be noted that the Sports Tournaments tariffs were reduced from R2500 to R1500.

**Resolved (26 June 2020)**

1. That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approved the fees and charges for Sports and Recreation, as reflected in **Annexure 'A'**, with effect from 1 July 2020.

Proposed: B Williams Seconded: M Dayimani

**20/06/F30** **MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2019 TO APRIL 2020 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 30 APRIL 2020 (2019/20 FINANCIAL YEAR)**

**Resolved (26 June 2020)**

1. That the Executive Mayor notes the Municipal Manager's report on the monthly budget statements, in accordance with Section 71(1) of the Municipal Finance Management Act.

2. That the monthly budget statements accordingly be submitted to Provincial Treasury as stipulated in Section 71(1) of the MFMA.

**20/06/F31** **MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2019 TO MAY 2020 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 MAY 2020 (2019/20 FINANCIAL YEAR)**

**Resolved (26 June 2020)**

1. That the Executive Mayor notes the Municipal Manager's report on the monthly budget statements, in accordance with Section 71(1) of the Municipal Finance Management Act.

2. That the monthly budget statements accordingly be submitted to Provincial Treasury as stipulated in Section 71(1) of the MFMA.

**20/06/F32** **WRITE-OFF IN RESPECT OF IRRECOVERABLE ARREAR DEBTS – EQUITABLE SHARE**

**Resolved (26 June 2020)**

1. That the Equitable Share write-offs for the period March 2020, amounting to R2 780 777.18, be approved.

18.2 **REPORTS BY THE CHAIRPERSON: CORPORATE SERVICES**

**20/06/CORP1** **KOUGA MUNICIPALITY –CALENDAR OF MEETINGS: 1 JULY 2020 TO JUNE 2021**

**Resolved (26 June 2020)**

1. That the Updated Calendar of Meetings for Council Committees for the period 01 July 2020 to 30 June 2021, be adopted.

Portfolio) OCM (Ordinary Council) MPAC MC (Mayoral Committee) KAC (KOUGA AUDIT)

| Date | Jul 2020 | Aug 2020 | Sep 2020 | Oct 2020 | Nov 2020 | Dec 2020 | Jan 2021 | Feb 2021 | Mar 2021 | Apr 2021 | May 2021 | Jun 2021 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | | | | | | | | | | | | |
| 2 | | | | | | | | PF | MPAC | | | |
| 3 | | | | | PF | | | PF | MPAC | | | |
| 4 | | | | | PF | | | PF | MPAC | | | |
| 5 | | | | | PF | | | | | | | |
| 6 | | | | | | | | | | PF | | |
| 7 | | | | | | | | | | PF | | |
| 8 | | | PF | | | | | | | PF | | PF |
| 9 | | | PF | | | | | | | | | PF |
| 10 | | | PF | | | MPAC | | | | | | PF |
| 11 | | | | | | | | | | | | |
| 12 | | | | | | | | | | | | |
| 13 | | | | | | | | | | | | |
| 14 | PF | | | | | | | | | | | |
| 15 | PF | | | | | | | | | | | MPAC |
| 16 | PF | | | | | | | MC | | | | |
| 17 | | | | | | | | MPAC | | | | |
| 18 | | | | | | | | | MPAC | | | |
| 19 | | | | | | | | | | | MPAC | |
| 20 | | | | | | | MPAC | | | MC | | |
| 21 | MC | | | MPAC | | | | | | MPAC | | |
| 22 | | | | | | | | | | | | |
| 23 | | | MPAC | | | | | | | | | |
| 24 | | | | | KAC | | | | | | | KAC |
| 25 | | KAC | | | MC | | | | KAC | | | |
| 26 | | MPAC | | | MPAC | | | OCM | | | | |
| 27 | | | | | | | | | | | | |
| 28 | MPAC | OCM | | | | | | | | | OCM | |
| 29 | | | MC | | | | | | | | | |
| 30 | | | | OCM | | | | | | | | |
| 31 | | | | | | | | | | | | |

**20/06/CORP2** **REPLACEMENT OF MEMBERS ON THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)**

**Resolved (26 June 2020)**

1. That the Replacement of Members on the Municipal Public Accounts Committee (MPAC) item be referred to the Special Council meeting to be held on 30 June 2020.

18.3 **REPORTS BY THE CHAIRPERSON: PLANNING AND DEVELOPMENT**

**20/06/PD3** **APPLICATION FOR WAIVING OF PENALTIES IMPOSED ON BUILDING PLAN SUBMISSIONS TO THE DEPARTMENT PLANNING & DEVELOPMENT: UNAUTHORISED BUILDING WORK IN TERMS OF THE NATIONAL BUILDING REGULATIONS AND STANDARDS ACT, ACT 103 OF 1977: EXTENSION OF PERIOD FROM 30 JUNE 2020 to 30 JUNE 2021**

**Resolved (26 June 2020)**

1. That the extension period from **30 June 2020 until 30 June 2021** on the waiver of penalties on existing applications (BEFORE THE INCEPTION PERIOD) for exemption of these penalties and that the normal build plan application fee be applicable and be paid by the applicant, be approved.

2. That the applicant shall, where applicable, be required to comply with the National Building Regulations and Standards Act ,1977(Act 103 of 1977, as amended) to ensure sound building control management, be approved.

3. The Council shall reserve the right to impose conditions to ensure compliance to other legislation.

4. The proposed period for exemption determined by the Council and that this period be publish in the local newspaper to inform all residents of the waiver period for penalties, be approved.

**20/06/PD4** **DEVELOPMENT PROPOSAL: PRECINCT PLAN FOR ERF 8783: OCEAN VIEW, JEFFREYS BAY**

**Resolved (26 June 2020)**

1. That Council grants approval for the precinct plan and development proposal for erf 8783, Ocean View.

2. That the precinct plan and development proposal of erf 8783 Ocean be subject to public participation.

3. That the registration of erf 8783, Ocean View to Kouga Municipality be continued and concluded.

4. That a land surveyor be appointed to finalize the subdivision of erf 8783 on final approval of the precinct plan.

18.4 **REPORTS BY THE CHAIRPERSON: LOCAL ECONOMIC DEVELOPMENT & TOURISM**

**20/06/LED&T1** **FINAL DRAFT OF THE KOUGA LOCAL ECONOMIC DEVELOPMENT STRATEGY FOR COUNCIL ADOPTION**

**Resolved (26 June 2020**

1. That the Final Draft for the Kouga Local Economic Strategy be referred to the Special Council meeting to be held on 30 June 2020.

19. **CLOSURE**

The Speaker thanked all present for their valuable input and moved onto the confidential section of the agenda.

The meeting closed at 13:55.

_____ _____

**H BORNMAN** **DATE**
**SPEAKER**

**MINUTES OF A VIRTUAL SPECIAL COUNCIL MEETING OF THE KOUGA MUNICIPALITY HELD ON TUESDAY, 30 JUNE 2020 AT 09:00**

**Present:**

| | | |
|---|---|---|
| **Councillors** | H Hendricks | (Executive Mayor) |
| | H Bornman | (Speaker) |
| | B Williams | |
| | F Baxter | |
| | BF Rheeder | (Alderman) |
| | B Dhludhlu | |
| | F Campher | |
| | D Benson | |
| | N Botha | |
| | W Gertenbach | |
| | C August | |
| | T Jantjes | |
| | R Janties | |
| | W Coenraad | |
| | M Biko | |
| | M van Niekerk | |
| | P Nkwalase | |
| | M Peters | |
| | C Makasi | |
| | E Februarie | |
| | C Matroos | |
| | S Jujwana | |
| | Z Mayoni | |
| | P Oliphant | (Connected late) |

| | | |
|---|---|---|
| **Officials** | C du Plessis | (Municipal Manager) |
| | K Moodley | (Director: Corporate Services) |
| | V Felton | (Director: Infrastructure & Eng.) |
| | N Machelesi | (Director: Community Services) |
| | R Lorgat | (CFO) |
| | F Mabusela | (Director: Planning, Dev & Tourism) |
| | D de Jager | (Manager: Human Resources) |
| | N Zode | (Committee Services - Scribe) |

1. **NOTICE OF MEETING**

The Speaker read the notice convening the meeting.

2. **OPENING AND WELCOME**

The Speaker welcomed all Councillors and officials and requested Cllr R Jantjies to open the proceedings with prayer.

3. **ABSENT WITH APOLOGY**

Cllr. M. Dayimani
Cllr. V. Vumazonke
Ms. L. Opperman (Manager Legal Services)

Cllr Februarie advised that in the absence of the Chief Whip of ANC, he will be acting as the Chief Whip of ANC.

4. **ABSENT WITHOUT APOLOGY**

None

5. **ACKNOWLEDGEMENTS, CONDOLENCES & CONGRATULATIONS**

Condolence to the family of: -

Ms. F. Mjako who worked in Corporate Services under Call Centre section.

6. **PRESENTATIONS**

None

7. **STATEMENTS OR COMMUNICATIONS BY THE SPEAKER**

None

8. **STATEMENTS OR COMMUNICATIONS BY THE EXECUTIVE MAYOR**

None

9. **DECLARATION OF INTEREST**

None

10. **STATUTORY MATTERS**

11. **MATTERS DEALT WITH IN TERMS OF DELEGATED AUTHORITY BY THE EXECUTIVE MAYOR**

***(The reports by the Executive Mayor, in terms of the provisions of Section 63 of the Local Government Municipal Systems Act, 32 of 2000, on matters dealt with by the Executive Mayor in terms of delegated authority as detailed in the Minutes to be noted).***

***The Municipal Manager confirmed that to his knowledge that all reports tabled were true and correct.***

12. **REPORTS BY THE CHAIRPERSON: CORPORATE SERVICES**

**20/06/CORP3 REVIEW OF THE ORGANISATIONAL STRUCTURE**

Cllr. Februarie stated that organised labour indicated to him that they had one consultation with the employer and they have not reached an agreement with the employer regarding the settlement agreement for 75 workers and employment of workers, which makes him question the trust on the report. He further indicated that he is concerned about a picture being portrayed where a message was delivered to organised labour and a proposal was made to them yet labour has a different version.He further indicated that this report is a draft and he expects that in the next months' time a proper consultation with organised labour will be held and a report of the LLF meeting should be tabled together with the final organisational structure to Council for adoption.

He also indicated that he hopes Council takes into account the statement which was made by the Municipal Manager who said there will be no employment in the near future because of the liquidity of Council. He then enquired the time frame for finalising the draft organogram?

The Executive Mayor indicated his dissatisfaction with the statement made by Cllr Februarie saying the employer's version of report on consultations cannot be trusted that is not true, he further enquired why would organised labour's version be trusted yet the employer's version cannot be trusted. He then handed over to the Manager HR to provide clarity on the consultations that were held. The Manager HR stated that a service provider was appointed to conduct a work-study and throughout this process the service provider had meetings with organised labour of which there are attendance registers as evidence. They were part of the process, there is an attendance register where the secretary of organised labour was in a meeting with the service provider, there were two separate meetings with only organised labour.

At the last Local Labour Forum, organised labour indicated that they wanted further consultation on the organogram at which it was agreed at the beginning of LLF that consultation sessions will be organised with every department, however organised labour abandoned the meeting because there was no consensus on the job evaluation item. Consultation meetings with all departments were arranged as discussed at LLF and organised labour stated that they will not attend those meeting and subsequently did not attend the consultation meetings arranged by management.

Director Moodley indicated that in terms of section 66 of the Municipal Systems Act, its under the auspices of the Municipal Manager to approve the organogram and that the item is placed before Council for noting. The item brings forward the changes that are being effected to the organogram in terms of the work-study.

Cllr. Februarie stated that based on the response from Dir: Moodley, the issue of implementation becomes a serious issue for him noting that if there is no time frame on implementation from Administration on this organogram, there is nothing stopping the Municipal Manager from implementing what is proposed in this organogram whilst an agreement could not be reached to employ workers on a settlement agreement based on no funds. He further enquired whether it is normal for a Municipality of Kouga's stature/size or bigger Municipalities to have a COO position in South African Municipalities. Council still has a responsibility to approve implementation and check financial implications that might pose a risk to the Municipality.

Director Moodley stated that the approval of the organogram does not mean that there is budget to fill vacant positions. The organogram just indicates what the organisation needs and as and when budget becomes available there is a possibility of filing positions. Departments can re-prioritise their positions and affect lateral transfers when the organogram is approved. She further indicated that with respect to the COO position, the service provider did a benchmarking exercise across municipalities in the country and according to his assessment it is the norm in local government to have such a position residing under the office of the Municipal Manager due to the number of functions that reside in the office of the Municipal Manager.

Municipal Manager indicated that not all the positions are funded on the organogram, filing of positions depends on the budget that is allocated for positions every year.

He further indicated that he does not foresee that all positions will be filled, with the current economic situation most appointments will be delayed by a year. This organogram is backed up by job evaluation done by a professional.

Cllr. Februarie requested the report of the service provider regarding the proposal of the COO position.

**Resolved (30 June 2020)**

1. That Council note the Organisational Structure.

**20/06/CORP4** **REPLACEMENT OF MEMBERS ON THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC).**

Cllr. Campher proposed adding Cllr. M. Van Niekerk as a member of MPAC

Cllr. Februarie proposed adding Cllr. Oliphant as replacement of Cllr. Meleni on MPAC. He further stated that he is concerned about the stipend per meeting as MPAC can have three meetings per month and the total amount might be more than just a stipend.

Director Moodley stated that the amount on the item is based on tariffs that are issued by National Treasury and those tariffs are currently being used for audit committee members.

Alderman Rheeder requested that this item be withdrawn and be investigated further.

Cllr. Peters agreed with Cllr. Rheeder in terms of withdrawing the item.

Cllr. Williams seconded the proposal.

**Resolved (30 June 2020)**

1. That the item be withdrawn

Cllr. Oliphant placed on record that he did not receive an invite via email to the meeting he only received an invite via WhatsApp, and he also stated that he had to connect to the meeting using his own personal data.

12.1 **LOCAL ECONOMIC DEVELOPMENT & TOURISM**

**20/06/LED&T2** **FINAL DRAFT OF THE KOUGA LOCAL ECONOMIC DEVELOPMENT STRATEGY FOR COUNCIL ADOPTION.**

Cllr. Williams proposed a second recommendation as follows;

That the action plan together with timelines be tabled at the next Portfolio Committee Meeting.

Cllr. Dhludhlu seconded the proposal.

Cllr. Oliphant indicated that the implementation of critical aspects on the document needs to be monitored whether by-monthly or quarterly.

**Resolved (30 June 2020)**

1. That Council notes the report and adopts the Final draft LED Strategy as tabled.

2. That the action plan together with timelines be tabled at the next Portfolio Committee Meeting.

13. **CLOSURE**

The Speaker thanked all present for their valuable input and declared the meeting closed.

***The meeting closed at 10:00***

_____ _____

**H BORNMAN** **DATE**
**SPEAKER**

**MINUTES OF A VIRTUAL ORDINARY COUNCIL MEETING OF THE KOUGA MUNICIPALITY HELD ON FRIDAY, 30 JULY 2020 AT 10:09**

| | | |
|---|---|---|
| **PRESENT: Councillors** | H Bornman | (Speaker) |
| | H Hendricks | (Executive Mayor) |
| | B Williams | |
| | Cllr F Campher | |
| | D Benson | |
| | F Baxter | |
| | BF Rheeder | (Alderman) |
| | B Dhludhlu | |
| | L Vorster | |
| | NS Botha | |
| | R Jantjies | |
| | T Jantjes | |
| | WPD Gertenbach | |
| | C August | |
| | M Biko | |
| | M van Niekerk | |
| | W Coenraad | |
| | M Dayimani | |
| | E Februarie | |
| | S Jujwana | |
| | V Vumazonke | |
| | S Makasi | |
| | M Peters | |
| | P Oliphant | |
| | P Nkwalase | |
| | J Mayoni | |
| | C Matroos | |
| **Officials** | C du Plessis | (Municipal Manager) |
| | R Lorgat | (Chief Financial Officer) |
| | V Felton | (Director: Infrastructure & Eng) |
| | K Moodley | (Director: Corporate Services) |
| | N Machelesi | (Director: Community Services) |
| | F Mabusela | (Director: Planning, Dev & Tourism) |
| | L Opperman | (Manager: Legal Services) |
| | L Randall | (Media Liaison Officer |
| | B de Groot | (Sen Admin Officer: Committees) |

1. **NOTICE OF MEETING**

The Speaker read the notice convening the meeting and requested Cllr B Dhludhlu to open the meeting with prayer.

2. **OPENING**

The Speaker welcomed all present to the meeting

3. **WITH LEAVE OF ABSENCE**

Cllr A Mabukane

Cllr Februarie advised that Cllr Mabukane receives scheduled treatment and had tendered apology previously should Council meetings take place at the time of his treatment.

3.1 **WITHOUT LEAVE OF ABSENCE**

None

4. **PRESENTATIONS**

None

5. **ACKNOWLEDGEMENTS, CONDOLENCES & CONGRATULATIONS**

Birthday wishes to Mrs B de Groot
Cllr Vumazonke – well wish as a COVID-19 survivor

6. **STATEMENTS AND COMMUNICATIONS BY THE SPEAKER**

The Speaker expressed his dismay in that the Ward Councillors meeting held on 28 July 2020 was not well attended. The Speaker stated that all Ward Committees are to operational as from 1 August 2020 adhering to the safety and health regulations as well as social distancing is to be maintained in such meetings. Ward Offices need to be re-opened and manned by the Ward Assistant.

The Speaker officially tendered his apology for wearing a politically branded mask at public event and sincere apology which was not done intentionally.

7. **STATEMENTS AND COMMUNICATIONS BY THE EXECUTIVE MAYOR**

The Executive Mayor reported that the Kouga Dam is 7,09% full which is a great concern and the level only increased by 1% with the current rain. It was also pointed out the dam will be empty by September 2020 if measures are not in place and monitored. If no inflow, a serious problem will exist in not being able to extract from dam therefore the community is urged to use water sparingly. Water Trucks have been sent to Hankey and Patensie to assist the community during this period.

The Executive Mayor advised that the appointment of a Legal Panel tender has finally gone through Bid Adjudication Committee and will be appointed which will alleviate deviations.

The relevant Director receiving support in respect of the COVID-19 disaster and thus far there has been over 80% recovery rate in Kouga - 60 volunteers health officers will be appointed over next 3 months and will be active in area to maintain all safety & health measures in all communities.

A 6,25% wage increase for Kouga employees was implemented. The Work Study has been completed and will be implemented to perform optimally. Over 70 new service delivery vehicles had been procured to service all Wards.

The Executive Mayor expressed his gratitude to all Directorates especially Directorate Planning, Development & Tourism during this challenging trying period regarding COVID-19 and believes that any challenge the municipality is faced with in future will be overcome.

7. **DECLARATION OF INTEREST**

None

8. **STATUTORY MATTERS**

9. **MATTERS DEALT WITH IN TERMS OF DELEGATED AUTHORITY BY THE EXECUTIVE MAYOR**

***(The reports by the Executive Mayor, in terms of the provisions of Section 63 of the Local Government Municipal Systems Act, 32 of 2000, on matters dealt with by the Executive Mayor in terms of delegated authority as detailed in the Minutes to be noted).***

10. **REPORTS BY THE OFFICE OF THE MUNICIPAL MANAGER**

None

11. **REPORTS BY THE EXECUTIVE MAYOR**

11.1 **REPORT BY THE PORTFOLIO CHAIRPERSON: FINANCE**

**20/07/F10 MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2019 TO JUNE 2020 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 30 JUNE 2020 (2019/20 FINANCIAL YEAR)**

Cllr Williams raised concern the under expenditure on building maintenance, biometrics system, and collection rate

The CFO advised that under expenditure was to due contractors not being able to work during the lockdown period. An application for a roll over in respect of the WTW will be made. The software licenses and maintenance of the financial system will ensure management of financial operations. Debt impairment is directly linked to under collection. The Adjustments Budget will be submitted to Council in August 2020

Director: Infrastructure & Engineering advised that the WTW project was stalled due to the lockdown but contractor is back on site to continue with the project. Approval will be granted for rollover of funds for the project and all municipalities were affected by the National Lockdown.

In terms of the biometric system, a 3year tender had already been awarded but due to the COVID-19 situation, it had to be suspended and the funds were rolled over to the new financial year as the tender has to be honoured.

**Resolved (30 July 2020)**

1. That the Executive Mayor notes the Municipal Manager's report on the monthly budget statements, in accordance with Section 71(1) of the Municipal Finance Management Act.

2. That the Executive Mayor's report on the implementation of the budget and the financial state of affairs of the municipality, in accordance with Section 52(d) of the MFMA be noted.

3. That the monthly budget statements accordingly be submitted to Provincial Treasury as stipulated in Section 71(1) of the MFMA.

**20/07/F11 BUDGET AND TREASURY: WITHDRAWALS FROM MUNICIPAL BANK ACCOUNT FOR THE QUARTER ENDED 30 JUNE 2020**

**Resolved (30 July 2020)**

1. That the Council notes the withdrawals that were made in terms of section 11(1) (b) to (j) of the MFMA for the quarter ended 30 June 2020; and

2. That the report accordingly be submitted to the Provincial treasury and Auditor-General as determined by section 11(4) (b) of the MFMA.

**20/07/F12 WRITE-OFF IN RESPECT OF IRRECOVERABLE ARREAR DEBTS – EQUITABLE SHARE**

Cllr Februarie stated that he understands the write-offs but does not see any in Ward 7. Annual applications by the community did not takes place and therefore Ward 7 does not benefit. The community could qualify but this is not addressed and can result in huge outstanding bills. The CFO advised that the benefit lapses and the community must therefore re-apply but for the community to re-apply they must be informed of the process.

Cllr Oliphant requested that the relevant department to arrange a ward based initiative to liaise with the community advising of the process for all Wards to benefit. Many residents do qualify and they must be identified and advised thereof.

The CFO advised the reports indicating beneficiaries are submitted to Portfolio Committee meetings.

**Resolved (30 July 2020)**

1. That the Equitable Share write-offs for the period June 2020, amounting to R275 369.19, be approved.

**20/07/F13 ELECTRICITY TARIFF INCREASES: 2020/21 FINANCIAL YEAR**

**Resolved (30 July 2020)**

1. That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approved the electricity tariffs as reflected in **Annexure A, B & C** with effect from 1 July 2020.

2. That the relevant Directorate advertise the Electricity Tariff Increases for the 2020/21 Financial Year in the media as contemplated in (1) above.

11.2 **REPORT BY THE PORTFOLIO CHAIRPERSON: COMMUNITY SERVICES**

**20/07/CS7 LONG TERM LEASE FOR ENVIRONMENTAL AND CLIMATE MITIGATION PROJECT - HUMANSDORP LANDFILL SITE**

Cllr Benson proposed that the long term lease with Cape Carbon be aamended and should read for a period not exceeding 9 years and 11 months.

Proposed: D Benson Seconded: C August

**Resolved (30 July 2020)**

1. That Council endorses the environmental and climate mitigation project (The Kouga Combined Waste to Energy and Carbon Generation Project) in collaboration with Cape Carbon on a portion of Farm 347, Zwartenbosch.

2. That Council endorses the project in alignment to Kouga Municipality's Integrated Development Plan.

3. That Community Services accept oversight / monitoring role.

4. That Council authorises the Accounting Officer to enter into a long term lease with Cape Carbon for a period not exceeding 9 years and 11 months.

5. That Council endorses the Accounting Officer to finalise a Land Availability Agreement with Cape Carbon.

6. That the proposed lease be advertised in terms of paragraphs 5.13.1 and 5.13.2 of the Policy and Procedures for the Disposal of Immovable Property.

**20/07/CS8** **DECLARATION OF A LOCAL STATE OF DISASTER IN THE KOUGA MUNICIPAL AREA DUE TO THE BREACHING AND IMMINENT FURTHER BREACHING OF THE ST. FRANCIS BAY BEACH SPIT IN TERMS OF SECTION 55(1) OF THE DISASTER MANAGEMENT ACT NO. 57 OF 2002**

Proposal 1

That the recommendations, as amended, be accepted.

Proposed: D Benson Seconded: B Rheeder

Proposal 2

That the matter be kept in abeyance until an urgent on-site inspection has been arranged for all councillors to au fait themselves with the conditions of the St Francis Bay Beach Spit area and to reconvene to make an informed decision on the matter.

Proposed: P Oliphant Seconded: E Februarie

That it be recorded that the ANC component called for a Division of Vote on the item.

Voting procedure followed as reflected below:-

| | |
|---|---|
| F Baxter | in favour |
| D Benson | in favour |
| B Dhludhlu | in favour |
| B Williams | in favour |
| N Botha | in favour |
| R Jantjies | in favour |
| M van Niekerk | in favour |
| M Biko | in favour |
| T Jantjes | in favour |
| C August | in favour |
| W Gertenbach | in favour |
| F Campher | in favour |
| W Coenraad | in favour |
| L Vorster | in favour |
| B Rheeder | in favour |
| H Hendricks | in favour |
| H Bornman | in favour |
| P Oliphant | not in favour |
| P Nkwalase | not in favour |
| C Matroos | not in favour |
| Z Mayoni | not in favour |
| L Vumazonke | not in favour |
| E Februarie | not in favour |
| S Jujwana | not in favour |
| M Peters | not in favour |
| C Makasi | not in favour |

| | | |
|---|---|---|
| In favour of the recommendation | = | 17 |
| Not in favour of the recommendation | = | 9 |

**Resolved (30 July 2020)**

1. That Council, in terms of Section 55(1) of the Disaster Management Act No 57 of 2002, declare a local state of disaster.

2. That Administration arrange that the declaration be advertised in the Provincial Gazette.

3. That Council release, personnel and funds be allocated for immediate action to mitigate the risks associated with the breach of the St Francis Bay Beach Spit and immediate measures to prevent the imminent further breaching of the St Francis Bay Beach Spit.

4. That the Community Services Directorate implement its emergency Action Plan.

5. That application be made to Provincial and National Government for additional funds to assist the Kouga Municipality with the implementation of emergency measures.

6. That the relevant Directorate arrange an urgent on-site meeting for all Councillors to familiarize themselves with the St Francis Bay Beach Spit disaster area.

Proposed: D Benson Seconded: B Rheeder

12. **CLOSURE**

The Speaker thanked all Councillors for participating in the meeting and declared the meeting closed.

The meeting adjourned at 12:15

_____ _____

**H BORNMAN** **DATE**
**SPEAKER**

# MATTERS DEALT WITH IN TERMS OF DELEGATED AUTHORITY BY THE EXECUTIVE MAYOR

# REPORTS BY THE OFFICE OF THE MUNICIPAL MANAGER

**KOUGA MUNICIPALITY (EC108)**

**ORDINARY COUNCIL MEETING**

**OFFICE OF THE MUNICIPAL MANAGER**

**DATE: 28 AUGUST 2020** **ITEM NO: 20/08/MM1**

**COUNCIL RESOLUTIONS FOR 30 JANUARY 2020**

1. Introduction

The purpose of this item is to provide a report back on progress of Council Resolutions.

2. Background

The Action Sheets reflect outstanding Council resolutions for all Directorates.

3. Recommendation

3.1 That the updated Action Sheets reflecting resolutions of the Ordinary Council meeting for 30 July 2020 be noted.

3.2 That it be noted that the Action Sheets are referred to Top Management meetings for discussion and progress reports are to be submitted to their respective Portfolio Committee meetings.

**Item prepared by: The Director: Corporate Services**

**Item endorsed by: The Chief Financial Officer**

**Item endorsed by: The Director: Infrastructure & Engineering**

**Item endorsed by: The Director: Community Services**

**Item endorsed by: The Director: Planning, Development & Tourism**

**Noted by the Portfolio Chairperson**

# OFFICE OF THE MUNICIPAL MANAGER - ACTION SHEET - COUNCIL

| MEETING DATE | ITEM NO | ITEM DESCRIPTION | RESOLUTION | ACTION TAKEN | RESPONSIBLE OFFICIAL | CURRENT STATUS<br>COMPLETED<br>NOT COMPLETE<br>IN PROGRESS<br>ON GOING<br>NO ACTION REQUIRED |
|---|---|---|---|---|---|---|
| **30-Jul-19** | **19/07/MM4** | **RESCISSION OF A COUNCIL RESOLUTION – 17/8/F23 OF A COUNCIL MEETING HELD ON 31 AUGUST 2017** | That Council rescind the Council resolution as resolved under 17/8/F23 by removing the reference made to Erf 873 Jeffreys Bay, to the effect that the Council Resolution be implemented in exclusion of the reference to Erf 873 Jeffreys Bay as reflected:- | Town Planning Currently Busy with Subdivision Sub-division and rezoning will be completed by end June 2020 Appointment of the service provider will commence | Planning & Development | |
| | | | ***Erf 873 Jeffreys Bay***<br><br>***That processes for the renewal of the lease contract for the Jeffreys Bay Bowling Club commences in March 2018.***<br><br>***That the lease contracts for the Jeffreys Bay Golf Club and the Driving Range be renewed.***<br><br>***That the rental income complies with the MFMA.***<br><br>***That a termination clause be included in the lease contracts which gives Council six (6) months to terminate the lease should the property be required for development.*** | | | |
| | | | That Erf 873, Jeffreys Bay, in extent of 82,908ha be subdivided and rezoned for sporting facilities and that the remainder of Portion Erf 873, Jeffreys Bay, be rezoned for future development. | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | That a long-term lease agreement for the remainder of Erf 873, Jeffreys Bay, be considered after the subdivision, rezoning and public participation processes have been finalised. | | | |
| | | | That Council confirms, in terms of Section 14(2) of the Local Government: Municipal Finance Management Act, the assets herein, is not needed to provide the minimum level of basic municipal services. | | | |
| | | | That Council approve the advertisement inviting interested parties to lease the asset mentioned herein, and in line with the Policy and Procedures for the disposal of immovable assets, as approved by Council. | | | |
| | | | | | | |
| **12-Dec-19** | **19/12/MM5** | **APPROVAL TO EMBARK ON SECTION 55 OF THE LOCAL GOVERNMENT MUNICIPAL STRUCTURES ACT PROCESS – FOR ELECTION OF AN DEPUTY EXECUTIVE MAYOR** | That Council support the intention to elect an Executive Deputy Mayor for the Kouga Municipality Council. | A written correspondence has been addressed to the Office of the MEC for Local Government for Eastern Cape Department Corporate Governance and Traditional Affairs to seek the approval for the election of an Executive Deputy Mayor. | | |
| | | | That the Accounting Officer be authorised to approach the office of the MEC for Local Government for Eastern Cape Department Corporate Governance and Traditional Affairs to seek the approval for the election of an Executive Deputy Mayor | | | |
| | **19/12/MM6** | **PURCHASE OF PORTION 77: FARM KLAARFONTEIN: THORNHILL** | The Municipal Manager be empowered to:<br><br>(a) Re-negotiate with Tony Ward Family Trust for the purchasing of portion 77 of 449 Klaarfontein.<br>(b) Re-negotiate the selling price of portion 77 of 449 Klaarfontein which is not to be more the R130 000 and to be in line with the value as determined by DDP Valuers.<br>(c) Initiate and authorise all procedures including legal and land surveyor requirements that may be required to ensure the finalisation of the entire process to secure the land on which the elevated water tower is currently situated. | Offer to purchase has been signed | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | The revised valuation of R130,000.00 as provided by DDP Professional Valuers in June/ July 2019 be accepted and approved. | | | |
| | | | | | | |
| | **20/01/MM1** | **COUNCIL RESOLUTIONS FOR 12 DECEMBER 2019** | That the management/custodianship initiatives of all Kouga Sports fields in respective Wards be considered with public participation process to be followed **(refer to item 19/10/CS13 – Custodianship: Kruisfontein Sports Field).** | Draft Agreement submitted to Manager Parks & Community Amenities in December 2019 | Director: Community Services | |
| | | | That the relevant Directorate submit a status report on the selling of the 98 High Water Table erven: Kruisfontein **(19/10/PD3)** be submitted to the next Council meeting. | | | |
| | | | That the relevant Directorate submit a status report on the development proposal on portion of erf 499: Humansdorp **(19/12/PD6)** be submitted to the next Council meeting. | | | |
| | | | | | | |
| **28-Feb-20** | **20/02/MM3** | **STATUS OF JOB EVALUATION** | That it be noted that the Local Labour Forum is in support of the Kouga Local Municipality's withdrawal from the Sarah Baartman District Municipality Job Evaluation Committee, and subsequently the SALGA Provincial Audit Committee. | Letter of withdrawal was sent to Sarah Baartman Municipality | Corporate Services | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | That the following Council Resolution be rescinded:<br><br>**13/07/AME3 <u>CDM DISTRICT MUNICIPALITY JOB EVALUATION REPORT – MEETING HELD ON 18 JUNE 2013</u>**<br><br>**Resolved: (12 July 2013)**<br><br>i) That the report on the CDM Job Evaluation Process be noted.<br>ii) That approval be given for Cacadu District Municipality to be the 'driver' of the Job Evaluation Process.<br>iii) That the Job Evaluation Policy of the Cacadu District Municipality be accepted.<br>iv) That it be noted that there will be financial implication on the Job Evaluation Process ito. human resources, that will be addressed, taking in mind that the Kouga Municipality already purchased a licence in order to proceed with their Job Evaluation process, which could have a positive impact on the financial implications for the Council.<br>v) That all financial implications on the Job Evaluation Process be tabled to the Council for approval. | Tournament in progress | | |
| | | | That the completion of the Job Evaluation process by utilizing Kouga Local Municipality's own service provider, be approved. | | | |
| | | | That the terms of reference for the Job Evaluation Process going forward be formulated as soon as a service provider is appointed, and such terms of reference be consulted with Organized Labour. | | | |
| | | | | | | |
| **26-Mar-20** | **20/03/MM1** | **ANNUAL REPORT (2018/2019)** | That the 2018/19 Annual Report be approved without reservations in terms of the provisions of Section 129(1) of the Municipal Finance Management Act | | | |
| | | | That the Accounting Officer make the approved 2018/19 Annual Report public and submit the 2018/19 Annual report to: | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | The Auditor-General;<br>The Provincial Treasury;<br>The Provincial Department for Local Government<br>Other institutions as prescribed by legislation | | | |
| | **20/03/MM2** | **2020/21 DRAFT IDP REVIEW OF THE 5 YEAR IDP (2017/2022)** | That the **Draft 2020/21 IDP** of the 2017/22 Integrated Development Plan be accepted in terms of the provisions of Section 25 of the Local Government Municipal Systems Act, 32 of 2000. | | | |
| | | | That the **Draft IDP** document be submitted to the MEC and relevant stakeholders within 10 days of acceptance by Council. | | | |
| | | | That the Draft 2020/21 IDP be published on the municipal website within 10 days of acceptance by the Council | | | |
| | **20/03/MM3** | **2018/19 ANNUAL REPORT: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE OVERSIGHT REPORT** | That more effort should be engaged during the Public Satisfaction survey, to get a fair and accurate indication of the satisfaction of residents | | | |
| | | | That the Telkom Contract for the purchasing of cellular phones be referred back to MPAC for a recommendation to Council | | | |
| | | | That the payment of R 990 000 for job grading to Sarah Baartman District Municipality be investigated as fruitless and wasteful expenditure. | | | |
| | | | That Council be alerted to the escalating personnel expansion and cost. | | | |
| | | | That a panel of Legal Service Providers be appointed as a matter of urgency. | | | |
| | | | That a program to reduce water losses and funds for the replacement of ageing infrastructure be implemented. | | | |
| | | | To replace the bucket system and upgrade conservancy tanks to a waterborne system where possible and to improve the efficiency of the sewer system and rising mains. | | | |
| | | | To negotiate with the Provincial Roads Department to devolve the maintenance of the roads that run through Kouga towns. | | | |
| | | | That the landfill sites be licenced, provision of wheelie bins be expedited, old refuse collection vehicles be replaced, and residents be educated to combat littering. | | | |
| | | | That internet services be provided at all our public facilities including Libraries. | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | That it be requested that both the CWP and WCP programmes be referred to COGTA for their attention. | | | |
| | | | That the Municipality give execution to the provisions and undertakings in the Vacant Land/Plot Cleaning Policy. | | | |
| | | | That new cemeteries be planned for Kouga and that the existing cemeteries be upgraded and fenced. | | | |
| | | | That the Municipality engage with the Department of Transport to solve the problem at the Licence Department. | | | |
| | | | That a marketing plan for Kouga Municipal Caravan Parks be drafted . | | | |
| | | | That the conditions as stipulated in the Grant-in-Aid Policy be applied, both in respect of financial reporting and interval of allocation. | | | |
| | | | That the process of acquiring land for new settlements be streamlined and that Kouga Municipality again be awarded Municipal Housing Accreditation. | | | |
| | | | That payment of market related rentals on Council properties be enhanced and that the register of Council properties be updated | | | |
| | | | That a committee of Council and relevant senior staff members investigate the future functioning of the EMF with the aim to terminate it. | | | |
| | | | That the performance of Supply Chain Management be streamlined to expedite service delivery. | | | |
| | | | That the identified five risks of Kouga Municipality namely, a housing backlog, lack of bulk infrastructure, containment of water and electricity losses, natural disasters and lack of skilled work force be mitigated. | | | |
| | **20/03/MM4** | **SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN: 2019/20 FINANCIAL YEAR: AMMENDMENT OF SDBIP TARGETS FOLLOWING THE MID-YEAR PERFORMANCE ASSESSMENT** | That in terms of the provisions of Section 54(1)(c) of the MFMA, the proposed amendments to the non-financial targets of the 2019/20 Service Delivery and Budget Implementation Plan as set out in Annexure “A” be approved. | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | That in terms of the provisions of Section 54(1)(c) of the MFMA, the amendments to the financial targets of the 2019/20 Service Delivery and Budget Implementation Plan as set out in Annexure "B", that resulted from the adoption of the Adjustments Budget be noted. | | | |
| | | | That it be noted that at the time of the preparation of this report, the adjusted Procurement Plan was not available to incorporate any possible adjustments resulting from additional funding and/or the re-allocation of funding. | | | |
| | | | That a report be submitted by all Directorates at the next meeting of the Mayoral Committee indicating how the additional procurement resulting from the adjustments budget will be implemented. | | | |
| | | | That the Municipal Manager affects the required changes to the performance plans to ensure that the performance plans are aligned to the SDBIP targets for the 2019/20 year. | | | |
| | | | | | | |
| **29-May-20** | **20/05/MM2** | **REQUEST FOR APPROVAL FOR THE ALIENATION OF NON-VIABLE IMMOVABLE PROPERTY DESCRIPTION: ERF 1289 SEA VISTA** | That Council confirm that Erf 1289 Sea Vista is not required for the minimum level of basic municipal services and confirmed that same is non-viable and of no economic value to Council. | | | |
| | | | That Council approves the disposal and alienation of Erf 1289 Sea Vista to the current registered owner of erf 902 Sea Vista. | | | |
| | | | That the Accounting Officer be authorised to sign the necessary transfer documentation for purposes of alienation and disposal of Erf 1289 | | | |
| | **20/05/MM3** | **RE: REDIRECT MIG FUNDING 2019/2020 FINANCIAL YEAR** | That Council, by resolution taken by the majority of its full number, and in terms of Section 30(2) of the Local Government: Municipal Structures Act No. 117 of 1998 (as amended), read in conjunction with Section 28 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approved the proposed amendments to the 2019/2020 Capital Budget | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| **05-Jun-20** | **20/06/MM1** | **2020/21 DRAFT IDP REVIEW OF THE 5 YEAR IDP (2017/2022)** | That the 2020/21 Draft IDP Review of the 5 Year IDP (2017/2022) be deferred and be reconsidered within 7 (seven) days at a Special Council meeting for final submission. | | | |
| | | | That the 2020/21 Draft IDP Review of the 5 Year IDP (2017/2022) be placed on the Kouga Website for public participation. | | | |
| | | | | | | |
| **12-Jun-20** | **20/06/MM1** | **2020/21 DRAFT IDP REVIEW OF THE 5 YEAR IDP (2017/2022)** | That the 2020/21 Draft IDP Review of the 5 Year IDP (2017/2022) be deferred and be reconsidered within 7 (seven) days at a Special Council meeting for final submission. | | | |
| | | | That the 2020/21 Draft IDP Review of the 5 Year IDP (2017/2022) be placed on the Kouga Website for public participation. | | | |
| | | | | | | |
| **19-Jun-20** | **20/06/MM3** | **2020/21 DRAFT IDP REVIEW OF THE 5 YEAR IDP (2017/2022)** | That the 2020/21 Draft IDP Review of the 5 Year IDP (2017/2022) be deferred and be reconsidered within 7 (seven) days at a Special Council meeting for final submission. | | | |
| | | | That the 2020/21 Draft IDP Review of the 5 Year IDP (2017/2022) be placed on the Kouga Website for public participation. | | | |
| | | | | | | |
| **26-Jun-20** | **20/06/MM4** | **FINAL AMENDED 2020/21 IDP REVIEW OF THE 5 YEAR IDP (2017/2022)** | That the **Final Amended IDP** for the 2020/21 Review be approved in terms of the provisions of Section 25 of the Local Government Municipal Systems Act, 32 of 2000. | | | |
| | | | That the **Final Amended IDP** document be submitted to the MEC and relevant stakeholders within 10 days of acceptance by Council. | | | |
| | | | That the **Final Amended IDP** be published on the municipal website within 10 days of acceptance by the Council. | | | |
| | **20/06/MM5** | **AMENDMENT OF A COUNCIL RESOLUTION – 19/07/MM4 OF A COUNCIL MEETING HELD ON 3O JULY 2019** | That Council amend the Council resolution as resolved under 19/07/MM4 by amending 19/07/MM4 (3) as follows:<br><br>*"That a long-term lease agreement be considered for Erf 873 Jeffreys Bay in respect of the portion to be subdivided and rezoned as contemplated in 2 above."* | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | That the Council Resolution 19/07/MM4 now reads as follows:<br>That Council rescind the Council resolution as resolved under 17/8/F23 by removing the reference made to Erf 873 Jeffreys Bay, to the effect that the Council Resolution be implemented in exclusion of the reference to Erf 873 Jeffreys Bay as reflected:<br><br>***Erf 873*** ***Jeffreys Bay*** ***Kouga Mun*** ***Open Space 2*** ***82 908ha*** ***R33 133 000*** | | | |
| | | | **That processes for the renewal of the lease contract for the Jeffreys Bay Bowling Club commences in March 2018.*<br><br>**That the Jeffreys Bay Golf Club and the Driving Range be approved for long term (10 years) lease agreement as one unit.*<br><br>**That the rental income complies with the MFMA.* | | | |
| | | | *That Erf 873, Jeffreys Bay, in extent of 82,908ha be subdivided and rezoned for sporting facilities and that the remainder of Portion Erf 873, Jeffreys Bay, be rezoned for future development.* | | | |
| | | | *That a long-term lease agreement be considered for Erf 873 Jeffreys Bay in respect of the portion to be subdivided and rezoned as contemplated in 2 above.* | | | |
| | | | *That Council confirms, in terms of Section 14(2) of the Local Government: Municipal Finance Management Act, the assets herein, is not needed to provide the minimum level of basic municipal services.* | | | |
| | | | *That Council approve the advertisement inviting interested parties to lease the asset mentioned herein, and in line with the Policy and Procedures for the disposal of immovable assets, as approved by Council.* | | | |
| | | | That the Driving Range lease agreement be terminated and that all outstanding monies owed to Kouga Municipality be recovered. | | | |

# FINANCE - ACTION SHEET - COUNCIL

| MEETING DATE | ITEM NO | ITEM DESCRIPTION | RESOLUTION | ACTION TAKEN | RESPONSIBLE OFFICIAL | CURRENT STATUS<br>COMPLETED<br>NOT COMPLETE<br>IN PROGRESS<br>ON GOING<br>NO ACTION REQUIRED |
|---|---|---|---|---|---|---|
| **05-Jun-20** | **20/06/F1** | **MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) - BUDGET FOR 2020/21 TO 2022/23 FINANCIAL YEARS** | That the Medium-Term Revenue and Expenditure Framework (MTREF) - Budget for 2020/21 to 2022/23 Financial Years be adopted as an amended Draft Medium-Term Revenue and Expenditure Framework (MTREF) - Budget for 2020/21 to 2022/23 Financial Years for further consultation. | Further Consultation on MTREF done.<br><br>Budget approved by Council on 26 June 2020 | Chief Financial Officer | |
| | | | | | | |
| **12-Jun-20** | **20/06/F1** | **MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) - BUDGET FOR 2020/21 TO 2022/23 FINANCIAL YEARS** | That the Medium-Term Revenue and Expenditure Framework (MTREF) - Budget for 2020/21 to 2022/23 Financial Years be adopted as an amended Draft Medium-Term Revenue and Expenditure Framework (MTREF) - Budget for 2020/21 to 2022/23 Financial Years for further consultation. | Further Consultation on MTREF done.<br><br>Budget approved by Council on 26 June 2020 | Chief Financial Officer | |
| | | | That due to the COVID-19 restrictions, loud hailing be done in all Wards advising the community that the Draft Budget is available at Municipal Offices for comment and input. | Further Consultation on MTREF done through other methods - website, Facebook, etc.<br><br>Budget approved by Council on 26 June 2020 | Chief Financial Officer | |
| | **20/06/F3** | **ADOPTION OF THE PROPOSED PROPERTY RATES TARIFFS FOR THE 2020/21 FINANCIAL YEAR** | That the item be deferred to the next Special Council meeting for consideration. | Tariff Report re-submitted to Council. Council approved Tariff Report on 19 June 2020. | Chief Financial Officer | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | **20/06/F4** | **REVISION OF FEES AND CHARGES FOR THE 2020/21 FINANCIAL YEAR: SPORTS AND RECREATION** | That the item be deferred to the next Special Council meeting for consideration. | Tariff Report re-submitted to Council. Council approved Tariff Report on 26 June 2020. | Chief Financial Officer | |
| | **20/06/F5** | **REVISION OF FEES AND CHARGES FOR 2020/21 FINANCIAL YEAR: NATIONAL TRAFFIC, LICENSING SERVICES AND PROTECTION SERVICES** | That the item be deferred to the next Special Council meeting for consideration. | Tariff Report re-submitted to Council. Council approved Tariff Report on 19 June 2020. | Chief Financial Officer | |
| | **20/06/F6** | **REVISION OF FEES AND CHARGES FOR THE 2020/21 FINANCIAL YEAR: FIRE FIGHTING SERVICES** | That the item be deferred to the next Special Council meeting for consideration. | Tariff Report re-submitted to Council. Council approved Tariff Report on 19 June 2020. | Chief Financial Officer | |
| | **20/06/F7** | **REVISION OF FEES AND CHARGES FOR THE HIRING OF MUNICIPAL FACILITIES: 2020/21 FINANCIAL YEAR** | That the item be deferred to the next Special Council meeting for consideration. | Tariff Report re-submitted to Council. Council approved Tariff Report on 19 June 2020. | Chief Financial Officer | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | **20/06/F8** | **COMMUNITY SERVICES DIRECTORATE: REVISION OF TARIFFS, FEES AND CHARGES FOR THE 2020/21 FINANCIAL YEAR** | That the item be deferred to the next Special Council meeting for consideration. | Tariff Report re-submitted to Council. Council approved Tariff Report on 19 June 2020. | Chief Financial Officer | |
| | **20/06/F9** | **PROPOSED WATER AND SANITATION TARIFF INCREASES FOR 2019/20 FINANCIAL YEAR** | That the item be deferred to the next Special Council meeting for consideration. | Tariff Report re-submitted to Council. Council approved Tariff Report on 19 June 2020. | Chief Financial Officer | |
| | **20/06/F10** | **ELECTRICITY TARIFF INCREASES: 2020/21 FINANCIAL YEAR** | That the item be deferred to the next Special Council meeting for consideration. | Tariff Report re-submitted to Council. Council approved Tariff Report on 30 July 2020 due to NERSA approval only being concluded in July 2020. | Chief Financial Officer | |
| | **20/06/F11** | **FEES AND CHARGES FOR ELECTRICITY SERVICES IN RESPECT OF THE 2020/21 FINANCIAL YEAR** | That the item be deferred to the next Special Council meeting for consideration. | Tariff Report re-submitted to Council. Council approved Tariff Report on 19 June 2020. | Chief Financial Officer | |
| | **20/06/F12** | **FINANCE DIRECTORATE: REVISION OF FEES AND CHARGES FOR THE 2020/21 FINANCIAL YEAR** | That the item be deferred to the next Special Council meeting for consideration. | Tariff Report re-submitted to Council. Council approved Tariff Report on 19 June 2020. | Chief Financial Officer | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | **20/06/F13** | **REVISION OF VARIOUS TARIFFS: PLANNING, DEVELOPMENT AND TOURISM FOR THE 2020/21 FINANCIAL YEAR** | That the item be deferred to the next Special Council meeting for consideration. | Tariff Report re-submitted to Council. Council approved Tariff Report on 19 June 2020. | Chief Financial Officer | |
| | **20/06/F14** | **2019/20 SPECIAL ADJUSTMENTS BUDGET** | That the Council, by resolution taken by the majority of its full number, and in terms of Section 30(2) of the Local Government: Municipal Structures Act No. 117 of 1998 (as amended), read in conjunction with Section 28 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approved the 2019/20 Special Adjustments Budget as set-out in the following tables: | Adjustment Budget implemented and submitted to Treasury accordingly. | Chief Financial Officer | |
| | | | Table B1 Adjustments Budget Summary;<br>Table B2 Adjustments Budget Financial Performance (revenue and expenditure by standard classification);<br>Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote);<br>Table B4 Adjustments Financial Performance (revenue and expenditure by type);<br>Table B5 Adjustments Budget Capital Expenditure by vote and standard classification and funding source;<br>Table B6 Adjustments Budget Financial Position;Table B7 Adjustments Budget Cash Flows;<br>Table B8 Cash backed reserves/accumulated surplus reconciliation;<br>Table B9 Asset Management; and<br>Table B10 Basic service delivery measurement. | Adjustment Budget implemented and submitted to Treasury accordingly. | Chief Financial Officer | |
| | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| **19-Jun-20** | **20/06/F15** | **MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) - BUDGET FOR 2020/21 TO 2022/23 FINANCIAL YEARS** | That the Medium-Term Revenue and Expenditure Framework (MTREF) - Budget for 2020/21 to 2022/23 Financial Years be adopted as an amended Draft Medium-Term Revenue and Expenditure Framework (MTREF) - Budget for 2020/21 to 2022/23 Financial Years for further consultation. | Further Consultation on MTREF done.<br><br>Budget approved by Council on 26 June 2020 | Chief Financial Officer | |
| | **20/06/F16** | **ADOPTION OF THE PROPOSED PROPERTY RATES TARIFFS FOR THE 2020/21 FINANCIAL YEAR** | That the Council, in terms of Section 30(2) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended) and the Local Government: Municipal Property Rates Act, Act 6 of 2004, read in conjunction with the Local Government: Municipal Systems Act, Act 32 of 2000, the Municipality's Rating Policy and with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, and **by resolution taken by majority of its full number**, levies the following rates in the Rand for the period 1 July 2020 to 30 June 2021, in respect of the various categories of properties as set out below: | Tariffs was advertised, gazetted and implemented in July 2020 | Chief Financial Officer | |

| CATEGORY | PROPOSED TARIFFS FOR 2020/21 CENT/RAND |
|---|---|
| Residential | 0.008743 |
| Industrial / Mining | 0.009093 |
| Business / Commercial | 0.009093 |
| Farms-Agricultural | 0.002186 |
| Farms-Other Business/Wind Farms and Other Industrial Purposes | 0.009093 |
| Farms-Residential | 0.008743 |
| Farms-Private Towns | 0.008743 |
| Smallholding-Agricultural | 0.002186 |
| State Owned | 0.008743 |
| Municipal | 0.008743 |
| Special Rating Area | 0.002186 |
| Private Towns | 0.008743 |
| Private Towns (Exempt) | 0.008743 |
| Formal and Informal Settlements | 0.008743 |
| Communal Land | 0.008743 |
| State Trust Land | 0.008743 |
| Restitution and Redistribution Properties | 0.008743 |
| Protected Areas | 0.008743 |
| National Monuments/Heritage Sites | 0.008743 |
| Public Benefit Organisation | 0.008743 |
| Multiple Purposes | 0.008743 |
| Public Service Infrastructure (P.S.I.) | 0.008743 |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | That the Council, in terms of Section 30(2) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended) and the Local Government: Municipal Property Rates Act, Act 6 of 2004, read in conjunction with the Local Government: Municipal Systems Act, Act 32 of 2000, the Municipality's Rating Policy and with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, and **by resolution taken by majority of its full number**, grants the following rebates for the period 1 July 2020 to 30 June 2021, in respect of the following categories and owners of properties as set out below: | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | <table><tr><th></th><th>Rebates for 2019/20</th></tr><tr><td>R15 000 on Residential Properties</td><td>R15 000</td></tr><tr><td>National Monuments/Heritage Sites</td><td>-100%</td></tr><tr><td>Provisions of Land Act</td><td>- 100%</td></tr><tr><td>Communal Property Association</td><td>-100%</td></tr><tr><td>Protected Areas</td><td>-100%</td></tr><tr><td>Welfare/Churches/Public Benefit Organisations</td><td>-100%</td></tr><tr><td>Municipal Properties</td><td>-100%</td></tr><tr><td></td><td></td></tr><tr><td><u>Rebates:</u></td><td></td></tr><tr><td><u>Private Towns:</u></td><td>-20%</td></tr><tr><td>- Kromme River (Suburb 70010)</td><td></td></tr><tr><td>- Air Park (Suburb 10001)</td><td></td></tr><tr><td>- Gamtoos Mouth (Suburb 90003)</td><td></td></tr><tr><td>- Edenglen (Suburb 40004)</td><td></td></tr><tr><td>- St Francis Bay Links (Suburb 70009)</td><td></td></tr><tr><td>- Marina Martinique (Suburb 40013)</td><td></td></tr><tr><td>- Lifestyle Estate (Suburb 40054)</td><td></td></tr><tr><td>- Sea View Resort (Suburb 40011)</td><td></td></tr><tr><td>R 85 000 on Informal and Formal Settlements</td><td>R85 000</td></tr><tr><td>R 85 000 for Owners who qualify for Equitable Share</td><td>R85 000</td></tr><tr><td>R 85 000 for Rate Payer 60 years and older with a household income not more than R15 000.00</td><td>R85 000</td></tr></table> | | | |
| | **20/06/F17** | **REVISION OF FEES AND CHARGES FOR THE 2020/21 FINANCIAL YEAR:** | That the item be withdrawn and that an updated report be tabled at the Ordinary Council meeting to be held on 26 June 2020. | Tariffs was approved by Councol on 26 June 2020 | Chief Financial Officer | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | **SPORTS AND RECREATION** | | | | |
| | **20/06/F18** | **REVISION OF FEES AND CHARGES FOR 2020/21 FINANCIAL YEAR: NATIONAL TRAFFIC, LICENSING SERVICES AND PROTECTION SERVICES** | That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003 approved the fees and charges as reflected in **Annexure 'B'**, with effect from 1 July 2020. | Tariffs advertised and implemented in July 2020 | Chief Financial Officer | |
| | **20/06/F19** | **REVISION OF FEES AND CHARGES FOR THE 2020/21 FINANCIAL YEAR: FIRE FIGHTING SERVICES** | That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government : Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approved the fees and charges for Fire Fighting Services as reflected in **Annexure 'C'**, with effect from 1 July 2020. | Tariffs advertised and implemented in July 2020 | Chief Financial Officer | |
| | **20/06/F20** | **REVISION OF FEES AND CHARGES FOR THE HIRING OF MUNICIPAL FACILITIES: 2020/21 FINANCIAL YEAR** | That the Council, by resolution taken by majority of its full number and in terms of Section 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Financial Management Act, Act 56 of 2003 approved the fees and charges for the hiring of Municipal Facilities, as reflected in **Annexure 'D'**, with effect from 1 July 2020. | Tariffs advertised and implemented in July 2020 | Chief Financial Officer | |
| | **20/06/F21** | **COMMUNITY SERVICES DIRECTORATE: REVISION OF TARIFFS, FEES AND CHARGES FOR THE 2020/21 FINANCIAL YEAR** | That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, adopted the proposed tariffs, fees and charges for the Community Services Directorate, reflected as reflected in **Annexure 'E',** with effect from 1 July 2020. | Tariffs advertised and implemented in July 2020 | Chief Financial Officer | |
| | **20/06/F22** | **PROPOSED WATER AND SANITATION TARIFF INCREASES FOR 2019/20 FINANCIAL YEAR** | That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003 approved the tariffs, fees and charges in respect of Water and Sanitation Services under the control of the Municipality's Infrastructure & Engineering Directorate as reflected in **Annexure 'F'**, with effect from 1 July 2020. | Tariffs advertised and implemented in July 2020 | Chief Financial Officer | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | **20/06/F23** | **ELECTRICITY TARIFF INCREASES: 2020/21 FINANCIAL YEAR** | That it be noted that this item be deferred as NERSA have not yet approved and published the final tariff. | Tariffs approved by Council on 30 July 2020<br><br>Tariffs advertised and implemented in July 2020 | Chief Financial Officer | |
| | **20/06/F24** | **FEES AND CHARGES FOR ELECTRICITY SERVICES IN RESPECT OF THE 2020/21 FINANCIAL YEAR** | That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approved the fees and charges in respect of electrical services, as reflected in **Annexure 'H'**, with effect from 1 July 2020. | Tariffs advertised and implemented in July 2020 | Chief Financial Officer | |
| | **20/06/F25** | **FINANCE DIRECTORATE: REVISION OF FEES AND CHARGES FOR THE 2020/21 FINANCIAL YEAR** | That the Council, **by resolution taken by majority of its full number**, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, adopted the proposed fees and charges for the Finance Directorate as reflected in **Annexure 'I'**, with effect from 1 July 2020 | Tariffs advertised and implemented in July 2020 | Chief Financial Officer | |
| | **20/06/F26** | **REVISION OF VARIOUS TARIFFS: PLANNING, DEVELOPMENT AND TOURISM FOR THE 2020/21 FINANCIAL YEAR** | That the Council**, by resolution taken by majority of its full number**, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approved the fees and charges in respect of Planning and Development, as reflected in **Annexure 'J',** with effect from 1 July 2020. | Tariffs advertised and implemented in July 2020 | Chief Financial Officer | |
| | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| **26-Jun-20** | **20/06/F28** | **MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) - BUDGET FOR THE 2020/21 TO 2022/23 FINANCIAL YEARS** | That the Executive Mayor recommends that the Council, by resolution taken by the majority of its full number and in terms of Section 30(2) of the Local Government: Municipal Structures Act No. 117 of 1998 (as amended), read in conjunction with Section 24 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approves the Annual Budget for the 2020/21 financial year and the indicative allocations for the projected outer years 2021/22 and 2022; and the multi-year and single year capital appropriations, as set out in the following tables, including the associated recommendations. | MTREF published on website, submitted to Treasury and implemented on the Financial System | Chief Financial Officer | |
| | | | Consolidated Budget Summary [Table A1]<br>Budgeted Financial Performance (revenue and expenditure by standard classification); [Table A2]<br>Budgeted Financial Performance (revenue and expenditure by municipal vote); [Table A3]<br>Budgeted Financial Performance (revenue by source and expenditure by type); [Table A4]<br>Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source. [Table A5] | | | |
| | | | That the budgeted financial position, budgeted cash flows, cash-backed reserves/accumulated surplus, asset management and basic service delivery targets be noted as set-out in the following tables: | | | |
| | | | Budgeted Financial Position; [Table A6]<br>Budgeted Cash Flows; [Table A7]<br>Cash backed reserves and accumulated surplus reconciliation; [Table A8]<br>Asset management; [Table A9]<br>Basic service delivery measurement. [Table A10] | | | |
| | | | That the tariffs be increased as follows, with effect from 1 July 2020:<br><br>Property rates 5.25%<br>Water 8.1%<br>Sanitation 7%<br>Refuse 7%<br>Electricity (average increase in electricity income) 6.25%<br>Environmental Management Fee 0% | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | a) Indicative tariffs for 2021/22 and 2022/23 will be increased as follows:<br><br>2021/22 2022/23<br>Property rates 5.25% 5.25%<br>Water 7.1% 7.1%<br>Sanitation 6.5% 6.5%<br>Refuse 6.5% 6.5%<br>Electricity (average increase in electricity income) 6.25% 6.25%<br>Environmental Management Fee 0% 0% | | | |
| | | | That the MIG Budget for 2020/2021 be aligned to the Council resolution 20/05/MM3 of 29 May 2020. | | | |
| | | | That the Sewer Pump Station budget allocation of R2,4m be reduced by R1,1m and be added to container toilets to assist with the bucket eradication. | | | |
| | **20/06/F29** | **REVISION OF FEES AND CHARGES FOR THE 2020/21 FINANCIAL YEAR: SPORTS AND RECREATION** | That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approved the fees and charges for Sports and Recreation, as reflected in **Annexure 'A'**, with effect from 1 July 2020. | Tariffs advertised and implemented in July 2020 | Chief Financial Officer | |
| | **20/06/F30** | **MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2019 TO APRIL 2020 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 30 APRIL 2020 (2019/20 FINANCIAL YEAR)** | That the Executive Mayor notes the Municipal Manager's report on the monthly budget statements, in accordance with Section 71(1) of the Municipal Finance Management Act. | Section 71 Report submitted to Provincial Treasury | Chief Financial Officer | |
| | | | That the monthly budget statements accordingly be submitted to Provincial Treasury as stipulated in Section 71(1) of the MFMA. | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | **20/06/F31** | **MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2019 TO MAY 2020 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 MAY 2020 (2019/20 FINANCIAL YEAR)** | That the Executive Mayor notes the Municipal Manager's report on the monthly budget statements, in accordance with Section 71(1) of the Municipal Finance Management Act. | Section 71 Report submitted to Provincial Treasury | Chief Financial Officer | |
| | | | That the monthly budget statements accordingly be submitted to Provincial Treasury as stipulated in Section 71(1) of the MFMA. | | | |
| | **20/06/F32** | **WRITE-OFF IN RESPECT OF IRRECOVERABLE ARREAR DEBTS – EQUITABLE SHARE** | That the Equitable Share write-offs for the period March 2020, amounting to R2 780 777.18, be approved. | Equitable Share write-off implemented | Chief Financial Officer | |
| | | | | | | |
| **30-Jul-20** | **20/07/F10** | **MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2019 TO JUNE 2020 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 30 JUNE 2020 (2019/20 FINANCIAL YEAR)** | That the Executive Mayor notes the Municipal Manager's report on the monthly budget statements, in accordance with Section 71(1) of the Municipal Finance Management Act. | Section 71 Report submitted to Provincial Treasury | Chief Financial Officer | |
| | | | That the Executive Mayor's report on the implementation of the budget and the financial state of affairs of the municipality, in accordance with Section 52(d) of the MFMA be noted. | | | |
| | | | That the monthly budget statements accordingly be submitted to Provincial Treasury as stipulated in Section 71(1) of the MFMA. | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | **20/07/F11** | **BUDGET AND TREASURY: WITHDRAWALS FROM MUNICIPAL BANK ACCOUNT FOR THE QUARTER ENDED 30 JUNE 2020** | That the Council notes the withdrawals that were made in terms of section 11(1) (b) to (j) of the MFMA for the quarter ended 30 June 2020; and | Withdrawal Report submitted to Provincial Treasury and Auditor-General | Chief Financial Officer | |
| | | | That the report accordingly be submitted to the Provincial treasury and Auditor-General as determined by section 11(4) (b) of the MFMA. | | | |
| | **20/07/F12** | **WRITE-OFF IN RESPECT OF IRRECOVERABLE ARREAR DEBTS – EQUITABLE SHARE** | That the Equitable Share write-offs for the period June 2020, amounting to R275 369.19, be approved. | Equitable Share write-off implemented | Chief Financial Officer | |
| | **20/07/F13** | **ELECTRICITY TARIFF INCREASES: 2020/21 FINANCIAL YEAR** | That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approved the electricity tariffs as reflected in **Annexure A, B & C** with effect from 1 July 2020 | Tariffs advertised and implemented in July 2020 | Chief Financial Officer | |
| | | | That the relevant Directorate advertise the Electricity Tariff Increases for the 2020/21 Financial Year in the media as contemplated in (1) above. | | | |

# CORPORATE SERVICES: ACTION SHEET COUNCIL

| MEETING DATE | ITEM NO | ITEM DESCRIPTION | RESOLUTION | ACTION TAKEN | RESPONSIBLE OFFICIAL | CURRENT STATUS<br>COMPLETED<br>NOT COMPLETE<br>IN PROGRESS<br>ON GOING<br>NO ACTION REQUIRED |
|---|---|---|---|---|---|---|
| **26-Mar-20** | **20/03/CORP1** | **DELEGATED AUTHORITY: EXECUTIVE MAYOR** | That it be noted the President has declared a national lockdown due to COVID-19 from 26 March to 16 April 2020 | No Action required | N/A | |
| | | | That the Executive Mayor be granted delegated authority to deal with all Council affairs during the lockdown period, subject to the following undermentioned conditions:<br><br>a) The Exercise of delegated authority shall exclude the passing of a by-law; approval of the budget; the imposition of rates and other taxes levies and duties; the raising of loans, the amendment of tariffs, the approval or amendment of the IDP;<br>b) That the parameters of the Procurement Policy be complied with. | No Action required | N/A | |
| | | | That all matters dealt with by the Executive Mayor, which would conventionally have required a resolution of the Council be submitted to Council in report format for information or review at the first Ordinary Council Meeting after the National Lockdown; | Referred to Manager in the Office of the Mayor. Awaiting response | Manager: Office of the Mayor | |
| | | | That the Municipal Manager consults with the Executive Mayor on matters that are of a potentially sensitive nature prior to using the authority granted of paragraphs (3.1) and (2) above. | Same as above | Manager: Office of the Mayor | |
| | | | | | | |
| **01-May-20** | **20/05/CORP1** | **DETERMINATION OF THE UPPER LIMITS OF SALARIES, ALLOWANCES AND BENEFITS OF DIFFERENT MEMBERS OF A MUNICIPAL COUNCIL FOR 2019/2020 FINANCIAL YEAR** | That the report on the Determination of the Upper Limits of Salaries, Allowances and Benefits of different members of the Municipal Council for 2019/20 financial year be noted. | Upper limits has been implemented | Director: Corporate Services | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | That it be noted that the Round Robin approach has been adopted to consider and vote on the item via ballot. | Upper limits has been implemented | Director: Corporate Services | |
| | | | That the implementation of the Upper limits based on Gazette 43246 dated 24 April 2020, be approved | Upper limits has been implemented | Director: Corporate Services | |
| | | | That such implementation be back dated with effect from 01 July 2019, be approved. | Upper limits has been implemented | Director: Corporate Services | |
| | | | That the Municipal Manager prepares all the required information and documentation for submission to the MEC for concurrence. | Upper limits has been implemented | Director: Corporate Services | |
| | | | That upon concurrence by the MEC, the upper limits be implemented retrospectively with effect from 01 July 2019. | Upper limits has been implemented | Director: Corporate Services | |
| | | | | | | |
| **29-May-20** | **20/05/CORP1** | **REPORT ON WARD COMMITTEE POLICY** | That the Ward Committee Policy be referred back to the leading department for grammatical errors and amendment to 15.2.3 as contemplated below whereafter the Policy be resubmitted to the Special Council meeting to be held in June 2020. | Policy has been amended and has served at the policy workshop - 18 August 2020 | Manager: Admin Services | |
| | | | 15.2.3. The proposed out of pocket expenses that may be paid as a monthly allowance as determined or provided in the budget per Ward Committee Member | Policy has been amended and has served at the policy workshop - 18 August 2021 | Manager: Admin Services | |
| | **20/05/CORP3** | **REPORT ON PRINTING FOR JANUARY – FEBRUARY 2020** | That Directorates made a concerted effort to reduce printing and use electronic platforms for transmission of information | Email sent to all Directors | | |
| | | | That Directorates identify the possibility of personal printing and bill staff accordingly | Email sent to all Directors | Director: Corporate Services | |
| | **20/02/CORP5** | **HR REPORT FOR JANUARY 2020 TO FEBRUARY 2020** | That departments pay attention to the high-risk areas and implement measures to reduce or eradicate the risks. | Top risk area sent to Directors for progress on implementation | HR Manager | |
| | | | That the filling of attrition positions be considered after recommendation by the work study consultant with due consideration to integration of positions. The aforesaid being a strategy to curb and reduce the wage bill | Prioritization of vacancies to be discussed at Top Management with due regard to the work study and budget | Director: Corporate Services & HR Manager | |
| | **20/05/CORP9** | **REPORT ON CELLPHONE CLAIMS SUBMITTED FOR AUGUST 2018 - FEBRUARY 2020** | That it be noted the current cellphone contract with Telkom terminates 12 July 2020 | The contract was extended until 30 Oct 2020.Tender specs served at the BSC on 14 Aug 2020. | Manager: Admin Services | |
| | | | That in the light of the exorbitant costs of claims, user behaviour and the associated administrative burden associated with the provision of this tool of trade, management consider alternate approaches to providing cell phones | Whilst the muncipality has to go out on tender again, the use of cell phone allowance scheme is being encouraged to reduce the challenges that are currently being experienced | Manager: Admin Services | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | | | | |
| **26-Jun-20** | **20/06/CORP1** | **KOUGA MUNICIPALITY – CALENDAR OF MEETINGS: 1 JULY 2020 TO JUNE 2021** | That the Updated Calendar of Meetings for Council Committees for the period 01 July 2020 to 30 June 2021, be adopted. | The updated calender is distributed on a regular basis to all staff and Cllrs. | Snr Committees Officer | |
| | **20/06/CORP2** | **REPLACEMENT OF MEMBERS ON THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)** | That the Replacement of Members on the Municipal Public Accounts Committee (MPAC) item be referred to the Special Council meeting to be held on 30 June 2020. | Item was withdrewn and will serve at Council on 28 August 2020 | Director: Corporate Services | |
| | | | | | | |
| **30-Jun-20** | **20/06/CORP3** | **REVIEW OF THE ORGANISATIONAL STRUCTURE** | That Council note the Organisational Structure. | The Organogram was approved by the MM for implementation. | Municipal Manager | |
| | **20/06/CORP4** | **REPLACEMENT OF MEMBERS ON THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)** | That the item be withdrawn | Item was withdrewn and will serve at Council on 28 August 2020 | Director: Corporate Services | |

# INFRASTRUCTURE & ENGINEERING: ACTION SHEET - COUNCIL

| MEETING DATE | ITEM NO | ITEM DESCRIPTION | RESOLUTION | ACTION TAKEN | RESPONSIBLE OFFICIAL | CURRENT STATUS<br>COMPLETED<br>NOT COMPLETE<br>IN PROGRESS<br>ON GOING<br>NO ACTION REQUIRED |
|---|---|---|---|---|---|---|
| **28-Feb-20** | **20/02/I&E1** | **PURCHASE OF ERF 9951 (PORTION 147 A PORTION OF PORTION 63 OF THE FARM KLEIN ZEEKOEI RIVIER NO 335): JEFFREYS BAY** | That the Municipal Manager be empowered to:<br><br>(a) Negotiate with the owner of Erf 9951 Jeffreys Bay for the purchase thereof<br><br>(b) Negotiate the purchase price within the value range provided by Evergreen Valuers (PTY) Ltd to the estimated amount of R90 000.00 and DDP Valuers tothe estimated amount of R360 000.00 and that a report on the negotiated purchase price be referred back to Council.<br><br>(c) Initiate all legal procedures to finalise the process of transferring the property, Erf 9951, to Kouga Municipality. | MM to negotiate with Fanie Mallet (trust). R90 000 to R360 000.<br><br>Legal Services to arrange attorneys for purchase agreement, transfer & registration<br><br>MM completed negatiation. Legal Services procured attorney to provide professional services | Municipal Manager<br><br>Legal Services | |
| | | | | | | |
| **29-May-20** | **20/05/I&E3** | **RE: PROGRESS ON GRANT FUNDING (MIG & EPWP)** | That it be noted that the demolishing of old existing structures has been completed and work on the Anaerobic Digesters, Sludge drying Beds, road and bulk earthworks has commenced with | In progress | Director: Infrastructure & Eng | |
| | | | That it be noted that the Contractor is to re-establish the site mid-May 2020 pending approval of the revised OHS plan for Covid-19. | Contractor on site to re-establish site on approval by OHS<br><br>OHS approved | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | **20/05/I&E7** | **REPORT: KOUGA MUNICIPALITY ELECTRICITY & SSEG BY LAW** | That the Draft Electricity By-law be published, for public comment in a manner that allows the public an opportunity to make representations with regard to the proposed by-law. | Public Participation Process<br><br>Closing date August 2020<br><br>Advertised for Public Comment | Manager: Electrical | |
| | | | That the Draft Electricity-by law be referred back to the Municipal Council following the implementation and finalization of the public participation process referred to in 2 above | Waiting for Public Comment and then submit item to Council | | |
| | **20/05/I&E8** | **REPORT: KOUGA MUNICIPALITY SMALL SCALE EMBEDDED GENERATION (SSEG) POLICY** | That Council supports the process and adopt the SSEG policy with the following amendment:-<br><br>"3.2 All SSEG's shall be net consumers<br><br>All SSEG's installations shall consume more energy than they produce over a consecutive 3-month period;" | Recommendation will form part of Council submission | Manager: Electrical | |
| | | | That the Draft SSEG policy be published, for public comment in a manner that allows the public an opportunity to make representations with regard to the proposed policy. | Policy in Public Domain for comment | Manager: Electrical | |
| | | | That the Draft SSEG policy be referred back to the Municipal Council following the implementation and finalization of the public participation process referred to in 2 above. | Waiting for Public Comment and then submit item to Council | Manager: Electrical | |
| | | | | | | |

# COMMUNITY SERVICES: ACTION SHEET - COUNCIL

| MEETING DATE | ITEM NO | ITEM DESCRIPTION | RESOLUTION | ACTION TAKEN | RESPONSIBLE OFFICIAL | CURRENT STATUS<br>COMPLETED<br>NOT COMPLETE<br>IN PROGRESS<br>ON GOING<br>NO ACTION REQUIRED |
|---|---|---|---|---|---|---|
| **29-Aug-19** | **19/08/CS13** | **APPLICATION FOR THE MANAGEMENT OF THE ASTON BAY COMMUNITY HALL BY THE ASTON BAY RATEPAYERS ASSOCIATION** | That the granting of control and management of Aston Bay Community Hall to the Aston Bay Ratepayers Association be supported in principle. | In progress (Asset & Legal to complete the Service Level Agreement by end August 2020 | Director: Community Services<br><br>Legal Services | |
| | | | That the intention of Council be advertised for public comments and/or objections, be supported | No objection received | | |
| | | | | | | |
| **30-Oct-19** | **19/10/CS13** | **CUSTODIANSHIP: KRUISFONTEIN SPORTS FIELD** | That Council grants custodianship to the Kruisfontein United Rugby Club, an Eastern Cape Premier League competitor club, for the Kruisfontein Sports Field as a pilot project for a period of 9 years and 11 months. | The process of custodianship initiative was put on hold because a Sports Council must first be established and whilst investigation/research was being conducted with sector departments , that process was not finalized due to COVID-19 Regulations | | |
| | | | That a Service Level Agreement be drawn up between the Municipality and the Kruisfontein United Rugby Club, to clarify the roles and responsibilities, including the conditions on which such custodianship is granted | Draft Agreement submitted to Manager Parks & Community Ameninties in December 2019 | Director: Community Services<br><br>Legal Services | |
| | | | That the custodianship initiative be communicated to Ward 4, 5 and 15 residents through a Public Participation Process. | | Director: Community Services | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | That it be noted that a legally recognised Sporting Body is to be established in Kouga and that the Kruisfontein United Rugby Club be affiliated to such controlling Body. | | Director: Community Services | |
| | | | | | | |
| **12-Dec-19** | **19/12/CS6** | **PROGRESS REPORT ON EIA FOR CEMETERIES** | That a status report on all cemeteries be submitted to the April 2020 Portfolio Committee meeting. | Due to the length of theEIAand the delays causedby the COVID-19 Lockdown. Kouga Municipality has applied for NEMA Section 30A-Emergency Incident. The Municipality has met with DEDEAT & DWS for emergency approva; of the Cemeteries and DWS has requested for Aquatic Studies to be conducted and the Service provider is currently busy with the studies. | Director: Community Services | |
| | | | | | | |
| | **20/05/CS11** | **THE SEEKOEI RIVER ESTUARY ARTIFICIAL BREACH** | A close out report be submitted to DEDEAT for the NEMA Section 30A application. | Completed- the close out report was submitted to the Department of Economic Development Environmental Affairs and Tourism (DEDEAT) 18 June 2019 | Director: Community Services | |
| | **20/05/CS12** | **FIRE RISK AND ENVIRONMENTAL NUISANCE REDUCTION - PLOT AND BUSH CLEARING** | That it be noted Aston Bay and Paradise plot clearing is scheduled for phase 2 and that a list of plots in both areas has been compiled but the programme has been put on hold due to the lockdown. | The program was reinstated and currently busy in Aston Bay | Director: Community Services | |
| | | | | | | |
| **30-Jul-20** | **20/07/CS7** | **LONG TERM LEASE FOR ENVIRONMENTAL AND CLIMATE MITIGATION PROJECT - HUMANSDORP LANDFILL SITE** | That Council endorses the environmental and climate mitigation project (The Kouga Combined Waste to Energy and Carbon Generation Project) in collaboration with Cape Carbon on a portion of Farm 347, Zwartenbosch. | The program was reinstated and currently busy in Aston Bay | Completed | |
| | | | That Council endorses the project in alignment to Kouga Municipality's Integrated Development Plan. | | Completed | |
| | | | That Community Services accept oversight / monitoring role. | | | |
| | | | That Council authorises the Accounting Officer to enter into a long term lease with Cape Carbon for a period not exceeding 9 years and 11 months. | Lease Agreement in first draft form | Municipal Manager | |
| | | | That Council endorses the Accounting Officer to finalise a Land Availability Agreement with Cape Carbon. | In progress | Municipal Manager | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | That the proposed lease be advertised in terms of paragraphs 5.13.1 and 5.13.2 of the Policy and Procedures for the Disposal of Immovable Property. | Lease advert has been finalize | Director: Community Services | |
| | **20/07/CS8** | **DECLARATION OF A LOCAL STATE OF DISASTER IN THE KOUGA MUNICIPAL AREA DUE TO THE BREACHING AND IMMINENT FURTHER BREACHING OF THE ST. FRANCIS BAY BEACH SPIT IN TERMS OF SECTION 55(1) OF THE DISASTER MANAGEMENT ACT NO. 57 OF 2002** | That Council, in terms of Section 55(1) of the Disaster Management Act No 57 of 2002, declare a local state of disaster. | Council Resolution: 20/07/CS8- 30 July 2020<br><br>Gazetted - 14 August 2020 | No further Action required | |
| | | | That Administration arrange that the declaration be advertised in the Provincial Gazette | To be advertised on the 14 August 2020 | Administration | |
| | | | That Council release, personnel and funds be allocated for immediate action to mitigate the risks associated with the breach of the St Francis Bay Beach Spit and immediate measures to prevent the imminent further breaching of the St Francis Bay Beach Spit. | Funds will be made available during the Adjustment budget | Director: Community Services | |
| | | | That the Community Services Directorate implement its emergency Action Plan. | | | |
| | | | That application be made to Provincial and National Government for additional funds to assist the Kouga Municipality with the implementation of emergency measures | Funds will be made available during the Adjustment budget | Director: Community Services | |
| | | | That the relevant Directorate arrange an urgent on-site meeting for all Councillors to familiarise themselves with the St Francis Bay Beach Spit disaster area. | In conjunction with the Speaker's office | Director: Community Services | |
| | | | | | | |

# PLANNING & DEVELOPMENT: ACTION SHEET - COUNCIL

| MEETING DATE | ITEM NO | ITEM DESCRIPTION | RESOLUTION | ACTION TAKEN | RESPONSIBLE OFFICIAL | CURRENT STATUS<br>COMPLETED<br>NOT COMPLETE<br>IN PROGRESS<br>ON GOING<br>NO ACTION REQUIRED |
|---|---|---|---|---|---|---|
| **30-May-19** | **19/05/PD6** | **PUBLIC WORKS PROPERTIES TO BE TRANSFERRED TO KOUGA MUNICIPALITTY** | That Council accepts the following erven from Public Works and that they are added to the asset register of Kouga Municipality:<br><br>Farm 448 portion 15 — Uitenhage RD<br>Pellsrus: 677; 678; 733; 751 ; 753; 794;812 826; 854; 862<br><br>Humansdorp: 1 968<br><br>Thornhill: 221 ; 237 333; 334; 342;362;376;751v; 762; 763; 775; 776; 777; 778; 779; 780; 781 ; 782; 783; 784; 785; 788; 789; 790; 791 ; 792; 805; 845; 846; 849; 850; 852; 855; 857; 859; 860; 861 ; 862; 863; 865; 866; 868; 870; 874; 875; 883; 884; 885; 886; 887; 888; 889; 891; 892; 894; 895; 897; 898; 896 | Deed Of Donation Signed<br><br>Signed Documents Will Be Provided To The Dept Public Works<br><br>In progress of being finalised<br><br>State Attorney Dept Public Works Responsible For Transfer of properties<br><br>Signed deed of donation was forwarded to the Dept Public Works | Manager Legal Services | |
| | | | That the Municipal Manager write a covering letter to the Department Public Works requesting the transfer of these properties. | Done | MM | |
| | | | That a Deed of Donation be sent to the Department Public Work for the transfer of these properties | Done | | |
| | | | That Kouga Human Settlement Department proceed with the transfers of these erven to the owners of the properties as soon as registration to Kouga has been completed | In progress. Awaiting Transfer of properties to be completed. | Dir. PDT | |

| | | | | | | |
|---|---|---|---|---|---|---|
| **30-Oct-19** | **19/10/PD3** | **SELLING OF 98 HIGH WATER TABLE HUMAN SETTLEMENT ERVEN – KRUISFONTEIN** | That the sale of these erven be advertised for input from the public. | Advert for public participation and objections was Advertised on 20/02/2020 | Done | |
| | | | That the people currently occupying erven be given first option to buy the erf that they are occupying. | Offers to purchase are being drafted | Manager: Legal Services | |
| | | | That these erven be sold voetstoots with the following recommendations by SRK Consulting included in the Deed of Sale should the owner wish to build a brick house:-<br><br>• Individual erven need to be box cut and compacted to the recommended founding depth and graded towards the stormwater network;<br>• A layer of course river sand and/or gravel (± 100mm in thickness) to be placed at the base of the box cut to act as a preferential flow path for ground water seepage;<br>• A subsoil drain (at the lowest point of the erf) to be installed and connected to the stormwater network to remove excess groundwater seepage from the site; and<br>• The finished floor level of the house should be at least 2 brick courses above the level of the road if the site is level; otherwise two brick courses above the highest ground level on the site.” | The clause will be included in final OTP | Manager: Legal Services | |
| | | | That all proceeds from the sale of the 98 high water table erven be ringfenced for projects namely the upgrading of gravel roads to paved roads | When the sale is complete, this action will be implemented | CFO/ Dir: PDT | |
| | **19/10/PDT5** | **TEMPORARY APPROVAL TO DERMACATE A SECTION OF PORTION 125 OF THE FARM ESTATE KLEIN ZEEKOEI RIVER NO.335 FOR NUTRITIONAL COMMUNITY VEGETABLE GARDEN IN PARTNERSHIP WITH VICTORY 4 ALL KING’S COLLEGE and JEFFERY’S BAY WINDFARM** | That Council grants approval to demarcate a portion of land (1ha) on portion 125 of the Farm Estate Klein Zeekoei River No. 335: Ocean View for the purpose of a Nutritional vegetable garden as per proposal from King’s College. | Developer informed to submit land use application. Agreement will be signed after approval of land use application. The Applicant is in contravention of the MOU signed. Process to revoke the agreement will be undertaken. | Dir: PDT | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | That it be noted that this is not a permanent approval and does not rescind any previous Council Resolutions taken on this land parcel including Council resolutions (**13/07/IPD** and **19/02/PDT**). | Departure process in progress. Applicant met with Technical Services and Planning departments regarding town planning application process. The Applicant has not met the condition. | Dir: PDT | |
| | | | That a Land Use Application be submitted to Town Planning Department for Temporary Departure of a period not exceeding 5 years. | Developer informed to submit land use application. Agreement will be signed after approval of land use application. The Applicant is in contravention of the MOU signed. Process to revoke the agreement will be undertaken. | Dir: PDT | |
| | | | That the Accounting Officer enters into a Memorandum of Understanding / Agreement with the Victory for All Trust (King's College) pertaining the approval granted and applicable conditions, including but not limited to the validity period of the agreement (not exceeding 5 years). | MOU to be concluded after completion and approval of outstanding town planning processes | MM/ Legal Services/ PDT | |
| | **19/10/PDT** | **LAND SWOP OF HANKEY ERVEN 668,680,681&682 OWNED BY W&M KLEYN BOERDERY (PTY)LTD FOR PORTION OF ERF 17, HANKEY OWNED BY THE KOUGA MUNICIPALITY** | That Council approve the land swap between W&M Boerdery (PTY) Ltd and Kouga Municipality:<br><br>Erf 668 Hankey South: 851m² Business 1<br>Erf 680 Hankey South:914 m² Residential 1<br>Erf 681 Hankey South:960 m² Residential 1<br>Erf 682 Hankey South:897 m² Residential 1<br>TOTAL 3622 m²<br><br>FOR<br><br>Portion of Erf 17 Hankey as indicated on the attached map | Matter referred to Legal Services. Awaiting confirmation of s14 by PDT and in process of appointing service provider | Manager: Legal Services | |
| | | | That a Sect 14 process as stipulated in the Municipal Finance Management Act 2005 be adhered to before the transfers are effected | The item to be tabled in Council for s14 confirmation. | DIR:PDT | |
| | | | That the extent of the land to be subdivided for swop from Erf 17 should be equivalent to the combined erven to be transferred to Kouga Municipality i.e. (3622 m² in size). | The extent of land to be subdivided was determined . | GIS | |
| | | | That Kouga Municipality carries the cost of the transfers of the 4 erven to be registered to Kouga Local Municipality. | In progress | DIR:PDT | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | | | | |
| **30-Jan-20** | **20/01/PD1** | **COUNCIL'S FINAL APPROVAL FOR DISPOSAL AND ALIENATION OF MUNICIPAL ERVEN (ERF 2078, 2079, 2081, 2082, 3296 AND 3297 HUMANSDORP) – INDUSTRIAL 1** | That Council approves the disposal and alienation of the following erven: Erf 2078,2079,2081,2082,3296 and 3297 Humansdorp at the selling price of R11 400 000,00(Eleven million four hundred thousand Rand). | The Deed of Sale at the selling price was signed. | Manager: Legal Service | |
| | | | That the amount of R11,4m derived from the sale of land as well as the allocation / spending thereof, be captured and addressed in the Adjustments Budget. | The amount will be paid to Municipality upon transfer of property | CFO | |
| | | | | | | |
| **29-May-20** | **20/05/PD2** | **REPORT ON THE PROGRESS AND STATUS OF THE SOCIAL HOUSING PARTNETSHIP FOR THE DEVELOPMENT OF A SOCIAL AND (FLISP) HOUSING PROJECT ON ERF 335, JEFFERYS BAY** | That Development Contribution or Augmentation fees be waivered for the Social housing project. | The business plan with the resolutions of Council herein has been submitted to the Social Housing Regulatory Agency ( SHRA) . Awaiting outcomes. | Dir: PDT | |
| | | | That the plans scrutiny and approval fees be dealt with on the same basis as BNG/RDP housing projects. | | | |
| | | | While a fair market valuation of R 7,2m has been determined, Council favourably considers making the site available at a nominal price in line with its facilitatory and enabling role as described in the Social Housing Act. That Council determines the Land release price at 30% of the fair market value. | | | |
| | | | That the developer is liable for costs of all connector infrastructure requirements to link the development to the existing municipal services networks. | | | |
| | | | That charges be levied for all appropriate utility charges. | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | **20/05/PD3** | **DONATION AND TRANSFER OF KOUGA MUNICIPAL PROPERTIES FROM KOUGA MUNICIPALITY TO PUBLIC WORKS** | That Council approves to the donation and transfer of the following properties to the Department of Public Works:<br><br>Erf 1325 Kwanomzamo<br>Erf 560 Pellsrus | The final ILUS will effect the change | Dir: PDT | |
| | | | That erf 560 be rezoned in terms of SPLUMA from Residential 1 to Institutional in accordance to existing land use. | The investigation report and s14 confirmation in progress | | |
| | | | That the request for the donation and transfer of Erf 347, Patensie be held in abeyance pending further investigations on future needs for Municipal Services and applicable closure of POS process. | deed of donations were signed and submitted to the Department of Public Works. Awaiting response. | Manager : Legal services | |
| | | | That Council mandates the Municipal Manager to sign the Deeds of Donation for the properties listed in paragraph 2 above | included in the deed of donations | Manager : Legal services | |
| | | | That all related and incidental legal costs incurred in this transaction, including transfer costs be a liability of the Department of Public Works. | | | |
| | **20/05/PDT5** | **APPROVAL FOR THE COMMENCEMENT TO ESTABLISH "AESTHETICS AND HERITAGE BUILDING COMMITTEE" FOR THE ST FRANCIS BAY VILLAGE AND CANALS, SANTAREME, HARBOUR PRECINCT, CAPE ST FRANCIS, OYSTER BAY, SEA VISTA TOWN, ST FRANCIS BAY LIGHT INDUSTRIAL AREA IN THE KOUGA LOCAL MUNICIPALITY AREA** | That the Department: Planning & Development facilitate the process to establish such committee(s), be approved. | In progress, included in departmental action plan for this FY. | Dir: PDT | |
| | | | That Aesthetic Committees be established in all Wards, if required, to maintain uniform architecture design for specific areas be included in the Terms of Reference. | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | **20/05/PD6** | **"GUIDELINES FOR BUILDINGS" APPROVAL FOR THE COMMENCEMENT TO DRAFT AN "AESTHETICs AND HERITAGE BUILDING BY-LAW" FOR THE ST FRANCIS BAY VILLAGE AND CANALS, SANTAREME, HARBOUR PRECINCT, CAPE ST FRANCIS, OYSTER BAY, SEA VISTA TOWN, ST FRANCIS BAY LIGHT INDUSTRIAL AREA IN THE KOUGA LOCAL MUNICIPALITY AREA IN TERMS OF SECTION 13 OF THE MSA,2000:** | That the Department: Planning & Development facilitate the process to promulgate the "By-law", be approved. | In progress, included in departmental action plan for this FY. | Dir: PDT | |
| | | | That the "Aesthetical Building Guidelines", be published for public inputs and workshops be held for further inputs and comments, be approved. | | | |
| | | | | | | |
| | **20/06/PD2** | **APPROVAL OF THE FINAL DRAFT REVISED INTEGRATED LAND USE SCHEME FOR KOUGA MUNICIPALITY FOR PUBLIC PARTICIPATION IN TERMS OF S (24) (1) OF SPLUMA AND KOUGA SPLUMA BY-LAW S (17) (18) AND (20)** | That the Draft Integrated Land Use Scheme for Kouga Municipality be submitted to Council once the public participation process has been completed for final approval. | The Public Participation period has not yet lapsed. | | |
| | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| **26-Jun-20** | **20/06/PD3** | **APPLICATION FOR WAIVING OF PENALTIES IMPOSED ON BUILDING PLAN SUBMISSIONS TO THE DEPARTMENT PLANNING & DEVELOPMENT: UNAUTHORISED BUILDING WORK IN TERMS OF THE NATIONAL BUILDING REGULATIONS AND STANDARDS ACT, ACT 103 OF 1977: EXTENSION OF PERIOD FROM 30 JUNE 2020 to 30 JUNE 2021** | The proposed period for exemption determined by the Council and that this period be publish in the local newspaper to inform all residents of the waiver period for penalties, be approved. | The notice 65/2020 was published | Dir: PDT | |
| | **20/06/PD4** | **DEVELOPMENT PROPOSAL: PRECINCT PLAN FOR ERF 8783: OCEAN VIEW, JEFFREYS BAY** | That the precinct plan and development proposal of erf 8783 Ocean be subject to public participation. | The meeting to be held as soon as restrictions on gatherings is lifted | Dir: PDT | |
| | | | That the registration of erf 8783, Ocean View to Kouga Municipality be continued and concluded. | Service provider in process of being appointed to attend to the registration. | Manager: Legal Services | |
| | | | That a land surveyor be appointed to finalize the subdivision of erf 8783 on final approval of the precinct plan. | Awaiting the public participation process to be concluded. | Dir: PDT | |

# LOCAL ECONOMIC DEVELOPMENT & TOURISM: ACTION SHEET - COUNCIL

| MEETING DATE | ITEM NO | ITEM DESCRIPTION | RESOLUTION | ACTION TAKEN | RESPONSIBLE OFFICIAL | CURRENT STATUS<br>COMPLETED<br>NOT COMPLETE<br>IN PROGRESS<br>ON GOING<br>NO ACTION REQUIRED |
|---|---|---|---|---|---|---|
| 30-Jun-20 | 20/06/LED&T2 | FINAL DRAFT OF THE KOUGA LOCAL ECONOMIC DEVELOPMENT STRATEGY FOR COUNCIL ADOPTION | That the action plan together with timelines be tabled at the next Portfolio Committee Meeting. | The action plan with timeframes was submitted to Portfolio Committee | Dir: PDT | |

**KOUGA MUNICIPALITY (EC 108)**

**ORDINARY COUNCIL MEETING**

**OFFICE OF THE MUNICIPAL MANAGER**

**DATE: 28 AUGUST 2020** **ITEM NO.: 20/08/MM2**

**PROCESS PLAN FOR THE IDP REVIEW, BUDGET AND PMS FOR THE YEAR 2021/22**

1. Introduction

The purpose of this report is to table the 2021/22 process plan for the IDP review, Budget and PMS for the 2021/22 financial year.

See attached Process Plan ***

The process plan briefly outlines the activities in the processes which the municipality will undertake in drafting its 2021/22 IDP, Budget and SDBIP. It furthermore substantiates the need for increased citizen involvement through municipal driven structures such as ward committees, and representative forums.

2. Legislative requirements

2.1 **Integrated Development Plan (IDP)**

***Section 28 of the Municipal Systems Act, no 32 of 2000 prescribes that:***

(1) Each municipal council, within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated development plan.
(2) The municipality must through appropriate mechanisms, processes and procedures established in terms of Chapter 4, consult the local community before adopting the process.
*(3)* A municipality m*ust give notice to the local community to particulars of the process it intends to follow.*

***Section 29(1) of the Municipal Systems Act, no 32 of 2000 prescribes that:***
***The process must:***

(a) be in accordance with a predetermined programme specifying timeframes for the different steps;
(b) through appropriate mechanisms, processes and procedures established in terms of Chapter 4, allow for –
  (i) the local community to be consulted on its development needs and priorities;
  (ii) the local community to participate in the drafting of the integrated development plan; and
  (iii) organs of the state, including traditional authorities, and other role players to be identified and consulted on the drafting of the integrated development plan;

(c) provide for the identification of all plans and planning requirements binding on the municipality in terms of national and provincial legislation; and
(d) be consistent with any other matters that may be prescribed by regulation.

## 2.2 Annual Budget

The annual budget and the IDP are inextricably linked to one another, something that has been formalised through the promulgation of the Municipal Finance Management Act No 56 of 2003. Chapter 4, Section 21(1) of the Municipal Finance Management Act (MFMA) indicates that:

*The Mayor of a municipality must:*

*(b) at least 19 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for:*

*(i) the preparation, tabling and approval of the annual budget;*
*(ii) the annual review of:*

*aa) the integrated development plan in terms of section 34 of the Municipal Structures Act; and*
*bb) the budget related policies.*

*(iii) the tabling and adoption of any amendments to the integrated development plan and the budget-related policies; and*
*(iv) the consultative processes forming part of the processes referred to in subparagraphs (i), (ii) and (iii).*

## 2.3 Service Delivery and Budget Implementation Plan (SDBIP)

The Service Delivery and Budget Implementation Plan (SDBIP) is an implementation plan of the approved Integrated Development Plan (IDP) and Medium-Term Revenue and Expenditure Framework. Therefore, only projects that are budgeted for are implemented. The SDBIP serves to address the development objectives as derived from the approved IDP.

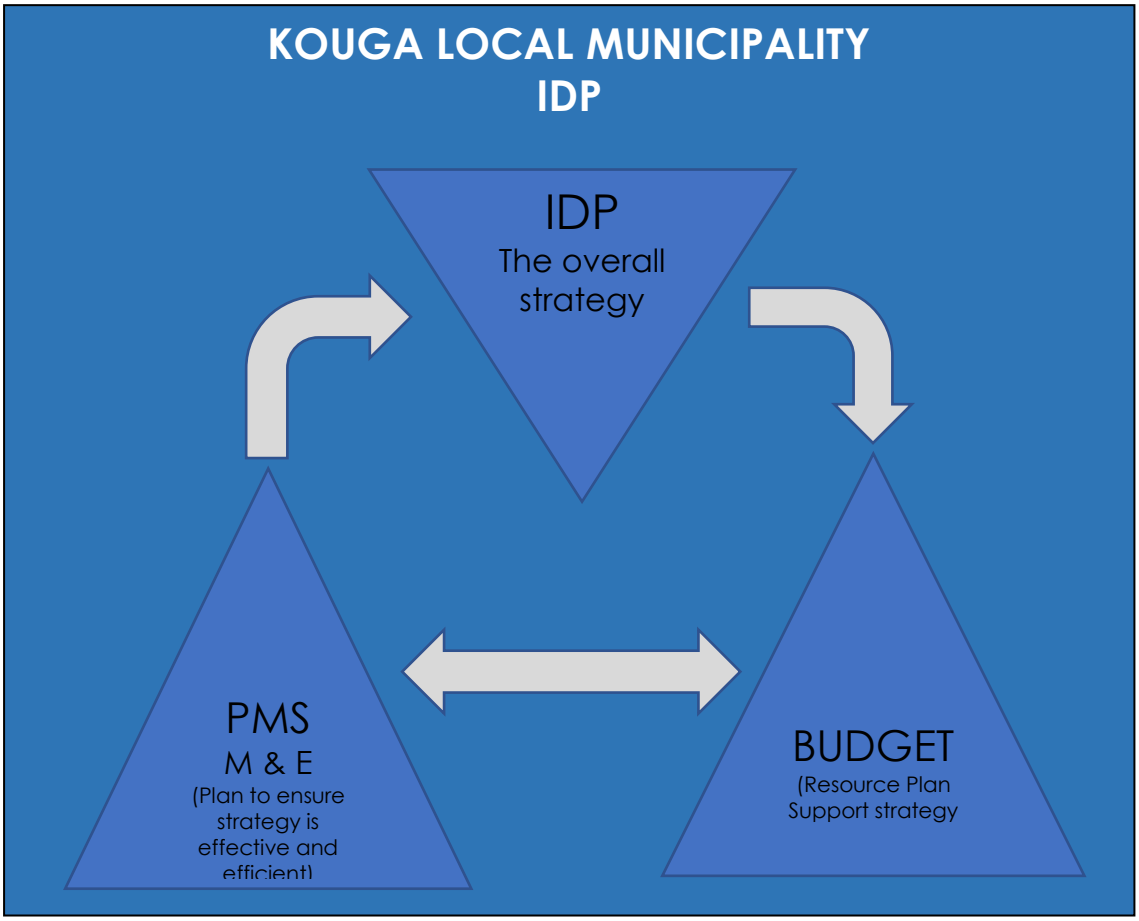
*Section 1 of the MFMA defines the SDBIP as:*

*(a) detailed plan approved by the mayor of a municipality in terms of section 53(1)(c)(ii) for implementing the municipality's delivery of services and the execution of its annual budget and which must include (as part of the top-layer) the following:*
*(i) revenue to be collected, by source; and*
*(ii) operational and capital expenditure, by vote.*

*(b) Service delivery targets and performance indicators for each quarter.*

3. Alignment of the IDP, Budget and SDBIP

The IDP review process is mainly geared towards identifying early-warning signs for corrective action whenever it is required. The performance indicators are flowing from the IDP and constitute the heart of the Performance Management System. The IDP Process Plan 2019/2020 aligns the IDP, Budget Process and Performance Management in order to adhere to the legislative requirements. The linkages of the three processes are summarised in the following diagram:




4. **Horizontal and Vertical alignment**

4.1 **District Alignment**

Sarah Baartman District Municipality has established a District IDP Engagement Forum which are also attended by the Department of Co-operative Governance, Human Settlements and Traditional Affairs and the Office of the Premier to provide strategic direction in terms of IDP's. The IDP preparation process utilizes this forum to ensure vertical and horizontal alignment.

4.2 **Alignment with Sector Departments**

Alignment with sector departments is essential in order to ensure that the priorities of Kouga Municipality can be reflected in their prioritization process, as well as their projects can be reflected in the IDP document.

5. Comment

The Process Plan directs the activities of the IDP, Budget and PMS processes in order for monitor and evaluate the progress the municipality is making in its mandated service delivery goals. It is therefore suggested that the attached process plan be considered for the Review period of year 2021/22 . This will also be the final review of the 5-year plan (2017-2022) adopted in year 2017-2018 financial year.

6. Recommendation

6.1 That the Process Plan for the year 2021-2022 which incorporates the activities of the IDP, Budget and PMS be approved in accordance with Section 29(1) of the Municipal Systems Act, No 32 of 2000.

6.2 That the Process Plan be published on the municipal website and municipal notice within 10 days after adoption by the Council.

6.3 That the Process Plan be submitted to EC-Cogta and Provincial Treasury within 10 after adoption by the Council.

**Item prepared by : The Manager: IDP** Colleen Dreyer

**Approved by : The Municipal Manager**

KOUGA
local municipality
Good Governance through Service Excellence

# IDP /BUDGET /PMS PROCESS PLAN FOR 2021/2022

# FINAL REVIEW OF THE 5 YEAR PLAN 2017/2022

**Approved 28 August 2020**

**Council Resolution 20/08/MM2**

# 1. INTEGRATED STRATEGIC TIME SCHEDULE IN TERMS OF THE PROCESS FOR REVIEWING THE IDP AND BUDGET FOR THE 2021/2022 FINANCIAL YEAR

## PHASE 0
## PREPARATION PHASE /PRE- PLANNING

| ACTION | PURPOSE | RESPONSIBILITY | PROPOSED DATE | ACTUAL DATE | EVIDENCE |
|---|---|---|---|---|---|
| **Sarah Baartman District Municipality Framework IDP Co-ordinator meeting** | Workshop CDMF with all LM – alignment | Sarah Baartman District Municipality and IDP Coordinators | 31 July 2020 | | Draft District framework |
| **Lock budget** | Uploading of adopted budget for 2018/19 and issue certificate of captured data. | CFO | 15 July 2020 | | Issued Certificate |
| **Upload SDBIP 2019/20 on website and publicise** | Notify the public of set targets and performance indicators | PMS Manager | Not later than 5 August 2020 | | Website access |
| **4th Quarter Performance Report and finalize Annual Performance Evaluation** | Evaluate performance according to the Performance Agreements | MM and Mayor | 31 July 2020 | | Evaluated Reports |
| **Q4 review by Internal Audit Unit** | Prepare of Annual Performance Report for MPAC | MM, PMS Manager and Internal Audit Unit | 31 July 2020 | | Reviewed Reports |
| **Review of performance by MPAC and adoption by Council** | Moderate Performance Evaluation Reports in preparation for Council's consideration for adoption | MPAC and Council | End August 2020 | | Moderated Reports adopted by Council |
| **Finalise Performance Agreements (2019/20) of Municipal Manager and Managers reporting to the Municipal Manager and Submit to MEC and publicise within 14 days** | Legal Requirement | Municipal Manager | 31 July 2020 | | Formal Letter and website access |
| **Review Process Plan and develop IDP and Budget time schedule for 2020/21 (MFMA S35(1).** | Alignment with Draft Sarah Baartman DM Framework. | (Legal requirement) Sarah Baartman DM and Local Municipality. | 19 July 2020 | | Aligned Draft IDP and Budget time schedule / Process Plan with Sarah Baartman DM Draft Framework. |

| | | | | | |
|---|---|---|---|---|---|
| **Table IDP and Budget time schedule / Process Plan and District Framework Plan to Council for adoption** | Council adoption - Legal Compliance | Municipal Manager, Mayor, Council, IDP official and CFO | Before end of August 2020 | 28 August 2020 | Council Resolution. |
| **Upload the IDP and Budget time schedule / Process Plan on the municipal website, place on notice boards and advertise in a local newspaper** | To notify stakeholders of key dates and encourage participation in these processes. | Municipal Manager and IDP Official | within 10 days of adoption (specify own specific date) | | Advertisement |
| **Submit adopted Process Plans and Council Resolution to EC-COGTA.** | Enable EC-COGTA to monitor implementation of process plan as legislated (S31 of MSA) and compile Provinces planning calendar | MM and IDP Manager | Within 10 days of adoption | | E-mail or formal letter |
| **Submit Performance Agreements (2019/20) of Municipal Manager and Managers reporting to the Municipal Manager and Submit to MEC and publicise within 14 days after approval by Council** | **S53 MFA 14-days after adoption.** | Municipal Manager | 30 August 2020 | | Check legal requirement |
| **PHASE 1 - ANALYSIS PHASE** | | | | | |
| **Ward based planning** | Conduct ward-based planning with all 15 ward committees | IDP Manager, ward councillors and ward committee members | 2nd week of October 2020 | | Kouga Municipality |
| **Conduct situation analysis and update the status quo (Strategic Planning Session)** | SWOT Analysis on the internal and external environment; determine existing level of development and backlogs. Consider changes in the current environment: Gap analysis of the IDP Assessment 2019/20 and 2018/19 Annual Performance Reports and develop corrective action plans | IDP Manager (Administration and Council) | Before conducting community engagements (September /October2020) | | Corrective action plans |
| **In collaboration with Council, develop & publicise Community Based Planning Programme** | Make community aware of CBP sessions. Secure venues and arrange logistics for scheduled meetings. | Office of the Mayor, Municipal Manager, IDP Officer and CFO | October 2020 | | CBP Programme |
| **Undertake ward-wide public participation meetings** | Present IDP Process Plan / Time Schedule; Present 2019/20 ward priorities; report back on project progress; cost implications and challenges. Obtain new needs to be prioritised for 2020/21. | Municipal Manager, Directors, IDP Officer, Mayor and Council | October/November 2020 | | Attendance Registers, presentations and minutes and new priorities. |

| | | | | | |
|---|---|---|---|---|---|
| **Submission of 2018/19 Annual Financial Statements to Office of the Auditor-General** | Legal Compliance to obtain Audit Opinion | Municipal Manager and CFO | End of August 2020 | | Letter of Acknowledgement by Office of the AG. |
| **Submit draft 2018/19 annual performance report to the Auditor-General** | Legal compliance | Municipal Manager and PMS Manager | End of August 2020 | | Letter of Acknowledgement by Office of the AG. |
| **Submit draft 2018/19 annual performance report** | Legal Compliance to obtain Audit Opinion | Municipal Manager and CFO | End of August 2020 | | Letter of Acknowledgement by Office of the AG |
| **Attend District IDP Rep Forum Meetings** | Legal Compliance. | Municipal Manager, CFO, Sec 56 Managers | 10 September 2020 | | Attendance Register |
| **Attend District IDP Consultation Committee meeting** | Alignment and information sharing. | IDP Co-ordinators and Mayors | 23 October 2020 | | Attendance Register |
| **Organogram review** | Legal Compliance to Enable the IDP implementation | Municipal Manager, Directors and Council | October 2020 to January 2021 | | Attendance Register and organogram status |
| **Q1 Performance Reporting** | Evaluation Sec 56 managers, lower levels if applicable and institution PMS - Legal compliance | Municipal Manager and PMS Manager | 15 October 2020 | | Evaluation Reports |
| **Q1 review by Internal Audit** | Preparation of Annual Performance Report for MPAC | MM and PMS Officer and Internal Audit Unit | October 2020 | | PMS Manager |
| **Review of performance by MPAC and adoption by Council** | Moderate Performance Evaluation Reports in preparation for Council | MPAC and Council | Before end of November 2020 | | Moderated Reports adopted by Council |
| **Submit first quarter returns 30 days after the end of the quarter** | MFMA compliance | MM, CFO | Before the end of October 2020 | | Acknowledgement of receipt from National and Provincial Treasury |
| **Convene 1st IDP and Budget Steering Committee Meeting** | Report on community-based planning, proposed amendments to organogram. Present consolidated directorate projects and budget needs | Municipal Manager, Council and CFO and directors | March 2021 | | Attendance register and organogram status |
| **PHASE 2 - STRATEGIES** | | | | | |
| **Draft 3-year Budget forecast on human resources costs** | To ensure that the budget cost on human resource stays within the prescribed percentage | CFO and AME Director | October 2020 | | 3-year budget forecast report |

| | | | | | |
|---|---|---|---|---|---|
| **Submit proposed DRAFT 2019/20 Operating and Capital Budget requirements by directorates to the CFO** | Preparation of the proposed adjustment budget and indicative 2019/20 forecast. | Municipal Manager, CFO and Section 56 Managers (Directors) | Last week of October 2020 | | Directorate draft budget requirements. |
| **Review Budget related policies** | Legal Compliance -review, update and check relevance | CFO | January 2021 | | Council Resolution |
| **Submit Sector plans and KPA inputs on IDP, Directorates to submit Departmental SDBIP to PMS Manager** | To inform the review and updating of the IDP and Institutional SDBIP | Municipal Manager, CFO and Directors | By end of October 2020 | | KPA input and SDBIP per directorate |
| **Mid-year engagements with Provincial Treasury and Cogta** | To monitor the budget process and ensure that timeframes and compliance issues are met | Municipal Manager, CFO and Directors | 18 February 2021 | | Attendance registers and presentations |
| **PHASE 3 – PROJECTS** | | | | | |
| **Attend District IDP Consultation Committee meeting** | Alignment and information sharing. | IDP Co-ordinators and Mayors | 12 March 2020 | | Attendance Register |
| **Convene 1st IDP Representative Forum Meeting** | Present adopted Process Plan. IDP Review and Assessment. Progress on planned projects. | Council, Municipal Manager, CFO, directors, public representatives and sector departments | March 2021 | | Attendance register, presentation and minutes |
| **Convene the 2nd IDP and Budget Steering Committee meeting.** | Report on refined objectives and strategies, planned strategic interventions and proposed amendments to the organogram in response to overcome challenges. Present consolidated proposed directorate projects and budget needs. | Municipal Manager and CFO and directors | May 2021 | | Reports, presentations, minutes and attendance register |
| **Meeting with COGTA-EC** | To monitor the implementation of planning phases identified in the Time Schedule /Process Plan as per sect 31 of MSA | EC-COGTA & IDP Officer | 1st week in December 2020 | | Minutes and attendance register |
| **Prepare and submit audit action plan.** | To address the shortfalls identified by the AG. | Municipal Manager and CFO | End December 2020 | | Copy of the Audit Action Plan. |

| PHASE 4 – INTEGRATION PHASE | | | | | |
|---|---|---|---|---|---|
| **Table the 2019/20 Adjustment budget** | Legal compliance, if necessary to adjust existing budget | Municipal Manager and CFO | 28 February 2021 | | |
| **Finalise the annual review of tariffs, fees and charges** | To determine increase to be undertaken to cover service delivery | Municipal Manager, CFO and directors | 28 February 2021 | | Amended tariff list |
| **Submission of the Sec 72 Performance Report** | Legal Compliance | MM, CFO and Mayor | 25 January 2021 | | Reports |
| **Q2 Performance Reporting.** | Evaluation Sec 56 managers, lower levels if applicable and institution PMS - Legal compliance | MM and PMS Officer | January 2021 | | Evaluation Reports |
| **Q2 review by Internal Audit** | Preparation of Annual Performance Report for MPAC | MM, PMS Manager and Internal Audit Unit | End of January 2021 | | Reviewed Reports |
| **Review of performance by MPAC and adoption by Council** | Moderate Performance Evaluation Reports in preparation for Council | MPAC and Council | End of February 2021 | | Moderated Reports adopted by Council |
| **IGR Session to facilitate alignment** | Align provincial and national programmes with IDP | Municipal Manager | By end of February 2021 | | Attendance Register |
| **Confirm National and Provincial Government allocations to the Municipality for incorporation into the Draft Budget for tabling** | To incorporate grant funding from National and Provincial Government into the Draft Budget. | CFO | Publication of DORA toward mid-to-end February 2021 Specify your own date | | Allocation circular |
| | | | | | |
| **Attend the 2nd District IDP Representatives Forum meeting – alignment** | Present the Final Draft IDP, Draft Budget and Draft SDBIP. Sector Dept. report on project implementation for 2018/19 and confirm project and budget allocations for 2019/20. (Finalise external project alignment) | Municipal Manager, Mayor, CFO and IDP Official | 8 April 2021 | | Presentations, minutes and attendance register |
| **Convene the 3rd IDP and Budget Steering Committee – alignment** | Finalise internal alignment and project register. Ensure budget alignment between the Draft IDP and Draft SDBIP with agreed upon targets and performance indicators per project. | Municipal Manager, IDP Manager, CFO and directors | May 2021 | | Reports, presentations, minutes and attendance register |
| **Convene the 1st IDP Representatives Forum meeting to present 1st Draft IDP for consideration** | Present the **FINAL IDP**. Report on public engagement and outcome of the 21-days public inspection and invite any | Municipal Manager, Mayor and IDP Official | March 2021 | | Presentations, minutes and attendance register |

| | | | | | |
|---|---|---|---|---|---|
| | last changes or additions to sector project register. | | | | |
| **In collaboration with Council develop and publicise the Draft IDP and Budget 2020/21 Community Engagement Programme** | Make citizens aware of outreaches, prior to the adoption of the Draft IDP and Budget. Secure venues and arrange logistics for scheduled meetings. | Office of the Mayor, Municipal Manager, IDP Officer and CFO | March/April 2021 | | Public notices. |
| **Budget and Benchmark engagements with Provincial Treasury and Cogta** | To monitor the budget process and ensure that timeframes and compliance issues are met. | Municipal Manager, CFO and Directors | 29 April 2021 | | Attendance registers and presentations |
| **Table 2020/21 Draft IDP and Capital and Operating Budgets, ward-based budgets and draft tariffs, fees and charges** | Council to consider and adopt the final Draft IDP and Budget. | Municipal Manager and CFO | Not later than end March 2019 | | Adopted Final Draft IDP and Budget resolution. |
| **Submit adopted draft IDP to the MEC for local government** | Pre- assessment interaction. | MM and IDP Officer | Within 10 days of adoption | | Letter of acknowledge-mint/email |
| **Upload the Council Approved Draft IDP and Budget (2020/21) on the municipal website and place a notice in local newspapers for public inspection (21days)** | Legal Requirement to allow public to raise objections / comments on the adopted Draft IDP and Budget. | Municipal Manager; CFO and IDP Officer | Within 10 days of adoption | | Advertisement and website |
| **Forward 2019/20 Draft Capital and Operating Budgets and Draft IDP to National Treasury and Provincial Treasury and any prescribed national or provincial organs of state and other municipalities affected by the budget** | Legal compliance as a control measure between Treasury and the LM. | Municipal Manager and CFO | Within 10 days of adoption | | E-mail and Tracking |
| **Q3 Performance Reporting.** | Evaluation Sec 56 managers, lower levels if applicable and institution PMS - Legal compliance | MM and PMS Officer | End of April 2021 | | Evaluation Reports |
| **Q3 review by Internal Audit** | Preparation of Annual Performance Report for MPAC | MM, PMS Manager and Internal Audit Unit | End April 2021 | | Reviewed Reports |
| **Review of performance by MPAC** | Moderate Performance Evaluation Reports | MPAC and MM | End April 2021 | | Moderated Reports adopted by Council |
| **IDP Pre- assessment interaction.** | Monitor state of readiness to adopt Final IDP and Budget. | COGTA and LM | during April 2021 | | Minutes |

| | | | | | |
|---|---|---|---|---|---|
| **Undertake ward-wide public participation meetings** | Allow opportunity for community to be part of municipal planning and be informed of the impact of IDP within their ward. | Office of the Mayor, Ward Councillors, Municipal Manager, CFO and Directors | April/May 2021 | | Attendance Registers presentations and minutes. |
| **Consolidate all public participation inputs and comments in respect of 2020/21 Draft IDP and Budget** | Table to Mayor for consideration before the adoption of the Final 2019/20 IDP and Budget. | Municipal Manager and CFO | Last week in April 2021 | | Consolidated ward comments |
| **Convene the 2nd IDP Representatives Forum meeting to present Final Draft IDP for consideration** | Present the **FINAL IDP**. Report on public engagement and outcome of the 21-days public inspection and invite any last changes or additions to sector project register. | Municipal Manager, Mayor and IDP Official | May 2021 | | Presentations, minutes and attendance register |
| **Attend District IDP Representative Forum** | Legal Compliance. | Municipal Manager, CFO, Sec 56 Managers | 19 May 2021 | | Attendance Register |
| **Convene 4th IDP and Budget Steering Committee - consider comments and finalise** | Interrogate community comments and finalise SDBIP/IDP alignment and any necessary amendments to the IDP and budget. | Municipal Manager and IDP Official and CFO | May 2021 | | Reports, presentations, minutes and attendance register |
| **Adopt the Final 2020/21 IDP and MTEF Budget.** | Legal compliance. Council to consider and approve. | Municipal Manager, CFO and Council | Before end May 2021 Align to Council Calendar | | Adopted IDP and council resolution |
| **Upload adopted Final 2020/21 IDP and MTEF Budget on the municipal website** | Legal compliance and access to strategic documents. | Municipal Manager and CFO | 10 days after adoption | | Website access. |
| **Submit approved IDP and Budget to the MEC for local government** | Legal compliance | Municipal Manager | Within ten days of adoption | | Formal letter |
| **Final IDP Provincial Assessment 2020/21** | MEC comments | DM, LM, KPA leaders, COGTA, Sector Departments | July/August 20/21 | | Signed MEC comments and individual assessment reports |

# OFFICIAL SIGN-OFF

It is hereby certified that this IDP Process Plan for 2021/22review:

- ✓ Was developed by the IDP Manager under the guidance of the Municipal Manager.
- ✓ Was prepared in line with the current strategic plan of the municipality which took into consideration all the relevant legislation, policies and other mandates especially from the public through public participation processes.

_____

**Ms Colleen Dreyer**
**IDP Manager**
**Date: 28 August 2020**

_____

**Mr C Du Plessis**
**Municipal Manager**
**Date: 28 August 2020**

_____

**Councillor H Hendricks**
**Executive Mayor**
**Date: 28 August 2020**

**KOUGA MUNICIPALITY (EC 108)**

**ORDINARY COUNCIL MEETING**

**OFFICE OF THE MUNICIPAL MANAGER**

**DATE: 28 AUGUST 2020** **ITEM NO: 28/08/MM3**

**DRAFT INSTITUTIONAL RISK REGISTER**

1. Introduction

The purpose of this item is to request Council to note the draft Institutional risk register of KLM.

2. Background

Organizations use risk management to "predict the unpredictable."

To navigate the risks (and opportunities) associated with the pandemic, it is critical to first identify what those risks are. Indeed, the exceptional circumstances surrounding COVID-19 may have brought to light risks we had not yet considered – or may have imbued previously identified risks with a new sense of urgency.

Whatever the case may be, before moving in any one direction, we need to document the risks KLM may face over the next month, three months, six months, nine months and year.

**Action Required:**

- That Council note the contents of the draft risk register.

3. Applicable legislation

Section 62(1) c of the Municipal Finance Management Act (MFMA) states "that the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems :

- of financial and risk management and internal control."

This would be achieved by compiling a risk register for the institution.

4. Financial Implications

There will be no financial implication for Council.

5. Recommendation

5.1 That Council note the contents of the draft risk register.

**Item prepared by** : **Manager Risk and Internal Audit**

**Item approved by** : **Municipal Manager**

# Kouga Local Municipality

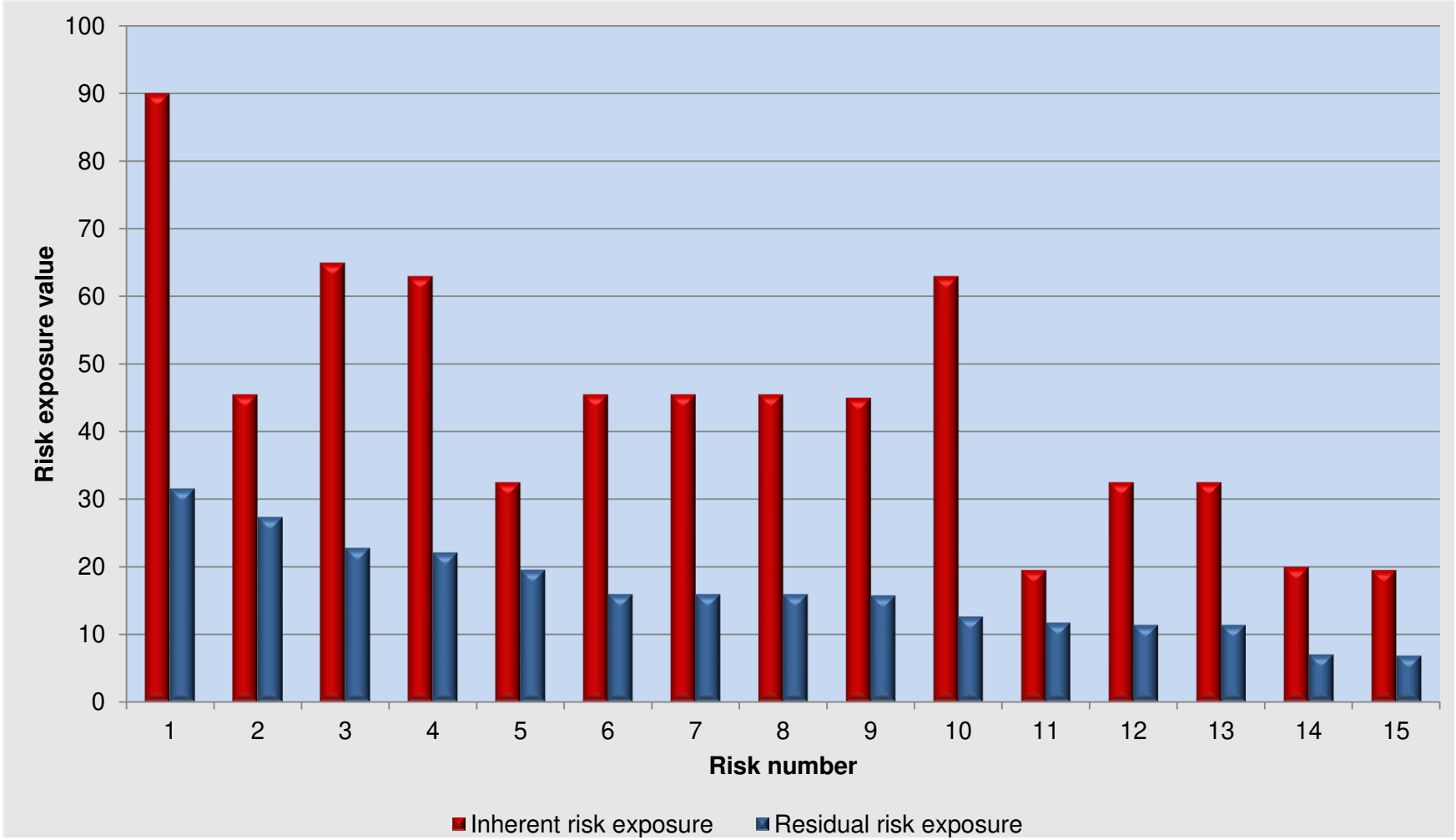
# Table of contents

**Strategic risk register 2020/21**
**Date : August 2020**


| | |
|---|---|
| Section 1 | Risk graph |
| Section 2 | 0 |
| Section 3 | Assessment tables |

# Kouga Local Municipality

# Risk graph



| | Risk name | Root causes to the risk | Impact | Likelihood | Inherent risk exposure | Current business processes / controls in place to manage identified risks | Managements perceived control effectiveness | Residual risk exposure | Mitigating action plans to further address the residual risk exposure | Action owner |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Impact of COVID -19 on KLM | 1. COVID 19 pandemic occurring<br>2. Unplanned expenditure due to COVID<br>3. Loss of revenue due to residents being unable to pay ( KLM having to give payment holidays, reduce property rates, unable to charge interest on overdue accounts)<br>4. Budgets need to be readjusted/realigned for COVID 19 Priorities | Catastrophic | Almost certain | Extreme | 1. Conducting Covid 19 HIRA for all depts<br>2. Developed Workplans for all depts<br>3. Developed COVID19 Policy, Rates rebates passed by Council<br>4. Conducted medical Screening for all essential services employees and all employees returning to work<br>4. Approved realigned budget by Council<br>5. Administered Flu Vaccine for all essential services Employees<br>6. Conducted training on Workplans<br>7. Conducted return to work inductions<br>8. Provided the required PPE<br>9. Installed foot mechanism sanitizer stations at all building<br>10. Introduction registers at all building entrances<br>11. Conduct Infra-red temperature screening<br>12. Managed expenditure programme<br>13. Strict Revenue control<br>14. Budget process | Satisfactory | Priority 1 | 1. COVID task team set up by Top Management<br>2. Strict Internal controls to manage expenditure<br>3. Consultant appointed to conduct HIFA and Workplans<br>3. Enforcement of credit control policies<br>4. Monthly monitoring of budget by relevant personnel<br>4.OHS performing on-going assessment of situation on the ground and dealing with non-compliance<br>5. Commissioned a Training Video on Covid19 | Municipal Manager : ( C Du Plessis) and Directors |
| 2 | Lack of bulk infrastructure (Elec, water, sewerage,<br><br>Note :" Lack of" refers to land and illegal informal settlements that cannot be serviced by bulk due to, amongst other, location which makes it impossible to be connected to existing services roads, Stormwater, waste) | 1. Inability to plan for informal developments occurring in Kouga (linked with no.4)<br>2. Lack of ability to provide strategic planning by Infrastructure Department for haphazard informal settlement formations(linked with no.4)<br>3. Lack of availability of land (cemeteries)- move to PDT<br>4. Lack of some bulk infrastructure master plan (Elec, water, sewerage, roads, Stormwater)<br>5. Lack of funding and management of augmentation (not utilized for upgrading of infrastructure)<br>6. Lack of integration in planning and development (housing and infrastructure) | Critical | Likely | High | 1.Spatial Development Plans<br>2.IDP<br>3.Spatial Development Plans<br>4.Storm water and partial sewer Plan. DEA provided blanket approval for water projects<br>5.MTREF; SLA's (between Kouga & Developer); Augmentation policy.<br>6. Human settlement and town planning has merged - to improve the related controls. | Weak | Priority 1 | 1-2. Strategic Planning Process to run concurrently with budget & IDP process to take into account growth of Kouga<br>3. Tender process for EIA to be continually put out on future identified projects .<br>4. Develop new and updated business plan to source external funding<br>5. Ring fencing of augmentation fees; Costing of bulk services contributions by applicant prior to approval by Council; Appointment of custodian of SLA's (between developer & Kouga)<br>6. N/a | Director: Infrastructure ( V Felton) |
| 3 | Inadequate ICT Infrastructure, security and communication and impact of COVID on the institution | 1. Inadequate interface of various systems (stand alone relationship) Software issues , running in silos<br>2. Insufficient data storage space<br>3. Lack of IT policy implementation<br>**COVID 19 risks on IT**<br>4. Strains on network due to working from home<br>5. Increased risk of data leaks, lack of control of confidential information<br>6. Possible increase in fraud and phishing attacks | Catastrophic | Likely | Extreme | 1. ICT steering committee<br>2. Regularly check storage environment and discard old non essential/replicated info<br>3.IT Policies<br>4. Network integrity checks<br>5. Document management policy/IT policies<br>6. IT newsflashes | Satisfactory | Priority 2 | 1. Obtain fully integrated software platform.<br>2. No further actions<br>3. Policy to be implemented once approved<br>4-6. Regular monitoring of network | 1. CFO (R Lorgat) and Acting Manager : IT (A. Makomo) |
| 4 | Inability to contain the spread of Covid-19 in KLM | 1. Lack of sufficient testing kits within KLM<br>2. Lack of quarantine facilities within KLM<br>3. Lack of PPE<br>4. Lack of water for all residents within KLM for sanitation<br>5. Non-adherence to lockdown regulations / alerts level by residents and municipal staff within KLM | Critical | Almost certain | Extreme | 1 and 2. National Dept of Health & Public Works<br>3. PPE procured by relevant departments<br>4. Water tankers made available<br>5. SAPS & By-Law Enforcement | Satisfactory | Priority 2 | 1.-4. Ongoing engagement between National Dept of Health and Comm Services Directorate<br>5. The local Command Centre between KLM & SAPS was established. The Command Centre feeds the JOC. Regular loud hailing informing residents on the regulations as well as regular patrols within KLM boundaries. Roadblocks have been conducted. | Municipal Manager : ( C Du Plessis) and Directors |
| 5 | Containment of Non Revenue and actual Water and electricity losses | 1.Linking of meters with Erven not completed<br>2.Illegal connections<br>3.Tampering<br>4.Incorrect classification as qualifying for lower electricity<br>5. Incorrect billing data and information | Serious | Likely | Moderate | 1. Internal checks conducted by Municipality<br>2. Illegal connections bylaw enforced by SAPS and KLM law enforcement<br>3. A campaign has been run to identify meter tampering (internally - electrical)<br>4. Full meter audit done by Infrastructure<br>4. Appointed Resolve EIS to conduct meter audit, Pressure Management in place<br>5. Data Cleansing | Weak | Priority 2 | 1-5. Electrical - Appoint a service provider to identify tampering and investigate illegal connections.<br>Develop an action plan to contain electricity losses and identify illegal connections using load factor investigation which can be used to flag potential tamperers.<br>Water - Pressure Management in High Zones ( Ongoing) | Director: Infrastructure ( V Felton) and Finance (R Lorgat) |
| 6 | Ageing bulk and internal Infrastructure - Ageing refers to landfill sites | 1. Poor refurbishment and replacement of existing assets (landfill sites, water, pump stations sewage, storm water, electricity, Internal networks - water pipes)<br>2. Limited funding (linked to excessive staff costs / consultant costs for Infrastructure)<br>3. Lack of consolidated infrastructure master plan in place<br>4. Limited provision for future capital infrastructure<br>5. Cost vs benefit is not considered in replacement | Critical | Likely | High | 1. Maintenance Plans / Asset Policy (electricity, water & sanitation) - Rural Roads Asset Management System (RAMS) completed by DoT<br>2. Gazetted consultant costs<br>3. Master plan for Stormwater and limited for sewerage (Humansdorp Only)<br>4. Grant funding from NT<br>5. Asset and Fleet management policy (draft) | Satisfactory | Priority 3 | 1.Annual condition assessment to be completed with assistance of Assets Department and Infrastructure ( 1 July 2019)<br>2.Develop business plan to source external funding ( Ongoing)<br>3.Develop Master Plan for Jbay St Francis , Hankey, Loerie and Patensie(everything besides Storm water and Humansdorp)<br>4. Addressed by Master Plan ( Ongoing)<br>5. General: Perform interdepartmental planning to enhance revenue potential. Develop asset replacement policy. Upgrade more timeously in a scheduled way rather than responding as each matter arises (link with master plan).<br>5. Finalise Draft Asset and Fleet Management Policy | Director: Infrastructure ( V. Felton); Director : Community Services ( N. Machelesi)<br>and CFO ( R. Lorgat) |
| 7 | Water Security and Load Shedding | 1. Drought<br>2. Increase in demand for water<br>3. Increase in population<br>4. Limited allocations from Water supply sources<br>5. Eskom loadshedding during winter | Critical | Likely | High | 1 -3 . Drought Funding<br>Ground water exploration Implementing water conservation and demand management ( Fix leaks, metered) Boreholes being drilled<br>4. Augment with ground water<br>5. Generators on certain infrastructure | Satisfactory | Priority 3 | 1. Continuous fund stream for water conservation and demand management<br>2 Design to include generators for major Infrastructure<br>3. Awareness campaigns for the public to reduce consumption | Director Infrastructure (V. Felton) |

| | Risk name | Root causes to the risk | Impact | Likelihood | Inherent risk exposure | Current business processes / controls in place to manage identified risks | Managements perceived control effectiveness | Residual risk exposure | Mitigating action plans to further address the residual risk exposure | Action owner |
|---|---|---|---|---|---|---|---|---|---|---|
| 8 | Inadequate disaster management | 1. Job insufficient<br>2. Lack of staffing to carry out services<br>3. Lack of attendance of disaster advisory forum Committees ( sector and state department entities)<br>4. Ageing infrastructure which is unable to cope / withstand disasters - (Stormwater drains not cleaned, water retic ageing) | Critical | Likely | High | 1. Link App /in process of establishing JOC in Hdorp<br>1. DM is Institutionalised, Most LM's have DM officers.<br>1. DM Legislation and By-laws in respect of Disaster management<br>1. Signed SLA's with CDM<br>1. Disaster Management Plan for District<br>1. Disaster Management risk assessment is required per DM Plan for District<br>2. Trained volunteers (20), training of 15 at Links<br>2. Training interventions for community members<br>8. Toll free number for assistance<br>3. DM meetings, forums held between CDM and LM's<br>4. Ongoing maintenance (e.g. cleaning of storm water drains) | Satisfactory | Priority 3 | 1. Emphasize importance of Incident Committee training ( HR to facilitate and to identify individuals ( Director, Managers and Sups) and establish proper JOC<br>2. Lobby for funding by Director ; CS and Dir Corporate for new fin year<br>3. Invites to be sent prior to meeting ( 1 per quarter)<br>4. Buying new vehicle for DM ( LDV for disaster practitioner to visit rural areas)<br>Additional post created on organogram to compliment Disaster Management function. Additional vehicle procured for Disaster Management. Awaiting new draft Disaster Risk Management Plan form service provider, this plan needs to be circulated to the public for input. | Director : Community Services ( N. Machelesi) |
| 9 | Ineffective service delivery | 1. Lack of plan for maintenance of infrastructure assets ( caravan parks, sport field caretakers cottages, council leased properties)<br>2. Inadequate maintenance plan for municipal infrastructure and facilities (operational and capital)<br>3. Draft Maintenance plan for public amenities( Sports fields , comm halls , Ablution facilities)<br>3. Limited funding and critical human resources (Bush clearing team 1 team only)<br>4. Abuse/ Misuse of Property, Plant and Equipment<br>5. Ageing plant and equipment<br>6. Lack of skilled and competent staff (lack of project management skills)<br>7. Lack of funding for Registration of unregistered Council properties<br>8. Ineffective Disaster management system .<br>9. Lack of land for cemeteries | Serious | Almost certain | High | 1.Asset Management Policy (Approved)<br>FAR<br>2.3 Year Maintenance Plan<br>3. Budget Process,<br>4.Disciplinary Code (poor consequence management); Tracker System (but not used effectively); Budget process<br>5.Asset Management Policy (Approved)<br>6.Work<br>place skills plan /<br>Recruitment and Selection Policy /<br>Organogram<br>7. Budget process<br>8. District Disaster management centre<br>9. Land identified, EIA process in progress. Development of layout plans. | Satisfactory | Priority 3 | 1. Adequate provision must be made in adjustment budget to Develop maintenance plan between CS and Assets<br>2.Develop maintenance plans (water, sewer, roads & Storm water)<br>3. Maintenance plan budget to be spent per quarter to be monitored and reported at Standing Committee ( portfolio committee quarterly) for Comm Services.<br>3. Realistic costing of maintenance & replacement programs<br>4. Improve Implementation of Disciplinary Code and monitoring Tracker System. Internal staff to be able use the tracker system effectively<br>5.Replacement of the fleet - process to be completed<br>6.Continue the training of staff to be added to the work place skills plan.<br>7. Necessary budget must be made under Assets and Legal section during adjustment budget period.<br>8. A Disaster Management Plan is being drafted by Service Provider.<br>9. Advocating for cremation and alternative burial methods. Development of a Master Plan for cemeteries. | 1. CFO (R. Lorgat) and Director : CS ( N Machelesi)<br>3. Director : CS ( N Machelesi) |
| 10 | Fraud and Corruption | 1. Inconsistent and non-implementation of the policy framework.<br>2. Greed/Economic pressure<br>3. Lack of ethics | Critical | Almost certain | Extreme | 1. Fraud and corruption policy / Disclosure register / Code of Conduct<br>2. Financial Misconduct Board in place | Good | Priority 3 | 1-2. Develop a fraud hotline and a whistle blowing policy. | CFO<br>MM<br>Directors |
| 11 | Housing Backlog | 1. Insufficient suitable land<br>2. Wrongful allocation of houses<br>3. Lack of Integrated ITC system<br>4. Lack of integration between finance and housing i.e Lack of Alignment and integration of sector plans (HSP, Infra Master Plans, LED Strategy)<br>5. Inadequate bulk infrastructure<br>6. Lack of funding for upgrading of bulk | Significant | Likely | Low | 1. Spatial Development Framework(SDF)<br>1. Budget allocations<br>2. Beneficiary List<br>3. Housing IT system/In house e<br>4. SDF/Housing Master plans<br>5. Partially developed master plans<br>6. Budget process/business plans developed/Provincial budget | Weak | Priority 4 | 1. Land audits<br>2. Drafting of allocation policy | Director PDT ( F Mabusela) |
| 12 | Natural Disasters | 1.Floods<br>2.Fires<br>3.Droughts<br>4.Beach Erosion<br>5.Storms<br>6. Climate Change<br>7. Dune Migration (St Francis Bay Split<br>St Francis Bay Beach Spit<br>Not sufficient budget to repair the Beach Spit as a whole, no funding support from Provincial and National Department DEDEA | Serious | Likely | Moderate | 1-5. Disaster Management Act, Plan<br>& Framework; SLA (between Kouga<br>& SBDM) - Disaster risk assessments conducted by service provider appointed by district.<br>Insurance.<br>4. Construction of emergency revetment in St Francis Bay. Declaration of a Disaster area. (20 April 2020)<br>6. Approved Estuary Management Plan for Seekoei Estuary. EPWP mass employment through Coast Care to assist with part of the rehabilitation. Santam donated R1 million for alien evasion.<br>7. Service Provider (PRDW) appointed to conduct emergency repair works to breached area as well Spit Protection and Revetment works to stabilise the beach spit. | Satisfactory | Priority 4 | 1-3 & 5. Revisit the disaster risk assessment and review action plans to be included in DR Plans. 4.Follow up on recommendations provided by service provider.<br>Plan not yet tabled by service provider. A Disaster JOC was established with all relevant stakeholders. A Fire Risk Reduction Committee was established for fires in St Francis Bay. Revetment of the spit to prevent erosion. Developed a Coastal Management Plan. In the process of developing a climate change strategy. Development of Dune Management Plan.<br>7. Service provider appointed<br>Continuous oversight and monitoring<br>Repair works ongoing<br>Additional lewies in place under a Special Ratings Area in St Francis Bay to fund additional phases of the Beach Spit repairs and maintenance | Director: Community Services (N. Machelesi) |
| 13 | Lack of skilled work force | 1. Non-integration of the manual and electronic leave system, and poor reconciliation thereof<br>2.Lack of succession / substitution plans<br>3. Mismatch of skills/Lack of staffing to carry out services per SANS 10090<br>4. Lack of relevant experience<br>5. Lack of skills transfer to junior staff<br>6. Lack of training opportunities( staff were not training)<br>7. Lack of qualified staff/ (formal qualifications) | Serious | Likely | Moderate | 1. New leave policy approved, new Triplicate leave system,<br>2. Succession plan in place (old)<br>3. No controls in identified<br>4. one on one engagements<br>5. one on one engagements/ Performance management appraisals, Probation system, Skills development policy<br>6. MFM Programme, Apprenticeship and learnerships, IDP Roadshows, WSP drafted<br>7. Very specific advertisements on jobs ( minimum is Grade 12 on skilled positions); Qualification audit in progress | Satisfactory | Priority 4 | 1. No Further actions<br>2. Review Succession plan policy<br>3 and 4. Award of tender for work study<br>5. Document the process to enhance skills transfer<br>6. No further actions<br>7. No further actions | 1-7 Director : Corporate Services ( K .Moodley) |
| 14 | Inefficient revenue collection | 1. Lack of vehicles to disconnect services, no standby vehicles<br>2. Inefficient contract management in place in terms of leases for land resulting in revenue not being collected<br>3. Inter phasing between different departments results in incorrect levying - i.e Info not sent to revenue | Serious | Possible | Low | 1.No controls identified,<br>2.Register for leases<br>3. App in place, WhatsApp group in place for reporting of issues, Call Centre,Ovio System | Satisfactory | Priority 5 | 1. Finalise tender process for acquiring of vehicles for disconnection team.<br>1. Establish meeting with HR to do changes to organogram for establishment of disconnection team.<br>2. Audit of all leases in place to determine if income is received correctly<br>3. Ovvio system to be updated regularly by relevant staff (Town planning, Housing and land) | CFO ( R. Lorgat) and Manager : Revenue (R Van Heerden) and Director PDT ( F. Mabusela) |

| | Risk name | Root causes to the risk | Impact | Likelihood | Inherent risk exposure | Current business processes / controls in place to manage identified risks | Managements perceived control effectiveness | Residual risk exposure | Mitigating action plans to further address the residual risk exposure | Action owner |
|---|---|---|---|---|---|---|---|---|---|---|
| 15 | Non-compliance with legislation and government circulars | 1. Possible changes in legislations | Significant | Likely | Low | 1. Lexis Nexis updates on legislations.<br>2. Case law.<br>3.Transition period to comply to new legislation.<br>4. Provincial Dept that assist with implementation. | Satisfactory | Priority 5 | 1.Apply through SALGA for access to Lexis Nexis for Managers and Directors<br>2. Circulate any amendments of any legislation and applicable case law<br>3. Circulate new circulars by government departments and actively engage on these on a top management level and disseminate to managers | 1 and 2. MM ( C Du Plessis) and Manager : Legal ( L Opperman ) |

# Kouga Local Municipality Assessment tables

## Factors used in strategic risk analysis

Each risk is evaluated in terms of potential impact, likelihood of occurrence and the perceived effectiveness of controls in place to manage the risks according to the criteria set out below:

## Potential impact

| Impact factor | Continuity of supply | Safety and environmental | Technical complexity | Financial |
|---|---|---|---|---|
| **Catastrophic**<br><br>**100** | Risk event will result in widespread and lengthy reduction in continuity of supply to customers of greater than 48 hours | Major environmental damage<br><br>Serious injury (permanent disability) or death of personnel or members of the public<br>Major negative media coverage | Use of unproven technology for critical system / project components<br><br>High level of technical interdependencies between system / project components | Significant cost overruns of >20% over budget.<br><br>Affect on revenue / asset base of >10%. |
| **Critical**<br><br>**70** | Reduction in supply or disruption for a period ranging between 24 & 48 hours over a significant area | Significant injury of personnel or public<br><br>Significant environmental damage<br><br>Significant negative media coverage | Use of new technology not previously utilised by the entity for critical systems / project components | Major cost overruns of between 10 % & 20 % over budget<br><br>Affect on revenue / asset base of between 5% & 10% |
| **Serious**<br><br>**50** | Reduction in supply or disruption for a period between 8 & 24 hours over a regional area | Lower level environmental, safety or health impacts.<br><br>Negative media coverage | Use of unproven or emerging technology for critical systems / project components | Moderate impact on revenue and assets base |
| **Significant**<br><br>**30** | Brief local inconvenience (work around possible)<br><br>Loss of an asset with minor impact on operations | Little environmental, safety or health impacts<br><br>Limited negative media coverage | Use of unproven or emerging technology for systems / project components | Minor impact on revenue and assets base |
| **Minor**<br><br>**10** | No impact on business or core systems | No environmental, safety or health impacts and/or negative media coverage | Use of unproven or emerging technology for non-critical systems / project components | Insignificant financial loss |

## Likelihood

| Likelihood factor | Qualification criteria | Rating |
|---|---|---|
| Almost certain | The risk is almost certain to occur in the current circumstances. The risk is already occurring, or is likely to occur more than once within the next 12 months. | 90% |
| Likely | More than an even chance of occurring. The risk could easily occur, and is likely to occur at least once within the next 12 months. | 65% |
| Possible | Could occur quite often. There is an above average chance that the risk will occur at least once in the next 3 years. | 40% |
| Unlikely | Small likelihood but could happen. The risk occurs infrequently and is unlikely to occur within the next 3 years. | 20% |
| Rare | Not expected to happen - Event would be a surprise. The risk is conceivable but is only likely to occur in extreme circumstances. | 10% |

## Perceived control effectiveness

| Effectiveness factor | Qualification criteria | Rating |
|---|---|---|
| Very Good | Risk exposure is effectively controlled and managed. | 90% |
| Good | Majority of risk exposure is effectively controlled and managed. | 80% |
| Satisfactory | There is room for some improvement. | 65% |
| Weak | Some of the risk exposure appears to be controlled, but there are major deficiencies. | 40% |
| Unsatisfactory | Control measures are ineffective. | 20% |

## Inherent risk exposure

| Inherent risk | Rating |
|---|---|
| Extreme | ³ 50 |
| High | ³ 35 < 50 |
| Moderate | ³ 25 < 35 |
| Low | ³ 15 < 25 |
| Insignificant | < 15 |

## Residual risk exposure

| Residual risk | Rating |
|---|---|
| Priority 1 | ³ 25 |
| Priority 2 | ³ 17.5 < 25 |
| Priority 3 | ³ 12.5 < 17.5 |
| Priority 4 | ³ 7.5 < 12.5 |
| Priority 5 | < 7.5 |

## Action status

| Status | Description |
|---|---|
| Behind schedule | The project to implement the control improvement is behind schedule and requires management attention |
| Planned | The project has been planned to implement the control improvement but the start date has not yet commenced |
| In progress | The project to implement the control improvement is progressing as planned |

| | |
|---|---|
| **Final tests and maintain** | The project to implement the control improvement is virtually completed or has been added to current controls in place |

Vision :

Kouga, a safe, equitable and harmonious home with prosperous and sustaina

Mission:

To create a better life for all its people by providing effective and efficient serv
enabling the sustainable harnessing of its environmental assets,
supported by inclusive governance and stakeholder participation,
derived from the shared values of its people and its legislated mandate.

Strategic objectives

1. Infrastructure and basic services
2. Local economic development (socio economic development)
3. Institutional transformation
4. Good governance and public participation
5. Financial viability and management

able livelihoods for all its people

vice delivery,

**KOUGA MUNICIPALITY (EC 108)**

**ORDINARY COUNCIL MEETING**

**OFFICE OF THE MUNICIPAL MANAGER**

**DATE: 28 AUGUST 2020** **ITEM NO: 20/08/MM4**

**INTRODUCTION OF THE DRAFT SPONSORSHIP POLICY**

1. Introduction

The purpose of this item is to introduce to Council the new Draft Sponsorship Policy for consideration.

2. Background

The Administration identified a lack in a process to address applications, proposals and requests for sponsorships. The policy aims at providing a mechanism in terms of which the Municipality can source or grant sponsorships for mutual benefit involving the transfer of funds, resources or services from the sponsor to the sponsored.

This Policy specifically excludes the approved Donations, Grant-In-Aid and Mayoral Intervention Fund Policies, as this Policy seeks to provide for instances of sponsorships specifically, where the payment of fees for the right to be associated with an activity, event or an organization. This involves the Municipality either granting a sponsorship to a third party in the form of some benefit or the municipality receiving a sponsorship in the form of some benefit from a third party.

The Draft Policy was introduced at a Policy Workshop held 18 August 2020 where the following proposals for amendments were made:

1. That the Policy indicate which policies are specifically excluded from this Draft Policy; and
2. That a bullet point be added under clause 1.2.2 which should read as follows "boost economic activity in town/region'

Both these submissions have been captured in this Draft and is highlighted in red for ease of reference.

Further discussions at the Policy Workshop was on the Directorate in which the Policy should reside. This was considered and because of the cross-cutting implications it was found to be best suited in the Office of the Municipal Manager.

3. Legislative provision

Section 67 of the MFMA reads as follows:

Funds transferred to organisations and bodies outside government
67. (1) Before transferring funds of the municipality to an organisation or body outside any sphere of government otherwise than in compliance with a commercial or other business transaction, the accounting officer must be satisfied that the organisation or body—
(a) has the capacity and has agreed—
(i) to comply with any agreement with the municipality;
(ii) for the period of the agreement to comply with all reporting, financial management and auditing requirements as may be stipulated in the agreement;
(iii) to report at least monthly to the accounting officer on actual expenditure against such transfer; and
(iv) to submit its audited financial statements for its financial year to the accounting officer promptly;
(b) implements effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement; and
(c) has in respect of previous similar transfers complied with all the requirements of this section.
(2) If there has been a failure by an organisation or body to comply with the requirements of subsection (1) in respect of a previous transfer, the municipality may despite subsection (1)(c) make a further transfer to that organisation or body provided that—
(a) subsection (1)(a) and (b) is complied with; and
(b) the relevant provincial treasury has approved the transfer.
(3) The accounting officer must through contractual and other appropriate mechanisms enforce compliance with subsection (1).
(4) Subsection (1)(a) does not apply to an organisation or body serving the poor or used by government as an agency to serve the poor, provided—
(a) that the transfer does not exceed a prescribed limit; and
(b) that the accounting officer—
(i) takes all reasonable steps to ensure that the targeted beneficiaries receive the benefit of the transferred funds; and
(ii) certifies to the Auditor-General that compliance by that organisation or body with subsection (1)(a) is uneconomical or unreasonable.

4. Recommendation

4.1 That Council approve the Sponsorship Policy.

4.2 That the approved Sponsorship Policy be implemented from date of Council Approval.

4.3. That a signed copy of the approved Policy be listed on the Municipal Website as a statutory document.

**Item prepared by: Manager Legal Services** *L Opperman (signed electronically)*

**Item approved by: Municipal Manager** 

# DRAFT SPONSORSHIP AGREEMENT

| DOCUMENT CONTROL | |
|---|---|
| **POLICY TITLE** | SPONSORSHIP POLICY |
| **REFERENCE NUMBER** | 20/08/PW – F3 |
| **PREVIOUSLY APPROVED** | NEW POLICY |
| **RESPONSIBLE DIRECTORATE** | OFFICE OF THE MUNICIPAL MANAGER |
| **VERSION** | FIRST VERSION |
| **STATUS OF THE DOCUMENT** | FIRST DRAFT |
| **REVIEW DATE** | NEW POLICY |
| **CONTACT DETAILS** | MUNIICIPAL MANAGER |

## TABLE OF CONTENT


1. INTRODUCTION....3
2. PURPOSE....3
3. OBJECTIVES....3
4. PRINCIPLES....4
5. RISK ASSESSMENT....5
6. GRANTING SPONSORSHIP....6
7. UNSUITABLE ACTIVITIES FOR SPONSORSHIP....6
8. ACCEPTABLE TYPES OF SPONSORSHIP....7
9. AGREEMENTS....7
10. APPROVAL OF AGREEMENT....8
11. PUBLIC ACCOUNTABILITY/REPORTING....8
12. ACCOUNTING RECOGNITION....8
13. MARKETING AND MEDIA RELATIONS....9
14. DISLCLAIMER....10
15. CONFLICT OF INTEREST....10
16. DISLCLAIMER....10

## 1.INTRODUCTION

A. A sponsorship would generally involve the payment of fees for the right to be associated with an activity, and event or an organisation.
B. Council recognises the existence of the approved Donations Policy, Grant -In-Aid Policy and Mayoral Intervention Policy, and specifically excludes the provision of the aforesaid policies from the operation and implementation of this Sponsorship Policy.

1.1 The Kouga Municipality can use a sponsorship in one of two ways:

### 1.1.1 Undertaking financial sponsorship

The municipality may pay a fee for the rights to a public association with an activity, item, person or property, in return for a set of benefits. A number of different types of sponsorship fall under this heading:

- event sponsorship; and
- media sponsorship (of TV/radio programming, cinema, digital or press content).

### 1.1.2 Seeking sponsorship

Alternatively, the municipality may act as a rights holder, seeking external financial support or the provision of services in lieu of payment in return for a set of benefits, for an activity, event or campaign that the municipality has created.

This policy document sets out the municipality's definition of "sponsorship" and the terms upon which the sponsorship may be both sought and accepted by the municipality.

### 1.2 Definition of sponsorship

1.2.1 **"Sponsorship"** can be defined as "a business relationship of mutual benefit involving the transference of funds, resources or services from the sponsor to the sponsored party in return for an association and a set of rights which are to the mutual satisfaction of both parties". Sponsorship is not philanthropic, and a sponsor will expect to receive a reciprocal benefit beyond a modest acknowledgement.

1.2.2 Sponsorship is a significant business activity and companies seek sponsorship opportunities for a variety of legitimate business reasons including:

- to raise the company's image and public profile;
- to improve public/community relations and instil goodwill;
- to show creativity and public spirit;
- to generate public exposure and media coverage; and
- to differentiate the company from its competitors;
- to promote economic activity within the Kouga Municipal area

1.2.3. Association of a company's name with the municipality's events or activities can be particularly attractive in terms of the opportunities for media coverage and as a display of public spirit. In some cases, sponsors' motives or the benefits, the sponsor anticipates may be less apparent. Careful consideration should always be given to understanding what a sponsor might gain from the arrangement.

1.2.4 The municipality encourages the involvement of the private and voluntary sectors in the sponsorship of the municipality's activities wherever appropriate. Sponsorship can help reduce the cost of the municipality's activities.

1.2.5 Sponsorship should not be confused with advertising which can be defined as "any paid form of non-personal presentation and promotion of ideas, goods or services by an identified organisation".

**2.PURPOSE**

2.1 In order to enhance, vary or reduce the cost of current activities, the municipality may enter into a sponsorship agreement. This may involve either the municipality's granting sponsorship to a third party in the form of some benefit, or the municipality's receiving sponsorship in the form of some benefit from a third party, with the intention in all cases being to support the municipality's activities.

2.2 When granting sponsorship, the municipality must also consider the provisions relating to granting financial assistance contained in the relevant legislation.

2.3 Sponsorship can be advantageous for all parties; however, the municipality must ensure all sponsorship agreements do not compromise or question the integrity of the Municipality's operations.

**3.OBJECTIVES**

**3.1** The Kouga Municipality Sponsorship Policy outlines the principles and procedures for acceptance and granting of sponsorship proposals. The Policy is concerned primarily with:

3.1.1 assessing risk and managing potential conflicts of interest;
3.1.2 public accountability and transparency of decision making; and
3.1.3 financial management and benefits.

**4.PRINCIPLES**

4.1 All sponsorship agreements will be in the form of a written agreement and comply with principles and procedures outlined in this policy.

4.2 Sponsorship agreements must include a statement that the municipality's functions will continue to be carried out fully and impartially, notwithstanding the existence of a sponsorship arrangement.

4.3 There should be no real or apparent conflict between the objectives and mission of the municipality and those of the sponsor.

4.4 The agreement will include a statement to the effect that any attempted influence of the municipality's regulatory functions will result in an automatic review and/or termination of the sponsorship agreement.

4.5 Any consideration given to the establishment of sponsorship agreements shall have regard to the following principles:

4.5.1 not perceived to influence or hinder how the municipality operates;
4.5.2 do not impose or imply conditions that would limit or appear to limit the Municipality's ability to carry out its functions fully or impartially;
4.5.3 the reputation and credibility of the municipality is not damaged by making agreements with unsuitable third parties;
4.5.4 the form of sponsorship is consistent with the stated objectives of the municipality which includes the municipality's image;
4.5.5 agreements can be terminated if conditions of this policy are not met;
4.5.6 agreements are formed with regard to public accountability and transparency with clear statements of objectives and benefits achieved.

**5.RISK ASSESSMENT**

5.1 Each sponsorship proposal must be subject to a risk assessment. This includes assessing:

5.1.1 ensuring that the sponsorship benefits for the third party do not outweigh the level of sponsorship;
5.1.2 ensuring that the type or form of sponsorship is not inconsistent with the objectives or needs of the municipality;
5.1.3 ensuring that any sponsorship proposal does not anticipate explicit endorsement of the sponsor or sponsor's products;
5.1.4 ensuring no conflict of interest arises from the sponsorship;
5.1.5 sponsorship that does not eventuate;
5.1.6 the capacity of the municipality to provide adequate resources and facilities to meet the terms of the proposed agreement.

5.2 If the assessment concludes that the risks are unacceptably high or the municipality is receiving minimal value from the proposal, the municipality should discontinue consideration of the proposal at this stage.

5.3 Every sponsorship proposal will be assessed against the possibility of a conflict of interest and, in particular, may be refused or terminated in any case where during the life of the sponsorship the sponsor:

5.3.1 has a current application or planning matter before the municipality, or the municipality is aware of the possibility of an application or matter coming before the municipality in the near future;
5.3.2 is, or is likely to be, subject to regulation or inspection by the municipality which may impose or imply conditions; and where the sponsorship may limit the municipality's ability to carry out its functions fully and impartially.

5.4 In these circumstances, the reasons for accepting sponsorship must be clearly recorded with the approval. The agreement of sponsorship must clearly provide suitable provisions to deal with issues, which could include termination or suspension of the sponsorship agreement until the matter is resolved.

5.5 It is expected that any individual or organisation with a sponsorship agreement with the municipality will disclose the agreement if there is a current development application or planning matter relating to them, or if the individual or organisation is subject to regulation or inspection by the municipality.

## 6.GRANTING SPONSORSHIP

6.1 The municipality can receive requests to 'sponsor' activities of an external party e.g. provide funding or resourcing of activities. More often than not, 'sponsorship' is a request for financial assistance or support. These requests must be assessed in accordance with this policy.

6.2 **Advertising for Sponsorship**

6.2.1 It is accepted that the public interest is best served by the municipality making sponsorship opportunities widely known through open tendering, although it is recognised that in certain circumstances this may prove impractical and requests for sponsorship may only be available by invitation.

6.2.2 Reference is to be made to the municipality's Supply Chain Management Policy (SCM) when the monetary value of the sponsorship to be raised, require the following of a formal bidding process. If the value of the sponsorship agreement is below the SCM threshold, then in exceptional circumstances, the Municipal Manager (or a delegate) responsible for the procurement, may determine that a reduced number of quotations or tenders (including a single tender) or an unsolicited bid may be sought.

6.2.3 Any decision to accept a reduced number of quotations, tenders or an unsolicited bid, must be recorded in writing and such decision must be demonstrably in the best interests of the municipality.

## 7.UNSUITABLE ACTIVITIES FOR SPONSORSHIP

7.1 Without any limitation on the municipality's ability to exercise its discretion, the municipality does not consider the following companies, partnerships, organisations or individuals as suitable for entering into sponsorship agreements with:

7.1.1 Those involved in the manufacture, distribution and wholesaling of tobacco related products, pornography and addictive drugs;
7.1.2 Those found guilty of illegal or improper conduct by any other legal authority;
7.1.3 Those which are involved in political fields [e.g. political parties]; and
7.1.4 Those whose services or products are considered to be injurious to health or are seen to be in conflict with the municipality's policies and responsibilities to the community.

**8.ACCEPTABLE TYPES OF SPONSORSHIP**

8.1 The municipality can recognise its sponsors in a number of ways. The extent of such recognition is to be determined in relation to the level and nature of the sponsorship; and is subject to a written agreement specifying the benefits and costs.

8.2 Sponsorship recognition should be discrete and must not create situations of potential embarrassment or criticism of the municipality. Such forms of recognition can include, but are not limited to:

8.2.1 media release acknowledging the role and contribution of the sponsor;
8.2.2 invitations to selected functions of the municipality, which may include hospitality, preferential seating, award presentation;
8.2.3 an opportunity for the sponsor to finance or partly finance projects as dictated in the IDP;
8.2.4 appropriate signage;
8.2.5 inclusion of sponsor's name and logo on the municipality's publications and other external publications;
8.2.6 naming rights for an event, building etc. for the term of the sponsorship;
8.2.7 an award or trophy struck in the sponsor's name and publicly presented;
8.2.8 merchandising of goods at selected points of sale; and
8.2.9 displays in the municipality's buildings/facilities subject to approval in each individual case, in static displays or for an activity of the sponsor when not required for the municipality's use.

**9.AGREEMENTS**

9.1 The municipality's approved form of Sponsorship Agreement shall be used in all circumstances wherever possible. However, it is acknowledged that there may be circumstances in which the sponsor may require its own form of agreement to be used. Notwithstanding this, every sponsorship agreement will require a written agreement incorporating conditions of contract which clearly set out:

9.2.1 the benefits, including economic benefits available to the municipality and the sponsor and the nature of the benefits;
9.2.2 the form or forms of sponsorship acknowledgment which will be available;
9.2.3 the scope of uses which the sponsor can make of the sponsorship arrangement;

9.2.4 the term of the sponsorship and any conditions regarding renewal;
9.2.5 consequences of change which may occur over time e.g. a shift in the relationship, new policies, new corporate missions or objectives;
9.2.6 financial accountability requirements;
9.2.7 an indemnity by the sponsor against all liability for personal injury and for loss or damage costs, claims and expenses however caused or incurred as a result of any act of negligence by the sponsor; and
9.2.8 provision for termination or suspension of the agreement.

9.3 The agreement must include a statement that the municipality's functions will continue to be carried out fully and impartially, notwithstanding the existence of a sponsorship arrangement.

9.4 The agreement must include a statement to the effect that any attempted influence of the municipality's regulatory functions will result in an automatic review and/or termination of the sponsorship agreement.

## 10. APPROVAL OF AGREEMENT

10.1 All sponsorship bids shall be approved in terms of the Supply Chain Management procedures and prescriptions.

10.2 Sponsorship Agreements must be referred to Legal Services for review prior to signing.

10.3 All potential sponsors are referred to this policy.

## 11. PUBLIC ACCOUNTABILITY/REPORTING

11.1 The municipality's is committed to principles of open government and of public accountability, transparency and accessibility. To meet these objectives, the Municipality agrees that:

12.1.1 Sponsorship Agreements must be in the form of written agreement;
12.1.2 The municipality's Sponsorship Policy is publicly available.

11.2 The municipality shall promptly disclose to National and Provincial Treasury of any sponsorships promised, offered or granted to the Municipality as prescribed in terms of **section 48** of the Municipal Supply Chain Management Regulations.

## 12. ACCOUNTING RECOGNITION

12.1 Sponsorships meet the definition of GRAP 23 – revenue of Non-exchange Transaction and financial accounting entries must be treated as public contributions as set out in the municipality's accounting policy.

## 13. MARKETING AND MEDIA RELATIONS

13.1 The municipality's Communications team must be notified from the outset of all sponsorship agreements to be entered into by the municipality.

13.2 Media relations for all sponsorship agreements are undertaken by the municipality's Communications team, unless otherwise agreed.

13.3 All media information produced by the sponsor must be approved by the municipality's Communications team before circulation.

13.4 The use of sponsors' logos and other branding must not interfere or conflict with the Municipality's own corporate identity.

13.5 The use of the Municipality's corporate identity on any sponsors' publicity must be approved by the municipality's Communications team.

**14.DISLCLAIMER**

Acceptance of advertising or sponsorship does not imply any endorsement of the sponsor's products or services by the municipality.

**15.CONFLICT OF INTEREST**

Municipal employees and councillors are required to declare in advance if they have any personal interests, involvement or potential conflict of interest with any potential sponsor. In the event of a potential conflict of interest, that officer or member will take no part in the consideration of sponsorship with that organisation.

**16.DISLCLAIMER**

This policy is subject to continuous review and may be reviewed on an annual basis.

**KOUGA MUNICIPALITY (EC 108)**

**ORDINARY COUNCIL MEETING**

**OFFICE OF THE MUNICIPAL MANAGER**

**DATE: 28 AUGUST 2020** **ITEM NO: 28/08/MM5**

**REPORT ON EXERCISE OF DELEGATED AUTHORITY BY THE EXECUTIVE MAYOR**

1. Introduction

The purpose of this item is to report to the Municipal Council on the delegated powers exercised by the Executive Mayor from 26 March 2020 until 15 April 2020.

2. Background

At a Special Council meeting held 26 March 2020, the Municipal Council Resolved to grant the Executive Mayor delegated powers to attend to the affairs of Council for the period from 26 March 2020 until 15 April 2020. This resulted from the National State of Disaster declared by the National President as well as the National lockdown which commenced on 26 March 2020.

The Council resolution read as follows:

**20/03/CORP1** **DELEGATED AUTHORITY: EXECUTIVE MAYOR**

**Resolved (26 March 2020)**

1. That it be noted the President has declared a national lockdown due to COVID-19 from 26 March to 16 April 2020.

2. That the Executive Mayor be granted delegated authority to deal with all Council affairs during the lockdown period, subject to the following undermentioned conditions:

   a) The Exercise of delegated authority shall exclude the passing of a by-law; approval of the budget; the imposition of rates and other taxes levies and duties; the raising of loans, the amendment of tariffs, the approval or amendment of the IDP;

   b) That the parameters of the Procurement Policy be complied with.

3. That all matters dealt with by the Executive Mayor, which would conventionally have required a resolution of the Council be submitted to Council in report format for information or review at the first Ordinary Council Meeting after the National Lockdown;

4. That the Municipal Manager consults with the Executive Mayor on matters that are of a potentially sensitive nature prior to using the authority granted of paragraphs (3.1) and (3.2) above.

In terms of item number 3 of the above resolution, the Executive Mayor would report to Council on all matters dealt with by the Executive Mayor under his delegated authority during the period of such delegation.

Even though the National Lockdown has not been lifted yet, the period of delegation lapsed on 16 April 2020, as per the provisions of item number 1 of the above Council resolution.

Attached hereto as **Annexure "A",** please find the Report on all resolutions taken by the Executive Mayor in terms of his delegated authority under Council Resolution 20/03/CORP1.

3. Legislative provision

Section 63 of the Local Government Municipal Systems Act No.32 of 2000, as amended, provides that a political structure, political office bearer, Councillor or staff member of a municipality to whom a delegated authority was delegated or sub-delegated a power or duty, must report to the delegating authority at such intervals as the delegating authority require, on decisions taken in terms of the delegated or sub-delegated power, since the last report.

4. Recommendation

4.1 That the Report on Exercise of Delegated Authority by the Executive Mayor be accepted.

**Item prepared by** : **A. Jonck**

**Item approved by** : **The Municipal Manager**



KOUGA
local municipality
Good Governance through Service Excellence

Cape St Francis
Hankey
Humansdorp
Jeffreys Bay
Loerie
Oyster Bay
Patensie
St Francis Bay
Thornhill

Postal: PO Box 21, Jeffreys Bay, 6330
Tel: 042 200 2200 / 042 200 8300
Fax: 042 200 8606
Email: registry@kouga.gov.za
Website: www.kouga.gov.za

**INTERNAL MEMORANDUM**

**TO : MUNICIPAL MANAGER**

**FROM : DIRECTOR COMMUNITY SERVICES**

**DATE : 8 APRIL 2020**

**BREACH OF ST FRANCIS BAY BEACH SPIT**

**EMERGENCY WORK TO REPAIR THE ST FRANCIS BAY BEACH SPIT**

This memorandum serves to inform the Municipal Manager of emergency work that needs to be done at the St Francis Bay Be Kouga Municipality was informed of a possible breach of the St Francis Bay Beach Spit late afternoon on 7 April 2020. A site inspection by Community Services Disaster Management and Environmental Management was undertaken on 8 April 2020.

During site inspection sections where the spit has already been breached were identified and areas where there is an imminent possibility of breach has also been identified.

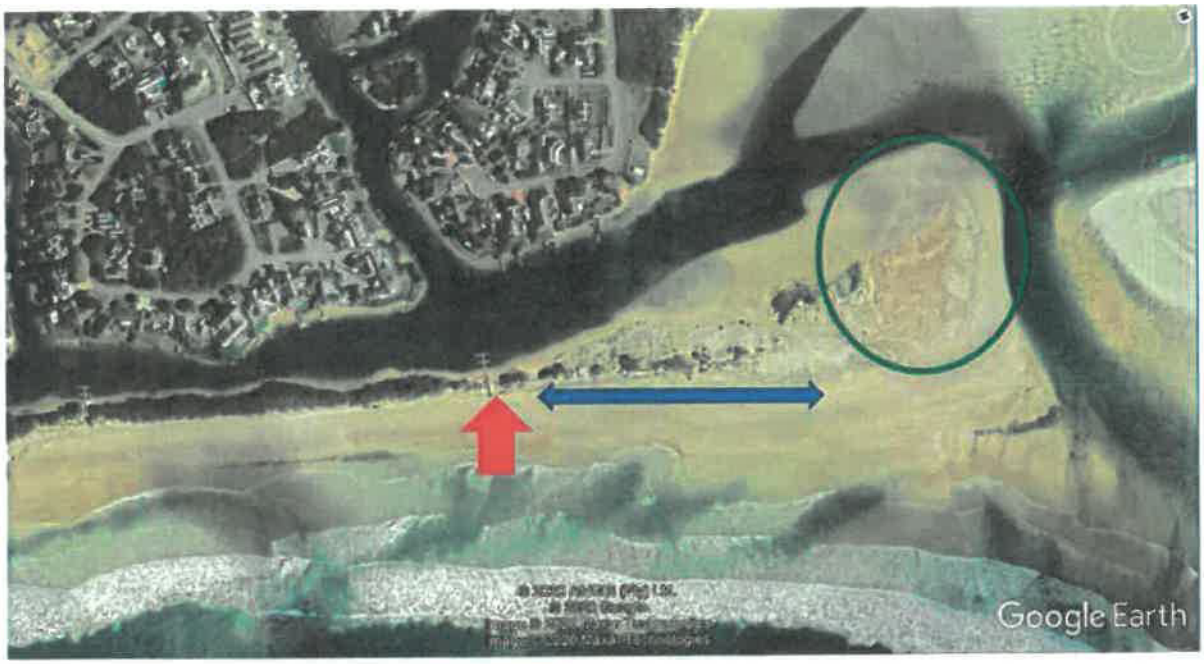
The National and Provincial Disaster Management Centre has, in terms of Section 49 of the Disaster Management Act No.57 of 2002, been informed of the disaster occurring or threatening to occur. The Sarah Baartman District Municipality as well as the Department of Economic Development, Environmental Affairs and Tourism has been informed of the breach and further imminent breach of the beach Spit.

The identified breached areas of the beach Spit need to be repaired with immediate effect and the Coastal Engineers (PRDW) has been informed and instructed to immediately address the problem. We are currently awaiting a cost estimate for the intended emergency works required to mitigate the immediate risk and repair the breached areas of the beach Spit. The following plant has been requested from service provider Aqua Transport: 26ton Excavator, 2 x 30ton Dumper Trucks (tender 58/2018) and is expected to be on site as requested.

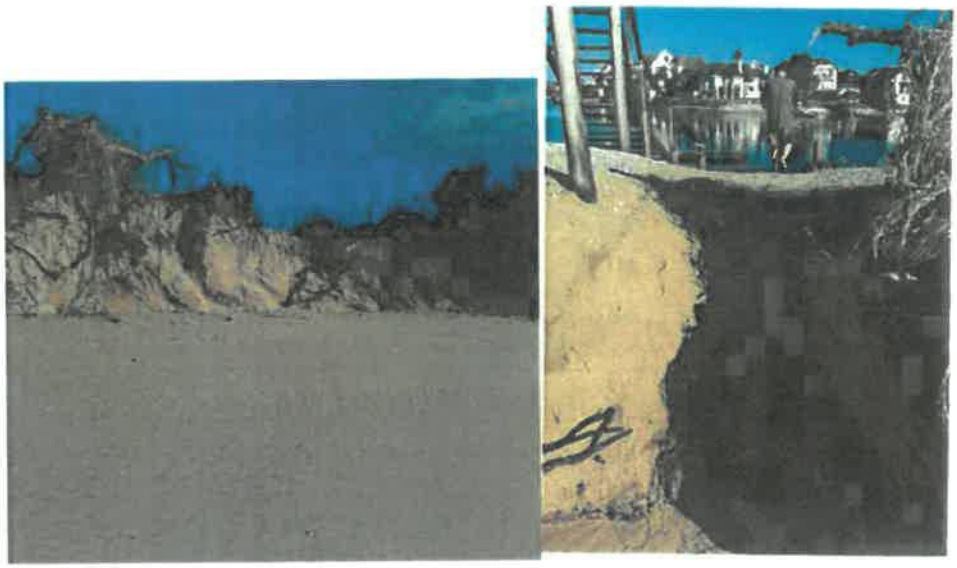
The immediate intention is to mine sand from the Kromme River mouth in order to repair the beach Spit, with priority given to the areas that have breached and areas of possible breach. The intended action however requires authorization from Department of Economic Development, Environmental Affairs and Tourism and due to the urgency, we are in the process of lodging a Section 30A NEMA application to the aforesaid department.

You are advised that a breach of the beach Spit poses a threat to human life, municipal infrastructure and private property and therefore needs to be addressed with immediate effect.

**Photographic evidence:**





Kind regards

**N. MACHELESI**

**DIRECTOR COMMUNITY SERVICES**

PRDW Consulting Port and Coastal Engineers

13 April 2020

Our Reference: S2095-2-LT-KM-St Francis Revetment 2020-002

Kouga Local Municipality
PO Box 21
Jeffreys Bay
South Africa
6330

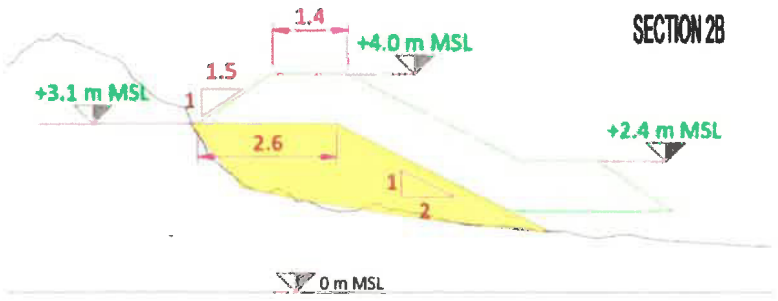
**ATTENTION: NOMVELO SIWELA**

**E-mail address: nsiwela@kouga.gov.za**

Dear Nomvelo

**S2095 ST FRANCIS BAY MUNICIPALITY – SAND SPIT EMERGENCY REPAIR 2020: CONSTRUCTION OF SPIT REVETMENT**

This letter is in response to concerns raised regarding the use of sand from the area to the north of the sand spit in order to construct the revetment. A typical design section is shown below:




Design Section applied to Section 2B (plan layout in Annexure B). The toe will be dropped to accommodate recent erosion.

The yellow highlighted area represents the sand infill that is required to construct the emergency revetment. The annexures B and C indicate the plan layout and sections where the revetment is to be constructed. A total volume of approximately 1000 $m^3$ of sand will be required for the infill and is currently being sourced from the area to the

PRDW South Africa (Pty) Ltd
5th Floor, Nedbank Building, Clock Tower Precinct
Victoria and Alfred Waterfront, Cape Town
PO Box 50023, Waterfront, 8002, South Africa
Tel: +27 21 418 3830
Fax: +27 21 418 3834
info@prdw.com

Company Registration Number: 1993/007445/07

www.prdw.com

CESA SABS ISO 9001

Directors
A R Wijnberg PrEng MEng PhD
S R Patel PrEng MSc(Eng)
N Neiker BSc(QS) Hons
G Aldunate Mozó * Ing Civil (Chilean)
J Vásquez Alvarez * Ing (Civil) MSc(Eng) (Chilean)

Offices
Cape Town, South Africa
Santiago, Chile
Perth, Australia
Seattle, USA
Vitoria, Brazil
Panama City, Panama

* Global Director

north of the spit. Sections used for the calculation of sand volume are indicated in Annexure C. A summary of quantities is indicated in the table below:

Calculation of Sand Infill Volume (Sections shown in Annexure C)

| Section Number | Sand Area ($m^2$) | Distance between sections (m) | Volume between sections ($m^3$) |
|---|---|---|---|
| 2B | 5.9 | | |
| 3 | 5.4 | 45 | 254.25 |
| 3A | 4.4 | 55 | 269.5 |
| 3B | 3.9 | 55 | 228.25 |
| 4 | 4.4 | 57 | 236.55 |
| | | Total | 989 |

Originally the excavation to borrow sand was 1 m deep but it has now been reduced to 0.5 m as indicated in the photographs below:



Excavation Area




Depth of Excavation

Our assessment of the impact of the excavation is done in the light of the 2007 EIA report by SRK. ASR did some hydrodynamic modelling to estimate the impact of the excavation and removal of up to 600 000 $m^3$ of sediment from the estuary. The results showed negligible impact on the currents and thus sediment transport outside the extraction site and that these areas will be filled in by the flood tides. Although the ASR excavation site was on the sandbank slightly further into the estuary than the current site, the current project volume is orders of magnitude less. An extract from the ASR report is provided in Annexure A.

The volume of sand excavation for the revetment infill (1000$m^3$) is several orders of magnitude less than the available sand in the estuary mouth. We do not believe there will be any significant impact on the estuary and mouth dynamics resulting from the borrowing of this volume of material from the area indicated.

Should you have any queries, please do not hesitate to contact me.

Yours sincerely
PRDW

ANTON HOLTZHAUSEN
DIRECTOR

**ANNEXURE A : EXTRACT FROM SRK (2007)**

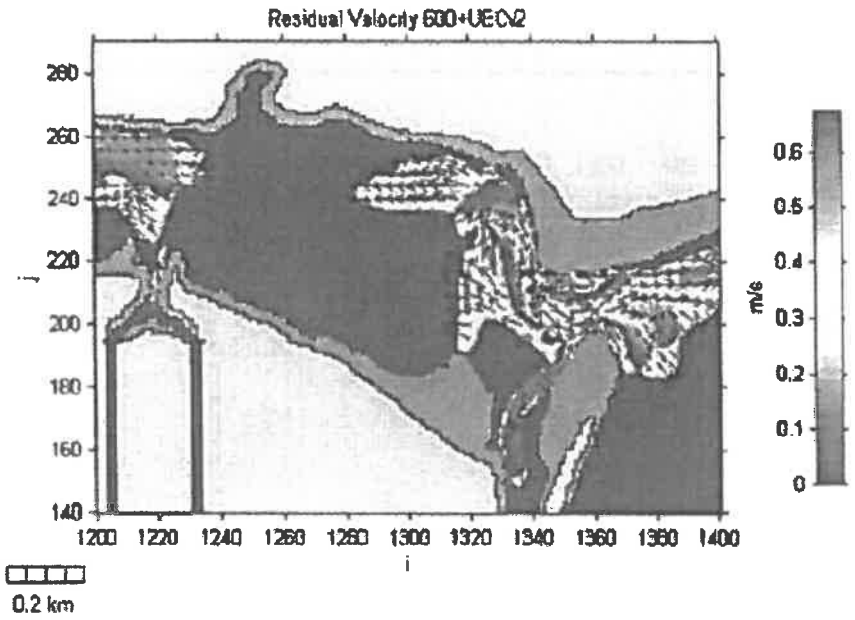



**Figure 24.** Residual velocities for the Lower Kromme Estuary with 600,000 $m^3$ extracted (i.e. current velocities averaged over a full tidal phase (in-out)).

Based on the hydrodynamic modelling study, the excavation and removal of up to 600,000 $m^3$ of sediment from the main sand bank opposite Huis River will have negligible impacts on the existing current flows outside the extraction site. Very localised impacts on flows and therefore sediment transport in the lower reaches of the Kromme estuary. Reduction in current velocities in the excavated area and adjacent channel will lead to increased rates of sediment deposition in this area, i.e. the dredged areas are expected to fill back in as flood tides push sediment in from the ocean. Four out of the five dredging scenarios have no effect on currents in the canal entrances or upstream of the excavation, with the exception of 600+UECv1 where current speeds in the upper entrance are reduced due to excavation of this area.

**SRK REFERENCE:**

**Final Revised Environmental Impact Report**

**Proposed Beach Erosion Remediation at St Francis Bay**

Report Prepared for

**St Francis Bay Beach Trust**

On behalf of the

**Kouga Municipality**

SRK Report Number 369370/2

SRK Consulting
125 Villiers Road
Walmer
6070
South Africa

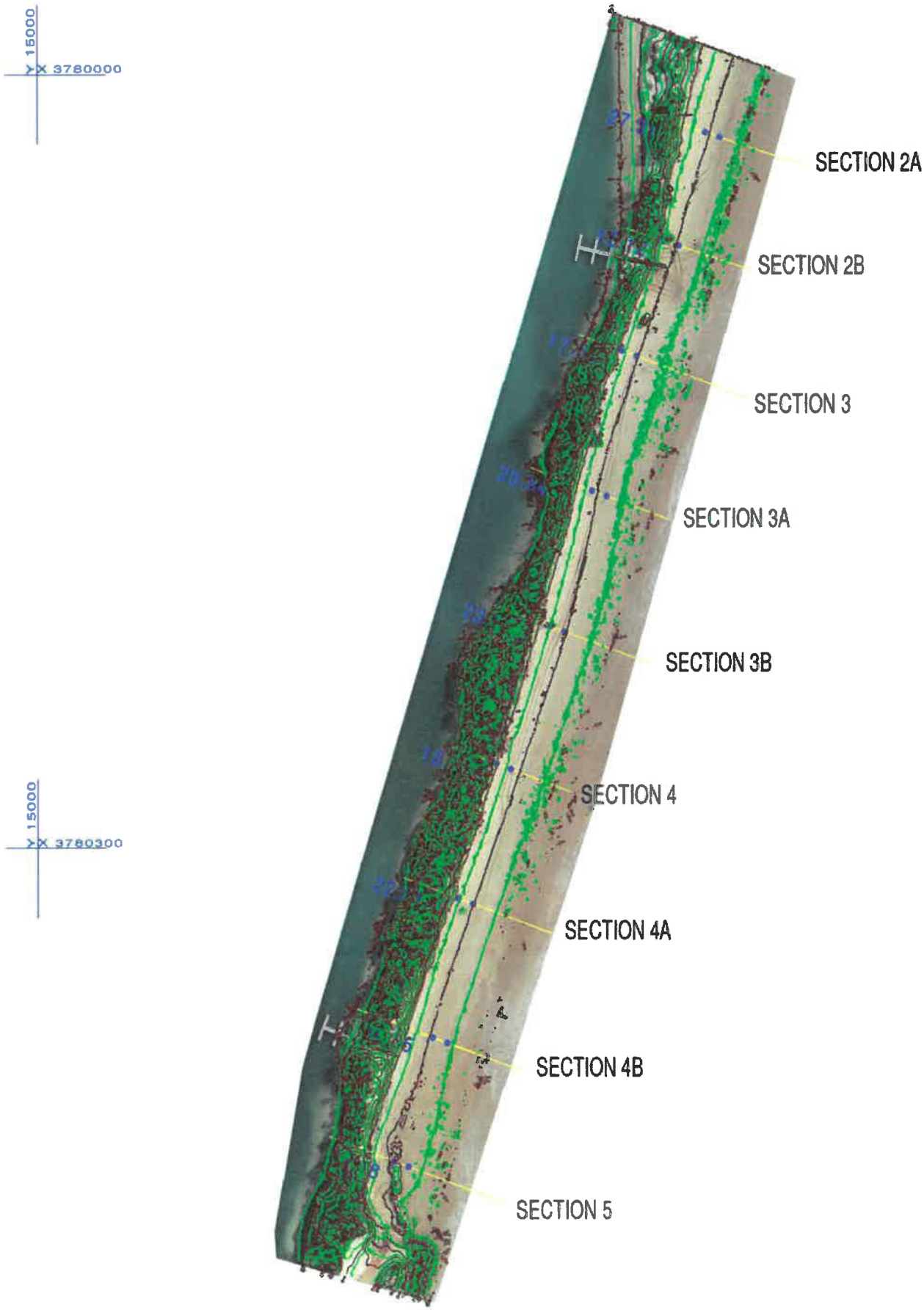
PO Box 21842
Walmer
6070
South Africa

Tel: (041) 581-1911

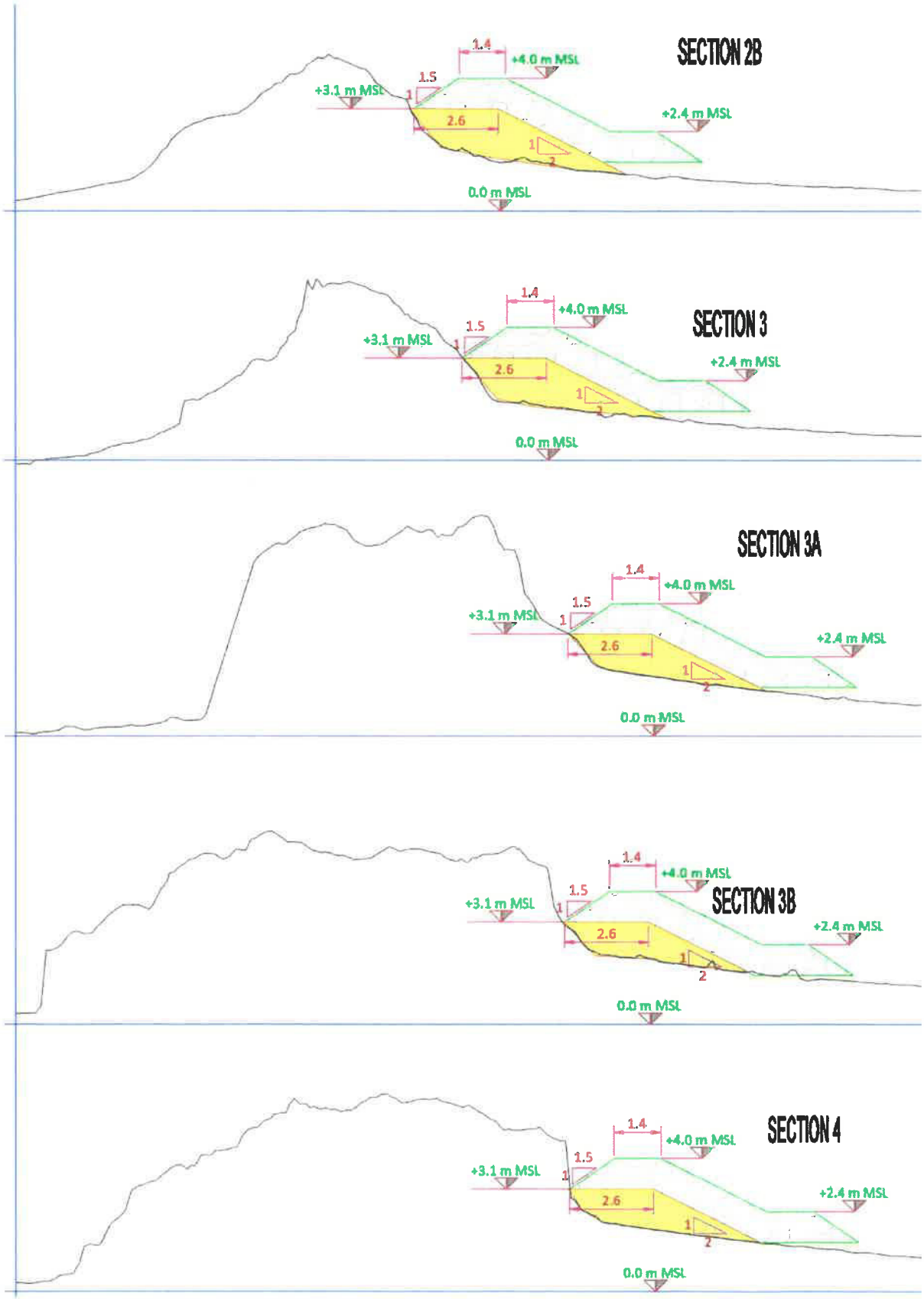
Fax: (041) 581-1964

January 2007

**ANNEXURE B : PLAN LAYOUT OF 10 APRIL 2020 SURVEY**



**ANNEXURE C : RELEVANT SECTIONS FOR APPROXIMATE REVETMENT LENGTH OF 200 m**



# REPORTS BY THE PORTFOLIO CHAIRPERSON: FINANCE

**KOUGA MUNICIPALITY (EC 108)**

**ORDINARY COUNCIL MEETING**

**FINANCE**

**DATE: 28 AUGUST 2020** **ITEM NO: 20/08/F1**

**POLICY ON PROVISION FOR DOUBTFUL DEBT AND WRITE-OFF OF IRRECOVERABLE DEBT**

1. Introduction

The purpose of the report is to request Council to approve the Policy On Provision For Doubtful Debt And Write-Off Of Irrecoverable Debt.

2. Background

The Policy On Provision For Doubtful Debt And Write-Off Of Irrecoverable Debt was workshopped on 23 June 2020 and was referred to Council for adoption.

3. Comments by Directorates:

Director: Finance

Item supported.

4. Recommendation

4.1 That the Policy On Provision For Doubtful Debt And Write-Off Of Irrecoverable Debt be approved.

4.2 That the Policy On Provision For Doubtful Debt And Write-Off Of Irrecoverable Debt be published on the Kouga Website.

**Item prepared by** : **Revenue Manager**

**Item approved by** : **Chief Financial Officer**

**Item endorsed by** : **Municipal Manager**

**Noted by the Portfolio Chairperson**

# POLICY ON PROVISION FOR DOUBTFUL DEBT AND WRITE-OFF OF IRRECOVERABLE DEBT

## TABLE OF CONTENTS


1 DEFINITIONS

2 PURPOSE OF POLICY

3 IMPAIRMENT OF DEBTOS

4 RESPONSIBILITY/ACCOUNTABILITY

5 WRITE-OFF OF DOUBTFUL DEBTORS

6 CATEGORIES OF DEBTORS THATT MAY QUALIFY FOR THE WRITING-OFF OF IRRECOVERABLE DEBT

7 ESTABLISHMENT OF A COMMITTEE TO MONITOR ANY DEBT TO BE WRITTEN-OFF

8 DELEGATED POWERS ON WRITING-OFF INTEREST AND PENALTIES ON RECOVERABLE DEBTS

9 PREVENTION OF PRESCRIPTION OF DEBT

10 BAD DEBTS RECOVERED

11 IMPLEMENTATION

# POLICY ON PROVISION FOR DOUBTFUL DEBT AND WRITE-OFF OF IRRECOVERABLE DEBT

## 3. DEFINITIONS

For the purposes of this policy the following definitions are applicable:

**"Debt"** - means an amount owing to the Municipality;
**"Debtor"** – means a person who owes the Municipality money for rates/services rendered;
**"Accounting Officer"** – the Municipal Manager appointed;
**"Council"** – means the council of the Municipality;
**"Municipality"** – means the Kouga Municipality.
**"First time"** – means from the 2014 / 2015 financial year and onwards.

## 4. PURPOSE OF POLICY

2.1. This policy provides guidelines on treatment of the impairment and write-off of debtors.

The policy seeks that household consumers with no or lower income are not denied a reasonable service and that the municipality is not financially burdened with non-payment of services.

2.2. Section 96 of the Local Government: Municipal Systems Act, 32 0f 2000, provides that a municipality must collect all money that is due and payable to it, subject to the provisions of that Act and other applicable legislation. The Council is faced with a significant amount of outstanding debt and the continuous defaulting by certain consumers who can afford to pay for services.

2.3. It is recognized, however, that circumstances may arise which may make the recovery of certain debts impossible, impractical or financially unfeasible, and that such debts may have to be written off.

2.4. The purpose of this policy is to provide a framework for:

2.4.1. limiting the circumstances contemplated in 2.3;
2.4.2. determining, when such circumstances have arisen, whether to write-off any debts; and
2.4.3. the procedures for writing off such debts.

2.5. The municipality will maintain audit trails in such an instance and document the reasons for the abandonment of the action or claim in respect of the debt.

2.6. In addition, the policy further stipulated that "Council must appoint a committee in terms of its delegations to review and **recommend to Council to approve all bad debt write off cases."**

2.7. **The effective management of debtors include, amongst others, the following processes:**

- **Implementation/ maintenance of the appropriate Information and Communication Technology (ICT) Systems and Business Processes;**
- **Accurate Billing;**
- **Customer Care and Accounts enquiry management;**
- **Effective and timeous Credit Control;**
- **Impairment of Debtors (Provision for Doubtful Debtors); and**
- **Write-off of uncollectable debtors.**

2.8. The objectives of this policy are:

2.8.1. To ensure that the debtors disclosed in the annual financial statements are stated at amounts that are deemed to be collectable; and
2.8.2. To ensure that uncollectable debt is written off within guidelines of applicable policies and legislation.

## 3. IMPAIRMENT OF DEBTORS

Consumer debtors, long term receivables and other debtors are stated at cost less provision for bad debt.
Provision for impairment is made on an individual basis or based on expected payment. In accordance with IAS 39, an objective assessment of financial assets is made at year end to determine possible impairment. Impairment loss is recognised as an expense in the Statement of Financial Performance.

### 3.1 Consumer debtors

Consumer debtors are evaluated at the end of the reporting date and impaired as follows:

| Category of Debtor | Percentage of debt regarded as collectable | Percentage of debt provided for as irrecoverable |
|---|---|---|
| Credit balances | Zero | Zero |
| Current account | 100% | Zero |
| Debt owing between 30 to 60 days | 50% | 50% |
| Debt in excess of 60 days | Zero | 100% |
| Approved indigents | Zero | 100% |
| Pending indigents | Zero | 100% |
| Hand over accounts to panel of debt collectors, legal hand over, clearance hand over (debt outside of Section 118(1)(b) of the Municipal Systems Act | Zero | 100% |
| Government/ public infrastructure accounts | 100% | Zero |
| Housing rental debtors<br>• Current debt<br>• Debt ageing 30 days+ | <br>100%<br>Zero | <br>Zero<br>100% |

Subject to annual review by the Chief Financial Officer.

**3.2 Sundry Deposits**

Sundry deposits are assessed for impairment to ensure that no objective evidence exists that these deposits are irrecoverable.

**3.3 Sundry Debtors**

Sundry debtors are classified as financial instruments with debit balances at yearend. Sundry debtors are assessed individually for impairment to ensure that no objective evidence exists that these debtors are irrecoverable.

## 4. RESPONSIBILITY / ACCOUNTABILITY

The Council has the overall responsibility for adopting and approving the Provision for Bad Debts and Writing Off of Irrecoverable Debt.

## 5. WRITE-OFF OF DOUBTFUL DEBTORS

5.1 The following should be the guiding principles in implementing the Policy on Writing Off of Irrecoverable Debt:-

5.1.1 The policy is in accordance with the Local Government Municipal Finance Management Act 2003, Local Government Municipal System Act 2000, as amended and other related legislation.

5.1.2 Before any debt is written off it must be proven that the debt has become irrecoverable. To ensure that recommendations for write off are consistent and accurate, irrecoverable debt will be defined as:-

5.1.2.1 Where the tracing of the debtors is unsuccessful; and
5.1.2.2 All reasonable steps, at the discretion of the appointed write off committee, were taken by the officials to recover the debt.

5.1.3 Bad debt write offs must be considered in terms of cost benefit; when it becomes too costly to recover and the chances of collecting the debt are slim, a write off should be considered.

5.1.4 Time value of money is very important because the older the debt becomes, the more difficult and costly it becomes to collect. It is therefore imperative that a proper system of credit control is implemented and maintained to avoid debt reaching the stage of becoming too expensive to recover.

5.1.5 Differentiation must be made between those household consumers who cannot afford to pay for basic services and those who just do not want to pay for these services.

5.1.6 Debt can only be written off if the required provision exists in the Municipality's budget and/ or reserves.

## 6. CATEGORIES OF DEBTORS THAT MAY QUALIFY FOR THE WRITING-OFF OF IRRECOVERABLE DEBT

### 6.1 Approved Indigent Household Consumers in terms of the Municipality's Indigent Policy

6.1.1 Debt owed to Council by an Indigent Household, when registering for the first time in terms of the official Indigent Policy, shall be written off as a once off concession, subject to a thorough audit investigation and certification to the effect that the household is a bona fide indigent as stipulated in the Indigent Policy.

6.1.2 Debt owed by the deceased estate of the breadwinner of a registered indigent household shall be written off up to the date of the death of the owner.

### 6.2 Balances too small to recover considering the cost for recovery

6.2.1 Where final accounts have been submitted and paid by the respective consumer and the remaining balance after finalisation of any final readings and other administrative costs results in a balance of one hundred rand (R100) or less, such account must be forwarded once to the consumer for payment.

Should the new owner not qualify to be registered as an Indigent, in terms of the Council's Indigent Policy, the outstanding rates and service charges for the period from the death of the previous owner till the date of the new service application remain payable by the new owner and cannot be written off.

Should the new owner qualify to be registered as an Indigent, in terms of the Council's Indigent Policy, the outstanding rates and service charges for the period from the death of the previous owner till the date of the new service application can be written off in instances where the next of kin/new owner present proof that the property transfer fees has been paid and the service contract is signed in his/her name.

**6.3 Insolvency of the Debtor and Insolvent Deceased Estates**

6.3.1 Where a debtor becomes insolvent the Municipality must ensure that a creditor's claim is timeously registered. Any amount not being recovered due to insufficient funds or if there is a risk of a contribution being made to an insolvent estate must, after notification, be written off.

6.3.2 In case of death of the debtor, a creditor's claim must be timeously registered against the deceased's estate. Any amount not being recovered due to insufficient funds or if there is a risk of a contribution being made to a deceased estate must, after notification, be written off.

**6.4 Untraceable Debtors**

6.4.1 Where for any reason the forward address of a debtor becomes untraceable or the debtor becomes untraceable from the current address, such account must be handed over to a collection agent for recovery of the debt. The collection agent will be paid an all- inclusive fee that will be negotiated. The Terms of Reference for such collection agent must include the appointment of a tracing agent to locate the debtor. Should a debtor be untraceable, the collection agent must report to the Municipality on the actions that were taken to attempt to trace the debtor.

6.4.2 Any amount owed by a debtor that has become untraceable must, after notification, be written off or sold to a debt collection agency at a discount.

6.4.3 Debt written off in the above instances will automatically result in the debtor being reported to the credit bureau by the Municipality.

**6.5 Special Arrangements in order to obtain a Clearance Certificate**

6.5.1 In terms of legislation the Municipality will under normal circumstances not issue a Clearance Certificate on any property unless all outstanding amounts are paid to date, or alternatively payment of the current year and two years preceding the date of application for the certificate have been fully paid, and a guarantee by the attorney handling the property transfer is issued in favour of the Municipality for the balance of the debt.

**6.6 Special Incentives introduced by Council for Household Consumers in terms of the Approved Revenue Enhancement Strategy**

6.6.1 Notwithstanding the Municipality's Credit Control Policy a debtor may enter into a written agreement with the Municipality to repay any outstanding and due amount to the Municipality under the following conditions:-

6.6.1.1 The outstanding balance, costs and any interest thereon shall be paid in regular and consecutive monthly instalments;

6.6.1.2 The current monthly amount must be paid in full; and

6.6.1.3 The written agreement has to be signed on behalf of the Municipality by a duly authorised officer.

6.6.2 Due to ineffective/ non implementation of credit control measures in the past, the majority of household consumers have accumulated significant arrear amounts and that these consumers are not in a position to pay of these arrear amounts in full together with their current monthly accounts. In order to improve the current payment levels from consumers the Council of Kouga Municipality may resolve to implement special incentives to address the arrear debt.

**6.7 Special cases:**

The allocation of RDP houses by the Directorate Planning, Development and Tourism has in some instances resulted in debt raised for the property in the name of the person allocated the house, but who never took occupation due to one of the following reasons:

- Occupation taken up by illegal occupants;
- Failure to inform the rightful owner about the allocation;
- Alteration of allocation not effected in Council records;

In the above-mentioned cases there will never be a need to implement the Credit Control and Debt Collection Policy; therefore write-off should take place immediately when the Directorate involved in the allocation of property issues a memorandum that confirms the above. Furthermore the write-off should be affected and later reported to Council for ratification purposes.

## 7. ESTABLISHMENT OF A COMMITTEE TO MONITOR ANY DEBT TO BE WRITTEN OFF

7.1 Council will establish and appoint a Committee to monitor the implementation of this Policy.

7.2 The Committee will consist of the following members:-

7.2.1. The Municipal Manager (Chairperson) or delegated authority.
7.2.2. Chief Financial Officer (Alternative Chairperson).
7.2.3. Chairperson of the Finance Committee.
7.2.4. A member of each Political Party.
7.2.5. One member of the Finance Committee to be nominated by the Finance Committee.

7.3. The above Committee will meet at least quarterly to receive and review a report from the Chief Financial Officer containing full details of any actions taken by officials with respect to this Policy, and to consider any circumstances not covered by this Policy.

7.4. The quorum for the Committee shall be 50% of the members plus one.
7.5. Formal minutes of Committee meetings must be prepared and submitted to Council.
7.6. The Chief Financial Officer will, after thorough review of any applications in terms of this Policy, be delegated to write off any amounts to the maximum of;
7.6.1. in the case of a household consumer an amount of R10,000 (excluding interest and penalties) per submission;
7.6.2. in the case of a business consumer an amount of R20,000 (excluding interest and penalties) per submission; and
7.6.3. any amount in excess of the delegation provided for in paragraph 7.6.1 and 7.6.2 above must be submitted together with a recommendation to the Municipal Manager for consideration. The Municipal Manager or delegated authority will, after thorough review of any recommendation by the Chief Financial Officer and in terms of this Policy, be delegated to write off any amounts to the maximum of:-
7.6.4. in the case of a household consumer an amount of R20,000 (excluding interest and penalties) per submission; and
7.6.5 in the case of a business consumer an amount of R50,000 (excluding interest and penalties) per submission.

7.7. Any amount in excess of the delegation provided for in paragraph 7.6.4 and 7.6.5 above may only be reviewed by the Committee to Monitor Debt to be written off and must be submitted together with a recommendation to Council for consideration.

7.8. All write-offs as per 7.6 is to be reported to the Committee to Monitor Debt to be written off.

## 8. DELEGATED POWERS ON WRITING-OFF INTEREST AND PENALTIES ON RECOVERABLE DEBTS

8.1 The Chief Financial Officer will, after thorough review of any applications in terms of this Policy, be delegated to write off interest and penalties, **subject to full settlement acco**unt, to the maximum of;

8.1.1 in the case of a household consumer an amount of R10 000 per submission;

8.1.2 in the case of a business consumer an amount of R20 000 per submission; and

8.1.3 any amount in excess of the delegation provided for in paragraph 8.1.1 and 8.1.2 above must be submitted together with a recommendation to the Municipal Manager for consideration. The Municipal Manager will, after thorough review of any recommendation by the Chief Financial Officer and in terms of this Policy, be delegated to write off interest and penalties, **subject to full settlement of the account**, to the maximum of:

8.1.4. in the case of a household consumer an amount of R20,000 per submission; and

8.1.5 in the case of a business consumer an amount of R50,000 per submission.

8.2 Any amount in excess of the delegation provided for in paragraph 8.1.1 to 8.1.5 above may only be reviewed by the Committee to Monitor Debt to be written off and must be submitted together with a recommendation to Council for consideration.

8.3. All write-offs as per 8.1.1 is to be reported to the Committee to Monitor Debt to be written off.

## 9. PREVENTION OF PRESCRIPTION OF DEBT

**9.1 Prevention**:

Proceedings out of the appropriate court for the recovery of a debt must be commenced as soon as it is appropriate in order to prevent prescription of the debt. A summons process for payment of the debt must be successfully concluded as soon as possible to prevent prescription of the debt in terms of the Prescription Act.

**9.2 Prescription Act, 1969 (Act No. 68 of 1969):**

Section 10 (1) of the Prescription Act provides that a debt shall be extinguished by prescription after the lapse of the period which in terms of the relevant law applies in respect of the prescription of such debt. The Municipality cannot legally enforce payment of a debt once the debt has prescribed, but the period of prescription is interrupted:-

(i) By the service on the debtor of any process whereby the creditor claims payment of the debt (Section 15). "Process" means a Summons or Notice of Motion, which must actually be served on the debtor and not simply issued by the court, and does NOT include a registered letter of demand.

(ii) the debtor acknowledges liability, whether expressly or tacitly (Section 14); payment of a portion of the debt can constitute a tacit acknowledgement of liability.
The completion of prescription may also be delayed in certain circumstances (Section 13).

**9.3 In terms of Section 11 of the Prescription Act, 1969 (Act 68 of 1969), the periods of prescription of debts are as follows:**

(i) **Thirty years** in respect of -
any debt secured by a mortgage bond;
any judgment debt;
any debt in respect of any taxation imposed or levied by or under any law; and any debt owed to the State in respect of any share of the profits, royalties or any similar consideration payable in respect of the right to mine minerals or other substances.

(ii) **Fifteen years** in respect of any debt owed to the State and arising out of an advance or loan of money or a sale or lease of land by the State to the debtor, unless a longer period applies in respect of the debt in question in terms of paragraph (i) above.

(iii) **Six years** in respect of a debt arising from a bill of exchange or other negotiable **instrument** or from a notaries contract, unless a longer period applies in respect of the debt in question in terms of paragraph (i) or (ii) above.

(iv) **Three years** in respect of all other debts, save where an Act of Parliament provides otherwise.

## 10. BAD DEBTS RECOVERED

The approval of Council for the write-off of any debt does not mean that actions to recover the money will be terminated, however, further actions will be instituted depending on the costs involved and if debt is recovered it will be recorded in the financial records of Council as recovered.

## 11. IMPLEMENTATION

This policy will be effective on the date of adoption by Council.
All future submissions for the writing off of debt must be considered in accordance with this policy.

---

**APPROVED ON:** **29 May 2015**

**COUNCIL RESOLUTION NUMBER:** **15/05/F14**

**KOUGA MUNICIPALITY (EC108)**

**ORDINARY COUNCIL MEETING**

**FINANCE**

**DATE: 28 AUGUST 2020** **ITEM NO. 20/08/F2**

## AMENDMENTS TO THE 2019/20 BUDGET – APPROVAL OF UNSPENT FUNDS AS AT 30 JUNE 2020

1. Introduction

The purpose of this item is to seek approval for the unanticipated 2019/20 unspent budget on the following projects to be rolled over to the 2020/21 budget as approved by Council.

- Upgrading of Sport Facilities
- Furniture and Equipment
- Machinery and Equipment
- Vehicle
- Computer Software and Appl.
- EDMS
- Library Upgrade
- Biometric System
- Computer Equipment
- 66kv line construction between melkhout sub & jbay mains
- Tri-switches St Francis bay
- electrical mini substation 22000/11000/400 St Francis
- electrical oil circuit breakers replacement
- electrical supply auto recloser St Francis bay
- electrical 5mv 22000/11000 transformer
- LV Networks(informal areas
- Roads
- Security Camera
- DISASTER RECOVERY SERVER
- Furniture and Equipment

2. Background

Council approved the 2019/20 Adjustments Budget and the aforementioned Capital projects were approved by Council as follows:

| Ukey Nr | Directorate | Project Name | Budget Allocation |
|---|---|---|---|
| 20190710991918 | Community Services | Upgrading of Sport Facilities | 500 000 |
| 20190710991820 | Community Services | Furniture and Equipment | 210 000 |
| 20190710991775 | Community Services | Machinery and Equipment | 560 000 |
| 20190710991662 | Community Services | Vehicle | 3 665 100 |
| 20190710991635 | Corporate Services | Computer Software and Appl. | 184 000 |
| 20190710991626 | Corporate Services | EDMS | 761 000 |
| 20190710991629 | Corporate Services | Library Upgrade | 176 738 |
| 20190710991889 | Corporate Services | Computer Equipment | 216 000 |
| 20190710991832 | Corporate Services | Furniture and Equipment | 540 520 |
| 20190710991644 | Corporate Services | Biometric System | 600 000 |
| 20190710991829 | Executive & Council | Furniture and Equipment | 100 000 |
| 20190710991844 | Executive & Council | Furniture and Equipment | 35 000 |
| 20190710991886 | Executive & Council | Computer Equipment | 100 000 |
| 20190710991692 | Infrastructure | 66kv line contruction between melkhout sub & jbay mains | 1 800 000 |
| 20190710991695 | Infrastructure | Tri-switches st francis bay | 200 000 |
| 20190710991704 | Infrastructure | electrical mini sub station 22000/11000/400 st fr | 485 935 |
| 20190710991713 | Infrastructure | electrical oil circuit breakers replacement | 800 000 |

| | | | |
|---|---|---|---|
| 20190710991716 | Infrastructure | electrical supply auto recloser st francis bay | 400 000 |
| 20190710991722 | Infrastructure | electrical 5mv 22000/11000 transformer | 1 406 000 |
| 20190710991956 | Infrastructure | LV Networks(informal areas | 1 000 000 |
| 20190710991912 | Infrastructure | Roads | 2 500 000 |
| 20190710991950 | Infrastructure | Security Camera | 150 000 |
| 20190710991973 | Finance | Furniture and equipment | 350 000 |
| 20190710991970 | Finance | Machinery and Equipment | 156 465 |
| 20190822992632 | Finance | DISASTER RECOVERY SERVER | 644 106 |
| 20190710991826 | Finance | Furniture and Equipment | 200 000 |
| | | **Total** | **17 740 864** |

3. Comment

The aforementioned project budget allocations remained unspent as of 30 June 2020 mainly due to the State of National Disaster declared by the president during March 2020. The results of this was a national lockdown which limited activities to essential services only.

It should also be noted that the relevant tenders were awarded, and associated appointment letter was issued to the service providers before year ended 30 June 2020. As the Municipality is contractually committed in this regard, it is suggested that the unspent funds be rolled over to the 2020/21 financial year in order to facilitate these projects.

In accordance with Section 28(2) (e) of the Municipal Finance Management Act (MFMA), Council may authorize the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the Council.

4. Financial Implication

In view of the aforementioned the following amendments to the 2020/21 Capital Budget, are proposed:

| Ukey Nr | Directorate | Project Name | 2020/21 Amended Capital Budget |
|---|---|---|---|
| 20190710991918 | Community Services | Upgrading of Sport Facilities | 153 457 |
| 20190710991820 | Community Services | Furniture and Equipment | 116 260 |
| 20190710991775 | Community Services | Machinery and Equipment | 369 138 |
| 20190710991662 | Community Services | Vehicle | 3 153 100 |
| 20190710991635 | Corporate Services | Computer Software and Appl. | 184 000 |
| 20190710991626 | Corporate Services | EDMS | 761 000 |
| 20190710991629 | Corporate Services | Library Upgrade | 22 000 |
| 20190710991889 | Corporate Services | Computer Equipment | 202 220 |
| 20190710991832 | Corporate Services | Furniture and Equipment | 352 446 |
| 20190710991644 | Corporate Services | Biometric System | 600 000 |
| 20190710991829 | Executive & Council | Furniture and Equipment | 2 962 |
| 20190710991844 | Executive & Council | Furniture and Equipment | 13 885 |
| 20190710991886 | Executive & Council | Computer Equipment | 62 445 |
| 20190710991692 | Infrastructure | 66kv line contruction between melkhout sub & jbay mains | 1 743 086 |
| 20190710991695 | Infrastructure | Tri-switches st francis bay | 200 000 |
| 20190710991704 | Infrastructure | electrical mini sub station 22000/11000/400 st fr | 485 935 |
| 20190710991713 | Infrastructure | electrical oil circuit breakers replacement | 800 000 |
| 20190710991716 | Infrastructure | electrical supply auto recloser st francis bay | 400 000 |

| | | | |
|---|---|---|---|
| 20190710991722 | Infrastructure | electrical 5mv 22000/11000 transformer | 1 406 000 |
| 20190710991956 | Infrastructure | LV Networks(informal areas | 1 000 000 |
| 20190710991912 | Infrastructure | Roads | 2 500 000 |
| 20190710991950 | Infrastructure | Security Camera | 150 000 |
| 20190710991973 | Finance | Furniture and equipment | 327 833 |
| 20190710991970 | Finance | Machinery and Equipment | 156 465 |
| 20190822992632 | Finance | DISASTER RECOVERY SERVER | 637 267 |
| 20190710991826 | Finance | Furniture and Equipment | 141 005 |
| | | **Total** | **15 940 502** |

5. Recommendation

5.1 That the Executive Mayor recommend that the Council, by resolution taken by the majority of its full number, and in terms of Section 30(2) of the Local Government: Municipal Structures Act No. 117 of 1998 (as amended), read in conjunction with Section 28 of the Local Government: Finance Management Act, Act No 56 of 2003, approves the following amendments to the 2017/18 Capital Budget.

| **Ukey Nr** | **Directorate** | **Project Name** | **2020/21 Amended Capital Budget** |
|---|---|---|---|
| 20190710991918 | Community Services | Upgrading of Sport Facilities | 153 457 |
| 20190710991820 | Community Services | Furniture and Equipment | 116 260 |
| 20190710991775 | Community Services | Machinery and Equipment | 369 138 |
| 20190710991662 | Community Services | Vehicle | 3 153 100 |
| 20190710991635 | Corporate Services | Computer Software and Appl. | 184 000 |
| 20190710991626 | Corporate Services | EDMS | 761 000 |
| 20190710991629 | Corporate Services | Library Upgrade | 22 000 |
| 20190710991889 | Corporate Services | Computer Equipment | 202 220 |
| 20190710991832 | Corporate Services | Furniture and Equipment | 352 446 |

| | | | |
|---|---|---|---|
| 20190710991644 | Corporate Services | Biometric System | 600 000 |
| 20190710991829 | Executive & Council | Furniture and Equipment | 2 962 |
| 20190710991844 | Executive & Council | Furniture and Equipment | 13 885 |
| 20190710991886 | Executive & Council | Computer Equipment | 62 445 |
| 20190710991692 | Infrastructure | 66kv line contruction between melkhout sub & jbay mains | 1 743 086 |
| 20190710991695 | Infrastructure | Tri-switches st francis bay | 200 000 |
| 20190710991704 | Infrastructure | electrical mini sub station 22000/11000/400 st fr | 485 935 |
| 20190710991713 | Infrastructure | electrical oil circuit breakers replacement | 800 000 |
| 20190710991716 | Infrastructure | electrical supply auto recloser st francis bay | 400 000 |
| 20190710991722 | Infrastructure | electrical 5mv 22000/11000 transformer | 1 406 000 |
| 20190710991956 | Infrastructure | LV Networks(informal areas | 1 000 000 |
| 20190710991912 | Infrastructure | Roads | 2 500 000 |
| 20190710991950 | Infrastructure | Security Camera | 150 000 |
| 20190710991973 | Finance | Furniture and equipment | 327 833 |
| 20190710991970 | Finance | Machinery and Equipment | 156 465 |
| 20190822992632 | Finance | DISASTER RECOVERY SERVER | 637 267 |
| 20190710991826 | Finance | Furniture and Equipment | 141 005 |
| 20190822992646 | Finance | Office upgrade ICT | 153 950 |
| 20190710991847 | Finance | Cibex Software | 81 497 |
| 20190710991900 | Finance | WIFI Solution | 75 904 |
| | | **Total** | **15 940 502** |

**Item Prepared By** : **S Abrahams**

**Item Approved By** : **Chief Financial Officer**

**Endorsed By The Portfolio Chairperson**

**KOUGA MUNICIPALITY (EC108)**

**ORDINARY COUNCIL MEETING**

**FINANCE**

**DATE: 28 AUGUST 2020** **ITEM NO.: 20/08/F3**

**REVISED SUPPLY CHAIN MANAGEMENT POLICY**

1. Introduction

The purpose of this report is to submit a revised Supply Chain Management Policy for approval by council. All the changes have been workshopped in three sessions in a policy workshop. It is strongly believed that these changes will enhance Local Economic Development in the Kouga Area at large.

2. Background

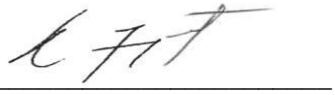
The following are attached:

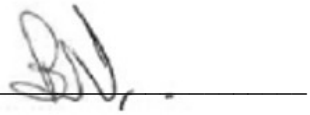
Revised SCM Policy as **Annexure "A".**
Revised template for Deviation **Annexure "B"**

3. Recommendation

3.1 That the revised SCM Policy be approved by Council and thereafter be implemented with immediate effect by Head of Administration.

**Item prepared by SCM Manager** : 

**Item approved by the CFO** : 

**Noted by the Portfolio Councillor** : 

KOUGA
local municipality
Good Governance through Service Excellence

# REVISED SUPPLY CHAIN MANAGEMENT POLICY

## Supply Chain Management

Contact details: **scm@kouga.gov.za** or **tenders@kouga.gov.za**

Approved by council on the: 29 March 2018*(Item NO:18/03/F1)*

Latest Amendment by council on the:

# KOUGA MUNICIPALITY
## REVISED MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY
## LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003

**Date of adoption**:

Council resolves in terms of section 111 of the Local Government Municipal Finance Management Act (No. 56 of 2003), to adopt the under-mentioned revised policy as the Supply Chain Management Policy of the municipality.

### TABLE OF CONTENTS


| | | PAGE |
|---|---|---|
| 1. | Desired of outcomes on the implementation SCM policy | 15 |
| | **CHAPTER 1** | |
| | **IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY** | |
| **2.** | Supply chain management policy | 16 |
| **3.** | Amendment of supply chain management policy | 17 |
| **4.** | Delegation of supply chain management powers and duties | 17 |
| **5.** | Sub-delegations | 18 |
| **6.** | Oversight role of council | 19 |
| **7.** | Supply chain management unit | 20 |
| **8.** | Training of supply chain management officials | 20 |
| | **CHAPTER 2** | |
| | **SUPPLY CHAIN MANAGEMENT SYSTEM** | |
| **9.** | Format of supply chain management system | 20 |
| | **Part 1: Demand management** | |
| **10.** | System of demand management | 20-22 |
| | **Part 2: Acquisition management** | |
| **11.** | System of acquisition management | 22 |
| **12.** | Range of procurement processes | 22 |
| **13.** | General preconditions for consideration of written quotations or bids | 23 |
| **14.** | Lists of accredited prospective providers | 24-26 |
| **15.** | Petty cash purchases | 26 |
| **16.** | Written or verbal price quotations | 27 |
| **17.** | Formal written price quotations | 27 |
| **18.** | Procedures for procuring goods or services through written or verbal quotations and formal written price quotations | 27-28 |

**19.** Competitive bidding process 28
**20.** Process for competitive bidding 28
**21.** Bid documentation for competitive bids 28
**22.** Public invitation for competitive bids 29-30
**23.** Procedure for handling, opening and recording of bids 31
**24.** Negotiations with preferred bidders 32
**25.** Two-stage bidding process 32
**26.** Committee system for competitive bids 33
**27.** Bid specification committees 33
**27. A** Bid Specifications or Terms Reference 34

**27.1** General requirements 34
**27.2** Identification of Preference Points System, Designated Sector, Objective Critera and Subcontracting
**27.3** Pre- qualification Criteria for Preferential Procurement 35
**27.4** Functionality 35
**27.5** 80/20 Preference Points System 35
**27.6** 90/10 Preference Points System 36-38
**27.7** Local production 39
**27.8** Additional Conditions 40

**27.8.1** Awards of contracts to tenderers not scoring highest points 40
27.8.2 Subcontracting as condition of tender 41
27.8.3 Sub-contracting after award of tender 41

**27.9** Miscellaneous Special Conditions of Contract 41
**27.9.1** General 42
**27.9.2** Declarations 42
**27.9.4** Remedies 42

**27.10.** Cancellation of Tender 43
**27.11**.Procurement from tertiary institutions 43
**27.12** Alternative Bids 44
**27.13** Samples 44
**28.** Bid evaluation committees 45-47
**29.** Bid adjudication committees 47-49
**30.** Procurement of banking services 49

| | | PAGE |
|---|---|---|
| **31.** | Procurement of IT related goods or services | 50 |
| **32.** | Procurement of goods and services under contracts secured by other organs of state | 50 |
| **33.** | Procurement of goods necessitating special safety arrangements | 51 |
| **34.** | Proudly SA Campaign | 51 |
| 35. | Appointments of Consultants | 51 |
| **36.** | Deviation from, and ratification of minor breaches of, procurement processes | 51-53 |
| **37.** | Unsolicited bids | 53 |
| **38.** | Combating of abuse of supply chain management system | 54 |
| | **Part 3: Logistics, Disposal, Risk and Performance Management** | |
| **39.** | Logistics management | 55 |
| **40.** | Disposal management | 56-58 |
| **41.** | Risk management | 58 |
| **42.** | Performance management | 59 |
| | **Part 4: Other matters** | |
| **43.** | Tax Matters | 59 |
| **44.** | Prohibition on awards to persons in the service of the state | 60 |
| **45.** | Awards to close family members of persons in the service of the state | 60 |
| **46.** | Ethical standards | 60 |
| **47.** | Inducements, rewards, gifts and favors | 61 |
| **48.** | Sponsorships | 61 |
| **49.** | Objections and complaints | 61 |
| **50.** | Resolution of disputes, objections, complaints and queries | 62 |
| **51.** | Contracts providing for compensation based on turnover | 63 |
| **52.** | Contract management – issue of expansion or variation orders | 63-64 |
| **53.** | Application of policy to municipal entities | 65 |
| **54.** | Fronting | 66 |
| **55.** | Conditions relating to the granting of preference | 68 |
| **56.** | Archive of Bidding Document | 68 |
| **57** | Construction Industry Development Board | 69 |
| **58** | Commencement | 69 |
| | **Annexures:** | |
| **A.** | Code of Conduct for Supply Chain Management Practitioners and other role players. | 70-72 |

## 1. Definitions

In this policy and any bid documentation or directive issued in terms thereof, the singular includes the plural and vice versa, any one gender includes both genders and, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Municipal Finance Management Act has the same meaning as in this Act and -

Words importing the singular shall include the plural and vice versa and words importing the masculine gender shall include females and words importing persons shall include companies, close corporations and firms, unless the context clearly indicates otherwise.

Unless otherwise indicated, all amounts/limits stated in this document shall be deemed to be inclusive of all applicable taxes.

**"Accounting Officer"** means the manager of the municipal administration and accounting officer of the municipality appointed by the council in terms of section 54A of the Local Government: Municipal Systems Act No. 32 of 2000 and includes any employee of the municipality who acts in his stead and, in the event of the municipality being subject to an intervention in terms of section 139 of the Constitution or any other applicable law, includes the "Administrator" appointed as a consequence of such intervention or in terms of the conditions pertaining thereto;

**"KLM"** means Kouga Local Municipality, a municipality established in terms of the Municipal Structures Act, 1998, (Act 117 of 1998), any employee of KLM is acting in terms of the delegated authority.

**"All applicable taxes"** includes value-added tax, pay as you earn, income tax, skills development levies and unemployment insurance fund contributions;

**"B-BBEE"** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;

**"B-BBEE status level of contributor"** means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment;

**"Bid"** means a written offer in a prescribed or stipulated form in response to an invitation to bid issued by the municipality for the procurement of goods, services or works through price quotations, advertised competitive bidding processes, limited bids or proposals or for the disposal of assets and **"tender**" has a corresponding meaning;

**"Bid Committees"** means the committees established in terms of this policy to prepare bid specifications, bid documentation, evaluate responsive bids and, where so authorized, to adjudicate responsive bids and any reference in section 117 of the Municipal Finance Management Act to municipal tender committees shall be construed as a reference to the aforesaid committees;

**"Bid documentation"** means all documentation relating to or necessary in order to complete a procurement or disposal including but not limited to such specification, bidding, certification and contractual documentation as may be prescribed by National Treasury or the Construction Industry Development Board, as the case may be, for municipal supply chain management purposes and the implementation of this policy;

**“Bidder**” means any person who submits a bid or quotation to the municipality in response to an invitation to bid or quote and includes a **“tenderer’**;

**“Bid rigging”** means a prohibited collusive bidding practice in terms of which bidders that would normally be expected to compete in a procurement process either singularly or by association with other persons or firms in a horizontal relationship, secretly conspire to raise prices or lower the quality of goods and/or services or agree not to compete against each other in such process;

**"Black people"** is a generic term which means Africans, Coloureds and Indians;

**"Broad-Based Black Economic Empowerment Act"** means the Broad-Based Black Economic Empowerment Act No. 53 of 2003;

**“Chief Financial Officer”** means the official of the municipality designated as such in terms of section 80(2)(a) of the Municipal Finance Management Act;

**“CIDB”** means the Construction Industry Development Board;

**“CIDB regulations”** means any regulations issued in terms of the Construction Industry Development Board Act No. 38 of 2000;

**“Codes of Good Practice”** means the Codes of Good Practice on Black Economic Empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act and contained in General Notice 12 of 9 February 2007;

**"Comparative price**" means the price after the factors of a non-firm price and all unconditional discounts that can be utilized, have been taken into consideration;

**“Competitive bidding process”** means a transparent procurement method in which bids from competing contractors, suppliers or vendors are invited by openly advertising the scope, specifications, terms and conditions of the proposed contract as well as the criteria by which responsive bids received will be evaluated;

**“Competitive bid”** means a bid in terms of a competitive bidding process;

**"Consortium or joint venture"** means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;

**“Construction works”** or **“works’** means the provision of a combination of goods and services arranged for the development, extension, installation, repair, maintenance, renewal, removal, renovation, alteration, dismantling or demolition of a fixed asset including building and engineering infrastructure;

**“Contractor”** means a person or body of persons who undertakes to execute and complete procured construction works for or on behalf of the municipality;

**"Contract"** means the agreement that results from the acceptance of a bid by the municipality in accordance with this policy;

**“Council”** means the council of Kouga Municipality;

**"Day"** unless expressly otherwise provided in this policy, means a calendar day, provided that when any particular number of days is prescribed for the doing of any act, or for any other purpose, the same shall be reckoned exclusively of the first and inclusively of the last day, unless the last day happens to fall on a Sunday or on any public holiday, in which case the time shall be reckoned exclusively of the first day and exclusively also of every such Sunday or public holiday;

**"Delegating authority"** means the council, a duly authorized political structure or office bearer thereof, the Accounting Officer or other employee to whom original powers are assigned in terms of legislation and, in relation to a sub-delegation of a power, that delegated body;

**"Delegation"** means the issuing of a written authorization by a delegating authority to a delegated body to act in his stead and, in relation to a duty, includes an instruction or request to perform or to assist in performing the duty and "delegate" and sub-delegate has a corresponding meaning;

**"Delegated body"** in relation to the delegation of a power means the person to whom a power has been delegated by the delegating authority in writing;

**"Designated Official"** means the official of the municipality to whom the accounting officer or the chief financial officer, as the case may be, have, in accordance with sections 79 and 82 of the Municipal Finance Management Act No. 56 of 2003 delegated or sub-delegated powers, functions and duties in connection with the application and implementation of this policy provided that a sub-delegation by the chief financial officer to an official that has not been allocated to him by the accounting officer or to a person contracted by the municipality for the work of its budget and treasury office may only be so authorized with the concurrence of the accounting officer and provided further that the said chief financial officer is satisfied that effective systems and procedures are in place to ensure control and accountability by the person concerned;

**"Designated sector"** means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content;

**"Disposal"** means a process of preparing, negotiating and concluding a written contract relating to the alienation or a capital asset whether movable or immovable owned by or under the control of the municipality or rights in respect thereof, by means of a sale, lease, donation or cession and **"dispose of"** has a similar meaning;

**"Final award"** in relation to bids or quotations submitted for a contract, means the final decision on which a bid or quote was accepted;

**"Firm price**" means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy or tax which, in terms of any applicable law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies or the rendering costs of any service, for the execution of a contract;

**"Formal written price quotations"** means quotations referred to in paragraph 12 (1) (c) of this policy;

**"Fronting"** means a deliberate circumvention or attempted circumvention of the "Broad-Based Black Economic Empowerment Act and the Codes of Good Practice;

**"Head of Department"** means a senior manager as defined in the Municipal Finance Management Act and who is responsible for a vote as assigned by the accounting officer.

**"Imported content"** means that portion of the bid or tender price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or its sub-contractors) 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 port of entry;

**"In the service of the state"** means to be -

**(a)** A member of -

**(i)** any municipal council;

**(ii)** any provincial legislature; or

**(iii)** the National Assembly or the National Council of Provinces;

**(b)** A member of the board of directors of any municipal entity;

**(c)** An official of any municipality or municipal entity;

**(d)** An employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Act and the Public Finance Management Act, 1999 (Act No. 1 of 1999);

**(e)** A member of the accounting authority of any national or provincial public entity; or

**(f)** An employee of Parliament or a provincial legislature;

**"Line manager"** means a manager reporting directly to a senior manager and who is responsible for a cost centre as assigned by the relevant senior manager;

**"Local content"** means that portion of the bid or tender price which is not included in the imported content, provided that local manufacture does take place;

**"Long term contract"** means a contract with a duration period exceeding one year;

**"List of accredited prospective providers"** means the list of accredited prospective providers which the municipality must keep in terms of paragraph 15 of this policy;

**"Mayor"** means the councillor elected by the council as Mayor in terms of section 48 of the Local Government: Municipal Structures Act No. 117 of 1998 read with section 58 of the Municipal Finance Management Act;

"**Municipality"** means the Kouga Municipality, a local municipality established in terms of section 12 of the Local Government: Municipal Structures Act No. 117 of 1998 and includes any employee entitled to or duly authorized to perform any function or duty in terms of this policy and/or is responsible for the implementation of this policy or any part thereof;

**"Municipal Finance Management Act"** means the Local Government: Municipal Finance Management Act No. 56 of 2003 and, unless otherwise stated in this policy, any reference to "the Act" shall mean a reference to this Act;

**"Municipal Systems Act"** means the Local Government: Municipal Systems Act No. 32 of 2000 and includes the regulations under this Act;

**"Non-firm prices"** means all prices other than "firm" prices;

**"Other applicable legislation"** means any other legislation applicable to municipal supply chain management, including but not limited to -

**(a)** the Preferential Procurement Policy Framework Act No. 5 of 2000;

**(b)** the Broad-Based Black Economic Empowerment Act No. 53 of 2003;

**(c)** the Construction Industry Development Board Act No. 38 of 2000;

**(d)** the Local Government: Municipal Systems Act No. 32 of 2000 (Municipal Systems Act);

**I.** the Promotion of Administrative Justice Act No. 3 of 2000;

**II.** the Promotion of Access to Information Act No. 2 of 2000;

**III.** the Protected Disclosures Act No. 26 of 2000;

**IV.** the Competition Act No. 89 of 1998;

**V.** the Prevention and Combating of Corrupt Activities Act No. 12 of 2004;

**VI.** the Updated Preferential Procurement Regulation dated 20 January 2017

**"Person"** includes an enterprise, partnership, trust, association, consortium, joint venture or a juristic person;

**"Petty cash"** means a relatively small amount of cash kept at hand for making immediate payment for miscellaneous small expenses incurred the municipality.

**"Preferential Procurement Regulations"** means the Preferential Procurement Regulations, 2011 contained in Government Notice R 502 of 8 June 2011 promulgated in Government Gazette No. 34350 of this date; as well as the updated Preferential Procurement Regulations dated 20 January 2017

**"Procurement"** means the processes leading to the negotiation and conclusion of contracts whether in writing or verbally for the acquisition of goods, services or construction works or any combination thereof or the disposal of assets whether movable or immovable or any rights in such assets by means of purchase, sale, lease or donation and includes the preparation of all associated bid and contractual documentation and **"procured"** or **"procuring"** has a similar meaning;

**"Quotation"** means a stated price that a supplier expects to receive for the provision of specified services, goods or works;

**"Responsive bid"** means a bid that complies in all material aspects with the requirements set out in or contained in an invitation to bid including the applicable specification;

**"Small enterprise"** means a separate and distinct business entity, together with its branches or subsidiaries, if any, including cooperative enterprises, managed by one owner or more predominantly carried on in any sector or sub-sector of the economy mentioned in column 1 of the Schedule to the National Small Business Act No. 102 of 1996 which is contained in Annexure B to this policy and classified as a micro-, a very small, a small or a medium enterprise by satisfying the criteria mentioned in columns 3, 4 and 5 of the said schedule;

**"Stipulated minimum threshold"** means that portion of local production and content as determined by the Department of Trade and Industry from time to time;

**"Sub-contract"** means the primary contractor's assigning, leasing, making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of a contract;

**"Rand value"** means the total estimated value of a contract in South African currency calculated at the time of bid invitations, and includes all applicable taxes and excise duties;

**"SANAS"** means the South African National Accreditation System;

**"Total revenue"** bears the same meaning assigned to this expression in the Codes of Good Practice;

**"Trust"** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person;

**"Trustee"** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person;

**"Treasury guidelines"** means any guidelines on supply chain management issued by the Minister of Finance in terms of section 168 of the Municipal Finance Management Act;

**"The Regulations"** means the Local Government: Municipal Finance Management Act, 2003: Municipal Supply Chain Management Regulations published by Government Notice 868 of 2005;

**"Verbal Quotations"** means a verbal process of inviting quotations from an identified limited number of potential suppliers for the supply goods, services and/or works;

**"Verification Certificate**" means a B-BBEE certificate issued in compliance with the B-BBEE Codes of Good Practice and all Sector Codes issued in terms of Section 9(1) of the Broad-Based Black Economic Empowerment Act;

**"Written quotations"** means quotations referred to in paragraph 12 (1) (c) of this policy.

**"Community Based Supplier"** means a supplier of goods, services and/or construction works who resides and operates in a specific area or community, who meets the criteria for Community Based Suppliers as determined by the Director: Supply Chain Management from time to time, and who is registered as such on the KLM's Supplier Database and at its respective Sub-Council;

**"Abuse"** in terms of the Kouga's Supply Chain Management System means conduct by an official or person that is tantamount to:
fraud;
corruption;

- favoritism;
- unfair, irregular and unlawful practices;
- misrepresentation on information submitted for the purposes of procuring a contract with the municipality misrepresentation regarding the supplier's B-BEE status level of contributor, expertise and capacity to perform in terms of a contract procured via the supply chain management system;
- breach of a contract procured via the supply chain management system;

- failure to comply with the supply chain management system; or
- and any other conduct referred to under the heading of" Combatting Abuse of the Supply Chain Management System".

**"Formal Written Price Quotation"** means a written or electronic offer to the KLM in response to an invitation to submit a quotation. "Formal Written Price Quotation", "Written Price Quotation", "Quotation" or " shall have a similar meaning. Also referred to as "Bids";

**"Framework Agreement Bid/ Term Bid / Panels / Rates Based Bid"** means a bid for the supply of goods, services or construction works, which are of an ad-hoc or repetitive nature on an "as instructed basis" where the terms are approved for use over a predetermined period of time without guaranteeing any quantum of expenditure utilizing the contract;

**"Fronting Practice (Also referred to as Tokenism or Window dressing)"** means a transaction, arrangement or other act or conduct that directly or indirectly undermines or frustrates the achievement of the objectives of the B-BBEE Act or the implementation of any of the provisions of the B-BBEE Act, including but not limited to practices in connection with a B-BBEE initiative:

- in terms of which black persons who are appointed to an
- enterprise are discouraged or prohibited from substantially participating in the core activities of that enterprise;
- in terms of which the economic benefits received as a result of the broad-based black economic empowerment status of an enterprise do not flow to black people in the ratio specified in the relevant legal documentation;
- involving the conclusion of a legal relationship with a black person for the purpose of that enterprise achieving a certain level of broad-based black economic empowerment compliance without granting that black person the economic benefits that would reasonably be expected to be associated with the status or position held by that black person; or
- involving the conclusion of an agreement with another enterprise in order to achieve or enhance broad-based black economic empowerment status in circumstances in which:
- there are significant limitations, whether implicit or
- explicit, on the identity of suppliers, service providers, clients or customers; the maintenance of business operations is reasonably considered to be improbable, having regard to the resources available; the terms and conditions were not negotiated at arm's length and on a fair and reasonable basis.

**"Functionality"** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents. This is determined by the measurement according to predetermined norms, as set out in the bid documents, of the totality of features and characteristics of the goods or services that bears on the ability of thereof to satisfy the stated or implied needs. "Functionality" is also referred to as "Quality";

**"Granting of Rights"** means the granting by the KLM of the right to use, control or manage capital assets in circumstances where sections 14 and 90 of the MFMA and Chapters 2 and 3 of the Municipal Asset Transfer Regulations do not apply. In other words, where the granting of such rights does not amount to "transfer" or "disposal" of the asset and which includes leasing, letting, hiring out, etc., of the capital asset;

**"Green Procurement"** is defined as taking into account environmental criteria for goods and services to be purchased in order to ensure that the related environmental impact is minimised;

"Influencing the Bid Process" means directly, indirectly or tacitly influencing or interfering with the work of relevant KLM Officials involved in the bid process in order to influence the process in order to inter alia:

- influence the process and/or outcome of a bid;
- incite breach of confidentiality and/or the offering of bribes;
- cause over and under invoicing;
- influence the choice of procurement method or technical standards; or
- influence any KLM Official in any way which may secure an
- unfair advantage during or at any stage of the procurement process.

**"Joint Venture or Consortium"** means an association of persons, formalised by agreement between such persons, formed for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;

**"Military Veteran"** has the meaning assigned to it in section 1 of the Military Veterans Act, 2011 (Act No. 18 of 2011);

**"Municipal Asset Transfer Regulations"** means the Municipal Asset Transfer Regulations published in Government Gazette 31346 of 22 August 2008;

**"Municipal Council (Council)"** means the council referred to in Section 18 of the Local Government Municipal Structures Act 117 of 1998;

**"Municipal Entity"** means an entity as defined in the Municipal Systems Act;

**"Municipal Finance Management Act"** (MFMA): means the Local Government: Municipal Finance Management Act, 2003, (Act 56 of 2003);

**"Municipal Structures Act"** means Local Government Municipal Structures Act, 1998 (Act 117 of 1998);

**"Municipal Systems Act"** means Local Government Municipal Systems Act, 2000 (Act 32 of 2000)

**"National Treasury"** has the meaning has the meaning assigned to it in section 1 of the Public Finance Management Act, 1999 (Act No. 18 of 1999;

**"Non-compliant Contributor"** means a person who does not meet the minimum score to qualify as a status level 8 B-BBEE Contributor, or a person who is not verified in terms of the applicable codes of good practise;

**"Non-exempted Capital Asset"** means a municipal capital asset which is not exempted by section 14(6) or 90(6) of the MFMA, from the other provisions of that section;

**"Non-firm Prices"** means all prices other than "firm" prices;

**"People with Disabilities"** has the meaning assigned to it in section 1 of the Employment Equity Act, 1998 (Act No. 55 of 1998);

**"Preferred Bidder"** means a bidder with whom negotiations may be entered into to conclude the final terms of a contract

**"Preferential Procurement Policy Framework Act"** (PPPFA) means the Preferential Procurement Policy Framework Act, 2000, (Act 5 of 2000);

**"Preferential Procurement Regulations"** means the regulations pertaining to the PPPFA;

**"Price"** includes all applicable taxes less unconditional discounts;

**"Prime Supplier"** shall have the same meaning as "Contractor" (see also Supplier);

**"Promotion of Access to Information Act (PAIA)"** means Promotion of Access to Information Act, 2000 (Act 2 of 2000);

**"Proof of B-BBEE Status Level of Contributor"** means the B-BBEE status level certificate issued by an authorised body or person, a sworn affidavit as prescribed by the B-BBEE Codes of Good Practice or any other requirement prescribed in terms of the Broad-Based Black Economic Empowerment Act;

**"Policy"** means this Supply Chain Management Policy as amended from time to time;

**"Promotion of Administrative Justice Act (PAJA)"** means the Promotion of Administrative Justice Act, 2000, (Act 3 of 2000);

**" Qualifying Small Enterprise (QSE)"** means a qualifying small enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;

**"Quality"** also referred to as "Functionality" (see clause 1.49 above);

**"Rand Value"** means the total estimated value of a contract in Rand, calculated at the time of bid invitation;

**"Representative"** means any representative of a supplier in relation to the relevant tender, whether authorized or not, including but not limited to directors, members, employees and agents and include Legal Representatives.

**"Republic"** means the Republic of South Africa;

**"Responsible Agent"** means either an internal project manager (being an employee of the KLM) or an external consultant (appointed by the KLM), as the case may be, who is responsible for the implementation of a project or part thereof;

**"Rural Area"** means a sparsely populated area in which people farm or depend on natural resources, including villages and small towns that are dispersed through the area or an area including a large settlement which depends on migratory labour and remittances and government social grants for survival, and may have a traditional land tenure system;

**"SARS"** means the South African Revenue Services;

**"Stipulated Minimum Threshold"** means the minimum threshold stipulated in terms of any relevant regulation of the Preferential Procurement Regulations, 2017;

**"Sub-contract"** means the prime supplier's assigning, leasing, making out work to, or employing, another person to support such prime supplier in the execution of part of a contract;

**"Sub-contractor"** means any person that is assigned, leased, employed or contracted by the prime supplier to carry out work in support of the prime supplier in the execution of a contract;

**"Supplier/Vendor"** are generic terms which may include suppliers of goods and services, contractors and/or consultants and must be applied as the context requires;

**"Supply Chain Management (SCM) Regulations"** means the Municipal Supply Chain Management Regulations published in terms of the Municipal Finance Management Act, 2003, (Act 56 of 2003);

**"Targeted Labour"** means those individuals employed by a supplier, or sub-contractor, in the performance of a contract, who are defined in the contract as the target group, and who permanently reside in the defined target area;

**"Targeted Enterprises"** means those enterprises (suppliers, manufacturers, service providers or construction works contractors) that own, operate or maintain premises within the target area defined in the contract, for the purposes of carrying out their normal business operations;

**"Tender/Tenderer"** means "bid/bidder";

**"Township"** means an urban living area that at any time from the late 19th century until 27 April 1994, was reserved for black people, including areas developed for historically disadvantaged individuals post 27 April 1994;

**"Transaction Value"** means the actual contract value (the bid sum or price) in South African currency, inclusive of all applicable taxes in respect of the goods, services or construction works that are contracted for;
"Treasury" has the meaning assigned to it in section 1 of the Public Finance Management Act, 1999 (Act No. 18 of 1999);

**"Treasury Guidelines"** means any guidelines on supply chain management issued by the Minister in terms of section 168 of the MFMA;

**"Unsolicited Bid"** means an offer submitted by any person at its own initiative without having been invited by the KLM to do so;

**"Youth"** has the meaning assigned to it in section 1 of the National Youth Development Agency Act, 2008 (Act No. 54 of 2008).

**"Director"** in terms of this policy means a director of a company as defined in the Companies Act, 1973 and 2008 (Act No. 61 of 1973 and Act No. 71 of 2008); a member of a close corporation as defined in the Close Corporations Act, 1984 (Act No. 69 of 1984); a trustee of a trust or a person holding an equivalent position in a firm.

## 1. Application and Desired Outcomes by Kouga Local Municipality (KLM) from the SCM policy

**1)** The desired outcome of this Policy is to provide a mechanism to ensure sound, sustainable and accountable supply chain management within the KLM, whilst promoting black economic empowerment, which includes general principles for achieving the following socio-economic objectives:

**a)** to stimulate and promote local economic development in a targeted and focused manner;
**b)** to promote resource efficiency and reduce the negative environmental impact of daily operations of the KLM;
**c)** to facilitate creation of employment and business opportunities for the people of KLM with particular reference to B-BBEE;
**d)** to promote the competitiveness of local businesses;
**e)** to increase the small business sector access, in general, to procurement business opportunities created by Council;
**f)** to implement e-Procurement as an alternative to a manual process, to enhance efficiency and service delivery;
**g)** to support green procurement initiatives as far as is reasonably possible.

**2)** This Policy will also strive to ensure that the objectives for uniformity in supply chain management systems between organs of state, in all spheres, is not undermined and that consistency with national economic policy on the promotion of investments and doing business with the public sector is maintained.

## CHAPTER 1
## IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

### 2. Supply chain management policy

**(1)** All officials and other role players in the supply chain management system of the municipality must implement this policy in a way that -

**(a)** gives effect to Section 217 of the Constitution and Part 1 of Chapter 11 and other applicable provisions of the Act;

**(b)** is fair, equitable, transparent, competitive and cost effective;

**(c)** complies with the Regulations and any minimum norms and standards that may be prescribed in terms of section 168 of the Act;

**(d)** is consistent with other applicable legislation;

**(e)** does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and

**(f)** is consistent with national economic policy concerning the promotion of investments and the conduct of business with the public sector.

**(2)** This policy applies when the municipality –

**(a)** procures goods or services.

**(b)** disposes of goods no longer needed;

**(c)** selects contractors to provide assistance with the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or

**(d)** selects external mechanisms referred to in section 80 (1) (b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.

**(3)** This policy, except where provided otherwise, does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including, but not limited to -

**(a)** water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and

**(b)** electricity from Eskom or another public entity, another municipality or a municipal entity.

**(c)** the provision of goods or services to KLM by entities that have been preapproved by Provincial Department and National Department

**(d)** the provision of a municipal service or assistance in the provision of a municipal service

**(e)** any other contractual agreements between organs of state for whatever reasons

**(4)** Notwithstanding anything to the contrary in this policy, the municipality shall not award a contract to a contractor in respect of the undertaking, carrying out or completion of any construction works or a portion thereof in terms of a competitive bidding or quotation process provided for in this policy unless such contractor is registered with the Construction Industry Development Board established by section 2 of the Construction Industry Development Board Act No. 32 of 2000 and holds a valid registration certificate issued by such Board or is exempted from such registration either in terms of this Act or the "CIDB Regulations".

**(5)** A report must be submitted to the accounting officer or delegated authority seeking authority to contract with another organ of state.

## 3. Amendment and adoption of the supply chain management policy

**(1)** The accounting officer must at least annually review the implementation of this policy and, when necessary, submit proposals for the amendment thereof to the council through the Mayor acting in conjunction with the mayoral committee.

**(2)** If the accounting officer submits proposed amendments to this policy to the council, he must ensure that same comply with the Regulations and Treasury guideline standards determining standards for municipal supply chain management policies.

**(3)** The accounting officer must report any deviation from the Regulations and Treasury guideline standards determining standards for municipal supply chain management policies to the National and Eastern Cape Provincial Treasuries.

**(4)** When amending this policy, the need for uniformity in supply chain practices, procedures and forms between all spheres of organs of state particularly to promote accessibility of supply chain management systems for small businesses, must be taken into account.

## 4. Delegation of supply chain management powers and duties

**1)** The council hereby delegates all powers and duties to the accounting officer which are necessary to enable him –

**(a)** to discharge the supply chain management responsibilities conferred on accounting officers in terms of -

**(i)** chapters 8 or 10 of the Act; and

**(ii)** this policy; and

**(b)** to maximize administrative and operational efficiency in the implementation of this policy; and

**(c)** to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this policy; and

**(d)** to comply with his responsibilities in terms of section 115 and other applicable provisions of the Act.

**(2)** Sections 79 and 106 of the Act apply to the sub-delegation of powers and duties delegated to an accounting officer in terms of subparagraph (1).

**(3)** The accounting officer may not sub-delegate any supply chain management powers or duties to a person who is not an official of the municipality or to a committee which is not exclusively composed of officials of the municipality.

**(4)** This paragraph may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 27 of this policy.

**5. Sub-delegations**

**(1)** The accounting officer may, in terms of section 79 of the Act, sub-delegate any supply chain management powers and duties, including those vested in him in terms of legislation or delegated to him in terms of this policy or by resolution of the council, but any such sub-delegation must be consistent with subparagraph (2) and paragraph 4 of this policy.

**(2)** The power to make a final award -

**(a)** above R10 million (VAT included) may not be sub-delegated by the accounting officer;

**(b)** above R2 million (VAT included), but not exceeding R10 million (VAT included), may be sub-delegated by the accounting officer but only to -

**(i)** the chief financial officer;

**(ii)** a senior manager; or

**(iii)** a bid adjudication committee of which the chief financial officer or a senior manager is a member;

**(c)** not exceeding R2 million (VAT included) may be sub-delegated by the accounting officer but only to -

**(i)** the chief financial officer;

**(ii)** a senior manager;

**(iii)** a manager directly accountable to the chief financial officer or a senior manager; or

**(iv)** a bid adjudication committee.

**(3)** An official or bid adjudication committee to whom or which the power to make final awards has been sub-delegated in accordance with subparagraph (2) must, within five days of the end of each month, submit to the official referred to in subparagraph (4) a written report containing particulars of each final award made by such official or committee during that month, including -

**(i)** the amount of the award;

**(ii)** the name of the person to whom the award was made; and

**(iii)** the reason why the award was made to that person.

**(4)** A written report referred to in subparagraph (3) must be submitted-

**(a)** to the accounting officer, in the case of an award by -

**(i)** the chief financial officer;

**(ii)** a senior manager; or

**(iii)** a bid adjudication committee of which the chief financial officer or a senior manager was a member;

**(b)** to the chief financial officer or the senior manager responsible for the relevant bid, in the case of an award by -

**(i)** a manager referred to in subparagraph (2)(c)(iii); or

**(ii)** a bid adjudication committee of which the chief financial officer or a senior manager was not a member.

**(5)** Subparagraphs (3) and (4) do not apply to procurements out of petty cash.

**(6)** This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this policy.

**(7)** No supply chain management decision-making powers may be delegated to an advisor or consultant.

**6. Oversight role of the council**

**(1)** No councillor may be a member of a bid committee or any other committee evaluating or approving quotations or bids nor attend any meeting of such committees as an observer.

**(2)** The council must maintain oversight over the implementation of this policy to ensure that the accounting officer implements all supply chain management activities in accordance therewith.

**(3)** For the purposes of such oversight, the accounting officer must -

**(a)** within 30 days of the end of each financial year, submit a report on the implementation of this policy to the council through its mayor;

**(b)** whenever there are serious and material problems in the implementation of this policy, immediately submit a report thereon to the council through its mayor.

**(4)** The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of this policy to the mayor.

**(5)** The aforesaid reports must be made public in accordance with section 21A of the Municipal Systems Act.

**7. Supply chain management unit**

**(1)** A supply chain management unit is hereby established to implement this policy.

**(2)** Subject to subparagraph (3), the supply chain management unit shall operate under the direct supervision of the chief financial officer to whom this duty is hereby delegated by the accounting officer in terms of section 79 of the Act.

**(3)** All correspondence with regard to this Policy shall be addressed to the Manager: Supply Chain Management.

**(4)** A copy of this Policy and other relevant documentation is available on the KLM's website and also can be requested from the SCM office.

**8. Training of supply chain management officials**

**(a)** The training of officials involved in implementing this policy should be in accordance with any Treasury guidelines on supply chain management training and applicable prescribed competency level requirements.

**(b)** The municipal manager or delegated staff member shall ensure that all persons involved in the implementation of this Policy meet the prescribed competency levels, and where necessary, shall provide relevant training.

## CHAPTER 2
## SUPPLY CHAIN MANAGEMENT SYSTEM

**9. Format of supply chain management system**

This policy provides systems for -

**(i)** Demand management;

**(ii)** Acquisition management;

**(iii)** Logistics management;

**(iv)** Disposal management;

**(v)** Risk management; and

**(vi)** Performance management.

### Part 1: Demand management

**10. System of demand management**

**(1)** The accounting officer must establish and implement an appropriate demand management system in order to ensure that the resources required by the municipality supports its operational commitments and its strategic goals as outlined in the municipality's Integrated Development Plan.

**(2)** The demand management system must -

**(a)** include timely planning and management processes to ensure that all goods, services and works required by the municipality are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates and are of the appropriate quality and quantity procured at a fair cost;

**(b)** take into account any benefits of economies of scale that may be derived in the case of procurements of a repetitive nature;

**(c)** provide for the compilation of the required specifications to ensure that municipal needs are met;

**(d)** allow for the undertaking of appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.

**(e)** be able to do a forecasting of future needs, identifying of critical delivery days, identifying the frequency of the need, be able to determine requirements (including the internal capacity to implement projects)

**(3)** The accounting officer must, prior to issuing an invitation to bid-

**(a)** properly plan for, and, as far as possible, accurately estimate the costs for the provision of goods, services and/or works for which an invitation to bid is to be issued;

**(b)** determine the appropriate preference point system to be utilized in the evaluation and adjudication of bids to be received in response to the contemplated invitation to bid; and

**(c)** determine whether the goods, services and/or works for which an invitation to bid is to be issued has been designated for local production and content in terms of the Preferential Procurement Regulations

**(4)** The accounting officer must indicate in an invitation to submit a bid and in the applicable bid specification or terms of reference-

**(a)** that such bid will be evaluated on functionality and, in such event, the following shall be clearly stated:

**(i)** the evaluation criteria for measuring functionality which criteria must be objective;

**(ii)** the weight of each criterion which should not be generic but be determined separately for each bid on a case by case basis;

**(iii)** the applicable values that will be utilized when scoring each criterion which values must be objective;

**(iv)** the minimum qualifying score for functionality in order to enable the bid concerned to be further evaluated in terms of this policy provided that the aforesaid qualifying score:

a) should not be generic but be determined separately for each bid on a case by case basis; and

b) should not be prescribed so low that it may jeopardize the quality of the service or works required nor be so high that it may be restrictive to the extent that it jeopardizes the fairness of the supply chain management system;

c) the fact that no bid will be regarded as an acceptable bid if the bidder or the goods, services and/or works to be procured, as the case may be, fails to achieve the minimum qualifying score for functionality as indicated in the invitation to bid and the relevant bid specification or terms of reference; and

d) that bids that have achieved the minimum qualification score for functionality will be evaluated further in terms of the preference point systems.

**(5)** Any system designed in terms of this paragraph shall take cognizance of the provisions of this policy.

## Part 2: Acquisition management

### 11. System of acquisition management

**(1)** The accounting officer must implement an efficient system of acquisition management in order to ensure -

**(a)** that goods, services and works are procured by the municipality in accordance with authorized processes only;

**(b)** that expenditure on goods, services and works is incurred in terms of an approved budget in terms of section 15 of the Act;

**(c)** that the threshold values for the different procurement processes are complied with;

**(d)** that bid documentation, evaluation and adjudication criteria and the general conditions of a contract, are in accordance with any applicable legislation; and

**(e)** that any Treasury guidelines on acquisition management are properly taken into account.

**(2)** When procuring goods or services from an organ of state as contemplated in section 110 (2) of the Act, the accounting officer must make public the fact that such goods or services are procured otherwise than through the municipality's supply chain management system, including -

**(a)** the kind of goods or services; and

**(b)** the name of the supplier.

### 12. Range of procurement processes

**(1)** Goods and services may only be procured by way of -

**(a)** petty cash purchases up to a transaction value of R2,000 (VAT included) at such locations as may be determined by the accounting officer;

**(b)** at least one written quotation for procurements of a transaction value up to R2, 000 (VAT included);

**(c)** formal written quotations for procurements of a transaction value over R2,000 up to R30,000 (VAT included);

**(d)** All quotes ranging from R0.00 to R 30 000(Vat Inclusive) for goods or services **MUST** be sourced from service providers or suppliers who resides within Kouga Area *(that would be covering all the 15 Wards of Kouga Local Municipality)*. If services providers or suppliers of Kouga Area are unable to provide such service or good, proof indicating such must be provided to SCM Unit. Thereafter an invite to request quotations will be extended to service providers or suppliers who are coming outside of the boundaries of Kouga Local Municipality. This application is in line with Local Economic Development and the Ward Development Fund Policy of KLM. The following must however be considered for the preferred quote:

(i) Value for money.
(ii) Price/s offered must be market related

Where SCM Unit has found the prices to be not market related, the Supply Chain Manager or person subdelegated is entitled to negotiate with the preferred service provider up to and including the third service provider who quoted. Where the quoted price remains to be not market related, the SCM Manager must report such to the Chief Financial Officer for adjudication.

**(e)** formal written price quotations for procurements of a transaction value over R30,000 up to R200,000 provided that, in addition to any other relevant requirements contained in this policy, procurement invitations shall be advertised for at least seven days on the website and an official notice board of the municipality;

**(f)** a competitive bidding process for -

**(i)** procurements above a transaction value of R200 000 (VAT included); and
**(ii)** the procurement of long-term contracts.

**(2)** The accounting officer may, in writing:

**(a)** lower but not increase, the different threshold values specified in subparagraph (1) above; or

**(b)** direct that written or verbal quotations be obtained for any specific procurement of a transaction value lower than R2000;

**(c)** direct that formal written price quotations be obtained for any specific procurement of a transaction value lower than R10 000; or

**(d)** direct that a competitive bidding process be followed for any specific procurement of a transaction value lower than R200 000.

**(3)** Procurement invitations may not deliberately be split into parts or items of a lesser value than the threshold amounts referred to in subparagraph (1) merely to avoid compliance with the requirements of this policy or any applicable legislation. When determining transaction values, a requirement for goods, services or works consisting of different parts or items must, as far as possible, be treated and dealt with as a single transaction.

**13. General preconditions for consideration of written quotations or bids**

**(1)** A written quotation or bid may not be considered unless the bidder who submitted the quotation or bid concerned -

**(a)** has furnished his -

**(i)** full name or names including trading name;

**(ii)** identification number or company or other registration number;

**(iii)** tax reference number and VAT registration number, if any;

**(b)** has provided the municipality with a valid tax clearance certificate from the South African Revenue Services stating that his tax matters are in order;

**(c)** has, where applicable, provided the municipality with a clearance certificate from the Construction Industry Development Board to the effect that he holds a valid registration certificate issued by the Board;

**(d)** has provided the municipality with a "Certificate of Independent Bid Determination" on Form MBD 9 or a similar form;

**(e)** has provided a certificate issued by the municipality or any other municipality to which he may be indebted to the effect that he and, in the event of the bidder being a company, also any of its directors, is not indebted to the municipality or to any other municipality or municipal entity for rates, taxes and/or municipal service charges which are in arrear for a period of more than three months and that no dispute exists between such bidder and municipality or municipal entity concerned in respect of any such arrear amounts;

**(f)** has submitted an affidavit certifying -

**(i)** that he is not in the service of the state or has been in the service of the state in the previous twelve months;

**(ii)** that, in the event of the bidder not being a natural person, none of its directors, managers, principal shareholders or stakeholders are in the service of the state nor have they been in the service of the state in the previous twelve months;

**(iii)** that neither his spouse, child or parent nor a director, manager, shareholder or stakeholder referred to in subparagraph (ii) is in the service of the state or has been in the service of the state in the previous twelve months;

**(iv)** that he is not an advisor or consultant contracted by the municipality to advise it on the procurement under consideration;

**(2)** This paragraph must be read in conjunction with paragraph 21 of this policy.

## 14. Lists of accredited prospective providers of KLM

**(1)** The accounting officer through the office the SCM Manager must -

**a.** keep a list of accredited prospective providers who is also registered on the Centralized Supplier Database of goods and services that must be used for procurements through written or verbal quotations and formal written price quotations; and

**b.** at least once a year through newspapers commonly circulating locally, the municipal website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;

**c.** specify the listing criteria for accredited prospective providers; and

**d.** disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.

**e.** the accounting officer shall disallow the registration of any prospective supplier on the KLM's Supplier Database who does not comply with the requirements of the Supplier Registration Application.

**f.** the accounting officer shall disallow the registration of any prospective supplier whose name appears on the National Treasury's Database of Restricted Suppliers and/or Register for Tender Defaulters and who is therefore prohibited from doing business with the public sector.

**g.** bidders who are not registered on the KLM's Supplier Database are not precluded from submitting bids but must however register when called upon to do so.

**h.** all persons forming part of a Joint Venture or Consortium must comply with the requirements of KLM database form

**i.** in addition to the requirements of the KLM's Supplier Database, it is a requirement for all Suppliers to be registered on the National Treasury Web Based Central Supplier Database (CSD) that can be accessed at **https://secure.csd.gov.za**.

**j.** the CSD is the national standardized and centralized electronic supplier database administered by the National Treasury which provides information to an organ of state.

**k.** bidders who are not registered on the CSD are not precluded from submitting bids but must however register with CSD and get the CSD Number prior to submitting or the closing date, this must be taken under

the good spirit of service deliver. Therefore, waiting for a CSD registration from a prospective bidder after the closing date of a quote or bid is not ideal for operational requirements. Therefore, a quoter that meets all the minimum requirements will be considered provided that such quote/bidder is registered on CSD. This is inline with Treasury Instruction Note 4A of 216/2017, paragraph 3.4 and 3.5

I. prospective suppliers or service provider's database will be accepted by KLM if the prospective bidder is not registered with CSD.

**(2)** The aforesaid list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.

## 15. Petty cash purchases

**(a)** The transactional value of an individual petty cash purchase is R2,000 VAT included. That the total petty cash float is R10, 000 VAT included.

**(b)** Petty cash purchases may only be made in accordance with the Standard Operating Procedures for Petty Cash of the municipality.

**(c)** The accounting officer may delegate responsibility for the management of petty cash to an official directly or indirectly reporting to the chief financial officer.

**(d)** No item that is an approved stores item may be purchased by means of a petty cash transaction.

**(e)** No fixed asset regardless of value may be purchased through petty cash.

**(f)** The council must, from time to time, determine the maximum amount of the permissible petty cash expenditure per month;

**(g)** A weekly reconciliation report must be provided to the chief financial officer within five days of the end of each month by the official authorized to make petty cash purchases and such report shall contain particulars of each final award made by such official during that month, including:

**(i)** the total amount of petty cash purchases for that month; and

**(ii)** receipts and supporting documents for each purchase.

## 16. Written or verbal price quotations

The conditions for the procurement of goods or services through written or verbal quotations are as follows:

**(a)** Quotations must be obtained from at least three different providers preferably from, but not limited to, providers whose names appear on the Centralised Supplier Database and is listed on the accredited prospective providers of the municipality, provided that if quotations are obtained from providers who are not so listed, such providers must meet the listing criteria determined by the accounting officer in terms of paragraph 14(1)(c) of this policy;

**(b)** To the extent feasible, providers must be requested to submit such quotations in writing;

**(c)** If it is not possible to obtain at least three quotations, the reasons for such inability must be recorded on the invitation to submit quotations and be brought to the attention of the Chief Financial Officer for consideration and subsequently for approval by the Accounting Officer and be reported quarterly. Such inability can only be in terms of the following paragraphs of this policy.

1) Paragraph 2(3) (a) to (e)
2) Paragraph 36(deviation) and the reason for such must be fully motivated

**(d)** The designated officer must record the names of the potential providers requested to provide quotations with their quoted prices; and

**(e)** If a quotation was submitted verbally, the order may be placed only against written confirmation of the price and conditions of supply from the selected provider within the period stipulated in the invitation to submit quotations.

**17. Formal written price quotations**

The conditions for the procurement of goods or services through formal written price quotations, are as follows:

**(a)** Quotations must be obtained in writing from at least three different providers whose names appear on the Centralised Supplier Database and the accredited list of prospective providers of the municipality;

**(b)** In the event of it not being possible to obtain quotations from at least three different providers whose names appear on the list of accredited prospective providers of the municipality, quotations may be obtained from providers who are not so listed, provided that such providers meet the listing criteria determined by the accounting officer in terms of paragraph 14(1)(c) of this policy and, provided further, that the reasons for obtaining such quotations from the providers concerned must be recorded on the invitation to submit quotations and be brought to the attention of the chief financial officer and eventually for approval by the accounting officer. That must be read in line or in terms paragraph 16(c).

**18. Procedures for procuring goods or services through written or verbal quotations and formal written price quotations**

The procedure for the procurement of goods or services through written or verbal quotations or formal written price quotations is as follows:

**(a)** When using the list of accredited prospective providers who is listed on the Centralised Supplier Database, the accounting officer must promote ongoing competition amongst providers by inviting providers to submit quotations on a rotation basis;

**(b)** All requirements in excess of R30 000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of paragraph 17, be advertised for at least seven days on the website of and on the official notice board of the municipality;

**(c)** Offers received must be evaluated on a comparative basis taking into account unconditional discounts;

**(d)** Offers below R30 000 (all taxes included) must be awarded based on compliance with specifications, conditions of contract, ability, capacity and capability to deliver the required goods and/or services and lowest price; provided that the accounting officer may direct, in appropriate cases, that the applicable provisions of the Preferential Procurement Regulations be applied in respect of the calculation of preference points for price;

**(e)** Offers above R30 000 (all applicable taxes included) must be awarded based on compliance with specifications, conditions of contract, ability, capacity and capability to deliver the required goods and/or services and lowest price provided that the accounting officer may direct, in appropriate cases, that the applicable provisions of the Preferential Procurement Regulations be applied in respect of the calculation of preference points for price;

**(f)** Prior to the award of a contract with a price in excess of R10 000, the designated official must verify the status of recommended bidders (including their directors(s), owners(s) or trustee(s) by checking the Data Base of Restricted Suppliers maintained by National Treasury in order to ensure that no recommended bidder or any of its directors/owners/trustees are listed as companies or persons prohibited from doing business with the public sector;

**(g)** A call for quotations in terms of the preceding paragraphs must be in writing and contain a specification for the goods and/or services to be procured as well as details of the preference points system to be used in adjudicating quotations;

**(h)** The designated official must, in writing, notify the chief financial officer within 3 days after the end of each month of all written, verbal and formal written price quotations accepted or approvals given in terms of this paragraph;

**(i)** The chief financial officer must ensure that adequate systems are in place to meet the requirements for proper record keeping;

**(j)** Upon finalization of the evaluation and the bidder who scored the highest total number of points is identified, the preferred bidder must be assessed to determine if the bidder is from the Kouga Local Municipal Area. Where the preferred bidder is not from the Kouga Local Municipal Area, bidders who scored within 10 points of the score obtained by the preferred bidder must be assessed to determine if the bidder is from the Kouga Local Municipal Area. Where there are bidders from the Kouga Local Municipal Area, these bidders must be further assessed to ensure that the bidders' price is within 10% of the price of the preferred bidder. Where there are bidders who meet these criteria, the bidder with the lowest price from the Kouga Local Municipal Area must be recommended for the award of the tender. Where there is no bidder from the Kouga Local Municipal Area, the contract must be awarded to the bidder who scored the highest total number of points (As required in terms of the SMME Policy);

**(k)** The procurement contract must be awarded to the bidder who scored the highest points in accordance with the stipulated preference points system, subject to paragraph 18 (j) above.

## 19. Competitive bidding process

**(1)** Subject to paragraph 11 (2) of this policy, goods, services or works above a transaction value of R200 000 (VAT included) and long-term contracts may only be procured through a competitive bidding process.

**(2)** Subject to subparagraph (3), no requirement for goods or services above an estimated transaction value of R200 000 (VAT included) may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.

**(3)** The accounting officer may split unduly large quantities of work into smaller contracts (units) to promote manageability and provide opportunities for emerging entrepreneurs. This procedure may only be followed when technically, logistically and financially feasible.

**(4)** A senior manager responsible for a vote must submit the under-mentioned information to the chief financial officer prior to the publication of any public invitation of bids in respect of procurements estimated to exceed R10m (all taxes included):

**(i)** proof that budgetary provision exists for the procurement concerned;

**(ii)** details of any ancillary budgetary implications related to the bid concerned;

**(iii)** details of any multi-year budgetary implications associated with a project which will be undertaken over a period of more than one year as well as details of the anticipated expenditure per financial year.

**(5)** A procurement referred to in subparagraph (4) may only be advertised for competitive bids after the chief financial officer has verified in writing that budgetary provisions exists to enable the relevant project to commence.

**(6)** Procurement requirements referred to in subparagraph (4) may not be deliberately split into parts or items of lesser value merely to avoid the information being submitted.

## 20. Process for competitive bidding

The procedures for the following stages of a competitive bidding process are as follows:

**(a)** Compilation of bidding documentation as detailed in paragraph 21;

**(b)** Public invitation of bids as detailed in paragraph 22;

**(c)** Site meetings or briefing sessions as detailed in paragraph 22;

**(d)** Handling of bids submitted in response to public invitation as detailed in paragraph 23;

**(e)** Evaluation of bids as detailed in paragraph 28;

**(f)** Award of contracts as detailed in paragraph 29;

**(g)** Administration of contracts - after the award of a bid, the accounting officer and the bidder must enter into a written agreement.

**(h)** Proper record keeping;

**(i)** Original/legal copies of written contracts agreements should be kept in a secure place for reference and audit purposes.

## 21. Bid documentation for competitive bids

Bid documentation for a competitive bidding process must, in addition to compliance with the requirements listed in paragraph 14, comply with the following requirements:

**(a)** Take into account -

**(i)** the general conditions of contract and any special conditions of contract, if specified;

**(ii)** any Treasury guidelines on bid documentation;

**(iii)** the requirements of the Construction Industry Development Board, in the case of a bid relating to construction works;

**(iv)** relevant B-BBEE verification and certification requirements;

**(v)** relevant local content or production requirements.

**(b)** Include the preference points system to be used in adjudicating bids, namely 80/20 or 90/10 as prescribed in the Preferential Procurement Regulations;

**(c)** Compel bidders to declare, by means of an affidavit, any conflict of interest they may have in the transaction for which the bid is submitted;

**(d)** If the value of the transaction is expected to exceed R10 million (VAT included), require bidders to furnish -

**(i)** if the bidder is required by law to prepare annual financial statements for auditing, his audited annual financial statements -

**(a)** for the past three years; or

**(b)** since establishment, if established during the past three years;

**(ii)** a certificate signed by the bidder certifying that he has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days;

**(iii)** particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contracts;

**(iv)** a statement indicating whether or not any portion of the goods or services required by the municipality are expected to be sourced from outside the Republic, and, if so, what portion and also whether or not any portion of the payment to be made by the municipality is expected to be transferred out of the Republic; and

**(e)** Stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law.

## 22. Public invitation for competitive bids

**(1)** The procedure for the invitation of competitive bids is as follows:

**(a)** any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the National Treasury E-tender Portal, website of the municipality and in any other appropriate manner (which may include an advertisement in the Government Tender Bulletin); and

**(b)** the information contained in such public advertisement, must include -

**(i)** subject to subparagraph 2, the closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included) or which are of a long term nature or 14 days in any other case, reckoned from the date on which the advertisement is first placed in the aforesaid newspapers;

**(ii)** a statement that bids may only be submitted on the bid documentation provided by the municipality; and

**(iii)** the date, time and venue of any compulsory site meeting or briefing session if applicable;

**(iv)** a statement to the effect that a bid from a prospective bidder who did not attend a prescribed compulsory site meeting or briefing session referred to in subparagraph (iii) will not be considered.

**(2)** The accounting officer may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or in any exceptional case where it is impractical or impossible to follow the official procurement process and such fact shall, for auditing purposes, be recorded in the authority to invite bids.

**(3)** Bids submitted must be sealed and marked in a manner stipulated in the invitation to bid.

**(4)** Where bids are requested in electronic format, such bids must be supplemented by sealed hard copies which must reach the accounting officer before the closing time for the receipt of bids on the bid closing date as stipulated in the invitation to bid.

**(5)** Communication with bidders, The Bid Specification Committee may, if necessary, authorize communication with bidders prior to bids closing**.**

**(6)** Any communication authorized by the Bid Specification Committee, which has implications of consequence for all tenderers, shall be in the form of a written notice be issued to all bidders by the Manager: Supply Chain Management, or his nominee, by either e-mail, facsimile, or registered post as appropriate. A copy of the notice together with a transmission verification report/proof of posting shall be kept for record purposes. Notices should be issued at least one week prior to the bid closing date, where possible. That is also regulated by CIDB for construction related projects.

**(7)** Notwithstanding a request for acknowledgement of receipt of any notice issued, the bidder will be deemed to have received such notice if the procedures in clause 22(6) have been complied with.

**23. Procedure for handling, opening and recording of bids**

The procedures for the handling, opening and recording of bids, are as follows:

**(a)** Bids -

**(i)** must be opened only in public;

**(ii)** must be opened at the same time and as soon as possible after the published closing time or period for the submission of bids; and

**(iii)** received after the published closing time or period should not be considered and be immediately returned to the bidder, unopened;

**(b)** Any bidder or member of the public has the right to request that the names of the bidders who submitted bids before the closing time or period be read out and, if practical, also each bidder's total bidding price;

**(c)** No information, except the information referred to in subparagraph (b), relating to a bid should be disclosed to bidders or other persons until the successful bidder is notified of the award of the relevant bid; and

**(d)** The designated official opening received bids must -record in a register to be provided for this purposes, all bids received before the closing time or period for the submission of same and such register shall contain as least the following information in addition to such information as may be prescribed in terms of section 75 of the Act:

**(a)** the reference number of the bid concerned;

**(b)** the description of the relevant goods, services or works project to be procured;

**(c)** the names of all bidders;

**(d)** where practical, the total price submitted by all bidders that submitted bids in relation to the relevant bid invitation;

**(ii)** make the aforesaid register available for public inspection during the normal office hours of the municipality; and

**(iii)** publish the entries in the aforesaid register including the B-BBEE Status level of Contribution of all bidders, where applicable, available on the website of the municipality within ten (10) working days from the date referred to in subparagraph (i) and ensure that such entries remain on the website for a period of at least thirty (30) days from date of publication.

**24. Negotiations with preferred bidders**

**(1)** The accounting officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation -

**(a)** does not allow any preferred bidder a second or unfair opportunity;

**(b)** is not to the detriment of any other bidder; and

**(c)** does not lead to a higher price than the bid as submitted; and

**(d)** will not be contrary to any legal requirement or amount to a prohibited practice.

**(2)** Minutes of such negotiations must be kept for record for audit purposes.

**25. Two-stage bidding process**

**(1)** A two-stage bidding process is permissible for -

**(a)** large complex projects;

**(b)** projects where it may be undesirable to prepare complete detailed technical specifications; or

**(c)** long term projects with a duration period exceeding three years.

**(2)** In the first stage, technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.

**(3)** In the second stage, final technical proposals and priced bids should be invited.

**26. Committee system for competitive bids**

**(1)** The accounting officer shall establish a procurement committee system for competitive bids consisting of at least the following committees:

**(a)** a bid specification committee;

**(b)** a bid evaluation committee; and

**(c)** a bid adjudication committee;

**(2)** The accounting officer shall, in writing, appoint the members of each committee in respect of each competitive bid invitation, taking into account the provisions of section 117 of the Act in terms of which no councillor may be a member of any such committee nor attend any of its meetings as an observer.

**(3)** A neutral or independent observer, appointed by the accounting officer, may attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.

**(4)** The committee system must be consistent with -

**(a)** paragraphs 27, 28 and 29 of this policy; and

**(b)** any other applicable legislation.

**(6)** The accounting officer may, in appropriate cases and in his sole discretion, apply the committee system to formal written price quotations.

**(7)** That Manager: Supply Chain Management through the office of Director: Finance (CFO) must submits a summary report of all Bid Committee Meetings to the Finance Portfolio Committee and the Mayoral Committee Meetings.

**(7)** That members of the public be allowed to attend Bid Adjudication Committee Meetings.

**(8)** To give effect to subsection (7) above, the Director: Corporate Services & Special Projects must place notices in the local newspapers, on the municipal website and notice boards, inviting the members of the public to attend.

## 27. Bid specification committees

**(a)** A bid specification committee must compile the specifications or, where applicable, the terms of reference for the procurement of goods, services or works by the municipality.

**(b)** The Bid Specification Committee shall be comprised of at least two KLM officials as members, consisting of an appointed Chairperson and a responsible technical official. The Supply Chain Management Practitioner serves in an advisory capacity. No bid committee meeting shall proceed without an SCM practitioner. Disagreements on the advice provided by the Supply Chain Management Practitioner must be dealt with in terms of the Rule of Order for Bid Committees and be recorded accordingly.

**(c)** No person, advisor or corporate entity involved with the bid specification committee or director of such a corporate entity may bid for any resulting contracts.

**(d)** Where a bid specification or terms of reference are compiled with due regard to the findings and recommendations contained in a prior, associated feasibility study, the person, advisor or corporate entity who or which prepared the said feasibility study may be prohibited from bidding for the resulting contracts in circumstances where such person, advisor or corporate entity may or is likely to obtain an unfair advantage or where a conflict of interest may arise.

**(e)** A specification or terms of reference referred to in this paragraph must be approved by the accounting officer in writing prior to publication of the invitation for bids in terms of paragraph 22.

**(f)** The Municipal Manager, or his delegated authority, shall, taking into account section 117 of the MFMA, appoint the members of the Bid Specification Committees

**(g)** Where appropriate a representative of Internal Audit and/or Legal Services and/or other specialist advisors (internal or external) may form part of this committee.

## 27.A Bid Specifications or Terms of Reference

### 27.1 General Requirements

Bid Specifications or terms of reference, as the case may be -

**(a)** must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services to the municipality;

**(b)** must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organization or an authority accredited or recognized by the South African National Accreditation System with which the equipment or material or workmanship should comply;

**(c)** must, where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;

**(d)** may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labelling of conformity certification;

**(e)** may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word **"equivalent"**

**(f)** If the bid relates to construction works as contemplated by the Construction Industry Development Board Act, then the requirements of that Act must be taken into account in the bid documentation together with any Circulars published by National Treasury and the National Treasury Standard for Infrastructure Delivery Management System (SIPDMS) to the extent adopted by Council.

**(g)** The bid documentation and evaluation criteria shall not be aimed at hampering competition, but rather to ensure fair, equitable, transparent, competitive and cost effective bidding, as well as the protection or advancement of persons, or categories of persons, as embodied in the preferential procurement section of this Policy.

**27.2 Identification of preference point system, designated sector, objective criteria and subcontracting**

27.2.1. The Municipality must

a) determine and stipulate in the tender documents(i) the preference point system applicable to the tender as envisaged in regulation 6 or 7; or(ii) if it is unclear which preference point system will be applicable, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system;
b) determine whether pre-qualification criteria are applicable to the tender as envisaged in regulation 4;
c) determine whether the goods or services for which a tender is to be invited, are in a designated sector for local production and content as envisaged in regulation 8;
d) determine whether compulsory subcontracting is applicable to the tender as envisaged in regulation 9; and
e) determine whether objective criteria are applicable to the tender as envisaged in regulation 11.

**27.3 Pre-qualification criteria for Preferential Procurement**

**27.3.(1)**

If an organ of state decides to apply pre-qualifying criteria to advance certain designated groups, that organ of state must advertise the tender with a specific tendering condition that only one or more of the following tenderers may respond.

(a) a tenderer having a stipulated minimum B-BBEE status level of contributor;
(b) an EME or QSE;
(c) a tenderer subcontracting a minimum of 30% to
- (i) an EME or QSE which is at least 51% owned by black people;
- (ii) an EME or QSE which is at least 51% owned by black people who are youth;
- (iii) an EME or QSE which is at least 51% owned by black people who are women;
- (iv) an EME or QSE which is at least 51% owned by black people with disabilities;
- (v) an EME or QSE which is 51% owned by black people living in rural or underdeveloped areas or townships;
- (vi) a cooperative which is at least 51% owned by black people;
- (vii) an EME or QSE which is at least 51% owned by black people who are military veterans; (viii) an EME or QSE.

**(2)** A tender that fails to meet any pre-qualifying criteria stipulated in the tender documents is an unacceptable tender

**27.4 Functionality**

Where functionality is utilized as an evaluation criterion, bid specifications or terms of reference, as the case may be, must clearly specify:

**(i)** if the tender will be evaluated on functionality

**(ii)** The evaluation criteria for measuring functionality must be objective.

**(iii)** The tender documents must specify
- a) the evaluation criteria for measuring functionality;
- b) the points for each criteria and, if any, each sub-criterion; and the minimum qualifying score for functionality.
- c) Where functionality is included in a tender document, “locality” i.e. geographic location of the bidder must be included as a criteria at 25% of the total points for functionality. This is to promote local economic development in relation to the SMME Policy of the Municipality.

**(iv)** the minimum qualifying score for functionality for a tender to be considered further
- a) must be determined separately for each tender; and
- b) may not be so(i) low that it may jeopardize the quality of the required goods or services; or (ii) high that it is unreasonably restrictive.

(iii) Points scored for functionality must be rounded off to the nearest two decimal places.

(iv) A tender that fails to obtain the minimum qualifying score for functionality as indicated in the tender documents is not an acceptable tender.

(v) Each tender that obtained the minimum qualifying score for functionality must be evaluated further in terms of price and the preference point system and any objective criteria.

**27.5 80/20 Preference Points System**

**(5.1)** Where applicable, bid documentation must include the following preference points evaluation system for the procurement of goods, services or works up to a Rand value of R50 million (all applicable taxes included):

**(i)** the following formula will be used to calculate the points for price in respect of bids (including price quotations) with a Rand value equal to, or above R 30 000 and up to a Rand value of R50 million (all applicable taxes included):

$$Ps = 80 \left( 1 - \frac{Pt - Pmin}{Pmin)} \right)$$

Where:

Ps = Points scored for comparative price of bid or offer under consideration;

Pt = Comparative price of bid or offer under consideration; and

Pmin = Comparative price of lowest acceptable bid or offer.

**(ii)** subject to subparagraph (iii), points must be awarded to a bidder for attaining the B-BBEE status level of contributor in accordance with the following tables:

| B-BBEE Status Level of Contributor | Number of Points |
|---|---|
| 1 | 20 |
| 2 | 18 |
| 3 | 14 |
| 4 | 12 |
| 5 | 8 |
| 6 | 6 |
| 7 | 4 |
| 8 | 2 |
| Non-compliant contributor | 0 |

**(iii)** a maximum of 20 points may be allocated under subparagraph (ii);

**(iv)** the points scored by a bidder in respect of B-BBEE contribution contemplated in subparagraph (ii) must be added to the points scored for price as calculated in accordance with subparagraph (i);

**(5.2) A tenderer must submit proof of its B-BBEE Status level of contributor**

( 5.3) A tender failing to submit proof of B-BBEE status level of contributor or is a non-compliant contributor to B-BBEE may not be disqualified, but –
(a) May only score points out of 80 for price
(b) Scores 0 out of 20 for -B-BBEE.

(5.4) A tenderer may not be awarded points for B-BBEE Status level of contributor if the tender documents indicate that the tenderer intends subcontracting more than 25% of the value of the contract to any other person not qualifying for at least the points the tenderer qualifies for, unless the intended subcontractor is an EME that has the capability to execute the subcontract.

(5.5) The points scored must be rounded off to the nearest two decimal places.

(5.6) Subject to sub regulation (3.7) , the contract must be awarded to the tenderer scoring the highest points.

(5.7) (a) If the price offered by the tenderer scoring the highest points is not market related, the organ of state may not award the contract to that tenderer.

(5.7) (b) the organ of state may-
(i) negotiate a market related price with the tenderer scoring the highest points or cancel the tender.
(ii) if the tender does not agree to a market related prices, negotiate a market-related price with the tenderer scoring the second highest scoring points or cancel the tender;
(iii) if the tender scoring the second highest points does not agree to a market related prices, negotiate a market- related price with the tenderer scoring the third highest scoring points or cancel the tender;

(5.8) (c) If the market- related price is not agreed as envisaged in paragraph 5.7 (b), the organ of state must cancel the tender.

**27.6 90/10 Preference Points System**

**(6.1)** Where applicable, bid documentation must include the following preference points evaluation system for the procurement of goods, services or works with a Rand value above R50 million (all applicable taxes included):

**(i)** the following formula will be used to calculate the points for price in respect of bids with a Rand value above R50 million (all applicable taxes included):

$$Ps = 90 \left( 1 - \frac{Pt - Pmin}{Pmin} \right)$$

Where:

Ps = Points scored for comparative price of bid or offer under consideration;

Pt = Comparative price of bid or offer under consideration; and

Pmin = Comparative price of lowest acceptable bid or offer.

**(ii)** subject to subparagraph (iii), points must be awarded to a bidder for attaining the B-BBEE status level of contributor in accordance with the following tables:

| B-BBEE Status Level of Contributor | Number of Points |
|---|---|
| 1 | 10 |
| 2 | 9 |
| 3 | 6 |
| 4 | 5 |
| 5 | 4 |
| 6 | 3 |
| 7 | 2 |
| 8 | 1 |
| Non-compliant contributor | 0 |

**(iii)** a maximum of 10 points may be allocated under subparagraph (ii);

**(iv)** the points scored by a bidder in respect of B-BBEE contribution contemplated in subparagraph (ii) must be added to the points scored for price as calculated in accordance with subparagraph (i);

(6.2) **A tenderer must submit proof of its B-BBEE Status level of contributor**

( 6.3) A tender failing to submit proof of B-BBEE status level of contributor or is a non-compliant contributor to B-BBEE may not be disqualified, but –

(c) May only score points out of 90 for price

(d) Scores 0 out of 10 for -B-BBEE.

(6.4) A tenderer may not be awarded points for B-BBEE Status level of contributor if the tender documents indicate that the tenderer intends subcontracting more than 25% of the value of the contract to any other person not qualifying for at least the points the tenderer qualifies for, unless the intended subcontractor is an EME that has the capability to execute the subcontract.

(6.5) The points scored must be rounded off to the nearest two decimal places.

(6.6) Subject to sub regulation (4.7), the contract must be awarded to the tenderer scoring the highest points.

(6.7) (a) If the price offered by the tenderer scoring the highest points is not market related, the organ of state may not award the contract to that tenderer.

(6.7) (b) the organ of state may-

(i) negotiate a market related price with the tenderer scoring the highest points or cancel the tender

(ii) if the tender does not agree to a market related prices, negotiate a market- related price with the tenderer scoring the second highest scoring points or cancel the tender;

(iii) if the tender scoring the second highest points does not agree to a market related prices, negotiate a market- related price with the tenderer scoring the third highest scoring points or cancel the tender;

(6.7) (c) If the market- related price is not agreed as envisaged in paragraph 6.7 (b), the organ of state must cancel the tender.

## 27.7 Local Production

**(7.1)** Where, in the case of bids in designated sectors, local production and content is of critical importance, the relevant bid documentation must clearly state, as a bid condition, that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content, will be considered.

**(7.2)** The relevant bid documentation must also stipulate:

**(a)** that the exchange rate to be used for the calculation of local content or local production will be the exchange rate published by the South African Reserve Bank at 12:00 on the date, one week (7 calendar days) prior to the closing date of the invited bid;

**(b)** that only the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:201x will be used to calculate local content in accordance with the following formula:

$$LC = 1 - \frac{X}{Y} \times 100$$

Where

x imported content

y bid price excluding value added tax (VAT)

and that the prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by the South African Reserve Bank at 12:00 on the date, one week (7 calendar days) prior to the closing date of the bid;

**(c)** that Form MBD 6.2 (Declaration Certificate for Local Content) issued by National Treasury, duly completed and signed, must form part of the bid documentation;

**(d)** that the municipality reserves the right to verify the accuracy of the rates of exchange quoted by the bidder in paragraph 4.1 of the aforesaid Certificate.

**(7.3)** The accounting officer may decide to include in any bid documentation a specific bidding condition that only locally produced goods, services or works or locally manufactured goods with a stipulated minimum threshold for local production and content will be considered on condition that such prescript and threshold(s) are in accordance with the specific directives issued for this purpose by National Treasury in consultation with the Department of Trade and Industry and, in such event, the requirements stipulated in subparagraph 5.2 shall be inserted in the relevant bid documentation.

**(7.4)** Where necessary, bid documentation for bids referred to in subparagraph 5.1 may state that a two- stage bidding process will be followed, where the first stage will involve functionality and minimum threshold for local production and content and the second stage price and B-BBEE status with the possibility of price negotiations only with the short listed bidders with a view to effecting

cost savings in circumstances where the tendered prices are obviously inflated or to ensure the award of the bid concerned within budgetary constraints provided that, where such negotiations take place, the principles contained in paragraph 25.1 of this policy shall be applied.

**(7.5)** Any bid specification issued in terms of this subparagraph must be capable of being measured and audited.

**(7.6)** A tender that fails to meet the minimum stipulated threshold for local production and content is an unacceptable tender.

**27.8 Additional Conditions**

Bid documentation must include a reference to the following additional conditions, where applicable:

**27. 8.1 Award of contracts to tenderers not scoring highest points**

a) A contract may be awarded to a tenderer that did not score the highest points only in accordance with section 2(1)(f) of the Act.

b) If an organ of state intends to apply objective criteria in terms of section 2(1)(f) of the Act, the organ of state must stipulate the objective criteria in the tender documents.

**27.8.2 Sub-contracting as condition of tender**

I. If the municipality applies subcontracting as contemplated in subregulation (1), the municipality must advertise the tender with a specific tendering condition that the successful tenderer must subcontract a minimum of 30% of the value of the contract to
   - **a)** an EME or QSE
   - **b)** an EME or QSE which is at least 51% owned by black people;
   - **c)** an EME or QSE which is at least 51% owned by black people who are youth;
   - **d)** an EME or QSE which is at least 51% owned by black people who are women;
   - **e)** an EME or QSE which is at least 51% owned by black people with disabilities;
   - **f)** an EME or QSE which is 51% owned by black people living in rural or underdeveloped areas or townships;
   - **g)** a cooperative which is at least 51% owned by black people;
   - **h)** an EME or QSE which is at least 51% owned by black people who are military veterans; or more than one of the categories referred to in paragraphs (a) to (h).

II. The municipality must make available the list of all suppliers registered on a database approved by the National Treasury to provide the required goods or services in respect of the applicable designated groups mentioned in sub regulation (iii) from which the tenderer must select a supplier.

III. The sub-contracting of work is required for all CIDB-related projects in the following ranges:

a) R 5M>, but < R 10M requires Bidder to sub-contract 10% of the value of the project
b) R 10M >, but < R 15M requires Bidder to sub-contract 15% of the value of the project
c) R 15 M>, but < R20 requires Bidder to sub-contract 20% of the value of the project
d) R 20 M >, but < R 25M requires Bidder to sub-contract 25% of the value of the project
e) R 25 > requires Bidder to sub-contract 30% of the value of the project

IV. The sub-contracting value will be based on the estimated value of the project either determined by the director or project manager. Where the successful bidder's price falls within any other range, the sub-contracting range included in the Bid Document will be applied.

V. The municipality may include sub-contracting for any other none CIDB related project as may be requested by the Director of the Department to promote local development.

VI. Community Based Suppliers or service providers/ward-based suppliers or service providers must be considered for subcontracting by the main contractor. The first preference for subcontracting must be given to community or ward-based suppliers of that particular ward where the project is taking place. If the required skill or expertise is not available from the ward / area where the project is taking place, the main contractor is permitted to accept service provers or suppliers within the KLM jurisdiction. Those service provider or suppliers would then contract directly with the main contractor.

**27.8.3 Subcontracting after award of tender**

a) A person awarded a contract may only enter into a subcontracting arrangement with the approval of the organ of state.
b) A person awarded a contract in relation to a designated sector, may not subcontract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
c) A person awarded a contract may not subcontract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level of contributor than the person concerned, unless the contract is subcontracted to an EME that has the capability and ability to execute the subcontract.

**27.9 Miscellaneous Special Conditions of Contract**

Bid documentation must, inter alia, include the following conditions as Special Conditions of Contract:

**27.9.1 General**

**(a)** Only a bidder who has completed and signed the declaration part of a bid may be considered;

**(b)** When comparative prices must be calculated, any discounts which have been offered unconditionally will be taken into account;

**(c)** A discount which has been offered conditionally will, despite not being taken into account for evaluation purposes, be implemented when payment to a bidder in respect of an accepted bid is effected;

**(d)** Points scored in any applicable scoring system will be rounded off to the nearest 2 decimal places.

**(e)** **(i)** In the event that two or more bids score equal total points, the successful bid will be the one scoring the highest number of preference points for B-BBEE;

**(ii)** However, when functionality is part of the evaluation process and two or more bids have scored equal points including equal preference points for B-BBEE, the successful bid will be the one scoring the highest score for functionality.

**(iii)** Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.

**27.9.2 Declarations**

**(a)** A bidder must -

I. declare that the information provided in any bid document is true and correct;

II. declare that the signatory to a bid document is duly authorized; and

III. undertake to submit documentary proof regarding any bidding issue when required to the satisfaction of the municipality.

**27.9.3 Remedies**

1. Upon detecting that a tenderer submitted false information regarding its BBBEE status level of contributor, local production and content, or any other matter required in terms of these Regulations which will affect or has affected the evaluation of a tender, or where a tenderer has failed to declare any subcontracting arrangements, the organ of state must:

**1.** inform the tenderer accordingly;

**2.** give the tenderer an opportunity to make representations within 14 days as to why
(i) the tender submitted should not be disqualified or, if the tender has already been awarded to the tenderer, the contract should not be terminated in whole or in part;
(ii) if the successful tenderer subcontracted a portion of the tender to another person without disclosing it, the tenderer should not be penalised up to 10 percent of the value of the contract; and
(iii) the tenderer should not be restricted by the National Treasury from conducting any business for a period not exceeding 10 years with any organ of state; and

**3.** if it concludes, after considering the representations referred to in subregulation (1)(b), that
(i) such false information was submitted by the tenderer(a) disqualify the tenderer or terminate the contract in whole or in part; and (bb) if applicable, claim damages from the tenderer; or

(ii) the successful tenderer subcontracted a portion of the tender to another person without disclosing, penalize the tenderer up to 10 percent of the value of the contract.

**1)** (2) (a) The Municipality must

I. inform the National Treasury, in writing, of any actions taken in terms of sub regulation (1);

II. provide written submissions as to whether the tenderer should be restricted from conducting business with any organ of state; and

III. submit written representations from the tenderer as to why that tenderer should not be restricted from conducting business with any organ of state.

1. The National Treasury may request an organ of state to submit further information pertaining to sub regulation (1) within a specified period.

(3) The National Treasury must:

a. after considering the representations of the tenderer and any other relevant information, decide whether to restrict the tenderer from doing business with any organ of state for a period not exceeding 10 years; and

b. maintain and publish on its official website a list of restricted suppliers.

**27.10 Cancellation of Tender**

**1.** The Municipality may, before the award of a tender, cancel a tender invitation if-

**a)** due to changed circumstances, there is no longer a need for the goods, services or construction works requested;

**b)** funds are no longer available to cover the total envisaged expenditure;

**c)** no acceptable bids are received;

**d)** there is a material irregularity in the tender process; or

**e)** negotiations have failed with the preferred tenderer up to and including the tenderer who scoring the third highest points where the prices offered is not market related.

**2.** If it becomes necessary to cancel or re-advertise formal bids, then a report to this effect shall be submitted to the Bid Adjudication Committee for decision. A tender may only be cancelled for a second time with the prior approval of the relevant treasury. Such approval must be attached to the report submitted to the Bid Adjudication Committee.

**3.** If a bid has been cancelled, then all bidders must be notified in writing.

**4.** A decision to cancel a bid in terms of clause 27.10(a) to (e) above must be published in the media in which the original bid invitation was advertised.

**5.** It is not necessary to notify original bidders when calling for new bids, which will be advertised.

**6.** Unless no acceptable bids have been received, no bid may be re-advertised before the Bid Adjudication Committee has resolved to cancel the original bid, and all bidders have been notified accordingly.

### 27.11 Procurement from tertiary institutions

**(a)** Where the municipality is in need of a service provided by only tertiary institutions, such services must be procured through a bidding process with the identified tertiary institutions.

**(b)** Should the municipality require a service that can be provided by one or more tertiary institutions or public entities and enterprises from the private sector, the appointment of a contractor will be done by means of a bidding process.

**(c)** For purposes of this paragraph, a bidding process includes a written offer in a prescribed or stipulated form in response to an invitation by the municipality for the provision of services, through price quotations, advertised competitive bidding processes or proposals.

### 27.12 Alternative Bids

**a)** Alternative bids can be submitted provided that an acceptable bid, which complies with the bid conditions and specifications and submitted strictly in accordance with the bid documents, is also submitted.

**b)** An alternative bid shall be submitted on a separate complete set of bid documents or in accordance with such conditions as may be set out in the bid document and shall be clearly marked “Alternative Bid” to distinguish it from the acceptable bid referred to above.

**c)** All acceptable bids (excluding alternative bids) shall first be evaluated in accordance with the bid conditions and ranked in terms of the preference point system described in the Preferential Procurement section of this policy. Only the alternative of the highest ranked acceptable bid (that is, submitted by the same bidder) may be considered, and if appropriate, recommended for award.

**d)** Alternative bids of any but the highest ranked acceptable bid, shall not be considered.

**e)** If the alternative bid of the highest ranked acceptable bid is considered to have merit, then the alternative bid shall be ranked along with all of the acceptable bids received.

**f)** An alternative of the highest ranked acceptable bid that is priced higher than the first ranked bid may be recommended for award, provided that the ranking of the alternative bid is higher than the ranking of the next ranked acceptable bid.

**g)** KLM will not be bound to consider alternative bids.

### 27.13 Samples

**a)** Where samples are called for in the bid documents, samples (marked with the bid and item number as well as the bidder’s name and address) shall be delivered separately (to the bid) to the addressee mentioned in the bid documents.

**b)** Bids may not be included in parcels containing samples.

**c)** If samples are not submitted as required in the bid documents or within any further time stipulated by the KLM in writing, then the bid concerned may be declared non-responsive.

**d)** Samples shall be supplied by a bidder at his/her own expense and risk. KLM shall not be obliged to pay for such samples or compensate for the loss thereof, unless otherwise specified in the bid documents, and shall reserve the right not to return such samples and to dispose of them at its own discretion.

**e)** If a bid is accepted for the supply of goods according to a sample submitted by the bidder, that sample will become the contract sample. All goods/materials supplied shall comply in all respects to that contract sample.

**28. Bid evaluation committees**

**(1)** A bid evaluation committee must, as far as possible, be composed of-

**(a)** officials from departments requiring the goods, services or works; and

**(b)** at least one supply chain management practitioner of the municipality.

**(2)** A bid evaluation committee must -

**(a)** evaluate bids in accordance with the relevant bid specification or terms of reference, as the case may be, inclusive of unconditional discounts, sub-contracting and this policy; and

**(b)** evaluate each bidder's ability to execute the contract provided that, where bids are invited on the basis of functionality as a criterion, they must be evaluated in the following two stages:

**I. First stage - evaluation of functionality**

**(a)** bids must be evaluated in terms of the evaluation criteria embodied in the bid specification or terms of reference, as the case may be. The amendment of evaluation criteria, weights, applicable values and/or the minimum qualifying score for functionality after the closure of bids is not allowed as this may jeopardize the fairness of the process;

**(b)** a bid will be considered further if it achieves the prescribed minimum qualifying score for functionality;

**(c)** bids that fail to achieve the minimum qualifying score for functionality must be disqualified;

**(d)** score sheets should be prepared and provided to panel members to evaluate the bids;

**(e)** a score sheet should contain all the criteria and the weight for each criterion as well as the values to be applied for evaluation as indicated in the bid specification or terms of reference concerned;

**(f)** each panel member should, after thorough evaluation, independently award his own value to each individual criterion;

**(g)** score sheets should be signed by panel members and if necessary, a written motivation may be requested from panel members where vast discrepancies in the values awarded for each criterion exist, provided that if the minimum qualifying score for functionality is indicated as a percentage in the bid specification or terms of reference, as the case may be, the percentage scored for functionality may be calculated;

**(h)** the value awarded for each criterion should be multiplied by the weight for the relevant criterion to obtain the score for the various criteria;

**(i)** the scores for each criterion should be added to obtain the total score; and

**(j)** the following formula should be used to convert the total score to percentage for functionality:

$$Ps = \frac{So}{Ms} X\ 100$$

Where:

Ps = percentage scored for functionality by bid under consideration

So = total score of bid under consideration

Ms = maximum possible score

**(k)** the percentage of each panel member should be added and divided by the number of panel members to establish the average percentage obtained by each bidder for functionality.

**(ii) Second stage - Evaluation in terms of the 80/20 or 90/10 preference point systems**

Only bids that achieve the minimum qualifying score / percentage for functionality must be evaluated further in accordance with the bid specification or terms of reference for the bid concerned, as the case may be;

Evaluate bids based on a stipulated minimum threshold for local production and content as required in the relevant bid specification in the following two stages:

**(iii) First stage - Evaluation in terms of the stipulated minimum threshold for local production and content**

**(a)** bids must be evaluated in terms of the evaluation criteria stipulated in the bid specification. The amendment of the stipulated minimum threshold for local production and content after the closure of bids is not allowed as this may jeopardize the fairness of the process;

**(b)** a bid must be disqualified if:

- the bidder fails to achieve the stipulated minimum threshold for local production and content; and
- the Declaration Certificate for Local Content (Form MBD 6.2) is not submitted as part of the bid;

**(c)** calculate the local content (LC) as a percentage of the bid price in accordance with the SABS approved technical specification number SATS 1286: 201x;

**(d)** verify the accuracy of the rates of exchange quoted by the bidder in paragraph 4.1 of the Declaration Certificate for Local Content (Form MBD 6.2);

**(iv) Second stage - Evaluation in terms of the 80/20 or 90/10 preference point systems**

**a)** check in respect of the recommended bidder whether or not such bidder's municipal rates and taxes and municipal service charges are not in arrears;

**b)** verify the status of recommended bidders (including their directors(s), owners(s) or trustee(s)) by checking the Data Base of Restricted Suppliers maintained by National Treasury in order to ensure that no recommended bidder or any of its directors/owners/trustees are listed as companies or persons prohibited from doing business with the public sector;

**c)** Upon finalization of the evaluation and the bidder who scored the highest total number of points is identified, the preferred bidder must be assessed to determine if the bidder is from the Kouga Local Municipal Area. Where the preferred bidder is not from the Kouga Local Municipal Area, bidders who scored within 10 points of the score obtained by the preferred bidder must be assessed to determine if the bidder is from the Kouga Local Municipal Area. Where there are bidders from the Kouga Local Municipal Area, these bidders must be further assessed to ensure that the bidders' price is within 10% of the price of the preferred bidder. Where there are bidders who meet these criteria, the bidder with the lowest price from the Kouga Local Municipal Area must be recommended for the award of the tender. Where there is no bidder from the Kouga Local Municipal Area, the contract must be awarded to the bidder who scored the highest total number of points (As required in terms of the SMME Policy);

**d)** submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter provided that:

I. a contract must be awarded to the bidder who scored the highest total number of points in terms of the preference points systems referred to in paragraphs 29(3.3) and 29(4.3) as may be applicable; and

II. in exceptional circumstances and as provided in paragraph 29.9 of this policy, a contract may be awarded to a bidder that did not score the highest number of points provided that the reasons for such a recommendation must be recorded for audit purposes and be defendable in a court of law.

**29. Bid adjudication committees**

**(1)** A bid adjudication committee must consist of at least four senior managers of the municipality which must include -

**(a)** the chief financial officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer; and

**(b)** at least one senior supply chain management practitioner who is an official of the municipality; and

**(c)** a technical expert in the relevant field who is an official of the municipality if the municipality has such an expert.

**(2)** The accounting officer must appoint the chairperson of the committee who shall preferably be the chief financial officer. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting and such election must be recorded in the minutes of the meeting concerned.

**(3)** Only with the consent of the accounting officer and upon request by the bid adjudication committee, a member of a bid specification, bid evaluation committee and/or an advisor or person assisting these committees may attend a meeting of a bid adjudication committee only for the purpose of providing clarity and an explanation of difficult technical aspects relating to the bid being adjudicated and without having any right to vote on the said bid being adjudicated.

**(4)** A bid adjudication committee must -

**(a)** consider the report and recommendations of the bid evaluation committee submitted in terms of paragraph 28; and

**(b)** either -

**(i)** depending on its delegations, make a final award or a recommendation to the accounting officer to make the final award; or

**(ii)** make another recommendation to the accounting officer on how to proceed with the relevant procurement.

**(5)** If the bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee, the bid adjudication committee must, prior to awarding the bid -

**(a)** check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears; and

**(b)** notify the accounting officer.

**(6)** The accounting officer may -

**(a)** after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in subparagraph 5; and

**(b)** if the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.

**(7)** The accounting officer may, at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.

**(8)** If a bid other than the one recommended in the normal course of implementing this policy is approved, the accounting officer must, in writing and within 10 working days, notify the Auditor-General and the National and Provincial Treasuries of the reasons for deviating from such recommendation.

**(9)** Subparagraph 8 does not apply if a different bid was approved in order to rectify an irregularity.

**(10)** Notwithstanding any provision to the contrary in this paragraph or any other provision in this policy:

**(a)** contracts above a value of R10m (all applicable taxes included) may only be awarded to the preferred bidder after the chief financial officer has verified in writing that budgetary provision exists for the procurement concerned and that it is consistent with the Integrated Development Plan of the municipality.

**(b)** during a competitive bidding and adjudication process or before the award of a contract, the accounting officer may, at his/her discretion, specifically request the internal audit function of the municipality or, when so required, an independent external audit service provider (including an organ of state) to carry out audit procedures and provide an opinion on compliance of the bidding process with supply chain management legislation applicable to the municipality.

**(11)** The accounting officer shall cause details of all bids awarded through a competitive bidding process to be advertised on the website of the municipality and such notification shall include at least the following information:

**(a)** Contract numbers and description of goods, service or works projects procured;

**(b)** Names of the successful bidder(s) and the B-BBEE level of contribution claimed;

**(c)** The contract prices(s);

**(d)** Brand names and dates for completion of contracts.

**(12) Notification of the decision made by accounting officer based on BAC recommendations;**

**a)** The successful and unsuccessful bidders shall be notified in writing once a Final Award has been made.

**b)** The successful bidder shall, in addition, be advised of the 14-day appeal period, and be notified that no rights accrue to him/her until the bid is formally accepted in writing.

**c)** Where a preferred bidder has been identified and is referred to the accounting officer by the Bid Adjudication Committee in order to authorize the negotiation of the final terms of a contract, the preferred bidder shall be notified of its preferred bidder status.

**d)** Every notification of decision shall be faxed or sent via electronic mail to the address chosen by the bidder, with a copy of proof of transmission kept for record purposes, or shall be delivered by hand, in which case acknowledgement of receipt must be signed and dated on a copy of such notification and kept for record purposes.

**30. Procurement of banking services**

**(1)** A contract for banking services -

**(a)** must be procured through competitive bidding;

**(b)** must be consistent with section 7 or 85 of the Act; and

**(c)** may not be for a period of more than five years at a time.

**(2)** The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.

**(3)** The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper in terms of paragraph 23 (1).

**(4)** Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

**31. Procurement of IT related goods or services**

**(1)** The accounting officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.

**(2)** Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.

**(3)** The accounting officer must notify SITA together with a motivation of the IT needs if -

**(a)** the transaction value of IT related goods or services required in any financial year will exceed R50 million (VAT included); or

**(b)** the transaction value of a contract to be procured, whether for one or more years, exceeds R50 million (VAT included).

**(4)** If SITA comments on the submission and the municipality does not agree with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National and Provincial Treasuries and the Auditor-General.

**32. Procurement of goods and services under contracts secured by other organs of state**

**(1)** The accounting officer may procure goods or services under a contract secured by another organ of state, but only if -

**(a)** the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;

**(b)** there is no reason to believe that such contract was not validly procured;

**(c)** there are demonstrable discounts or benefits to do so; and

**(d)** that other organ of state and the provider concerned have consented to such procurement in writing.

**(2)** Subparagraphs (1) (c) and (d) do not apply if -

**(a)** a municipal entity procures goods or services through a contract secured by its parent municipality; or

**(b)** a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.

**33. Procurement of goods necessitating special safety arrangements**

**(1)** The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided wherever possible.

**(2)** Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the accounting officer.

**34. Proudly SA Campaign**

**(1)** The Municipality supports the Proudly SA Campaign to the extent that, as far as possible, preference is given to procuring local goods and services in line with the Updated Preferential Procurement Regulation of 2017

**35. Appointment of consultants**

**(1)** The accounting officer may procure consulting services provided that any Treasury guidelines in respect of consulting services are taken into account when such procurements are made.

**(2)** Consultancy services must be procured through competitive bids if -

**(a)** the value of the contract exceeds R200 000 (VAT included); or

**(b)** the duration period of the contract exceeds one year.

**(3)** In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of -

**(a)** all consultancy services provided to an organ of state in the last five years; and

**(b)** any similar consultancy services provided to an organ of state in the last five years.

**(4)** The accounting officer must ensure that copyright in any document produced and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised by a consultant in the course of the consultancy service is vested in the municipality.

**36. Deviation, and ratification of minor breaches of, procurement processes**

1. The accounting officer may –dispense with the official procurement processes established by this policy and procure any required goods or services through any convenient process, which may include direct negotiations, but only -

**1) in an emergency;** the conditions warranting *emergency dispensation* should include the existence of one or more of the following:

**a.** the possibility of human injury or death;

**b.** the prevalence of human suffering or deprivation of rights;

**c.** the possibility of damage to property, or suffering and death of livestock and animals;

**d.** the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the KLM as a whole;

**e.** the possibility of serious damage occurring to the natural environment;

**f.** the possibility that failure to take necessary action may result in the KLM not being able to render an essential community service; and the possibility that the security of the state could be compromised.

**2)** if such goods or services are produced or available from a single or sole provider only in circumstances where such supplier:

**3)** there is a requirement for compatibility, continuity and alignment;

**4)** for the acquisition of special works of art or historical objects where specifications are difficult to compile;

**5)** acquisition of animals for zoos and/or nature and game reserves; or

**6)** in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and

**(2)** 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.

**(3)** The accounting officer must record the reasons for any deviations in terms of subparagraphs (1) (a)(1) to (6) of this policy and report them to the next meeting of the council and also include such reasons as a note to the annual financial statements of the municipality.

**(4)** Subparagraph (2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy.

**(5)** For all Deviations, the standard Deviation Form (**Attached as Annexure A**) must be completed appropriately, with the necessary reviews and recommendations prior to the Municipal Manager's approval

**(6)** **Single Source Selection;** National Treasury Guidelines provide for single-source selection in exceptional cases for consulting services. The justification for single-source selection must be examined in the context of the overall interests of the KLM and the project. Single-source selection may be appropriate only if it presents a clear advantage over competition: the following requirements must be met or covered in the motivation;

**a)** for services that represent a natural continuation of previous work carried out by the consultant, and continuity of downstream work is considered essential;

**b)** where rapid selection is essential;

**c)** for very small appointments;

**d)** when only one consultant is qualified or has experience of exceptional worth for the project.

**(7)** The reasons for single-source selection must be fully motivated in a report and approved by the Bid Adjudication Committee prior to conclusion of a contract, provided that if the award is for an amount of R200 000 or less, such award shall be approved by the Chief Financial Officer.

**(8)** Consultant appointments approved in terms of a single-source selection process must be formalized in a written contract which describes the terms and conditions of contract, as well as the scope of services required.

## 37. Unsolicited bids

**(1)** An unsolicited bid is a bid that is submitted by a prospective supplier to the municipality without any procurement requirement first having been identified and advertised. This situation arises when a supplier identifies an opportunity to render services or supply products not ordinarily required by the municipality.

**(2)** In accordance with section 113 of the Act, there is no obligation upon the municipality to consider unsolicited bids received outside a normal bidding process.

**(3)** The accounting officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid but only if -

**(a)** the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;

**(b)** the product or service will be exceptionally beneficial to the municipality or have exceptional cost advantages;

**(c)** the person who made the bid is the sole provider of the product or service concerned; and

**(d)** the reasons for not going through the normal bidding processes are found to be sound by the accounting officer.

**(4)** If the accounting officer decides to consider an unsolicited bid that complies with sub-paragraph (3), his decision must be made public in accordance with section 21A of the Municipal Systems Act, together with -

**(a)** reasons as to why the bid should not be open to other competitors;

**(b)** an explanation of the potential benefits if the unsolicited bid were accepted; and

**(c)** an invitation to the public or other potential suppliers to submit their comments on the proposal within 30 days of the publication of the relevant notice.

**(5)** The accounting officer must submit all written comments received pursuant to subparagraph (4), including any responses from the unsolicited bidder, to the National and Provincial Treasuries for comment.

**(6)** Subject to subparagraphs (7) and (8) below, the adjudication committee must consider the unsolicited bid and may, depending on its delegations, award the bid or make a recommendation to the accounting officer.

**(7)** A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.

**(8)** When considering the matter, the adjudication committee must take into account -

**(a)** any comments submitted by the public; and

**(b)** any written comments and recommendations of the National and Provincial Treasuries.

**(9)** If any recommendations of the National and Provincial Treasuries are rejected or not followed, the accounting officer must submit to the Auditor-General and the National and Provincial Treasuries the reasons for rejecting or not following those recommendations.

**(10)** Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the municipality to the bid may be entered into or signed within 30 days of the submission.

**(11)** The processes to be followed by the municipality with regard to the acceptance or rejection of an unsolicited bid shall clearly be made known to the bidder who submits the unsolicited bid concerned.

**(12)** The council shall exercise caution when interviewing a potential supplier or a person who may wish to offer services to the municipality in circumstance which may be tantamount to the submission of or negotiation with regard to an unsolicited bid and shall not do anything or cause anything to be done which may be contrary to this policy.

**38. Combating of abuse of supply chain management system**

**(1)** The accounting officer must-

**(a)** take all reasonable steps to prevent abuse of the supply chain management system;

**(b)** investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or a failure to comply with this policy, and when justified -

**(i)** take appropriate steps against such official or other role player; or

**(ii)** report any alleged criminal conduct to the South African Police Service;

**(c)** check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder or any of its directors, is listed as a person prohibited from doing business with the public sector;

**(d)** reject any bid from a bidder -

**(i)** if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the municipality or to any other municipality or municipal entity, are in arrears for more than three months; or

**(ii)** who, during the last five years, has failed to perform satisfactorily on a previous contract with the municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;

**(e)** reject a recommendation for the award of a contract if the recommended bidder or any of its directors has committed a corrupt or fraudulent act in competing for the particular contract;

**(f)** cancel a contract awarded to a person if -

**(i)** such person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or

**(ii)** an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and

**(g)** Reject the bid of any bidder if that bidder or any of its directors -

**(i)** has abused the supply chain management system of the municipality or has committed any improper conduct in relation to such system;

**(ii)** has been convicted for fraud or corruption during the past five years;

**(iii)** has willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or

**(iv)** has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No. 12 of 2004).

**(2)** The accounting officer must inform the National and Provincial Treasuries in writing of any actions taken in terms of subparagraphs (1)(b)(ii), (e) or (f) above.

**(3)** If the accounting officer, on reasonable grounds, believes that a bidder or a contractor has engaged in bid rigging, he shall refer the matter to the Competition Tribunal for investigation and the taking of action against the bidder or contractor concerned in a manner contemplated in the Competition Act No. 89 of 1998.

## Part 3: Logistics, Disposal, Risk and Performance Management

### 39. Logistics management System

**1)** The accounting officer must establish and implement an effective system of logistics management, which must include -

**(a)** the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;

**(b)** the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;

**(c)** the placing of manual or electronic orders for all acquisitions other than those from petty cash; the following process must be adhered to;

**i.** Purchase orders will be created with reference to requisitions where the supply source is either bids or quotations.

**ii.** All purchase orders will be captured on the KLM SAMRAS system exclusive of VAT.

**iii.** Standing/Planned Purchase Orders may be used in cases where longer term arrangements, necessitating interim payments, are required.

**iv.** Purchase order approvals will be systems based and shall be authorized by the Stores Section through the office of Manager: SCM. That will happen after all the requisition have been approved by the duly delegated officials.

**v.** In respect of goods and services no work shall commence, or goods be delivered before an official order has been placed with the supplier.

**vi.** KLM shall not be liable for payment for any goods delivered or services rendered in contravention of clause 39(c)(v) above.

**(d)** before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;

**(e)** appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;

**(f)** regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and

**(g)** monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

**2)** Receiving of Orders; Goods received will be captured on the SAMRAS system via a *Goods Received Note* with reference to the relevant purchase order. Where applicable, the Budget and Treasury Office or the Assets Section (for asset creation) and Insurance Section (for claims) will be informed of the purchase. It must be noted that requisitions for the acquisition of assets must be verified by the assets section and the requisition must be stamped to confirm the process the be followed. The asset section must keep records of those requisition for asset register and insurance purpose.

**3)** Deliveries of goods may not exceed the order quantity. Short deliveries will keep the purchase order open until the balance of the order is received or cancelled.

**4)** Valuation of stock; Stock is valued on the weighted average costing method per stock item and is VAT exclusive. Stock is valued in terms of the generally recognized accounting procedures as adopted by the KLM.

**5)** Stock items shall be systematically replenished using the re-order point planning strategy. Open reservations shall be taken into account during the replenishment run.

**6)** Goods will be issued from stock with reference to reservations. Goods can be issued for consumption against internal orders, cost centres, projects and assets under construction.

**7)** Purchase orders will be created, where applicable, with reference to replenishment requisitions in respect of term supply contracts for goods. Replenishment requisition approvals will be systems based. All replenishment will be processed via the Acquisition Management System.

**8)** Stores Management; The stores function shall be centralized and will operate under the jurisdiction of the Supply Chain Management Department. The Supply Chain Manager must ensure proper financial, budgetary control; uphold the principle of effective administration, proper stock holding and control, product standardization, quality of products and a high standard of service levels. The Manager: Supply Chain Management will develop and implement appropriate stock management procedures. The Chief Financial Officer is the only delegated authority to write off stock.

**40. Disposal Management System**

**(1)** In terms of section 14 of the Act, the municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services.

**(2)** A municipality may transfer ownership or otherwise dispose of capital asset other than one contemplated in subsection (1), but only after the council, in a meeting open to the public-

**(a)** has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and

**(b)** has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.

**(3)** An asset may be disposed of by -

**(i)** transferring the asset concerned to another organ of state in terms of a provision of the Act enabling the transfer of assets;

**(ii)** transferring the asset concerned to another organ of state at market related value or, when appropriate, free of charge;

**(iii)** selling the asset concerned; or

**(iv)** destroying such asset.

**(4) The accounting officer must ensure that -**

**(a)** when immovable property is sold by means of a competitive bidding process, the highest price offered shall be accepted, provided such price is equal to or higher than the market related price for the relevant immovable property;

**(b)** in other cases, only at a market related price except when the public interest or the plight of the poor demands otherwise in which event the sale price shall be determined in accordance with the applicable land disposal or indigent policy adopted by the council;

**(c)** movable assets are sold either by way of written price quotations, a competitive bidding process or by public auction at the highest offered price, provided such price is market related;

**(d)** firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;

**(e)** immovable property is let at market related rentals except when the public interest or the plight of the poor demands otherwise in which event the rental shall be determined in accordance with the applicable land disposal or indigent support policy adopted by the council;

**(f)** all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;

**(g)** where assets are traded in for other assets, the highest possible trade-in price is negotiated; and

**(h)** in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate, within 30 days, whether or not any of the local schools are interested in such equipment.

**(5)** This paragraph must be read with and applied in conjunction with the Municipal Asset Transfer Regulations contained in Government Notice R. 878 of 22 August 2008 and the associated policies adopted by the council. In the event of conflict, the provisions of the aforesaid Regulations shall be applied.

**41. Risk management**

**(1)** The accounting officer must establish and implement an effective system of risk management for the identification, consideration and avoidance of potential risks in the supply chain management system.

**(2)** Risk management must include -

**(a)** the identification of risks on a case-by-case basis;

**(b)** the allocation of risks to the party best suited to manage such risks;

**(c)** acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;

**(d)** the management of risks in a pro-active manner and the provision of adequate cover for residual risks; and

**(e)** the assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.

**42. Performance management**

The accounting officer must establish and implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorized supply chain management processes were followed and whether the objectives of this policy were achieved.

**1)** Performance management shall accordingly be characterised by a monitoring process and retrospective analysis to determine whether:

- **a.** value for money has been attained;
- **b.** proper processes have been followed;
- **c.** desired objectives have been achieved;
- **d.** there is an opportunity to improve the process;
- **e.** suppliers have been assessed and what that assessment is; and
- **f.** there has been deviation from procedures and, if so, what the reasons for that deviation are.

**2)** The performance management system shall accordingly focus on, amongst others:

- **a.** achievement of goals;
- **b.** compliance to norms and standards;
- **c.** savings generated;
- **d.** cost variances per item;
- **e.** non-compliance with contractual conditions and requirements; and
- **f.** the cost efficiency of the procurement process itself.

## Part 4: Other matters

### 43. Tax Matters

1) In terms of the Act municipalities are prohibited from awarding bids to persons whose tax matters have not been cleared by SARS.

2) Before making an award to a person, the Supply Chain Management Unit, must verify the tax compliance status of a taxpayer on the SARS e-Filling system.

3) The National Treasury's Centralized Supplier Database and the Tax Compliance Pin are the approved methods to be used to prove tax compliance.

4) Where goods and services are procured from foreign supplier with tax obligations in South Africa, proof of tax compliance status should be obtained from supplier.

5) Foreign Suppliers with neither South African tax obligations nor history of doing business in South should complete a pre-award questionnaire on the 2018 revised MBD 1 for their tax obligation categorization. The Accounting Officer must submit a copy of this completed MBD 1 received from the awarded bidder to SARS. SARS will issue a letter to the procuring entity confirming whether or not foreign supplier has tax obligations in South Africa.

6) Where the recommended bidder is not tax compliant, the bidder should be notified of their non – compliant status and the bidder must be requested to submit to the municipality within seven (7) working days, proof from SARS that they have remediate their tax compliance status. The proof of tax compliance status submitted by the bidder must be verified in terms of section 43(3) or via CSD or e-Filling.

7) The Accounting Officer should reject a bid submitted by the bidder if such bidder fails to provide proof of tax compliance status within the specified timeframe as stated in section 43(6) above.

8) If a bidder was tax compliant at the time of award, purchase order and thereafter, and the goods and services has been delivered satisfactorily without any dispute, the Accounting Officer should not delay processing payment of invoices due to outstanding tax matters. This only applies where bidder was tax compliant on the date of tender award or the processing of official purchase order.

9) The tax status of all bidders procured through formal quotes which are less than R 30 000 **MUST** be Tax Compliant prior to the generation of purchase order/s. If the recommended bidder is Tax Non-Compliant, then the second highest scorer on points should be considered and so on, provided that the Tax Status is **Tax Compliant.**

**44. Prohibition on awards to persons in the service of the state**

Irrespective of the procurement process followed, no award may be made to a person in terms of this policy -

**(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.

**45. Awards to close family members of persons in the service of the state**

The accounting officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including -

**(a)** the name of that person;

**(b)** the capacity in which that person is in the service of the state; and

**(c)** the amount of the award.

**46. Ethical standards**

**(1)** The code of ethical standards annexed to this policy as Annexure A shall apply to all officials and other role players in the supply chain management system of the municipality in order to promote -

**(a)** mutual trust and respect; and

**(b)** an environment where business can be conducted with integrity and in a fair and reasonable manner.

**(2)** A breach of the aforesaid code of ethics must be dealt with as follows -

**(a)** in the case of an employee, in terms of the disciplinary procedures of the municipality envisaged in section 67(1)(h) of the Municipal Systems Act;

**(b)** in the case of a role player who is not an employee, through other appropriate means with due regard to the severity of the breach;

**(c)** in all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act and for applicable regulations pertaining to financial misconduct by officials.

**47. Inducements, rewards, gifts and favours to municipalities, officials and other role players**

**(1)** No person who is a provider or prospective provider of goods or services or a recipient or prospective recipient of goods disposed of or to be disposed of may either directly or through a representative or intermediary promise, offer or grant -

**(a)** any inducement or reward to the municipality for or in connection with the award of a contract; or

**(b)** any reward, gift, favour or hospitality to -

**(i)** any official; or

**(2)** The accounting officer must promptly report any alleged contravention of sub-paragraph 1 to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.

**(3)** Subparagraph (1) does not apply to gifts less than R350 in value.

**48. Sponsorships**

The accounting officer must promptly disclose to the National and Eastern Cape Provincial Treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary by any person who is -

**(a)** a provider or prospective provider of goods or services to the municipality; or

**(b)** a recipient or prospective recipient of goods disposed of or to be disposed of by the municipality.

**49. Objections and complaints**

**a)** In terms of Section 62 of the Municipal Systems Act, a person whose rights are affected by a decision taken by the KLM may appeal against that decision by giving written notice of the appeal, the service provider or contractor that is aggrieved must write and state the reasons to the accounting officer within 14 days of the date of receipt of the notification of the decision.

**b)** Bid documents must state that any appeal must be submitted to the accounting officer at the address stated, and must contain the following:

**(i)** must be in writing;

**(ii)** reasons for the appeal;

**(iii)** the way in which the appellant's rights have been affected;

**(iv)** the remedy sought by the appellant; and

**(v)** a copy of the notification advising the person of the decision.

**50. Resolution of disputes, objections, complaints and queries**

**(1)** The accounting officer must appoint an independent and impartial person who is not directly involved in the supply chain management processes -

**(a)** to assist in the resolution of disputes between the municipality and other persons regarding -

**(i)** any decisions or actions taken in the implementation of the supply chain management system; or

**(ii)** any matter arising from a contract awarded in the course of the supply chain management system; or

**(b)** to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.

**(2)** The accounting officer or another official designated by the accounting officer is responsible for assisting the appointed person to perform his or her functions effectively.

**(3)** The person appointed must -

**(a)** strive to resolve promptly all disputes, objections, complaints or queries received; and

**(b)** submit monthly reports to the accounting officer on all disputes, objections, complaints or queries received, attended to or resolved.

**(4)** A dispute, objection, complaint or query may be referred to the Eastern Cape Provincial Treasury if -

**(a)** if it is not resolved within 60 days of lodgment; or

**(b)** no response is forthcoming within 60 days of lodgment.

**(5)** If the Eastern Cape Provincial Treasury does not or cannot resolve the matter, the dispute, objection, complaint or query concerned may be referred to the National Treasury for resolution.

**(6)** This paragraph must not be read as affecting a person's rights to approach a competent court, at any time, for such order as may be just and necessary in the circumstances.

**51. Contracts providing for compensation based on turnover**

If a service provider acts on behalf of the municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to him is fixed as an agreed percentage of turnover for the service concerned or the amount collected, the contract between such service provider and the municipality must stipulate -

**(a)** a cap on the compensation payable to him; and

**(b)** that such compensation must be performance based.

**52. Contract Management:**

**(1) Issue of expansion and variation orders**

**(a)** The accounting officer or nominee may, subject to the provisos to this subparagraph and subparagraphs (b) to (d) authorize the issue of expansion or variation orders (herein referred to as "variations orders") in respect of contract specifications or conditions of contract in order to accommodate costs for additional work either unforeseen when contracts were awarded for , essential or necessary additional work or in instances where factors beyond the control of an appointed contractor has led to or will lead to a delay in a contract completion date provided that:

**(i)** 15% for goods and/or services; and, provided further –
**(ii)** 20% for construction related project, that is informed by CIDB prescripts and Standard for Uniformity.
**(iii)** that any expansion or variation order issued in excess of the aforesaid thresholds shall be dealt with in a manner provided in section 116 (3) of the MFM Act.

**(b)** A variation order may only be issued after -

**(i)** the need for such order has been fully motivated by the responsible project manager and supported by the head of department concerned; and

**(ii)** the chief financial officer has certified that funds are available to cover the cost the required additional work.

**(c)** A request for the issue of a variation order in an amount exceeding R200 000 shall first be referred to the Bid Adjudication Committee which considered the initial bid for approval provided that the accounting officer may constitute a new Bid Adjudication Committee for this purpose.

**(d)** No request for a variation order may be approved in circumstance where new bids may be invited for the additional work concerned.

**(e)** The line manager responsible for the implementation of a project undertaken either departmentally or through an appointed contractor must keep a proper record of all variation orders issued in respect of a project.

**(f)** The original copy of an issued variation order must be filed with the original bid and contract documents.

**(g)** The responsible line manager must, upon completion of additional work or the expiry of any extended contract period authorized by a variation order, certify that the terms and conditions of such variation order have been complied with.

**(2) Application of contract management by the responsible officials:**

**a)** Contract management includes all activities and administrative duties associated with a contract that has arisen through one of the acquisition/procurement processes described in this policy.

**b)** Line departments are fully responsible for contract management and administration. Departmental Heads (Directors) shall be responsible to ensure that a contract manager who will be an internal official and is assigned to ensure the effective management of the contract. The contract manager will typically be the internal project manager assigned to the contract as a whole but may also be a cost centre owner or other responsible official.

**c)** The contract manager's duties and powers shall be governed by the applicable conditions of contract, this Supply Chain Management Policy, any Policies, Frameworks and Procedures relating to contract management adopted by the KLM and the general law.

**d)** Departmental Heads (Directors) shall ensure that contract managers are assigned to each contract within the Department Head's area of responsibility and, where possible, should ensure that such contract manager be involved from the earliest stages of the acquisition process.

**e)** Departmental Heads (Directors) shall further be responsible for ensuring that contract managers:

**i.** take all reasonable steps to ensure that a contract procured through the provisions of this policy is properly enforced;
**ii.** are adequately trained so that they can exercise the necessary level of responsibility in the performance of their duties;
**iii.** in administering a contract, adhere to applicable legislation and legal precedent, regulations, policy and formalised guidelines.

**f)** In discharging his duties, the contract manager shall:

**I.** ensure that all the necessary formalities in signing up the contract and/or issuing the purchase order(s) are adhered to;
**II.** ensure that contracts related to the procurement of goods and services are captured on the KLM's SAMRAS system in the form of a price schedule when appropriate;
**III.** ensure that all original contract documentation is lodged with the Supply Chain Management Department for record purposes;
**IV.** monitor, update and report, on a monthly basis, the cost status and delivery forecast of the contract and the performance of the supplier in order to ensure that all of the terms and conditions of the contract are met, including the supplier's obligations as regards preferential procurement, targeted labour and/or resources and local production and content, as applicable;
**V.** where necessary, take appropriate action where a supplier is

**VI.** underperforming or is in default or breach of the Cntract;

**VII.** where appropriate, authorise payments due in terms of the contract by processing payment certificates (if applicable), and ensuring that the necessary Service Entry Sheets or Goods Received Notes are captured on the KLM's SAMRAS system;

**VIII.** manage contract variation or amendment procedures in compliance with the latest directive in this regard as issued by the municipal manager and approved by the applicable delegated authority;

**IX.** administer disputes where necessary, in terms of this policy and the applicable Conditions of Contract;

**X.** maintain adequate records in sufficient detail on an appropriate contract file to provide an audit trail;

**XI.** ensure that contractual actions relating to supplier liquidation proceedings are correctly and timeously taken to ensure the KLM's rights are protected and any negative impact on service delivery is mitigated, such options should include inter alia:

**1)** supplier proposal (via the liquidator) is deemed acceptable, by the relevant Director, to the KLM utilizing the appropriate contractual mechanisms; or

**a.** cancelling the contract, as the liquidator proposed supplier is deemed unacceptable to the KLM, and the KLM appointing an alternate supplier via appropriate procurement mechanisms); act with care and diligence and observe all accounting and legal requirements; and

**b.** for construction contracts, ensure that all contract administrative requirements of the CIDB is complied with.

**53. Application of policy to municipal entities**

**(a)** The provisions of this policy generally do not apply to municipal entities.

**(b)** The supply chain management system of a municipal entity shall be applied with due regard to the provisions of this policy and the Regulations and, in the event of conflict, the provisions of the Regulations shall enjoy preference.

**54. Fronting**

**(a)** For purposes of this paragraph, "fronting" shall include the under-mentioned acts on the part of a bidder or any person or party associated with a bidder:

**(i)** **Window-dressing:** This includes cases in which black people are appointed or introduced to an enterprise on the basis of tokenism and may subsequently be discouraged or inhibited from substantially participating in the core activities of the enterprise concerned and/or be discouraged or inhibited from substantially participating in the declared areas and/or levels of their participation;

**(ii)** **Benefit Diversion:** This includes initiatives where the economic benefits received by an organization for having B-BBEE Status do not flow to black people in the ratio specified by law;

**(iii)** **Opportunistic Intermediaries:** This includes enterprises that have concluded agreements with other enterprises in order to leverage the opportunistic intermediary's favourable B-BBEE status in circumstances where the agreement involves:

**(a)** Significant limitations or restrictions on the identity of the opportunistic intermediary's suppliers, service providers, clients or customers;

**(b)** The maintenance of their business operations in a context reasonably considered improbable having regard to resources; and

**(c)** Terms and conditions that are not negotiated at arms-length on a fair and reasonable basis.

**(b)** Where the accounting office detects fronting, he must act against the bidder concerned in terms of paragraph 27(9.3) and, in addition, report such fronting to the Department of Trade and Industry.

**55 Conditions relating to the granting of preference:**

**(1) Local Production and Content,**

**a)** The Department of Trade and Industry may, in consultation with the National Treasury designate a sector, sub-sector or industry or product in accordance with the national development and industrial policies for local production and content, where only locally produced services or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content taking into account economic and other relevant factors and stipulate a minimum threshold for local production and content. The National Treasury must inform KLM of any designations made through the issue of a circular.

**b)** In the case of designated sectors, such bids must be advertised with a specific condition of bidding that only locally produced goods or locally manufactured goods, meeting the stipulated minimum threshold for local production and content will be considered.

**c)** any instructions, circulars and guidelines issued by National Treasury in the above regard must be complied with.

**d)** Where there is no designated sector, bids may include, as a specific condition of bidding, that only locally produced goods or locally manufactured goods with a stipulated minimum threshold for local production and content, will be considered, on condition that such prescript and threshold(s) are in accordance with the specific directives issued for this purpose by the National Treasury in consultation with the Department of Trade and Industry.

**e)** A person awarded a contract in relation to a designated sector, may not subcontract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.

**f)** A bid that fails to meet the minimum stipulated threshold for local production and content is an unacceptable bid.

**(2) Subcontracting as a condition of tender/bid:**

Subcontracting as condition of a bid:

**a.** If feasible to subcontract for a contract above R30 million, the KLM must apply subcontracting to advance designated groups.

**b.** If KLM applies subcontracting as a condition of a bid, the KLM must advertise the bid with a specific bid condition that the successful bidder must subcontract a minimum of 30% of the value of the contract to:

**1)** an EME or QSE;
**2)** an EME or QSE which is at least 51% owned by black people;
**3)** an EME or QSE which is at least 51% owned by black people who are youth;
**4)** an EME or QSE which is at least 51% owned by black people who are women;
**5)** an EME or QSE which is at least 51% owned by black people with disabilities;
**6)** an EME or QSE which is at least 51% owned by black people living in rural or undeveloped areas or townships;
**7)** a co-operative which is at least 51% owned by black people;
**8)** an EME or QSE which is at least 51% owned by black people who are military veterans; or
**9)** more than one of the categories referred to in this clause.

**c.** The KLM must make available the list of all suppliers registered on a database approved by the National Treasury to provide the required goods or services in respect of the applicable designated groups mentioned in the preceding clause from which the bidder must select a supplier.

**(3) Unbundling Strategies:**

**a)** In order to encourage increased participation and the sustainable growth of the small business sector, the unbundling of larger projects into smaller, more manageable, contracts is encouraged. Unbundling must however be considered in the context of:

**1.** economies of scale being lost;
**2.** abortive work becoming necessary;
**3.** additional demands (not only financial) being placed on the KLM's resources; and
**4.** the risk of later phases not being completed as a result of budget cuts becoming necessary in the future.

**b)** Unbundling, and all of its associated implications, must therefore be carefully considered at the planning stage of any project and the budgets for, and design thereof, should be structured accordingly.

**c)** It is important to note that while it is the KLM policy to procure goods, services or construction works in the smallest practicable quantities, the practice of parceling such procurement in order to avoid complying with the requirements of the different range of procurement processes described in this policy is not permitted.

**(4) Increasing Employment Opportunities:**

**a)** One of the KLM key socio-economic objectives is to facilitate the creation of employment for the people of KLM.

**b)** Increasing employment opportunities through procurement may be achieved by specifying labour intensive technologies and/or methods of construction in the bid documents.

**c)** It is up to Responsible Agents to thoroughly investigate the options available in the above regard, to evaluate the positive versus negative impact of any proposals, and to specify labour intensive technologies and/or methods where appropriate.

**d)** All labour earning less than a threshold wage, determined in accordance with National Guidelines, that is employed for the provision of services or construction works for KLM, shall be reported in the prescribed format, on a monthly basis, to the Directorate responsible for Extended Public Works Programme (EPWP).

**(5) Targeted Labour and or Targeted Enterprises:**

**a)** The targeting of labour and/or enterprises from specific areas within the boundaries of the KLM area may be achieved, where appropriate, by specifying in the bid documents, a minimum level of participation (a contract participation goal) that must be achieved in respect of targeted labour and/or targeted enterprises in the performance of the contract.

**b)** Specified contract participation goals must be measurable and achievable, and the performance in respect of which must be monitored by the Responsible Agents during the execution of the contract.

**c)** Where a minimum contract participation goal has been specified in respect of targeted labour and/or enterprises, the supplier is obliged to meet that goal, and must be penalized if he or she does not.

**d)** Contract participation goals in respect of targeted labour and/or enterprises may not be introduced into the preference point system used for the evaluation of bids.

## 56 Archive of Bidding Documents

(1) Bidding documents have to be kept in a safe.

(2) The following will be applicable before the destruction of any documents:

a) Formal written quotation documents have to be kept for a minimum of five (5) years.
b) The documents for tenders that were awarded for a period of less than one (1) year must be kept for a minimum of five (5) years.
c) The documents for tenders that were awarded for a period of more than one (1) year must be kept for a minimum of six (6) years or for a period of six (6) years after the completion of the project.
d) No documents can be destroyed without the written permission of the relevant director; and
e) No documents of successful bidders may be destroyed.

**57 Construction Industry Development Board**

1) The Construction Industry Development Board (CIDB) has been established by government to promote the uniform application of policy to the construction industry.

a) When calling for construction related bids:
   i. the prescribed CIDB (uniformity standard bid documents) may be utilized.
   ii. only Contractors registered with the CIDB may be used.
   iii. all tenders must be advertised on the CIDB i-tender system.
   iv. consultants used in the procurement process must adhere to the CIDB legislation.
   v. consultants used in the procurement process are prohibited to provide goods,
   vi. works or services related to the project; and (vii) subcontract arrangements and joint venture initiatives must be aligned to CIDB guidelines and requirements.
   vii. the same Bid Committee system as for all other bids will be applicable.

b) When evaluating construction related bids - (i) the registration and grading on the CIDB website must be verified; (ii) the contractor and has to be valid on the day the Bid Evaluation Committee evaluates the bid; (iii) the CIDB contractor requirements; and (iv) calculations for joint venture gradings must be done according to the CIDB prescriptions.

2) Other matters - (a) all projects approved by the Municipality must be registered with the CIDB; (b) contracts registered on the i-tender systems must be updated and completed; (c) non-performance and non-compliance of contractors must be reported to the CIDB as per the CIDB guidelines; and (d) Sub-contracting arrangements and joint-venture initiatives must be aligned to the CIDB guidelines and requirements

**58 Commencement**

This policy takes effect on the date of its adoption by the council.

**ANNEXURE A**

## KOUGA LOCAL MUNICIPALITY

## CODE OF CONDUCT FOR SUPPLY CHAIN MANAGEMENT PRACTITIONERS AND OTHER ROLE PLAYERS

The purpose of this Code of Conduct is to promote mutual trust and respect and an environment where business can be conducted with integrity and in a fair and reasonable manner.

### 1. General Principles

The municipality commits itself to a policy of fair dealing and integrity in the conducting of its business. Officials and other role players involved in supply chain management (SCM) are in a position of trust which implies a duty to act in the public interest. Officials and other role players should not perform their duties to unlawfully gain any form of compensation, payment or gratuity from any person or provider / contractor either for themselves, their family, their friends and business associates.

Officials and other role players involved in SCM should ensure that they perform their duties efficiently, effectively, with integrity and in accordance with applicable legislation, policies and guidelines. They should ensure that public resources are administered responsibly.

Officials and other role players involved in SCM should be fair and impartial in the performance of their functions. They should, at no time, afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual and they should also not abuse the power and authority vested in them.

### 2. Conflict of interest

An official or other role player involved with supply chain management -

**(a)** must treat all providers and potential providers equitably and fairly;

**(b)** may not use his/her position for private gain or to improperly benefit another person;

**(c)** may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350;

**(d)** must declare to the accounting officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;

**(e)** must declare to the accounting officer details of any private or business interest which that person or any close family member, partner or associate, may have in any proposed procurement or disposal process or in any award of a contract by the municipality;

**(f)** must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person or any close family member, partner or associate has any private or business interest;

**(g)** must declare any business, commercial and financial interests or activities undertaken for financial gain that may give rise to a possible conflict of interest;

**(h)** should not place him/herself under any financial or other obligation to outside individuals or organizations that might seek to influence him/her in the performance of his/her official duties; and

**(i)** should not take improper advantage of his/her previous office after leaving his/her official position.

**3. Accountability**

**3.1** Practitioners are accountable to the public for their decisions and actions.

**3.2** Practitioners should use public property scrupulously.

**3.3** Only accounting officers or their delegates have the authority to commit the municipality to any transaction for the procurement of goods, services or works.

**3.4** All transactions conducted by a practitioner should be recorded and accounted for in an appropriate accounting system. Practitioners should not make any false or misleading entries in such a system for any reason whatsoever.

**3.5** Practitioners must assist the accounting officer in combating fraud, corruption, favoritism, unfair and irregular practices in the supply chain management system.

**3.6** Practitioners must report to the accounting officer any alleged irregular conduct in the supply chain management system which they may become aware of, including but not limited to -

**(i)** any alleged fraud, corruption, favoritism or unfair conduct;

**(ii)** any alleged contravention of the policy on inducements, rewards, gifts and favours to municipalities or municipal entities, officials or other role players; and

**(iii)** any alleged breach of this code of conduct.

**3.7** Any declarations made must be recorded in a register which the accounting officer must keep for this purpose. Any declarations made by the accounting officer must be made to the mayor who must ensure that such declaration is recorded in the register.

**4. Openness**

Practitioners should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict the supply of information only if it is in the public interest to do so.

**5. Confidentiality**

**5.1** Any information that is the property of the municipality or its providers should be protected at all times. No information regarding any bid/contract/bidder/contractor may be revealed if such an action will infringe the relevant bidder's/contractors' personal rights.

**5.2** Matters of confidential nature in the possession of officials and other role players involved in SCM should be kept confidential unless legislation, the performance of duty or the provisions of law requires otherwise. Such restrictions also apply to officials and other role players involved in SCM after they have left the service of the municipality.

## 6. Bid Specification / Evaluation / Adjudication Committees

**6.1** Bid specification, evaluation and adjudication committees should implement supply chain management on behalf of the municipality in an honest, fair, impartial, transparent, cost-effective and accountable manner.

**6.2** Bid evaluation / adjudication committees should be familiar with and adhere to the prescribed legislation, directives and procedures in respect of supply chain management in order to perform effectively and efficiently.

**6.3** All members of bid adjudication committees should be cleared by the accounting officer at the level of "CONFIDENTIAL" and should be required to declare their financial interest annually.

**6.4** No person should-

**6.4.1** interfere with the supply chain management system of the municipality; or

**6.4.2** amend or tamper with any price quotation / bid after its submission.

## 7. Combative Practices

Combative practices are unethical and illegal and should be avoided at all cost. They include but are not limited to:

**(i)** suggestions to fictitious lower quotations;

**(ii)** reference to non-existent competition;

**(iii)** exploiting errors in price quotations / bids;

**(iv)** soliciting price quotations / bids from bidders / contractors whose names appear on the Register for Tender Defaulters.

# REPORTS BY THE PORTFOLIO CHAIRPERSON: CORPORATE SERVICES

**KOUGA MUNICIPALITY (EC 108)**

**ORDINARY COUNCIL MEETING**

**CORPORATE SERVICES**

**DATE: 28 AUGUST 2020** **ITEM NO: 20/08/CORP1**

**REPORT ON WARD COMMITTEE POLICY**

1. Introduction

The purpose of the report is to request Council to approve the Ward Committee Policy.

2. Background

The Ward Committee Policy was tabled at the Ordinary Council meeting held on 29 May 2020 and referred back for grammatical errors and further amendments. The revised policy was workshopped 18 August 2020 and all amendments have been effected, as discussed at the Policy Workshop.

3. Comments by Directorates:

Director: Corporate Services

The recommendations are supported

4. Recommendation

4.1 That the Ward Committee Policy be approved.

4.2 That the Ward Committee Policy be published on the Kouga Website.

4.3 That previous versions of the Ward Committee Policy be replaced with this version.

**Item prepared by:** **The Acting Administration Manager**

.

**Item approved by:** **Director: Corporate Services**

**Item noted by the Portfolio Chairperson**

# WARD COMMITTEE POLICY

**Document Control**

| | |
|---|---|
| Policy Title: | Ward Committee Policy |
| Reference Number: | 17/06/AME&SP14 |
| Previously Approved: | Yes 29 June 2017,<br>Item no **17/06/AME&SP14** |
| Directorate Responsible: | Corporate Services |
| Version: | 2 |
| Status of the Document: | Draft |
| Review Date: | 18 August 2020 |
| Contact Details: | Manager Administration |

# TABLE OF CONTENTS


| | | PAGE |
|---|---|---|
| 1. | Definitions | 3 - 4 |
| 2. | Establishment of Ward Committee System | 4 |
| 3. | Composition of Ward Committees | 5 - 6 |
| 4. | Political affiliation in Ward Committees | 6 |
| 5. | Role and Functions of the Electoral Committee | 6 - 7 |
| 6. | Nomination and Election Process | 8 - 10 |
| 7. | Vacation of office by a Ward Committee Member | 10 - 11 |
| 8. | Filling of vacancies | 11 |
| 9. | Powers, functions, duties, and obligations of Ward Committees | 12 - 13 |
| 10. | Ward Committee Meetings | 13 - 15 |
| 11. | Dissolution of Ward Committees | 15 |
| 12. | Sub-committees of Ward Committees | 15 |
| 13. | Role of Council officials on Ward Committees | 16 |
| 14. | Administrative arrangements | 16 |
| 15 | Budget | 16 - 18 |
| 16. | Dispute resolution mechanisms for Ward Committees | 18 |
| 17. | Vacation of office by the Ward Councillor | 19 |
| 18. | Role of proportional representative Councillors in Ward Committees | 19 |
| 19. | Declaration of Interests by Ward Committee Members | 19 |
| 20. | Code of Conduct for Ward Committee Members | 19 - 23 |

# WARD COMMITTEE POLICY

## 1. DEFINITIONS

In this by-law, unless the context otherwise indicates, the words/phrases below have been assigned the following meaning:

**CBO**: a community-based organization

**Chairperson**: A Ward Councillor of the Municipality appointed to chair the Ward Committee meetings in terms of Section 73 (2)(a) of the Municipal Structures Act

**Community**: residents of a ward, i.e. the ward community

**Council**: the municipality's body of elected Ward Councillors and proportionally representative Councillors (comprising of the local government) as established in terms of the Municipal Structures Act

**Electoral Committee**: a committee established by the Speaker and MEO to conduct the election of members of the Ward Committee

**Election Officer**: a person appointed by the Electoral Committee to assist with the election of Ward Committee members

**IDP**: the integrated development plan of the Municipality as adopted by the Council in terms of the Municipal Systems Act

**IEC**: Independent Electoral Commission

**Interest group/sector**: an organized formation that takes an active interest in the affairs of a ward

**Member**: a person elected or co-opted into a Ward Committee

**MEO**: Municipal Election Office

**Municipality**: the Kouga Local Municipality, established in terms of Section 12 of the Municipal Structures Act

**Municipal Manager**: the head of the administration and accounting officer of the Municipality and appointed by the Council in terms of Section 82 of the Municipal Structures Act

**Municipal Structures Act**: The Local Government: Municipal Structures Act, No. 117 of 1998, as amended

**Municipal Systems Act**: The Local Government: Municipal Systems Act, No 32 of 2000

**NGO**: a non-governmental organization

**PR Councillor**: a proportionally representative Municipal Councillor appointed in terms of Section 22 (1)(a) of the Municipal Structures Act, by a political party to represent that party in the Council

**Speaker**: The Chairperson of the Council and a Municipal Councillor elected to this position by the Council in terms of Section 36 of the Municipal Structures Act

**Unorganized Sector**: any sector that is not structurally organized at the level of a ward

**Ward Committee (WC):** a committee of a municipal ward, established in terms of Part 4 of the Municipal Structures Act

**Ward Assistant**: a person appointed by the Municipality to assist the Ward Councillor, in ensuring the smooth running of the Ward Committee and the community's affairs

**Ward Councillor**: A Municipal Councillor elected in terms of Section 22 (1)(b) of the Municipal Structures Act, to represent a demarcated council ward

## 2. ESTABLISHMENT OF WARD COMMITTEE SYSTEM

2.1 Ward Committees for all 15 (fifteen) wards of the municipality are hereby established in terms of the Municipal Structures Act.

2.2 The Ward Committees so established must come into effect once committee members have been elected, as set out below.

3. **COMPOSITION OF WARD COMMITTEES**

3.1 Each Ward Committee must comprise of the Ward Councillor, as Chairperson, and 10 (ten) elected community members.

3.2 The Ward Committee members must be residents of the ward to whose Ward Committee they have been elected.

3.3 Notwithstanding the provisions of clause 3.2, any person who is not a resident of that ward, may become a Ward Committee member provided that the person represents an interest group/sector stationed in the ward, or owns a business property in the ward.

3.4 No person may be a member of more than 1 (one) Ward Committee at the same time.

3.5 The composition of the Ward Committee must reflect the following factors:

3.5.1 equitable representation of women
3.5.2 geographic representation
3.5.3 population diversity and interests

3.6 The Ward Committee members so elected must assume office upon election.

3.7 PR Councillors appointed to serve in the municipality must be *ex officio* and non-voting members of the Ward Committee of the ward they reside in, or any other Ward Committee assigned to them by the Speaker.

3.8 In the course of the term of office of the Ward Committee, any person deemed to be necessary for the success of the committee, or who could add value to the Ward Committee system, can be co-opted by the committee in consultation with the Ward Councillor to serve as *ex officio* in an advisory capacity on that Ward Committee without the rights to vote or the right to receive compensation.

3.9. Each ward must have not more than ten (10) members choosing from the following portfolio (but not limited to):

(a) Youth
(b) Women
(c) Religious
(d) Sports and culture
(e) Health and Welfare
(f) Business
(g) Environment
(h) Education
(i) Elderly
(j) Community Safety & Security
(k) Ratepayers / Civic Association

(l) Informal Traders Association
(m) Agricultural
(n) Informal Traders
(o) People living with disabilities
(p) Farmworkers
(q) Employment
(r) Tourism
(s) Unions, and
(t) Geographical areas

3.10. A Ward Councillor may delegate in writing the chairing of a meeting in his/her absence to a Proportional Representation(PR) Councillor or any member of the Ward Committee.

3.11. Each portfolio leader may nominate five (5) members more broadly from that particular ward to increase the performance and functionality of the portfolio.

## 4. POLITICAL AFFILIATION IN WARD COMMITTEES

4.1 Ward Committee members must not be elected to represent political parties, or for the unofficial benefit of any political party.

4.2 Canvassing for the election of Ward Committee members must not be motivated by political concerns.

## 5. ROLES AND FUNCTIONS OF THE ELECTORAL COMMITTEE

5.1 Establishment of an Electoral Committee

The Office of the Speaker, must in collaboration with the MEO, form the election body and appoint the Electoral Committee.
The Electoral Committee will conduct and oversee the election of members of the Ward Committee.

5.2 Appointment of presiding officers, election officers and counting officers

The Electoral Committee will appoint a presiding officer, one or more election officers and counting officers for each of the 10 wards to manage and administer the Ward Committee elections in their respective wards.

5.3 General provisions concerning the appointment of officers

A person may not be appointed as an officer in a Ward Committee election if that person:

5.3.1 is a Ward Committee member contesting the election;
5.3.2 holds political or executive office in a political party.

5.4 Exercise of control over officers

An officer exercises the powers and performs the duties conferred on or assigned to that officer subject to the directions, control and disciplinary authority of the Electoral Committee.

5.5 Remuneration and conditions of appointment of the officer

The Electoral Committee must determine in writing the terms and conditions of appointment of an officer, including remuneration payable to that officer.

5.6 Duties of presiding, election and counting officers

The presiding, election and counting officers:

5.6.1 Must manage, co-ordinate and supervise the voting process at the voting station concerned;
5.6.2 Must take all reasonable steps to ensure orderly conduct at the voting station;
5.6.3 May order a member of security services (SAPS) to assist in ensuring orderly conduct of the voting station;
5.6.4 May order any person within the boundary of the voting station whose conduct is not conducive to a free and fair election at that voting station, to leave the premises;
5.6.5 Must count and announce the votes received for each nominee from the ward community members present at the voting station;
5.6.6 Must secure the number of votes received by each nominee in writing on the relevant nomination form;
5.6.7 Must declare the voting process open and closed;
5.6.8 Must submit the election results and the report to the election committee for submission to the Office of the Speaker;
5.6.9 If a person refuses to comply with an order of a presiding, election or counting officers presiding, in Ward Committee election or counting; officers in charge may order members of security (SAPS) to forcefully remove the person or declare the voting process closed and submit a report to the election committee.

## 6. NOMINATION AND ELECTION PROCESS

### 6.1 Nominations

#### 6.1.1 *Sectoral, geographical and individual representation*

The Office of the Speaker must invite all CBO's and NGO's in every ward to nominate individuals as their representatives on the Ward Committee. Only persons 18 years and older, and representing an interest group/sector stationed in the ward, or owning a business or property in the ward may be nominated.

#### 6.1.2 *Notice of nominations to the Ward Committee's*

The Electoral Committee must give public notice of the time, venues and mode whereby nominations for Ward Committee members must be accepted. This notice must be published in at least 1 (one) newspaper of general circulation at least 30 (thirty) calendar days before each Ward Committee Election.

#### 6.1.3 *Nominee's*

Only persons 18 years and older, and who represent an interest group/sector stationed in the ward, or own a business or property in the ward will have the right to nominate candidates for the Ward Committee of that ward.

#### 6.1.4 *Nomination Forms*

Nomination forms must be available to the Ward Committees at the Office of the Speaker or any other municipal office. After completion of each nomination form, it must be handed to the Electoral Committee, who will designate offices for this purpose and formally acknowledge receipt of each nomination.

#### 6.1.5 *Safekeeping of nominations*

The Electoral Committee must keep a register of the nominations received as well as keep the completed nomination forms in a safe place until the day of the Ward Committee election when they will be handed over to the presiding officer at the voting station.

6.2 Elections

6.2.1 *Elections*

The Electoral Committee must, in consultation with the Speaker and the Ward Councillor, give the ward community written notice of the date, time and venue of the election of Ward Committee members in each ward at least 30 (thirty) calendar days before the election. This notice must be published in at least 1 (one) newspaper of general circulation at least 30 (thirty) calendar days before each Ward Committee election.

6.2.2 *Postponement of elections*

If an election should be postponed for any reason, a written public notice of the time and venue of the postponed election must be published in at least 1 (one) newspaper of the general circulation at least 30 (thirty) calendar days before the new date of the Ward Committee election.

6.2.3 *Election procedures*

The election must be conducted following the Council approved policy in this regard.

6.2.4 *Voting Rights*

Only persons 18 years and older who are residents or owners of businesses and/or property in each ward have the right to vote.

6.2.5 *Representation*

The election procedure must ensure that at least 3 (three) of the 10 (ten) community members elected onto the Ward Committee are women. Should no women be elected, the first 7 (seven) elected male members will qualify to serve on the Ward Committee and the remaining 3 (three) positions must be reserved for women, to be appointed later by the Electoral Committee after consultation with the Ward Councillor.

6.3 Keeping of records

The Electoral Committee must keep the records of nominations and the ballot papers in a safe place for 1 (one) year after the election.

6.4 Term of Office

6.4.1. The term of office of the Ward Committee members are elected for a political term or coincidental with a political term.

6.4.2. Elected members may stand for election for a second term.

6.5 Chairpersonship

The Ward Councillor must be the Chairperson of the Ward Committee.

6.6 Role and function of a ward assistant

6.6.1 The Municipality must appoint a ward assistant to assist the Ward Councillor, in ensuring the smooth running of the Ward Committee and the community's affairs

6.6.2 The ward assistant will be responsible for the administration of the committee and ensure that the committee is functioning properly.

6.6.3 The ward assistant will oversee the minute taking of the committee, the record-keeping of the minutes and submit these minutes to the Office of the Speaker.

## 7. VACATION OF OFFICE BY A WARD COMMITTEE MEMBER

7.1 In the following events, the Ward Committee members must vacate his/her office:

If a member:

7.1.1 Is absent from 3 (three) consecutive meetings without an apology.

7.1.2 Is absent in an *ad hoc* fashion from 6 (six) consecutive meetings with an apology.

7.1.3 Is proven to be actively involved in campaigns for the removal of the Ward Councillor without having raised grievances against the Ward Councillor in the Ward Committee Meeting.

7.1.4 Acts in a manner that undermines the authority of the Ward Councillor, the Council and/or the Ward Committee.

7.1.5 Commits a crime that results in a conviction without the option of a fine.

7.1.6 Consistently exhibits violent, abusive and intimidating behaviour towards other committee members and/or the community.

7.1.7 Attends a meeting under the influence of alcohol and/or illegal drugs.

7.1.8 Is proven to have accepted a bribe from any party that has an interest in a development project for that particular ward.

7.1.9 Is proven to have used his/her membership of the Ward Committee to extract, or attempt to extract, favours of any kind.

7.1.10 Is elected as a Councillor in the municipality.

7.1.11 Is appointed as a staff member of the municipality.

7.1.12 Without good cause, acts against the decision(s) of the Ward Committee.

7.1.13 Is involved in party political canvassing or similar activity during Ward Committee meetings.

7.1.14 Resigns

7.1.15 Dies.

7.1.16 Is guilty of an infringement of this by-law.

7.1.17 If, after being found guilty of an infringement of this by-law, is ordered by the Speaker to vacate his/her office.

7.1.18 Is ordered to vacate the office by an order of the High Court of South Africa.

7.2 The Speaker will appoint a disciplinary committee to deal with matters of discipline.

## 8. **FILLING OF VACANCIES**

8.1 Vacancies of a Ward Committee will be filled as follows:

8.1.1 When a vacancy occurs as a result of the departure of a sectoral representative, the affected sector must be requested to nominate their sectoral replacement. The sectoral nominee will then be part of the Ward Committee.

8.1.2 When a vacancy occurs as a result of the departure of an unorganized sector representative, the Ward Councillor must nominate 2 (two) people from the affected group, which nomination will be put before the Ward Committee for a decision. The Ward Committee must, after deliberations, appoint 1 (one) person who will be part of the Ward Committee.

8.1.3 The Ward Committee must fill vacancies only if they do not exceed the majority of elected members. In the event of 50% (fifty percent) plus 1 (one) of elected members ceasing to be Ward Committee members, the Ward Councillor must notify the Speaker to arrange for the election of a new Ward Committee.

8.2 It is the responsibility of the Ward Committee, together with the Ward Councillor, to fill vacancies on the Ward Committee.

## 9. POWERS, FUNCTIONS, DUTIES AND OBLIGATIONS OF WARD COMMITTEES

9.1 A Ward Committee has the following powers, functions, duties and obligations:

9.1.1 giving inputs towards the preparation, implementation and review of the Integrated Development Plan (IDP);

9.1.2 participating in the establishment, implementation and review of the municipality's management system;

9.1.3 monitoring and reviewing the municipality's performance, including the outcomes and impact of such performance;

9.1.4 participating in the drafting of the municipality's budget;

9.1.5 giving inputs on strategic decisions relating to the provisions of municipal services;

9.1.6 supplying inputs in the form of recommendations to the municipality through the Ward Councillor;

9.1.7 making recommendations on matters affecting their ward through the Ward Councillor;

9.1.8 acting in an advisory capacity to the Ward Councillor;

9.1.9 acting as a consultative body for the municipality and its departments and provincial and national government, and canvassing community opinion on the matter;

9.1.10 exercising any power and authority delegated in writing by the Council to the Ward Committee;

9.1.11 acting as a consultative agent for NGO's and CBO's, without incurring any liability for the municipality, unless the consultation is part of a specific official municipal project;

9.1.12 co-opting members to the Ward Committee in the event of vacancies;

9.1.13 co-opting non-voting members with specialist skills to the Ward Committee.

9.1.14. receive queries and complaints from residents concerning municipal service delivery, communicate it to council and provide feedback to the community on the council's resource.

9.1.15. ensure constructive and harmonious interaction between the municipality and community through the use and co-ordination of ward resident's meetings and other community developments forum.

9.1.16. interact with other forums and organizations on matters affecting the ward.

9.1. 17. A Ward Committee may assist the municipality by ensuring that community members participate in the satisfaction survey.

## 10. WARD COMMITTEE MEETINGS

10.1 The Ward Councillor must convene meetings of the Ward Committee at least once a month (except for December), and a list of the meeting dates must be supplied to the Office of the Speaker for inclusion in the official municipal calendar not later than 31 January of the following year following the election of Ward Committees. For administration purposes, meetings must be held before the 10th of each new month.

10.2 The Ward Councillor must decide on the place, dates and times of Ward Committee meetings in consultation with members of the Ward Committee and the Office of the Speaker.

10.3 Notice of the time and place of every meeting of the Ward Committee must be served on every member at least 7 (seven) days before the meeting.

10.4 The validity of a meeting is not affected if the notice of the meeting is accidentally not served on a member.

10.5 Every member attending a meeting must sign his or her name in the attendance register kept for this purpose.

10.6 Quorum

10.6.1 A quorum of the Ward Committee must be 50% plus 1 (one) member of the Ward Committee.

10.6.2 If a quorum is not formed within 10 minutes after the time appointed for a meeting, the meeting will not be held unless it is decided by the Chairperson that a further ten minutes should be allowed to enable a quorum to be formed.

10.6.3 If a quorum is still not present after the extended time contemplated in subsection 10.6.2, the Chairperson may rule to adjourn the meeting until another time or date.

10.6.4 Notice of an adjourned meeting must be given in accordance with clause 10.3 and 10.4 above.

10.7 Decision making of Ward Committees

10.7.1 A Ward Committee must strive to reach decisions through consensus;
10.7.2 If a matter remains unresolved after thorough discussion, the matter will be decided by a vote;

10.7.3 If the votes are equal, the Chairperson will have the deciding vote.

10.8 Appointment of Acting Chairperson

10.8.1 If the Ward Councillor is unable to attend a Ward Committee meeting, he/she must appoint a Ward Committee member to chair the meeting.

10.8.2 If the Ward Councillor is unable to appoint a substitute Chairperson, the Ward Committee must do so at the start of the meeting.

10.9 Ward Committee Meetings are open to the public in an observer capacity, on condition that an application is submitted to the Ward Councillor 7 days before.

10.10 Public/Constituency Meetings

10.10.1 Public meetings are mainly held in order; -

(a) to register the concerns and inputs of the community concerning service delivery, the general development of the community, disaster management, and any other municipal concern the community may have; and

(b) to report back to the public on issues that affect it.

10.10.2 Ward or public meetings must be chaired by the Ward Councillor. A Ward Councillor may delegate in writing the chairing of the meeting in his /her absence to a proportional representative(PR) Councillor or any member of the ward committee.

10.10.3 If the committee decides to hold a public meeting, it may publish a notice in a newspaper circulating in the area concerned, stating time, date and place of the meeting or each meeting and inviting the public to attend the meeting in a well-known place, which is easily accessible and large enough to accommodate everyone.

10.10.4 At a public meeting, a representative of the committee must explain the meeting procedure, such as the adoption of the agenda and time allowed for questions.

10.10.5 Explain issues the committee has to consider, including any options open to the committee.

10.10.6 Give feedback on previous issues, including reasons if there is a lack of Progress.

10.10.7 Public meetings are not political platforms and Ward Committee members and the public should refrain from making party political statements, campaigning and canvassing.

10.11. Work Programmes

10.11.1 The Ward Committee must submit a programme with specific outputs for one year to the office of the Speaker in July of each year,

10.11.2 Must perform the functions as set out to be achieve and indicated in the work programme as own initiatives, on request by the Ward Councillor, the Speaker or in accordance with priorities.

## 11. DISSOLUTION OF WARD COMMITTEES

11.1 The Council may dissolve a Ward Committee based on the recommendation of the Speaker (in consultation with the Ward Councillor). Instances that might lead to such a recommendation include, but are not limited to, the failure to fulfill its objectives as set out in legislation, non-adherence to this by-law, or resignation of more than 50% (fifty percent) of the members of a Ward Committee.

11.2 Procedure for dissolution of a Ward Committee

11.2.1 The Speaker must investigate the circumstances surrounding the actions of the Ward Committee and report his/her findings and recommendations to the Council.

11.2.2 After the Council has resolved to dissolve the Ward Committee, a notice of the dissolution of the Ward Committee will be given to the Ward Councillor and the Ward Committee, at which time the Ward Committee will cease to exist.

11.2.3 Notice of the reconstitution of the Ward Committee will be given in terms of section 6 of this by-law.

11.2.4 With the exception of the Ward Councillor, members of the Ward Committee that has been dissolved may be, with the concurrence of the Speaker, be eligible for re-election to the Ward Committee, except where it was established that Ward Committee Members failed to fulfill their objectives as set out in legislation and non-adherence to the relevant bylaw.

12. **SUB-COMMITTEES OF WARD COMMITTEES**

Each Ward Committee may form sub-committees to advise the Ward Committee on special issues, handle sectoral matters or form working groups to research any matter that needs special attention in the ward.

13. **ROLE OF COUNCIL OFFICIALS ON WARD COMMITTEES**

13.1 No municipal official may stand for election on the Ward Committee.

13.2 Should a municipal official wish to stand for election as a Ward Committee member, she/he must first resign her/his position as a municipal official.

13.3 Ward Committee's must invite municipal officials within their scope of work and other people with specialized knowledge to advise them on matters affecting their wards when deemed necessary.

13.4 When the need arises for municipal officials or their departments to consult with the ward communities, they must arrange these consultations with the Office of the Speaker at least (three) weeks in advance.

14. **ADMINISTRATIVE ARRANGEMENTS, FUNDING AND REIMBURSEMENT**

14.1 The municipality must make administrative arrangements to enable Ward Committees to perform their functions and exercise their powers effectively. In doing so the municipality must use its resources and allocate funds in its budget to the Office of the Speaker to further the objectives of Ward Committees.

14.2 All administrative back-up to enable effective functioning of the Ward Committees must be located in the Office of the Speaker.

14.3 The municipality must, through the Office of the Speaker, reimburse Ward Committee members for traveling and out-of-pocket costs incurred as a result of attendance of Ward Committee meetings. The reimbursement will be done following the approved policy of the municipality.

14.4 Membership and duties of the Ward Committee members must be regarded as voluntary service for the benefit of the community.

14.5 The ward assistant appointed by the Municipality should be able to provide general services to the residence of the ward and assist in the administration of the ward.

15. **BUDGET**

15.1. No remuneration is to be paid to Ward Committee members.

15.2. A municipality may annually budget for:

15.2.1. Out of pocket expenses of members of Ward Committee in respect of their participation in Ward Committee.

15.2.2. A municipal council must determine the criteria for, and calculation of, the out of pocket expenses.

15.2.3. The proposed out of pocket expenses that may be paid as a monthly allowance for each ward committee member excluding the Ward Councillor. (According to the criteria stipulated by council, refer to resolution 14/08/AME17 and 19/08/CORP2)

15.2.4. This amount may be adjusted to the extent that a particular municipality covers some of these costs itself upfront by arranging transport and refreshments for Ward Committees taking into account the following, as determined by a council resolution annually:

- **Transport**
- **Telephone / mobile phone**
- **Refreshments/meals**

15.2.5. Over and above own revenue sources (service charges, rates, etc.) municipalities must prioritize funding for community participation including effective support to Ward Committees from two (2) important sources:

(a) Local Government Equitable Share (LGES) – municipalities receive allocations from the local government equitable share on an annual basis. Therefore, municipalities should use a portion of this allocation for supporting Ward Committees, which is critical in speeding up and facilitating better service delivery.

(b) Municipal Systems Improvement Grant (MSIG) – the purpose is to assist in building in–house capacity to perform their functions and stabilize institutional and governance systems as required in the Municipal Systems Act. One of the key measurable outputs for this grant is the number of municipalities with strengthened administrative systems for effective implementation of the ward participatory system.

15.2.6. Capacity building and training programmes for committee members

15.2.7. The payment of the out-pocket expenses must be linked to the Ward Committee's functionality, taking into account the following functionality indicators:

(i) The number of Ward Committee management meetings held and percentage of attendance by members.

(ii) The number of community meetings organized by the Ward Committee and percentage attendance by the ward community.

(iii) Submission and tabling of ward reports and plans to the Council covering needs and priorities for the ward, feedback on the performance of the Council's various lines/service functions and their impact on the ward.

(iv) The number of door–to–door campaigns and/or interactions with substructures including street committees.

(v) Number of complaints, queries, and requests registered from the community and attended to (*checklist of needs met against registered needs and turn-around-times)*.

(vi) Distributed publications (information brochures, flyers, newsletters, SMS, and others) over a period of time.

(vii) Management and updating of ward profiles and database of indigent households.

(viii) Participation in plans and programmes of municipalities and other spheres of government impacting on the ward development and monitoring thereof.

## 16. **DISPUTE RESOLUTION MECHANISMS FOR WARD COMMITTEES**

The following dispute-resolution mechanisms must be applied:

16.1 Every effort must be made to deal with disputes internally if they do not involve the Ward Councillor.

16.2 When a dispute arises, the Ward Councillor should appoint a person or persons to try and resolve the dispute through mediation.

16.3 If the attempt at mediation fails, the Ward Councillor must arbitrate.

16.4 If one of the parties is still aggrieved, the matter must be referred to the Speaker.

16.5 If the matter involves the Ward Councillor, it should be referred to the Office of the Speaker, where the Speaker will be the arbitrator.

16.6 The Speaker must appoint a disciplinary committee and an appeal committee to deal with matters of discipline.

## 17. VACATION OF OFFICE BY THE WARD COUNCILLOR

17.1 When the Ward Councillor is no longer in office, the Ward Committee will continue to function for the rest of its term as determined by the Council.

17.2 The Speaker will be the interim Chairperson of the Ward, until a By-Election is held.

17.2 A temporary Chairperson must be appointed by the Speaker of Council until a By-Election is held

17.3 The new Councillor must re-appoint an assistant for the ward.

## 18. ROLE OF PROPORTIONAL REPRESENTATIVE COUNCILLORS IN WARD COMMITTEES

18.1 The Speaker must deploy a PR Councillor to a specific Ward.

18.2 Ward Councillors may allow PR Councillors allocated to their Ward Committees the right to freely participate in the activities of the Ward Committee.

## 19. DECLARATION OF INTERESTS BY WARD COMMITTEE MEMBERS

19.1 A member must declare his/her interest to the Ward Committee in those matters that are before the Ward Committee.

19.2 The Ward Councillor is responsible for the maintenance of the register of declared interests of members of the Ward Committee.

## 20. CODE OF CONDUCT FOR WARD COMMITTEE MEMBERS

Ward Committee members are elected to represent the communities in their respective wards, to ensure that wards have mechanisms of accountability to local communities, and to meet the priority needs of the community on ward matters, including the performance of the municipality in terms of established indicators. To ensure that Ward Committee members fulfill their obligations to their communities, the following Code of Conduct is established:

### 20.1 Definition

In this schedule "**partner**" means a person who permanently lives with another person in a manner as if married.

20.2 **General conduct of members**

A member must:

(a) perform the functions of the office in good faith, honestly and in a transparent manner; and

(b) at all times act in the best interest of the Ward Committee and in such a way that the credibility and integrity of the Ward Committee is not compromised.

20.3 **Attendance of meetings**

A member must attend each meeting of the ward except when –

(a) an apology is rendered before or at the meeting;

(b) leave of absence is granted by the Chairperson of the ward committee;

(c) a member is required in terms of this Code to withdraw from the meeting.

20.4 **Disclosure of interests**

A member must:

(a) disclose to the Ward Committee, or to any sub-committee of which that member is a member, any direct or indirect personal or private business interest that the member, or any spouse, partner or business associate of that member may have in any matter before the Ward Committee; and

(b) withdraw from the proceedings of the Ward Committee when the matter is considered by the Ward Committee.

20.5 **Personal gain**

(1) a member may not use the position or privileges of a ward member, or confidential information as a member, for private gain or to improperly benefit another person.

(2) Except with the prior consent of the Office of the Speaker, a member may not:

(a) be a party to or beneficiary under a contract for:

(i) the provision of goods and services to the ward; or

(ii) the performance of any work done in the ward.

(b) obtain a financial interest in any business of the Ward Committee.

(3) If more than one-quarter of the members object to consent being given to a member in terms of subitem (2), such consent may only be given to the member with the written approval of the Speaker of the Council.

20.6 **Rewards, Gifts and Favours**

1. A member may not request, solicit, or accept any reward, gift, or favour in return for:

(a) voting or not voting in a particular manner on any matter before the Ward Committee;

(b) persuading the Ward Committee concerning the exercise of any power, function or duty; and

(c) disclosing privileged or confidential information.

20.7 **Unauthorized Disclosure of Information**

(1) A member may not without the permission of the Ward Councillor or a Committee of the Council disclose any privileged or confidential information of the ward or Ward Committee to any unauthorized person.

(2) For the purpose of this item, "privileged or confidential information" includes any information:

(a) declared by the Council or Ward Committee to be privileged or confidential;

(b) that would violate a person's right to privacy; or

(c) declared to be privileged, confidential, or secret in terms of the law.

(3) This item does not derogate from any person's right of access to information in terms of national legislation.

20.8 **Municipal Property**

A member may not use, take, require, or benefit from any property or assets owned, controlled, or managed by the municipality to which he has no right.

20.9 **Duty of Chairpersons of Ward Committees**

(1) If the Chairperson of a Ward Committee, on reasonable suspicion, is of the opinion that a provision of this Code has been breached, the Chairperson must:

(a) authorize an investigation of the facts and circumstances of the alleged breach;

(b) give the member a reasonable opportunity to reply in writing regarding the alleged breach; and

(c) report the matter to a meeting of the Ward Committee after the provisions of paragraphs (a) and (b) have been complied with.

(2) A report in terms of subitem (10) (c) is open to the public.

(3) The Chairperson must ensure that each member, when taking office, is given a copy of this Code and that a copy is available in every room or place where the Ward Committee meets.

20.10 **Breaches of Code**

(1) The Speaker may:

(a) investigate and make a finding on any alleged breach of a provision of this Code;

(b) establish a special committee or appoint a person:

(i) to investigate and make a finding on any alleged breach of this Code and to make appropriate recommendations to the Speaker.

(ii) to make appropriate recommendations to the Speaker.

(2) If the special committee finds that a member has breached a provision of this Code, the special committee may:

(a) issue a formal warning to the member;
(b) reprimand the member;
(c) request the Speaker to suspend the member for a period; or
(d) request the Speaker to remove the member from the Ward Committee.

(3) If the Speaker is of the opinion that the member has breached a provision of this Code and that such contravention warrants a suspension or removal from office, the Speaker may:

(a) suspend the member for a period and on conditions determined by the Speaker; or
(b) remove the member from office.

(4) Any member who has been warned or reprimanded in terms of paragraph (2) may, within 14 days of having been notified of the decision of the Speaker, appeal to the Speaker in writing, setting out the reasons on which the appeal is based. The Speaker will then convene an appeal committee to finalize the matter.

(a) a copy of the appeal must be provided to the Speaker.

---

**Approved on** **29 June 2017**

**Council Resolution No** **17/06/AME&SP14**

**Workshopped on** **18 August 2020**

**Approved on**

**Council Resolution:**

**KOUGA MUNICIPALITY (EC 108)**

**ORDINARY COUNCIL MEETING**

**CORPORATE SERVICES**

**DATE: 28 AUGUST 2020** **ITEM NO: 20/08/CORP2**

**REPLACEMENT OF PUBLIC REPRESENTATIVES ON THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)**

1. Introduction

The purpose of this item is to request approval to advertise for two Public Representatives on MPAC.

Ms L Mostert and Ms H. Thiart resigned as members of MPAC and these vacancies need to be filled.

2. Discussion:

The following members were elected and appointed by Council to serve on the Municipal Public Accounts Committee (MPAC).

| | |
|---|---|
| Cllr W. Gertenbach (Chairperson) | Cllr W. Coenraad |
| Cllr R. Jantjies | Cllr C. August |
| Cllr L. Vorster | Cllr P. Nkwalase |
| Cllr M. Peters | Cllr T. Meleni (deceased) |
| Ms L. Mostert (resigned) | Ms H. Thiart ((resigned) |

For the purposes of continuity and promoting experience and expertise within MPAC, the vacant positions be advertised calling for relevant experience, qualifications and expertise.

3. Recommendation

3.1 That Council approve the advertising of two Public Representatives to replace Ms L Mostert and Ms H Thiart.

3.4 That the public representatives be paid a fixed amount at a rate of R2 619 per meeting, as per National Treasury Circular – 2019 Remuneration of Non-Official Members: Commissions and Committees of Enquiry and Audit Committees.

**Item approved by: Director: Corporate Services**

**Item noted by: The Portfolio Councillor**

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 **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

## 2019 REMUNERATION OF NON-OFFICIAL MEMBERS: COMMISSIONS & COMMITTEES OF INQUIRY, AND AUDIT COMMITTEES

1. The Minister of Finance has declined an amendment to the **maximum remuneration payable per day** to non-official members of *Commissions* and *Committees of Inquiry.* The rates with effect from 1 April 2018 remain valid and are as follows:

| | COMMISSION OF INQUIRY | | COMMITTEE OF INQUIRY | |
|---|---|---|---|---|
| | **Per day** | **Per hour** | **Per day** | **Per hour** |
| Chairperson | R5 230 | R654 | R4 317 | R540 |
| Member | R3 888 | R486 | R2 619 | R327 |

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. Current VAT law requires non-executive directors (NEDs) of companies to register for and charge VAT in respect of any director's fees earned for services rendered as a non-executive director. **Kindly note that the above rates are VAT inclusive.**

   The value of the fees must, however, exceed the compulsory VAT registration threshold of R1 million in any 12-month consecutive period but NEDs can voluntarily register for VAT as well. [1]

5. *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.*

[1] Further details on the remuneration of Non-executive Directors is available on http://www.sars.gov.za/Media/MediaReleases/Pages/14-February-2017---Non-Executive-Directors-of-Companies-must-register-for-VAT.aspx.

6. All expenditure that could arise from applying this circular must be defrayed from institutions'/ departments'/ public entities' existing budget allocations.

GH MANACK

GOOLAM MANACK
**(CHIEF DIRECTOR: PUBLIC ENTITIES GOVERNANCE UNIT)**
for DIRECTOR-GENERAL: NATIONAL TREASURY
DATE 30/8/2019

# REPORTS BY THE PORTFOLIO CHAIRPERSON: INFRASTRUCTURE AND ENGINEERING

**KOUGA MUNICIPALITY (EC 108)**

**ORDINARY COUNCIL MEETING**

**INFRASTRUCTURE & ENGINEERING**

**DATE: 28 AUGUST 2020** **ITEM NO: 20/08/I&E1**

**DROUGHT FUNDING: PROGRESS WITH BOREHOLE DEVELOPMENT AND WATER CONSERVATION AND DEMAND MANAGEMENT PROJECTS**

1. Introduction

The purpose of the item is to inform the Council regarding to the progress of the grant funded drought relief projects until 30 June 2020.

2. Background

The Kouga Council declared a local state of disaster in the Kouga Municipal area due to the prevailing drought conditions on 31 May 2017 under item 17/5/IPD4.

A local state of disaster was declared in terms of Section 55(1) of the Disaster Management Act No 57 of 2002.

The Eastern Cape specifically declared a provincial state of disaster due to the magnitude of the drought and water situation that exceeded the province's capacity to cope therewith. The declaration of a local state of disaster was published in the extraordinary Provincial Gazette No 3876, dated 12 June 2017.

The Minister of Cooperative Governance and Traditional Affairs declared a National State of Disaster in light of the magnitude and severity of the prevailing drought conditions across the country, which was published in Government Gazette no.41493 on 13 March 2018.

Two business plans were prepared during mid-2018 with the objective to obtain financial assistance from a National Disaster Grant allocation to:

(a) Implement and provide emergency drought relief measures in the form of groundwater exploration, followed by the development and equipping of boreholes within the affected towns in the Kouga Jurisdictional Area and

(b) To implement of Water Conservation and Demand Management Initiatives (WCDM), which include the replacement of old pipelines.

Drought relief funds were allocated to Kouga Municipality in the amount of R 151m which was Gazetted on 4 October 2018 in Government Gazette No 41958. Funds were allocated as follows;

I. R 58,728m in terms of Schedule 6B of the Division of revenue Act, 2018 (Act 1 of 2018) under the Provincial Disaster Relief Grant for disaster response, namely groundwater development.

II. R 92,5m in terms of Schedule 5B of the Division of Revenue Act, 2018(Act 1 of 2018) under the Water Services Infrastructure Grant (WSIG) for the implementation of Drought intervention/Water Conservation and Demand Management (WCDM) projects.

To fast tracked implementation of drought projects 3 quotes per project were obtained in terms of Section 36 of supply chain regulations. This process was cancelled due to concerns related procurement regulations and a formal tender process was embarked on.

As at 30th June 2020 the level of the major storage's dams were;

- Kouga= 7.0%
- Churchill=57.25%
- Impofu=16.79%
- Loerie=48.90%

3. Comments by Director: Infrastructure and Engineering

3.1 Progress with projects is indicated below.

3.2 Groundwater development/Borehole project

| Summary as at 30th June 2020 | Amount |
|---|---|
| Total Allocation | R 58,728,000.00 |
| Value Created as at 30/06/2020 (Invoices submitted) | R 52,033,403.38 |
| Retention | R 403,446.90 |
| Balance | R 6,291,149.72 |
| Expenditure to date | 88,6 % |

Expenditure per project: Borehole projects as at 30/06/2020

| **Project** | **Boreholes: Patensie water supply** |
|---|---|
| Vote No | 201 901 030 228 20 |
| Budget | R 8,401,000.00 |
| Expenditure | R 6,265,818.58 |
| Available | R 2,135,181.42 |
| %spent | 74.6 % |
| Appointed Consultant: Aurecon Consulting Engineers | |
| Drilling contractor: Steyns Drilling | |
| Civil contractor: Siyaya Khaya Construction.<br>Drilling of 3 boreholes in Patensie town completed. One will not be used due to high salinity levels.<br>Outstanding tasks under drilling project.<br>• Installation of pipeline from boreholes to treatment works. (In progress)<br>• Equipping of 2 x boreholes (In progress)<br>Expected completion date: 31 August 2020(Provisional) | |

| **Project** | **Boreholes: Hankey water supply** |
|---|---|
| Vote No | 201 901 030 228 23 |
| Budget | R 33,179,000.00 |
| Expenditure | R 29,507,391.84 |
| Available | R 3,671,608.16 |
| %spent | 88.4 % |

Appointed Consultant: Aurecon Consulting Engineers

Drilling contractor: Steyns Drilling

Civil contractor: Phase 1: Siyaya Khaya Construction

Contract I&E 5/2019 Hankey bulk water line Phase 1

- Prospective bidders invited on 24/04/219
- Site clarification meeting scheduled 25/04/2019
- Tender close 09/05/2019
- Appointment letter issued 29 May 2019
- Contract amount: R 5,977,115.31 VAT Included.
- Contract commencement date: 12 June 2019
- Revised expected completion date: 31 August 2020
- Progress

| Item | %Complete |
|---|---|
| Pipework Main line (4.602km of 4.602km) | 100% |
| Pipework testing (0km of 4,602km) | 100% |
| Valve chambers | 100% |
| ESKOM connection (applied and paid) | 0% |
| Borehole installation | 50% |

Civil contractor: Phase 2: Wavelengths Construction

Contract I&E 5b/2019 Hankey bulk water line Phase 2

- Prospective bidders invited on 24/04/219
- Site clarification meeting scheduled 25/04/2019
- Tender close 09/05/2019
- Appointment letter issued 21 June 2019
- Contract amount: R 7,260,000.00 VAT Included.

- Contract commencement date: 11th July 2019
- Revised expected completion date: 31st August 2020
- Progress

| Item | %Complete |
|---|---|
| Pipework Main line (7,295km of 7,295km) | 100% |
| Pipework testing (3,5 km of 7,295km) | 50% |
| Valve chambers | 100% |
| Steel reservoir at Waterworks | 100% |

Expenditure includes pipes ordered by Kouga Municipality for the project

| **Project** | **Boreholes: Jeffreys Bay water supply** |
|---|---|
| Vote No | 201 901 030 228 14 |
| Budget | R 4,500,000.00 |
| Expenditure | R 4,235,569.38 |
| Available | R 264,430.62 |
| % spent | 92 % |
| Appointed Consultant: Aurecon Consulting Engineers | |
| Drilling contractor: Steyns Drilling (Work completed) | |
| Civil contractor: Dido SA(Pty)Ltd<br>Contract I&E 6/2019: Jeffreys Bay borehole reticulation infrastructure<br>• Prospective bidders invited on 24/04/219<br>• Site clarification meeting scheduled 25/04/2019<br>• Tender close 09/05/2019<br>• Appointment letter issued 20 May 2019.<br>• Contract amount: R 1,555,000.00 VAT Included.<br>• Contract commencement date: 5 June 2019<br>• Practical Completion issued 21st November 2019. | |

| **Project** | **Boreholes: Oyster Bay water supply** |
|---|---|
| Vote No | 201 901 030 228 08 |
| Budget | R 1,311,000.00 |
| Expenditure | R 1,311,000.00 |
| Available | R 0.00 |
| % spent | 100 % |
| Appointed Consultant: Aurecon Consulting Engineers | |
| Drilling contractor: Steyns Drilling (Work completed) | |
| Civil contractor: Ikhono Projects | |
| • Revised expected completion date: 30th June 2020 | |

| **Project** | **Cape St Francis Groundwater** |
|---|---|
| Vote No | 201 901 030 228 11 |
| Budget | R 5,910,000.00 |
| Expenditure | R 5,910,000.00 |
| Available | R 0.00 |
| % spent | 100 % |
| Appointed Consultant: Aurecon Consulting Engineers | |
| Civil contractor: Ikhono Projects<br><br>Contract I&E 7/2019: Cape St Francis bulk water supply<br><br>• Expenditure includes pipes order for project.<br>• Prospective bidders invited on 18/04/2019<br>• Site clarification meeting scheduled 23/04/2019<br>• Tender close 03/05/2019<br>• Appointment letter issue 22 May 2019<br>• Contract amount: R 4,929,333.04 VAT Included.<br>• Contract commencement date: 5 June 2019<br>• Revised Expected completion date: Mid-September 2020<br><br>• Drilling of additional boreholes on the Links property being finalized<br><br>• Installation of pipeline outstanding. | |

| |
|---|
| • Expenditure includes pipes ordered for project |

| **Project** | **Boreholes: Humansdorp water supply** |
|---|---|
| Vote No | 201 901 030 228 17 |
| Budget | R 5,427,708.00 |
| Expenditure | R 5,087,328.50 |
| Available | R 0.00 |
| % spent | 100 % |
| Appointed Consultant: Aurecon Consulting Engineers | |
| Drilling contractor: Steyns Drilling (Work completed) | |
| | |

3.3 Pipeline replacement, Infrastructure upgrading and Water Conservation and Demand Management projects.

A 1st Tranche payment of R 37,000,000.00 was received on 19/12/2018.

2nd Tranche payment of R 55,500,000.00 was received on 04/03/2019.

| Summary as at 30 June 2020 | Amount |
|---|---|
| 1st Tranche received 19/12/2018 | R 37,000,000.00 |
| 2nd Tranche received 04/03/2019 | R 55,500,000.00 |
| Total Allocation | R 92,500,000.00 |
| Value Created as at 30/06/2020 (Invoices submitted) | R 93,335,640.10 |
| Balance of Total Amount | - R 835,640.10 |
| % Spent | 100,9 % |

Expenditure per project: WCDM projects as at 30/06/2020.

| **Project** | **Water Conservation and Demand Management** |
|---|---|
| Vote No | 201 901 030 228 26 |
| Budget | R 15,550,000.00 |
| Expenditure | R 15,549,758.10 |
| Available | R 241.81 |
| % spent | 100 % |
| Appointed Service provider: Re-Solve/EAS Joint venture | |
| Project implementation completed. | |

| **Project** | **Upgrade Jeffreys Bay water treatments works** |
|---|---|
| Vote No | 201 901 030 228 41 |
| Budget | R 35,000,000.00 |
| Expenditure | R 36,254,452.90 |
| Available | -R 1,254,452.90 |
| % spent | 103.58 % |
| Appointed Consultant: MJM Consulting Engineers | |
| Appointed Civil Contractor: Ikhono Projects<br>Contract: I&E 1/2019: Upgrade Jeffreys Bay water treatment works Civil Works.<br>• Site clarification meeting held 17/04/2019<br>• Tender close 02/05/2019 at 15:00<br>• Appointment letter dated 11 May 2019<br>• Appointed value = R 17,991,770.79 VAT included<br>• Contract commencement date: 30 May 2019<br>• Revised expected completion date: 30 June 2020 | |

- Commissioning took place 29 June 2020.Operational monitoring ongoing.

Appointed Electrical Contractor: VE Reticulation PTY Ltd

Contract: I&E 2/2019: Upgrade Jeffreys Bay water treatment works Electrical Work.

- Site clarification meeting held 17/04/2019
- Tender close 02/05/2019 at 15:00
- Appointment letter dated 11 May 2019
- Appointed value = R 11,961,102.85 VAT included
- Contract commencement date: 30 May 2019
- Revised expected completion date: 30 June 2020

| **Project** | **Augmentation water supply Kruisfontein** |
|---|---|
| Vote No | 201 901 030 228 38 |
| Budget | R 20,000,000.00 |
| Expenditure | R 20,799,800.38 |
| Available | -R 799,800.37 |
| % spent | 100,1 % |

Appointed Consultant: MJM Consulting Engineers

Appointed Civil Contractor: SP Excel Holdings

Contract: I&E 3/2019 Augmentation of Kruisfontein bulk water supply Civil work

- Site clarification meeting held 17/04/2019
- Tender close 02/05/2019 at 15:00
- Appointment letter dated 11 May 2019
- Appointed value = R 12,504,839.01 VAT included
- Contract commencement date: 30 May 2019
- Revised expected completion date: 31 August 2020

Appointed Electrical Contractor: VE Reticulation Pty Ltd

Contract I&E 4/2019: Augmentation Kruisfontein bulk water supply: Electrical work

| |
|---|
| • Site clarification meeting held 17/04/2019<br>• Tender close 02/05/2019 at 15:00<br>• Appointment letter dated 11 May 2019<br>• Appointed value = R 3,491,234.40 VAT included<br>• Contract commencement date: 30 May 2019<br>• Revised expected completion date: 31 August 2020 |
| • Expenditure includes pipes ordered for project |

| **Project** | **Oyster Bay pipeline replacement** |
|---|---|
| Vote No | 201 901 030 228 35 |
| Budget | R 450,000.00 |
| Expenditure | R 448,256.36 |
| Available | R 1,743.64 |
| % spent | 99.6 % |
| • Appointed Consultant: MJM Consulting Engineers<br>• Appointed Contractor: Wavelengths Construction<br>• Notice no. 225/2018<br>• Tender no: I&E 9/2018<br>• Commencement date: 6 February 2019<br>• Completion date: 10 May 2019<br>• Practical completion certificate issued.<br>• Project completed | |

| **Project** | **Patensie pipeline replacement** |
|---|---|
| Vote No | 201 901 030 228 29 |
| Budget | R 10,500,000.00 |
| Expenditure | R 9,764,753.58 |
| Available | R 735,246.42 |

| | |
|---|---|
| % spent | 57 % |

Appointed Consultant: MJM Consulting Engineers

Appointed Civil Contractor: Siyaya Khaya Construction

Contract I&E 10/2018: Replacement of water reticulation in Patensie

- Tender advertised under notice no 225/2018 on 30 November 2018.Tender closed Friday 14 December 2018.
- Tender close 10 December 2018
- Appointment letter dated 27 May 2019
- Contract Appointed value = R 9,515,387.50 VAT included
- Contract commencement date: 7 June 2019
- Revised expected completion date: 30 June 2020
- Progress

| Item | %Complete |
|---|---|
| Pipework Main line (3.56km of 3.56km) | 100% |
| Pipework testing (3.56km of 3.56km) | 100% |
| Valve chambers | 95% |
| Citrus village reticulation | 100% |

| **Project** | **Hankey pipeline replacement** |
|---|---|
| Vote No | 201 901 030 228 32 |
| Budget | R 11,000,000.00 |
| Expenditure | R 10,392,196.31 |
| Available | R 481,381.30 |
| % spent | 95 % |

- Appointed Consultant: MJM Consulting Engineers
- Appointed Contractor: Wavelengths Construction
- Notice no. 225/2018

- Tender no: I&E 11/2018
- Contract amount: R 7,333,923.45
- Commencement date: 6 February 2019
- Completion date: 10 May 2019
- Expected completion date: 26 July 2019
- Practical completion issued on 26 July 2019.
- Project completed

4. Financial implications

Financial status as at **30th June 2020**:

| | |
|---|---|
| Total Allocation | R 151,228,000.00 |
| Value create* as at 30 June 2020<br>(Invoices submitted) | R 145,772,490.38 |
| Balance as at 30 June 2020 | R 5,455,509.62 |
| | 96 % |

*Value create indicates all invoices submitted for work done.

Breakdown of financial status as at **30th June 2020**

| | |
|---|---|
| Total Allocation | R 151,228,000.00 |
| Actual payments as at 30 June 2020 | R 115,054,597.64 |
| Outstanding payments due at end May 2020<br>(Payment overdue at date of report)<br>Invoices submitted at end April 2020 | R781,853.88 |
| Payments due at end July 2020<br>Invoices submitted end June 2020 | R 26,632,955.13 |

| | |
|---|---|
| Retention held (contractors only) back for 12 months on value created | R 3,303,083.73 |
| Balance | R 5,455,509.62 |
| | 76% |

5. Legal implications

Agreement for drilling on private property with land owners of Portion 8 of the farm Zuurbron no191 is currently in draft form and needs to be concluded.

6. Other implications

The recent Regulations promulgated under the National Disaster Management Act, and the national lockdown of 26 March 2020 have closed all construction projects except for those involved with essential services and emergency facility preparedness.

The Kouga Drought Relief projects does not fall under the definition of an essential services, as published in the regulations, and could therefore not continue under the national lockdown. The work stoppage caused delays on the projects which in turn will result in significant additional costs to the project.

The Kouga Drought Relief projects are subject to the "General Conditions of Contract for Construction Works, third Edition, 2015" (GCC) as published by the South African Institute of Civil Engineering (SAICE).
In terms of the GCC 2015, the Contractors will be eligible to submit contractual claims in terms of Clause 10 of the Contract for extension of time, payment of time related Preliminary & General costs and any other proven costs incurred.

Various Clauses in the GCC will be applicable to these contractual claims. SAICE, the author of the GCC, has published a document dated 1 April 2020, providing guidelines on dealing with the effects of the pandemic in terms of the GCC suite of contracts.

It was estimated that the financial impact of the claims will be in excess of R 1 million across the projects.

Under normal circumstances the scope of works will be reduced in order to absorb the unforeseen costs. Unfortunately, most of the drought relief projects were due to be completed in May/June 2020. With the project being so close to completion and the full budget allocated, it will not be possible to reduce the scope of works sufficiently to accommodate the unforeseen costs.

However, this will require allocating funds form one area to another i.e. the saving in Hankey is required to cover the shortfall in Jeffreys Bay.

Therefore, we requested that DWS allow KOUGA LM to deviate from the approve business plans and redistribute the funding allocation within the entire Kouga LM as required to mitigate against the unforeseen costs as a result of COVID-19.

A letter dated 30th April 2020, requesting permission to reallocate existing WSIG funding, was sent to the Eastern Cape Head of Water and Sanitation. To date we have not received any feedback from DWS.

The full and final financial implication regarding contractors COVID lockdown claims were dealt with and was concluded.

7. Recommendation

7.1 That the report on the progress on the implementation of drought relief funds be noted.

**Item prepared by : Manager Civils**

**Item approved by Director: Infrastructure & Engineering:** VW Felton

**Noted by the Portfolio Councillor:** **13/08/2020**

**KOUGA MUNICIPALITY (EC 108)**

**ORDINARY COUNCIL MEETING**

**INFRASTRUCTURE & ENGINEERING**

**DATE: 28 AUGUST 2020** **ITEM NO.: 20/08/I&E2**

**RE: PROGRESS ON GRANT FUNDING (MIG & EPWP) MAY & JUNE 2020**

1. Purpose

The purpose of this report is to inform the members of the Portfolio Committee on the progress on Grant Funding Programmes that was approved by Council during the 2019/2020 budget.

2. Background

As per the Division of Revenue Act of 2019 (DoRA) the following amounts were allocated to our municipality for the current financial year 2019/2020.

| Grant | Amount | Amount Transferred to date | Expenditure as at 30 June 2020 | Invoices at hand but not yet paid |
|---|---|---|---|---|
| Municipal Infrastructure Grant (MIG) | R 37,996,000.00 | R 37,996,000.00 | R 25,172,360.27 | R 0.00 |
| Expanded Public Works Programme (EPWP) | R 1,000,000.00 | R 1,000,000.00 | R 1,000,000.00 | R 0.00 |

MIG – the above expenditure includes the MIG Admin Fee (R 1,588,550.00) and the retention money paid (Kruisfontein WWTW Ph.2 – R 3,332,524.79)

3. Comments by the relevant Director

Below table depicts the progress on projects to date. All amounts not made within the financial year application be made to National Treasury for roll – over.

**MIG Projects**

| | |
|---|---|
| **Local Area** | Jeffrey's Bay |
| **Ward** | 2 |
| **Project Description** | Upgrading/Improvement of Sport Facilities in Kouga – Pellsrus |
| **Original Budget** | R4,158,434.21 |
| **2019/20 FY Budget ('000)** | R1,630,000.00 |
| **Adjust Budget** | R 0 |
| **Current Year Expenditure** | R 434,357.92 |
| **Total Spending to Date** | R 2,951,974.67 |
| **Project Status** | • Project complete. Contractor completed snags. |
| **Project Stage** | Practical Completion |
| **Challenges** | None |
| **Measure to remedy Challenges** | None |

| | |
|---|---|
| **Local Area** | St Francis Bay |
| **Ward** | 1 |
| **Project Description** | Upgrading/Improvement of Sport Facilities in Kouga – Sea Vista |

| | |
|---|---|
| **Original Budget ('000)** | R4,769,000.00 |
| **Adjust Budget** | R 2,651,344.51 |
| **YTD Expenditure** | R 664,990.42 |
| **Project Status** | Tender Closed on 14 October 2019. Appointment of contractor – 29 May 2020. Contract Commenced 17 June 2020 and started with site establishment, setting out and exposing existing services. |
| **Project Stage** | Construction |
| **Challenges** | Encroachment of informal houses on sport facility property. |
| **Measure to remedy Challenges** | Ward Councillor had a meeting with affected parties.<br>All affected internal departments to assist with relocation of people. |

| | |
|---|---|
| **Local Area** | Humansdorp |
| **Ward** | 6 & 15 |
| **Project Description** | Upgrading/Improvement of Sport Facilities in Kouga – Kwanomzamo |
| **Original Budget ('000)** | R 6,225,000.00 |
| **Adjust Budget** | R 374,773.42 |
| **YTD Expenditure** | R 274,764.91 |
| **Project Status** | Professional service provider appointed. Tender document submitted to BSC for approval. |
| **Project Stage** | Tender |

| | |
|---|---|
| **Challenges** | None |
| **Measure to remedy Challenges** | None |

| | |
|---|---|
| **Local Area** | Jeffrey's Bay & Hankey |
| **Ward** | 11 & 9 |
| **Project Description** | Mini Fresh Food and Craft Markets in Jeffrey's Bay & Hankey |
| **Original Budget ('000)** | R 1,380,000.00 |
| **Adjust Budget** | R 147,818.58 |
| **YTD Expenditure** | R 147 818.58 |
| **Project Status** | Tender document submitted to BSC and approved on 22 May 2020. Tender advertised on 26 June 2020 |
| **Project Stage** | Tender |
| **Challenges** | None |
| **Measure to remedy Challenges** | None |

| | |
|---|---|
| **Local Area** | St Francis Bay |
| **Ward** | 1 & 12 |
| **Project Description** | Upgrading of the St Francis Bay Wastewater Treatment Works |
| **Original Budget ('000)** | R 14,963,000.00 |

| | |
|---|---|
| **Adjust Budget ('000)** | R 12,074,485.91 |
| **YTD Expenditure ('000)** | R 12,074,485.91 |
| **Project Status** | Project handed over on 26 February 2020 |
| **Project Stage** | Completion |
| **Challenges** | None |
| **Measure to remedy Challenges** | None |

| | |
|---|---|
| **Local Area** | Patensie |
| **Ward** | 10 & 13 |
| **Project Description** | Upgrading of the Patensie Wastewater Treatment Works – Phase 2 |
| **Original Budget ('000)** | R 6,498,000.00 |
| **Adjust Budget ('000)** | R 15,103,564.11 |
| **YTD Expenditure ('000)** | R 5,483,386.74 |
| **Project Status** | - Anaerobic Digester – 20% (Formwork on walls)<br>- Sludge Drying Beds – 10% (Building of walls)<br>- Roadworks – 25% (Box cut completed)<br>- Bulk Earthworks 25% |

| | |
|---|---|
| | - Retaining Wall 5% |
| **Project Stage** | Construction |
| **Challenges** | Extension of time delay due to national lockdown |
| **Measure to remedy Challenges** | Contractor submitted a claim which was resolved amicably at an reduced amount. Summary of initial amounts (Excl. VAT) claimed as per the contract:<br>• Total days extension for practical completion claimed: 46 days<br>• Total adjustment of Time-Related Items: R88,214.29<br>• Total Additional Cost: R1,026,233.50 (proven cost for plant and labour)<br>Settlement Amount as per the Engineers Ruling:<br>Total days extension for practical completion claimed: 46 days<br>• Total adjustment of Time-Related Items: R 77,625.00<br>• Total Additional Cost: R528,919.42 (proven cost for plant and labour) |

| | |
|---|---|
| **Local Area** | Hankey |
| **Ward** | 9 & 13 |
| **Project Description** | Upgrading of the Sanitation System in Old Hankey |
| **Original Budget ('000)** | R 500,000.00 |
| **Adjust Budget ('000)** | R 2,304,734.91 |
| **YTD Expenditure ('000)** | R 1,606,378.92 |
| **Project Status** | •Topo-Survey, Field Investigations and Geo-Tech = 100% completed<br>•Concept & Viability Designs = 72% completed<br>•Detail Designs = 20% completed |

| | |
|---|---|
| | •Tender documentation & Procurement = 15% completed<br>•Environmental Assessment = Hankey (15%) & Centerton (29%) |
| **Project Stage** | Planning |
| **Challenges** | None |
| **Measure to remedy Challenges** | None |

| | |
|---|---|
| **Local Area** | Jeffreys Bay |
| **Ward** | 2 & 14 |
| **Project Description** | Upgrading of Gravel Roads |
| **Original Budget ('000)** | R 418,000.00 |
| **Adjust Budget ('000)** | R 0 |
| **YTD Expenditure ('000)** | R 0 |
| **Project Status** | Revision of business plan as per CoGTA request. Await next CoGTA project appraisal committee meetings for approval of project. Meeting scheduled for 01 April 2020. Project has been referred back on 30 April 2020 to revise project cost.<br>Tender advertised for professional service provider. Tender closed on 30 March 2020. Due to lockdown tender closing has been extended to 22 May 2020. Busy with evaluation of 28 bids received. |
| **Project Stage** | Project Registration and planning |
| **Challenges** | Delay in approval of the project. |

| | |
|---|---|
| | Reduction in budget to only amount available for MTEF as advised by COGTA. |
| **Measure to remedy Challenges** | Regular follow ups are made. Last response was that the approval letter was signed but no date was attached, hence the letter was not sent yet. There offices are currently closed but they will try and attend to the approval letter. |

4. Comment: Chief Financial Officer

I&E to ensure that all necessary documents are submitted for roll-over application.

5. Comment: Municipal Manager

Report accepted.

6. Financial Implications

All funds have been transferred. As part of CoGTA request funds to be reprioritized to water and sanitation projects to assist with the Covid -19 pandemic. An item for approval of the reprioritized funds will be submitted.

The Covid -19 pandemic which led to closure of construction site will have both financial and time implications on active projects prior the lockdown.

7. Legal implications

None

8. Recommendation

8.1 That the progress reports for the months of May 2020 and June 2020, be accepted.

**Item prepared by : Manager PMU**

**Item approved by Director : Infrastructure & Engineering:** VW Felton

**Noted by the Portfolio Councillor: 13/08/2020**

**KOUGA MUNICIPALITY (EC108)**

**ORDINARY COUNCIL MEETING**

**INFRASTRUCTURE & ENGINEERING**

**DATE: 28 AUGUST 2020** **ITEM: 20/08/I&E3**

**DAY TO DAY OPERATIONS OF THE FLEET SECTION DURING THE PERIOD OF MAY 2020 AND JUNE 2020**

1. Introduction

The purpose of this report is to inform the members of the Portfolio Committee meeting of operations during the period of March and April 2020 at the Kouga Municipal Fleet & Mechanical section.

2. Background

It is the Fleet Departments' responsibility to see that the user departments enforce the Fleet Policy to prevent the misuse and abuse of municipal vehicles, to make sure that all the vehicles in the fleet are operational and in a proper running condition, and to make sure that Kouga Municipality have sufficient vehicles in an operational function to render a high standard of service delivery towards the community therefor below is a list of the core functions the fleet department have to follow strictly:

**Main functions of the fleet section are as follows.**

- It is the Fleet department's responsibility to see that financial and management controls are operating effectively.
- To enforce the fleet management policy.
- Access to fleet vehicles is properly authorized and not operated by unauthorized users.
- All logbooks are reviewed once a month as to give accurate reports.
- To see that the fleet is properly maintained and inspected on a regularly basis according to the fleet policy.
- That the fleet vehicles are protected against damages, theft and abuse.
- See that all fleet vehicles are licensed once a year and all trucks to be sent for Certificate of fitness according to traffic regulations.
- Adequate monitoring of fleet usage/cost of fleet.
- Monitoring the fuel usage of each vehicle and small plant.
- Adequate monitoring of the tracker system.

3. Procedures to submit log sheets and fuel slips and refraining from rules and regulations.

Fleet have the responsibility for the administration and reporting on Council vehicles, but fleet requires the cooperation of all department managers and section heads to enforce the rules and regulations regarding the daily operations of vehicles in our fleet and relevant documentation that must be completed on a daily basis such as;

- **Logbooks** - Must be filled in correctly (point to point bases) please note that all log sheets need to be submitted once a week, correctly signed off by the driver and section head or manager.
- **Fuel slips** - Must be attached to the km log sheets and the relevant data such as liters and amount must be filled in correctly on the lock sheet and the driver must sign on the lock sheet next to the entry and sign the fuel slip as well.
- **Daily check list** – Each driver had been issued checklists with his logbook, these check lists needs to be filled in daily and must be handed in at the fleet offices once a week. Please note that on the check lists the superintendent or manager must sign the check list before it is submitted to fleet. This will not only help fleet to identify faults on the vehicles, but it will also help the relevant section heads to be up to date regarding the condition of vehicles in their sections and can plan accordingly.

**PLEASE NOTE IF INFORMATION RECEIVED IS NOT CORRECT FLEET CAN'T GIVE COUNCIL A TRUE REFLECTION ON THE EXPENDUTURE AND STATUS OF THE FLEET!**

It is important that the fleet of Council be utilized in a responsible manner, deviations must be reported, followed up and corrected on a continuous bases so that Fleet can ensure all vehicles is in a proper running condition and excellent service delivery can be rendered towards the community, therefor it is important to adhere to the following rules and regulations;

Below are some points that had been picked up threw inspections that were done.

- Officials who receive a travel allowance may not use Council vehicles.

- Officials which whom had been allocated a vehicle and signed for it can't be changed by the departments itself, this needs to be done threw the fleet section, I notice that the leading departments chop and change drivers as they desires, this is against regulation and will not be tolerated.

- Departments are under no circumstances allowed to lend vehicles that are permanently allocated to users from other departments without prior consultation of the Fleet department.

- Council vehicles must always be kept clean and neat by the drivers of the vehicles, it is not Fleets responsibility to wash vehicles, housekeeping is the responsibility of the leading department.

- A driver whose license had expired and not in possession of a PDP in case of truck drivers are not allowed to drive a vehicle, no exemptions will be tolerated for this is against the National Road Traffic act, this goes for the TLB operators as well to see to it that their operators cards are valid.

- The driver of the vehicle will be held responsible for ensuring that unauthorized passengers (public) are not conveyed in Kouga's municipal vehicles.
- All municipal vehicles must be parked at official locations, only personnel that is on standby can park allocated vehicles at private residences if prior arranged with fleet.

- The following procedures shall be followed in the event of a council vehicle becoming involved in an accident no matter how trivial and irrespective of the whether or not any person or animal or property the driver must immediately phone the fleet department and not leave the scene before the police, traffic and fleet inspected the scene.

All the above are points that most departments fail to adhere to; I request that all managers and superintendents adhere to the rules and regulations regarding Kouga Municipal fleet.

The Fleet department is there to assist all regarding vehicles so that excellent service can be rendered towards the community and by working together we can ensure that all the vehicles is in a proper running condition and that service delivery are not hampered.

**Below are pictures of new vehicles procured and refurbished vehicles for May 2020 & June 2020**



***Eight [8] new Toyota Hilux bakkies procured***






**Before and after pictures of refurbishment of MAN tipper truck FMS643EC**





**Before and after pictures of refurbishment of KOMATSU backhoe loader**

4. The table below is a reflection on repairs that were done during May and June 2020, in the Kouga Mechanical Workshop.

| DATE IN | DATE OUT | TYPE OF VEHICLE | REGISTRATION NO. | TYPE OF WORK DONE |
|---|---|---|---|---|
| 4/5/2020 | 4/5/2020 | NISSAN | DWV246EC | REQUEST RX SUPER AND HYSPIN FROM STORES |
| 4/5/2020 | 4/5/2020 | BELL TLB | JLZ142EC | BOLT WAS TIGHTENED |
| 4/5/2020 | 4/5/2020 | NISSAN UD330 | FMJ516EC | TWO S/C INDICATOR BULBS FITTED |
| 4/5/2020 | 4/5/2020 | NISSAN UD85 | FNG215EC | REQUEST RX SUPER OIL FROM THE STORES |
| 4/5/2020 | 4/5/2020 | NISSAN | CXP548EC | NEW RADIATOR CAP FITTED |
| 4/5/2020 | 4/5/2020 | NISSAN | DNZ484EC | NEW BOLT AND NUT FITTED TO FRONT SHOCK. ADDED 1LITRE RX SUPER OIL |
| 5/5/2020 | 5/5/2020 | NISSAN | HSJ807EC | RX SUPER USED FROM WORKSHOP |
| 5/5/2020 | 5/5/2020 | MAN 26-280 | FMS633EC | FULL SERVICE DONE |
| 5/5/2020 | 5/5/2020 | BELL TLB | JLZ146EC | TLB WAS GREASED AND WASHER WAS FASTENED |
| 5/5/2020 | 5/5/2020 | ISUZU KB250 | FKM571EC | SERVICE DONE ON VEHICLE, GEARBOX AND DIFF OIL CHANGED |
| 5/5/2020 | 5/5/2020 | FORD TRACER | CBY566EC | NEW 13" WHEEL COVERS WERE FITTED |
| 5/5/2020 | 5/5/2020 | TRAILOR | JGM278EC | PLATES WERE WELDED IN PLACE AND PAINTED. TRAILOR NEEDS TO GO TO AN AUTO ELECTRICIAN FOR WIRING. |
| 7/5/2020 | 7/5/2020 | NISSAN UD | MULTIPLE | REPLACE VANES ON VACUME PUMP |

| | | | | |
|---|---|---|---|---|
| 6/5/2020 | 6/5/2020 | ISUZU KB250 | FKM535EC | ACCELERATOR CABLE TO BE ORDERED. ACCELERATOR CABLE WAS RECEIVED AND FITTED INTO THE VEHICLE |
| 5/5/2020 | 5/5/2020 | ISUZU KB250 | FKM553EC | WHEEL NUT FASTENED |
| 6/5/2020 | 6/5/2020 | NISSAN UD70 | DBS643EC | LR MUD GUARD FENDER TO BE WELDED, FRONT INDICATOR BULBS CHANGED. REQUEST 20LITRE RX SUPER FROM STORES. LR INDICATOR TO BE CHECKED BY AUTO ELECTRICIAN |
| 6/5/2020 | 6/5/2020 | ISUZU | DNH308EC | FUEL TANK REPAIRED, INDICATOR BULBS REPLACED, HOOTER REPLACED, RH MIRROR REPLACED |
| 6/5/2020 | 6/5/2020 | ISUZU | FKM547EC | NEW BRAKES FITTED |
| 6/5/2020 | 6/5/2020 | ISUZU KB250 | FKM549EC | RECONDITION ENGINE |
| 6/5/2020 | 6/5/2020 | ISUZU KB250 | FKM524EC | NEW BRAKES FITTED |
| 7/5/2020 | 7/5/2020 | NISSAN TIPPER | DVP732EC | DIFF AND GEARBOX OIL TOPPED UP |
| 7/5/2020 | 7/5/2020 | NISSAN HB | JFK396EC | CLEAN ENGINE WITH ENGINE CLEANER |
| 7/5/2020 | 7/5/2020 | MAN TIPPER | FMS633EC | HEADLIGHT BULB CHANGED, STILL NOT WORKING (SEND TO AUTO ELECTRICIAN) |
| 8/5/2020 | 8/5/2020 | NISSAN UD | DWN714EC | BRAKE ADJUSTED, LOADBODY PIN HAS BEEN WELDED. TANK UNIT TO BE ORDERED |
| 8/5/2020 | 8/5/2020 | NISSAN UD | DVR994EC | MIRROR FASTENED, NEW HOOTER FITTED AND BOLT FITTED TO SECURE EXHAUST |
| 8/5/2020 | 8/5/2020 | NISSAN HB | FKD173EC | NEW WHEEL BEARING KIT FITTED |
| 11/5/2020 | 11/5/2020 | NISSAN UD70 | DBV396EC | BRAKE LIGHT GLOBE FITTED. HEADLIGHT GLOBES FITTED |
| 11/5/2020 | 11/5/2020 | BANTAM | DSV890EC | OUTER DOOR HANDLE FITTED |

| | | | | |
|---|---|---|---|---|
| 11/5/2020 | 11/5/2020 | NISSAN | FLF753EC | PARK LIGHT GLOBE CHANGED |
| 11/5/2020 | 11/5/2020 | NISSAN UD | DVR994EC | EXHAUST WELDED |
| 11/5/2020 | 11/5/2020 | NISSAN | DYH597EC | FRONT BRAKE PADS FITTED; FRONT BUMPER ATTACHED WITH TWO CABLE TIES |
| 12/5/2020 | 12/5/2020 | NISSAN TIPPER | DVP732EC | SAFETY CATCH ADJUSTED |
| 12/5/2020 | 12/5/2020 | NISSAN HB | FKD156EC | BRAKE LIGHT BULB CHANGED |
| 12/5/2020 | 12/5/2020 | RANGER | DTB668EC | TWO 19" WIPER BLADES FITTED |
| 12/5/2020 | 12/5/2020 | NISSAN UD | DVR990EC | REQUEST 5 LITRE RX SUPER FROM STORES |
| 12/5/2020 | 12/5/2020 | ISUZU KB250 | FKM543EC | ORDER R/F WINDOW REGULATOR. PROPSHAFT FITTED FROM WORKSHOP STORE |
| 13/05/2020 | 13/05/2020 | BELL TLB | JLZ144EC | MACHINE WAS GREASED |
| 12/5/2020 | 12/5/2020 | NISSAN UD | DVS003EC | REQUEST 20LITRE 80W90 GEARBOX OIL FROM STORES |
| 12/5/2020 | 12/5/2020 | GMC | CFL662EC | REQUEST 5LITRE TRANSMISSION OIL FROM STORES |
| 13/05/2020 | 13/05/2020 | NISSAN UD85 | DWB185EC | REQUEST 20LITRE RX SUPER ENGINE OIL FROM STORES |
| 13/05/2020 | 13/05/2020 | NISSAN TIPPER | DVP732EC | REQUEST 10LITRE RX SUPER FROM STORES |
| 13/05/2020 | 13/05/2020 | CHERRY PICKER | BFC267EC | REQUEST 20LITRE HYSPIN OIL FROM STORES |
| 14/05/2020 | 14/05/2020 | CHERRY PICKER | BFC267EC | HYDRAULIC PIPE WAS REMOVED BY WORKSHOP STAFF AND SENT TO DMS TO REBUILD PIPE. PIPE WAS THEN FITTED AGAIN BY WORKSHOP STAFF. |
| 14/05/2020 | 14/05/2020 | NISSAN UD40 | FLF753EC | ADD BREAK FLUID |
| 14/05/2020 | 14/05/2020 | BANTAM | DSW023EC | NEW FANBELT, COIL, PLUG LEADS AND BATTERY (619) HAS BEEN FITTED |

| | | | | |
|---|---|---|---|---|
| 14/05/2020 | 14/05/2020 | NISSAN UD | DWN714EC | DRIP TRAY WAS WELDED (PLATES WERE WELDED IN PLACE TO COVER THE HOLES) |
| 14/05/2020 | 14/05/2020 | NISSAN NP200 | JLW479EC | FIT NEW HEADLIGHT |
| 14/05/2020 | 14/05/2020 | COROLLA & NP300 | DTD514EC & JFK384EC | NEW BATTERIES HAVE BEEN FITTED |
| 14/05/2020 | 14/05/2020 | FORD TRACTOR | DMY770EC | BONNET HAS BEEN REFITTED, INDICATOR GLOBES CHANGE, TYRES HAS BEEN SWOPPED AROUND |
| 15/05/2020 | 15/05/2020 | NISSAN NP300 | FKD121EC | ALL BULBS FITTED, NEW BRAKE DISCS AND BRAKE PADS FITTED |
| 18/05/2020 | 18/05/2020 | NISSAN | DYH595EC | ONE POSITIVE AND ONE NEGATIVE BATTERY TERMINAL CHANGED |
| 18/05/2020 | 18/05/2020 | NISSAN TIPPER | DWB185EC | NEW FLANGE GASKET HAS BEEN FITTED AND OFF SWITCH CABLE HAS BEEN FASTENED |
| 18/05/2020 | 18/05/2020 | BELL TLB | JLZ145EC | REQUEST 20LITRE 15W40 FROM STORES |
| 18/05/2020 | 18/05/2020 | NISSAN 2.4 | DYH588EC | NEW THROTTLE BODY SENSOR TO BE FITTED |
| 18/05/2020 | 18/05/2020 | NISSAN 2.7 | DYH607EC | NEW BRAKE PADS, BRAKE DISCS, BRAKE SHOES AND BRAKE MASTER CYLINDER |
| 19/05/2020 | 19/05/2020 | BELL TLB | JLZ145EC | REQUEST 20LITRE 15W40 FROM STORES, HYDRAULIC PIPE FASTENED |
| 19/05/2020 | 19/05/2020 | NISSAN UD330 | FMJ516EC | REQUEST 25LITRE HYSPIN OIL FROM STORES |
| 19/05/2020 | 19/05/2020 | CONDOR | FJZ694EC | NEW SPARK PLUGS WAS FITTED |
| 19/05/2020 | 19/05/2020 | ISUZU FSR700 | CKG231EC | LEFT PREMISES |
| 19/05/2020 | 19/05/2020 | NISSAN | JBD519EC | TWO MUD FLAPS FITTED AND CAB BUZZER REPAIRED |

| | | | | |
|---|---|---|---|---|
| 19/05/2020 | 19/05/2020 | BELL TLB | JLZ146EC | HYDRAULIC PIPE WAS MOVED AND SECURED |
| 19/05/2020 | 19/05/2020 | CHEV CRUZE | FKB689EC | NEW BRAKE PADS, BRAKE DISCS, 2FRONT SHOCKS AND 2 REAR SHOCKS, FRONT ENGINE MOUNTING AND INNER FRONT CV BOOT HAS BEEN FITTED |
| 19/05/2020 | 19/05/2020 | MAN TIPPER | FMS633EC | NEW AIR FITTING WAS FITTED AND AIR PIPE WAS SHORTENED |
| 20/05/2020 | 20/05/2020 | MAN TIPPER | FMS633EC | REQUEST 20LITRE HYSPIN OIL FROM STORES |
| 20/05/2020 | 20/05/2020 | NISSAN UD | JBD519EC | REQUEST 10LITRE HYSPIN OIL FROM STORES |
| 20/05/2020 | 20/05/2020 | NISSAN | DWV246EC | NEW LOCK NUTS HAVE BEEN FITTED |
| 20/05/2020 | 20/05/2020 | NISSAN NP300 | JFK381EC | A NEW BATTERY (657) WAS FITTED |
| 20/05/2020 | 20/05/2020 | NISSAN HB | DYH603EC | TOP UP OF POWER STEERING FLUID |
| 20/05/2020 | 20/05/2020 | RANGER | DTB659EC | 2LITRE ENGINE OIL WAS GIVEN FROM WORKSHOP |
| 21/05/2020 | 21/05/2020 | TOYOTA LC | FHY408EC | TIMING BELT, TENSIONER AND IDLER HAVE BEEN REPLACED |
| 21/05/2020 | 21/05/2020 | FORD RANGER | CXR878EC | DIFF LOCK WAS DEACTIVATED, HANDBRAKE TO BE DONE 22/05/2020 |
| 21/05/2020 | 21/05/2020 | NISSAN HB | FKD104EC | CLUTCH HAS BEEN ADJUSTED; HOOTER WIRING WAS FIXED |
| 21/05/2020 | 21/05/2020 | NISSAN HB | DYH595EC | RIGHT FRONT WHEEL BEARING HAS BEEN REPLACED |
| 22/05/2020 | 22/05/2020 | ISUZU | FKM553EC | GASLIFT CLAMPS WERE FASTENED |
| 22/05/2020 | 22/05/2020 | FORD RANGER | DTB656EC | FRONT BRAKE PADS, INNER AND OUTER TIE ROD ENDS AS WELL AS BRAKE MASTER CYLINDER FITTED. |
| 22/05/2020 | 22/05/2020 | NISSAN HB | DYH595EC | BRAKES WERE BLED |

| | | | | |
|---|---|---|---|---|
| 22/05/2020 | 22/05/2020 | NISSAN HB | FKD148EC | REVERSE LIGHT SWITCH FITTED; VEHICLE SENT TO SUPA QUICK FOR EXHAUST |
| 15/05/2020 | 15/05/2020 | NISSAN TIPPER | DVP732EC | BRAKE MASTER CYLINDER (L/R) REPLACED, BRAKES ADJUSTED (L/F) |
| 18/05/2020 | 18/05/2020 | NISSAN NP300 | FKD179EC | ONE NEW 657 BATTERY WAS FITTED |
| 12/5/2020 | 12/5/2020 | NISSAN UD85 | DVP732EC | NEW SUB-ASSEMBLY - BLOCK, CRANK, 6 PISTONS, BIG ENDS, SMALL END AND MAIN BEARINGS. |
| 12/5/2020 | 12/5/2020 | NISSAN UD | DVS003EC | SERVICE PROVIDER TO SUPPLY A NEW CYLINDER HEAD ONLY. FITMENT WILL BE DONE BY WORKSHOP STAFF |
| 8/5/2020 | 8/5/2020 | FORD RANGER | DTB657EC | VEHICLE OVERHEATED-CAN NOT BE REPAIRED (CRACKED). SERVICE PROVIDER TO SUPPLY CYLINDER HEAD AND WORKSHOP WILL FIT THE NEW CYLINDER HEAD |
| 6/5/2020 | 6/5/2020 | VW POLO | JMT269EC | REQUEST SERVICE PROVIDER TO MAKE STICKERS FOR BRANDING TRAFFIC VEHICLE |
| 25/05/2020 | 25/05/2020 | NISSAN | DVR990EC | NEW WHEEL CYLINDER FITTED |
| 25/05/2020 | 25/05/2020 | ISUZU KB250 | FHY441EC | NEW TAILLAMP WAS FITTED AS WELL AS A NEW NUMBER PLATE |
| 25/05/2020 | 25/05/2020 | BELL TLB | FLZ145EC | TOOTH HAS BEEN WELDED |
| 25/05/2020 | 25/05/2020 | NISSAN | DWB185EC | MUD FLAP FASTENED; FLANGE GASKET FITTED |
| 25/05/2020 | 25/05/2020 | FORD RANGER | DTB656EC | ONE FRONT NUMBER PLATE FITTED |
| 26/05/2020 | 26/05/2020 | NISSAN UD70 | DBS643EC | NEW CLUTCH SERVO HAS BEEN FITTED |
| 26/05/2020 | 26/05/2020 | FORD RANGER | CYK569EC | ATTEND TO STARTING PROBLEM, VEHICLE DRIVES SKEW, CLUTCH PEDAL NOT COMING BACK UP – WAITING FOR SERVICE PROVIDER |

| | | | | |
|---|---|---|---|---|
| 26/05/2020 | 26/05/2020 | TOYOTA LC | FHY414EC | STUB AXLE AND TIE ROD ENDS FITTED; CV JOINT GREASE ADDED |
| 27/05/2020 | 27/05/2020 | NISSAN UD330 | FMJ516EC | ONE BATTERY TERMINAL REPLACED |
| 27/05/2020 | 27/05/2020 | NISSAN HB | DYH597EC | CLUTCH PIPE WAS REBUILD AND FITTED |
| 27/05/2020 | 27/05/2020 | HINO | CTW361EC | L/F MUDFLAP FASTENED, L/R LEAF SPRING FASTENED WITH THREADED ROD AND FOUR NUTS |
| 27/05/2020 | 27/05/2020 | NISSAN UD80 | FLW538EC | REQUEST 5 LITRE RX SUPER FROM STORES |
| 27/05/2020 | 27/05/2020 | ISUZU KB250 | FHY439EC | VEHICLE WAS JUMP STARTED |
| 28/05/202 | 28/05/202 | JOHN DEERE | CLP613EC | REPLACE INDICATOR SWITCH |
| 28/05/202 | 28/05/202 | NISSAN UD290 | DWN714EC | REQUEST 10 LITRE DEXTRON GEARBOX OIL FROM STORES |
| 28/05/202 | 28/05/202 | NISSAN UD330 | FMX511EC | TAILLIGHTS - ONE NEW FUSE HAS BEEN FITTED. AIR LEAK - A NEW AIR FITTING HAS BEEN FITTED |
| 28/05/202 | 28/05/202 | ISUZU KB250 | FKM535EC | REPLACE TIE ROD ENDS |
| 29/05/2020 | 29/05/2020 | HINO | DVS430EC | REQUEST 20 LITRE RX SUPER FROM STORES |
| 29/05/2020 | 29/05/2020 | NISSAN COMP | FLW544EC | VEHICLE WAS JUMP STARTED |
| 21/05/2020 | 21/05/2020 | NISSAN UD70 | DBS643EC | REQUEST SERVICE PROVIDER TO SUPPLY A NEW SPRINGPACK TO HOLD THE LEAF SPRINGS IN PLACE. WORKSHOP STAFF DID FITMENT |
| 19/05/2020 | 19/05/2020 | ISUZU | FKM547EC | REQUEST SERVICE PROVIDER TO SUPPLY NEW WHEEL BEARINGS AND SIDE SHAFT – FITMENT DONE BY WORKSHOP STAFF |
| 29/05/2020 | 29/05/2020 | ISUZU KB250 | FKM535EC | REQUEST SERVICE PROVIDER TO SUPPLY 2 SETS OF TIE ROD ENDS – FITMENT DONE BY WORKSHOP STAFF |

| | | | | |
|---|---|---|---|---|
| 28/05/2020 | 1/6/2020 | BANTAM | DSW023EC | REQUEST SERVICE PROVIDER TO SUPPLY SEAT COVERS, MATS, WHEEL COVERS AND L/F MIRROR – FITMENT DONE BY WORKSHOP STAFF |
| 26/05/2020 | 26/05/2020 | FORD BANTAM | DCT009EC | MIRRORS NEED TO BE REPLACED WITH NEW ONES; BRACKETS COULD NOT BE REPAIRED. REQUEST SERVICE PROVIDER TO SUPPLY DOOR LOCKS AND MIRRORS. WORKSHOP STAFF DID THE FITMENT |
| 4/5/2020 | 4/5/2020 | HONDA PUMP | FHY414EC | INSTALL NEW H/GASKET |
| 6/5/2020 | 6/5/2020 | JAWS MOTOR | DVD611EC | INSTALL NEW SPARK PLUG |
| 8/5/2020 | 8/5/2020 | PUMP BK10 | FHY408EC | INSTALL NEW GEGA CLAMPS AND VALVE |
| 13/05/2020 | 13/05/2020 | SLIDE ON UNIT | FHY408EC | NEW PUMP MOTOR INSTALLED (WITH NEW PUMP) |
| 13/05/2020 | 13/05/2020 | NISSAN PATROL | HSJ807EC | REPAIR WIRING TO REVERSE SENDER, INSTALL 2 NEW PARK LIGHT BULBS AND REPAIR SPEEDO SENSOR WIRING PLUGS |
| 22/05/2020 | 22/05/2020 | LAND CRUISER PUMP | FHY414EC | NEW O-RINGS INSTALLED IN ROTARY JOINT |
| 18/05/2020 | 18/05/2020 | TOYOTA LC | FHY414EC | FRONT SUSPENSION - WAITING FOR PARTS FROM TOYOTA |
| 27/05/2020 | 27/05/2020 | DENNIS | DVS234EC | DMS TO REPAIR INTERLOCK. MR. GOUWS GAVE PERMISSION TO TAKE VEHICLE BACK TO DMS |
| 29/05/2020 | 29/05/2020 | HINO 4X4 | DVS430EC | INSTALL 2X NEW PARK LIGHT BULBS, 1X NEW HEADLIGHT BULB AND FASTEN LHS MIRROR |
| 1/6/2020 | 1/6/2020 | CHEV CRUZE | FKB681EC | COIL PACK: SPARK PLUGS REPLACED |
| 1/6/2020 | 1/6/2020 | NISSAN | FLW544EC | TWO NEW 657 12V BATTERIES HAVE BEEN FITTED |

| | | | | |
|---|---|---|---|---|
| 2/6/2020 | 2/6/2020 | GMC | CFL662EC | ENGINE HAS BEEN REBUILD; NEW WATER PIPE NEEDS TO BE FITTED. REQUEST SERVICE PROVIDER TO SUPPLY NEW WATER PIPE |
| 2/6/2020 | 2/6/2020 | ISUZU | CKG231EC | REQUEST SERVICE PROVIDER TO REPAIR AND REFURBISH THE LEAF SPRINGS, SPRING PACK HOLDERS, PINS AND BUSHES AND U-BOLTS |
| 2/6/2020 | 2/6/2020 | NISSAN HB | JFK376EC | NEW TAILLAMP FITTED WITH NEW GLOBE, CANOPY LOCK KEY TAKE OUT |
| 3/6/2020 | 3/6/2020 | NISSAN UD90 | DXM914EC | REQUEST 5 LITRE RX SUPER ENGINE OIL FROM STORES |
| 2/6/2020 | 2/6/2020 | NISSAN UD80 | FLF749EC | EXHAUST PIPE HAS BEEN WELDED |
| 3/6/2020 | 3/6/2020 | NISSAN HB | DYH597EC | TOP BAR HAS BEEN WELDED IN PLACE |
| 2/6/2020 | 2/6/2020 | TOYOTA COROLLA | DTD513EC | ENGINE OVERHAUL & SERVICE - SET PISTON RINGS, BIGENDS, COMPLETE GASKET SET, FOUR SPARK PLUGS, AIR FILTER, OIL FILTER & FUEL FILTER |
| 3/6/2020 | 3/6/2020 | NISSAN UD70 | DBS643EC | 7 BOLTS, 7 NUTS AND 14 WASHERS USED TO SECURE TANK. |
| 3/6/2020 | 3/6/2020 | BELL TLB | JLZ145EC | TLB WAS GREASED |
| 3/6/2020 | 3/6/2020 | NISSAN HB | FKD176EC | 2 D/C BULBS & 2 S/C BULBS HAS BEEN FITTED, REVERSE LIGHT SWITCH TO BE ORDERED |
| 4/6/2020 | 4/6/2020 | NISSAN HB | FKD176EC | HANDBRAKE HAS BEEN ADJUSTED, ALTERNATOR NOT CHARGING - HAVE TO SEND TO AUTO ELECTRICIAN |
| 4/6/2020 | 4/6/2020 | ISUZU KB250 | FKM532EC | 12V PUSH BUTTON INSTALLED FOR HOOTER, STARTER IS FAULTY AND NEEDS TO GO TO AN AUTO ELECTRICIAN |

| | | | | |
|---|---|---|---|---|
| 4/6/2020 | 4/6/2020 | NISSAN | FLW544EC | BATTERY HOLD DOWN HAS BEEN WELDED IN PLACE |
| 4/6/2020 | 4/6/2020 | OPEL OMEGA | CTC613EC | EXHAUST HAS BEEN SECURED |
| 4/6/2020 | 4/6/2020 | ISUZU | FKM547EC | ACCELERATOR CABLE WAS FIXED |
| 4/6/2020 | 4/6/2020 | NISSAN HB | DNZ484EC | GEARBOX OIL AND ENGINE OIL HAS BEEN CHECKED AND DOES NOT NEED TO BE REFILLED. INDICATOR SWITCH WAS REPAIRED. |
| 4/6/2020 | 4/6/2020 | NISSAN UD90 | DXM914EC | REMOVE AND FIT CYLINDER HEAD, CYLINDER HEAD OF THE VEHICLE NEEDS TO BE PUT BACK ONTO THE ENGINE. NEW TOP GASKET NEEDS TO BE SECURED AND SEALED WITH COPPER GASKET SEALENT |
| 2/6/2020 | 2/6/2020 | TOYOTA HILUX | JMW468EC | REQUEST SERVICE PROVIDER TO SUPPLY NEW SEAT COVERS |
| 5/6/2020 | 5/6/2020 | ISUZU KB250 | FKM535EC | REFURBISHED SEAT HAS BEEN FITTED |
| 8/5/2020 | 8/5/2020 | NISSAN UD85 | FNG215EC | MUD FLAPS HAVE BEEN FITTED AND NEW PARK LIGHT GLOBE FITTED |
| 8/5/2020 | 8/5/2020 | NISSAN | DWV246EC | HYSPIN OIL NEEDED FOR HYDRAULIC LIFT, TOP UP AUTOMATIC GEARBOX OIL, PLAY ON MAIN HYDRAULIC CYLINDER |
| 5/6/2020 | 5/6/2020 | TOYOTA HILUX | JHD256EC | VEHICLE NEEDS NEW FRONT DISC PADS (AGENTS) |
| 1/6/2020 | 1/6/2020 | NISSAN | DWV246EC | OIL SENDER UNIT TO BE REPLACED AS WELL AS DIPSTICK - WAITING FOR PARTS |
| 8/6/2020 | 8/6/2020 | NISSAN | DWV246EC | REQUEST 25 LITRE HYSPIN OIL FROM STORES |
| 8/6/2020 | 8/6/2020 | NISSAN | DVR990EC | REQUEST 10 LITRE GEARBOX OIL FROM STORES |
| 8/6/2020 | 8/6/2020 | TOYOTA LC | FHY414EC | VEHICLE NEEDS A NEW RADIATOR. FIT NEW RADIATOR |

| | | | | |
|---|---|---|---|---|
| 8/6/2020 | 8/6/2020 | NISSAN | DVR990EC | HANDBRAKE CYLINDER IS WORN (R/R). REQUEST SERVICE PROVIDER TO SUPPLY ONE HANDBRAKE CYLINDER ONLY, WORKSHOP STAFF DID THE FITMENT |
| 8/6/2020 | 8/6/2020 | NISSAN | JBG916EC | NEW 657 BATTERY (BATTERY WAS STOLEN) AND BATTERY BRACKET FITTED |
| 8/6/2020 | 8/6/2020 | NISSAN | DVR994EC | TWO NEW 657 WILLARD BATTERIES HAVE BEEN FITTED |
| 9/6/2020 | 9/6/2020 | NISSAN UD85 | FNG215EC | SERVICE BEING DONE, 20 LITRE RX SUPER OIL IS REQUIRED |
| 9/6/2020 | 9/6/2020 | ISUZU | FKW891EC | FRONT BRAKE PADS FITTED AND HANDBRAKE ADJUSTED. FULL SERVICE DONE, FRONT AND REAR SHOCKS REPLACED AND TAPPET COVER GASKET REPLACED |
| 9/6/2020 | 9/6/2020 | ISUZU | BXY383EC | TO TAKE OUT ACC CABLE FOR SAMPLE (SOLVED WS43) |
| 4/6/2020 | 4/6/2020 | NISSAN UD70 | DBV396EC | REMOVE AND FIT SECONDHAND STARTER. |
| 9/6/2020 | 9/6/2020 | NISSAN COMPACTOR | DWN714EC | WINDSCREEN CRACKED AND L/F WINDOW OUT - NEED A REPORT. BRAKES TO BE ADJUSTED. L/F INDICATOR BULB REPLACED |
| 1/6/2020 | 1/6/2020 | NISSAN UD70 | DBS643EC | SHOCK MOUNTING REPLACED; POWER STEERING FLUID ADDED |
| 3/6/2020 | 3/6/2020 | NISSAN 2.7 | DYH603EC | GEARBOX OIL ADDED |
| 9/6/2020 | 9/6/2020 | NISSAN UD85 | DWB185EC | UP DOWN AIR SWITCH REPLACED |
| 9/6/2020 | 9/6/2020 | ISUZU KB250D | BXY383EC | FEED PUMP TO BE REPLACED |
| 10/6/2020 | 10/6/2020 | ISUZU KB250 | FKW895EC | FRONT DISC PADS, STEERING RACK ENDS, REAR WHEEL BEARING KITS, REAR BRAKE SHOES, REAR WHEEL CYLINDERS AND BRAKE DRUMS FITTED. SERVICE DONE |

| | | | | |
|---|---|---|---|---|
| 10/6/2020 | 10/6/2020 | ISUZU KB250 | FKW895EC | REQUEST 10 LITRE RX SUPER FROM STORES |
| 10/6/2020 | 10/6/2020 | NISSAN | DVR994EC | MAJOR SERVICE, HANDBRAKE TO BE ADJUSTED, ALL SHACKLE PINS AND BUSHES TO BE GREASED, ALL UNIVERSAL JOINTS TO BE GREASED. ALL LIGHTS & MIRRORS TO BE CHECKED, DIFF OIL TO BE DRAINED AND REFILL WITH NEW OIL. GEARBOX OIL TO BE DRAINED AND FILLED WITH NEW OIL. WATER TRAP TO BE REPLACED WITH NEW ONE. ALL MUDFLAPS TO BE CHECKED AND REPLACE IF NECESSARY. KING PINS TO BE GREASED. AIR TANKS TO BE DRAINED. ALL LIGHTS TO BE CHECKED |
| 10/6/2020 | 10/6/2020 | NISSAN | DVP732EC | BOTH OUTSIDE MIRRORS HAVE BEEN TIGHTENED |
| 11/6/2020 | 11/6/2020 | BELL TLB | JLZ145EC | PIPE WAS TIGHTENED, NEED 40 LITRES OIL. REQUEST 40 LITRE 15W40 RX SUPER ENGINE OIL FROM STORES |
| 12/6/2020 | 12/6/2020 | NISSAN UD80 | DXM912EC | FIT AND REPAIR AIR CLEANER PIPE |
| 12/6/2020 | 12/6/2020 | NISSAN UD80 | DXM912EC | FIT ONE INCH ONE WAY VALVE AND CHECK AND TEST VACUUM EXHAUSTER |
| 12/6/2020 | 12/6/2020 | ISUZU KB250 | FHY439EC | NEW 669 BATTERY FITTED |
| 10/6/2020 | 10/6/2020 | TOYOTA COROLLA | DTD511EC | VEHICLE NEEDS A NEW BATTERY (636). REQUEST SERVICE PROVIDER TO SUPPLY A NEW 636 BATTERY, FITMENT WILL BE DONE BY WORKSHOP STAFF |
| 8/6/2020 | 8/6/2020 | TOYOTA LC | FHY408EC | REQUEST SERVICE PROVIDER TO SUPPLY A NEW RADIATOR ONLY, FITMENT WILL BE DONE BY WORKSHOP STAFF |

| | | | | |
|---|---|---|---|---|
| 15/06/2020 | 15/06/2020 | NISSAN 2.4 | DYH582EC | NEW 657 BATTERY FITTED WITH ONE NEW POSITIVE BATTERY TERMINAL |
| 15/06/2020 | 15/06/2020 | ISUZU KB250 | FHY436EC | REQUEST 7 LITRE RX SUPER FROM STORES. MAJOR SERVICE DONE; NEW RADIATOR CAP FITTED AS WELL AS FRONT BRAKE PADS. |
| 15/06/2020 | 15/06/2020 | FORD RANGER | DTB659EC | NEW FRONT BRAKE PADS FITTED. L/R TAILLIGHT, L/F PARK LIGHT, L/F WINDOW REGULATOR, R/F WINDOW REGULATOR, L/F HEADLAMP AND R/F HEADLAMP ORDERED AND FITTED BY WORKSHOP STAFF. |
| 15/06/2020 | 15/06/2020 | NISSAN | FKD126EC | NEW BULBS HAVE BEEN FITTED AND FUSES HAS BEEN CHECKED, VEHICLE NEEDS TO GO TO AUTO ELECTRICIAN |
| 11/6/2020 | 11/6/2020 | HINO 15-20 | CTW361EC | EMERGENCY REPAIR TO REFUSE COMPACTOR. SEND PROPSHAFT TO FEROBRAKE FOR REPAIRS |
| 15/06/2020 | 15/06/2020 | NISSAN | DWN714EC | CHECK AND ADJUST ALL BRAKES |
| 15/06/2020 | 15/06/2020 | FORD RANGER | DYR508EC | SERVICE DONE |
| 17/06/2020 | 17/06/2020 | ISUZU | FKM545EC | REQUEST SERVICE PROVIDER TO SUPPLY A NEW RADIATOR AS WELL AS INSTALLATION OF ENGINE |
| 17/06/2020 | 17/06/2020 | MAN TIPPER | FMS634EC | MUD FLAPS CUT TO SIZE AND ATTACHED IN FRONT SIGNAGE STICKERS AND YELLOW WARNING TAPE ATTACHED |
| 17/06/2020 | 18/06/2020 | NISSAN | FKD176EC | DRAGLINK, TIE ROD ENDS (INNER & OUTER), IDLER ARM, BALL JOINTS (UPPER & LOWER) FITTED |
| 2/6/2020 | 2/6/2020 | BELL TLB | JLZ139EC | TLB WAS GREASED |
| 17/06/2020 | 17/06/2020 | NISSAN HB | JFK366EC | VEHICLE UNDER GUARANTEE - SEND TO AGENTS |

| | | | | |
|---|---|---|---|---|
| 17/06/2020 | 19/06/2020 | ISUZU | FKM553EC | WHEEL STUDS & NUTS (7) REPLACED, BRAKE LIGHTS, PARK LIGHTS & REVERSE LIGHTS BULBS CHANGED |
| 17/06/2020 | 17/06/2020 | TOYOTA HILUX | JHD256EC | NEW FRONT BRAKES FROM TOYOTA HAS BEEN FITTED |
| 17/06/2020 | 17/06/2020 | TOYOTA CONDOR | FJZ694EC | FIX LOOSE WIRE |
| 18/06/2020 | 17/06/2020 | FORD RANGER | DTB668EC | NEW HEADLIGHT GLOBES FITTED |
| 17/06/2020 | | NISSAN | DYH590EC | ALL COF FAULTS REPAIRED |
| 18/06/2020 | 18/06/2020 | NISSAN UD80 | FLF749EC | INDICATOR BULB WAS REPLACED |
| 18/06/2020 | 22/06/2020 | NISSAN UD40L | FJP574EC | BRAKES HAS BEEN ADJUSTED |
| 18/06/2020 | | NISSAN | FLW538EC | DMS TO MAKE UP A NEW HYDRAULIC PIPE, WORKSHOP STAFF TO FIT PIPE AGAIN |
| 18/06/2020 | 18/06/2020 | NISSAN | DYH599EC | 2 LITRE DEXTRON POWER STEERING OIL GIVEN |
| 18/06/2020 | 18/06/2020 | NISSAN HB | FKD135EC | FRONT RAILING WELDED |
| 19/06/2020 | 19/06/2020 | NISSAN UD80 | FLF749EC | BOLT REPLACED |
| 19/06/2020 | 20/06/2020 | NISSAN | DYH588EC | ORDER U BENT WATER PIPE FROM FEROBRAKE |
| 19/06/2020 | Waiting for parts | NISSAN UD80 | JBG860EC | ORDER DUST COVER & OIL SEAL (DIFF FRONT) |
| 19/06/2020 | 19/06/2020 | ISUZU TRUCK | CMX729EC | REQUEST 40 LITRE HYSPIN OIL FROM STORES |
| 22/06/2020 | 22/06/2020 | BELL TLB | JLZ144EC | BELL WAS CONTACTED TO COME OUT |
| 19/06/2020 | | ISUZU KB250 | FKW895EC | REAR WHEEL BEARINGS FITTED WITH NEW HUB FLANGE |
| 11/6/2020 | 11/6/2020 | NISSAN UD90 | DXM914EC | NEW CYLINDER HEAD TO BE ORDERED. REQUEST SERVICE PROVIDER TO SUPPLY A NEW CYLINDER HEAD GASKET |

| | | | | |
|---|---|---|---|---|
| 11/6/2020 | 11/6/2020 | NISSAN NP300 | FKD121EC | VEHICLE NEEDS A CLUTCH MASTER CYLINDER. MIDAS TO SUPPLY CLUTCH MASTER CYLINDER ONLY |
| 15/06/2020 | 15/06/2020 | NISSAN 2.4 | DYH588EC | ALL FANBELTS TO BE REPLACED, FEROBRAKE TO SUPPLY FANBELTS |
| 17/06/2020 | 17/06/2020 | ISUZU FSR700 | CKG231EC | SERVICE DONE |
| 19/06/2020 | 19/06/2020 | TOYOTA COROLLA | DTD513EC | CRANK SENSOR REPLACED AND 5 LITRE HX7 OIL ADDED |
| 22/06/2020 | 22/06/2020 | ISUZU KB250 | FKW895EC | NEW INJECTOR RAIL AND CLIPS REPLACED |
| 22/06/2020 | 22/06/2020 | HINO 15-20 | CTW361EC | PROPSHAFT OVERHAULED, BOLTS AND NUTS NEEDED TO SECURE PROPSHAFT |
| 22/06/2020 | 22/06/2020 | ISUZU | FKM547EC | NEW TAPPET COVER GASKET FITTED |
| 18/06/202 | | ISUZU | FKM547EC | FULL SERVICE HAS BEEN DONE. EXHAUST FLANGE GASKET REPLACED. ORDER REAR CRANK SHAFT OIL SEAL |
| 22/06/2020 | 22/06/2020 | NISSAN UD70 | DBV396EC | ENGINE OIL GIVEN FROM WORKSHOP. HEADLIGHTS NOT WORKING SEND TO AUTO ELECTRICIAN |
| 23/06/2020 | 23/06/2020 | NISSAN UD80 | DXM912EC | 2 DN50 TAP FITTED WITH NIPPLE |
| 23/06/2020 | 23/06/2020 | NISSAN UD80 | DXM912EC | REQUEST 10 LITRE RX SUPER FROM STORES |
| 24/06/2020 | 26/06/2020 | CHEV CRUZE | FKB681EC | FUEL TANK HAS BEEN REMOVED, FUEL REGULATOR REPAIRED AND FUEL TANK WAS REFITTED. NEW RADIATOR FITTED |
| 25/06/2020 | 25/06/2020 | NISSAN | JBG856EC | STEP HAS BEEN WELDED |
| 26/06/2020 | 26/06/2020 | NISSAN UD70 | DBS643EC | NEW INNER DOOR HANDLE AND DOOR LOCK ORDERED |
| 24/06/2020 | 24/06/2020 | NISSAN UD70 | DBS643EC | ADJUST VALVE AT OUTLET PIPE |

| | | | | |
|---|---|---|---|---|
| 25/06/2020 | 25/06/2020 | NISSAN HB | FKD104EC | NEW CLUTCH KIT FITTED, WAITING FOR CLUTCH FORK CLIPS |
| 26/06/2020 | 26/06/2020 | NISSAN | DVR994EC | OIL WAS GIVEN FROM THE WORKSHOP |
| 26/06/2020 | 26/06/2020 | NISSAN UD | DVR990EC | REQUEST 10 LITRE RX SUPER FROM STORES |
| 26/06/2020 | 26/06/2020 | ISUZU KB250 | FKM549EC | PIPE FROM ENGINE TO TURBO REPLACED |
| 22/06/2020 | 22/06/2020 | ISUZU | CMX729EC | SERVICE PROVIDER TO ONLY SUPPLY A CLUTCH KIT |
| 29/05/2020 | 29/05/2020 | NISSAN TIPPER | DWB185EC | SERVICE PROVIDER TO SUPPLY A DIFF GASKET |
| 29/06/2020 | 29/06/2020 | MAN TRUCK | FMS633EC | REQUEST 10 LITRE RX SUPER FROM STORES |
| 30/06/2020 | 30/06/2020 | NISSAN | JBD519EC | SERVICE PROVIDER TO SUPPLY A NEW SWITCH ON AIR BRAKES |
| *29/06/2020 | 29/06/2020 | FORD RANGER | DTB656EC | INDICATOR BULB WAS REPLACED |
| 29/06/2020 | 29/06/2020 | MAN | FMS633EC | REQUEST 10 LITRE RX SUPER FROM STORES |
| 29/06/2020 | 29/06/2020 | NISSAN UD40 | FJP574EC | ENGINE OIL GIVEN FROM WORKSHOP. |
| 30/06/2020 | 30/06/2020 | ISUZU KB250 | FKW884EC | PROPSHAFT HAS BEEN REMOVED AND SERVICE PROVIDER TO REFURBISH/REBUILD PROPSHAFT |
| 30/06/2020 | 30/06/2020 | NISSAN NP300 | FKD124EC | TAILLIGHT GLOBE REPLACED |

- **Total job cards opened: 223**
- **Total jobs closed: 219**
- **Pending: 4 (WAITING FOR PARTS)**

**5.** Work that was send out to service providers May 2020 and June 2020 that could not have been done by the workshop due to special skills or specialized equipment needed are as follows:

| DATE IN | DATE OUT | SERVICE PROVIDER | MAKE | REG NO | DEPARTMENT |
|---|---|---|---|---|---|
| 05/05/2020 | 05/05/2020 | DMS | LANDINI | FHY497EC | PUBLIC WORKS |
| 07/05/2020 | 07/05/2020 | PRO ALLOY | NISSAN UD | DWB185EC | PUBLIC WORKS |
| 06/05/2020 | 06/05/2020 | FEROBRAKE | ISUZU KB250 | FKM545EC | ENV. MANAGEMENT |
| 05/05/2020 | 05/05/2020 | GEORGE AUTO | TRAILOR | JGM278EC | PARKS |
| 06/05/2020 | 06/05/2020 | GEORGE AUTO | NISSAN UD70 | DBS643EC | SEWERAGE |
| 07/05/2020 | 07/05/2020 | GEORGE AUTO | MAN TIPPER | FMS633EC | ENV. MANAGEMENT |
| 08/05/2020 | 08/05/2020 | GEORGE AUTO | TOYOTA CONDOR | FJZ694EC | WORKSHOP |
| 11/05/2020 | 11/05/2020 | GEORGE AUTO | BANTAM | DTB659EC | LAW ENFORCEMENT |
| 11/05/2020 | 11/05/2020 | FEROBRAKE | NISSAN UD90 | DXM914EC | REFUSE |
| 12/05/2020 | 12/05/2020 | FEROBRAKE | ISUZU | DNH308EC | SANITATION |
| 07/05/2020 | 07/05/2020 | BELL | BELL TLB | JLZ146EC | WASTE |
| 07/05/2020 | 07/05/2020 | RENCOR | NISSAN UD80 | DWB185EC | PUBLIC WORKS |
| 12/05/2020 | 12/05/2020 | FEROBRAKE | NISSAN UD70 | DBS236EC | SEWERAGE |
| 13/05/2020 | 13/05/2020 | GEORGE AUTO | NISSAN UD | DVR994EC | SEWERAGE |
| 12/5/2020 | 12/5/2020 | FEROBRAKE | COROLLA | DTD513EC | PROTECTION SERVICES |
| 12/5/2020 | 12/5/2020 | FEROBRAKE | FORD RANGER | DTB657EC | ELECTRICITY |
| 13/05/2020 | 13/05/2020 | DMS | CHERRY PICKER | BFC267EC | ELECTRICITY |
| 4/5/2020 | 4/5/2020 | FEROBRAKE | NISSAN UD | DVS003EC | PUBLIC WORKS |
| 13/05/2020 | 13/05/2020 | DMS | DENNIS FIRE TRUCK | CLP384EC | FIRE DEPARTMENT |
| 13/05/2020 | 13/05/2020 | GEORGE AUTO | CHEV CRUZE | FKB681EC | TRAFFIC |

| | | | | | |
|---|---|---|---|---|---|
| 13/05/2020 | 13/05/2020 | GEORGE AUTO | GMC | CFL662EC | FIRE DEPARTMENT |
| 15/05/2020 | 15/05/2020 | DMS | JOHN DEERE | CFP613EC | PUBLIC WORKS |
| 8/5/2020 | 8/5/2020 | COMPU CAMM | NISSAN ALMERA | DPH042EC | HEALTH |
| 15/05/2020 | 15/05/2020 | GEORGE AUTO | NISSAN UD85 | FNG215EC | WASTE |
| 18/05/2020 | 18/05/2020 | GEORGE AUTO | NISSAN TIPPER | DWB185EC | PUBLIC WORKS |
| 18/05/2020 | 18/05/2020 | DMS | GMC | CFL662EC | FIRE DEPARTMENT |
| 18/05/2020 | 18/05/2020 | DMS | ISUZU FSR700 | CKG231EC | SEWERAGE |
| 11/5/2020 | 11/5/2020 | GEORGE AUTO | NISSAN UD70 | DBV396EC | SEWERAGE |
| 12/5/2020 | 12/5/2020 | FEROBRAKE | ISUZU KB250 | FKM543EC | REFUSE |
| 20/05/2020 | 20/05/2020 | GEORGE AUTO | NISSAN UD290 | DWV246EC | WASTE |
| 19/05/2020 | 19/05/2020 | GEORGE AUTO | NISSAN HB | FKD148EC | PUBLIC WORKS |
| 19/05/2020 | 19/05/2020 | GEORGE AUTO | ISUZU | DNH308EC | SANITATION |
| 20/05/2020 | 20/05/2020 | DMS | HINO | CTW361EC | WASTE |
| 22/05/2020 | 22/05/2020 | GEORGE AUTO | ISUZU | FKM533EC | WASTE |
| 25/05/2020 | 25/05/2020 | GEORGE AUTO | ISUZU | FKM543EC | REFUSE |
| 25/05/2020 | 25/05/2020 | GEORGE AUTO | NISSAN | DWB185EC | PUBLIC WORKS |
| 27/05/2020 | 27/05/2020 | GEORGE AUTO | TOYOTA LC | FHY408EC | FIRE DEPARTMENT |
| 27/05/2020 | 27/05/2020 | GEORGE AUTO | CHEV CRUZE | FKB689EC | TRAFFIC |
| 27/05/2020 | 27/05/2020 | DMS | NISSAN UD290 | DWV246EC | REFUSE |
| *27/05/2020 | 27/05/2020 | GEORGE AUTO | NISSAN UD290 | DWV246EC | REFUSE |
| 28/05/2020 | 28/05/2020 | DMS | CHERRY PICKER | FJP574EC | ELECTRICAL |
| 28/05/2020 | 28/05/2020 | GEORGE AUTO | NISSAN HB | FKD126EC | WATER |
| 19/05/2020 | 19/05/2020 | FEROBRAKE | ISUZU TRUCK | DNH308EC | SANITATION |
| 26/05/2020 | 26/05/2020 | PHAKAMISA FLEET | MAN TIPPER | FMS634EC | ENV. MANAGEMENT |
| 5/5/2020 | 5/5/2020 | TNT | ISUZU KB250 | BZJ791EC | BUILDING & PROPERTIES |
| 05/05/2020 | 05/05/2020 | DMS | MAN TIPPER | FMS634EC | ENV. MANAGEMENT |

| | | | | | |
|---|---|---|---|---|---|
| 29/05/2020 | 29/05/2020 | FEROBRAKE | FORD RANGER | DTB657EC | ELECTRICAL |
| 29/05/2020 | 29/05/2020 | FEROBRAKE | NISSAN UD290 | DWV246EC | WASTE |
| 29/05/2020 | 29/05/2020 | SUPA QUICK | NISSAN HB | DYH607EC | WATER |
| 29/05/2020 | 29/05/2020 | GEORGE AUTO | ISUZU | FKM543EC | REFUSE |
| 26/05/2020 | 26/05/2020 | NISSAN | NISSAN | HSJ807EC | FIRE DEPARTMENT |
| 13/05/2020 | 13/05/2020 | DMS | ISUZU TANKER | CKG231EC | SEWERAGE |
| 25/05/2020 | 25/05/2020 | DMS | NISSAN HB | FKD176EC | ELECTRICAL |
| 02/06/2020 | 02/06/2020 | GEORGE AUTO | BANTAM | DSW023EC | FINANCE: REVENUE |
| 02/06/2020 | 02/06/2020 | SUPA QUICK | NISSAN | DYH595EC | SEWERAGE |
| 02/06/2020 | 02/06/2020 | RENCOR | NISSAN UD | JBD519EC | REFUSE |
| 4/6/2020 | 4/6/2020 | GEORGE AUTO | NISSAN HB | FKD176EC | ELECTRICAL |
| 4/6/2020 | 4/6/2020 | GEORGE AUTO | ISUZU KB250 | FKM532EC | BEACHES |
| 4/6/2020 | 4/6/2020 | GEORGE AUTO | NISSAN UD | JBG856EC | REFUSE |
| 4/6/2020 | 4/6/2020 | BILLSON TRUCKS | NISSAN UD80 | JBG860EC | PARKS |
| 2/6/2020 | 2/6/2020 | PG GLASS | NISSAN HB | FKD176EC | ELECTRICAL |
| 8/6/2020 | 8/6/2020 | RENCOR | NISSAN | DVR990EC | SEWERAGE |
| 5/6/2020 | 5/6/2020 | GEORGE AUTO | NISSAN UD70 | DBS643EC | SEWERAGE |
| 9/6/2020 | 9/6/2020 | DMS | GMC | CFL662EC | FIRE DEPARTMENT |
| 8/6/2020 | 8/6/2020 | GEORGE AUTO | NISSAN UD | FLW538EC | PARKS |
| 9/6/2020 | 9/6/2020 | GEORGE AUTO | FORD TRACTOR | BMY770EC | WATER |
| 4/6/2020 | 4/6/2020 | TNT | NISSAN UD85 | JBG916EC | WASTE |
| 4/6/2020 | 4/6/2020 | GEORGE AUTO | NISSAN UD70 | DBV396EC | SEWERAGE |
| 9/6/2020 | 9/6/2020 | SUPA QUICK | OPEL OMEGA | CTC613EC | ASSETS |
| 10/6/2020 | 10/6/2020 | SUPA QUICK | TOYOTA LAND CRUIZER | FHY414EC | FIRE DEPARTMENT |
| 11/6/2020 | 11/6/2020 | DMS | ISUZU | CMX729EC | REFUSE |
| 15/06/2020 | 15/06/2020 | GEORGE AUTO | FORD RANGER | DYR508EC | ELECTRICAL |

| | | | | | |
|---|---|---|---|---|---|
| 15/06/2020 | 15/06/2020 | GEORGE AUTO | NISSAN | FKD126EC | WATER |
| 15/06/2020 | 15/06/2020 | FEROBRAKE | ISUZU KB250 | FKW895EC | PARKS |
| 15/06/2020 | 15/06/2020 | FEROBRAKE/AUTO TOWING | HINO COMPACTOR | CTW361EC | WASTE |
| 19/06/2020 | 19/06/2020 | GEORGE AUTO | ISUZU | FKM553EC | PARKS |
| 22/06/2020 | 22/06/2020 | GEORGE AUTO | NISSAN UD70 | DBV396EC | SEWERAGE |
| 22/06/2020 | 22/06/2020 | BILLSON TRUCKS | NISSAN | JBG856EC | REFUSE |
| 22/06/2020 | 22/06/2020 | TNT | NISSAN UD85 | FMX511EC | WASTE |
| *22/06/2020 | 22/06/2020 | PHAKAMISA FLEET | MAN | FMS634EC | ENVIRONMENTAL MANAGEMENT |
| 23/06/2020 | 23/06/2020 | TNT | NISSAN HB | CXP548EC | PARKS |
| 25/06/2020 | 25/06/2020 | GEORGE AUTO | NISSAN 2.7 | DYH590EC | WATER |
| 25/06/2020 | 25/06/2020 | GEORGE AUTO | FORD RANGER | CXR878EC | PUBLIC WORKS |
| 26/06/2020 | 26/06/2020 | GEORGE AUTO | FORD RANGER | DYR508EC | ELECTRICAL |
| 26/06/2020 | 26/06/2020 | GEORGE AUTO | ISUZU FSR700 | CKG231EC | SEWERAGE |
| 24/06/2020 | 24/06/2020 | PG GLASS | FORD RANGER | DTB659EC | SEWERAGE |
| 11/6/2020 | 11/6/2020 | PG GLASS | ISUZU | FHY438EC | DISASTER MANAGEMENT |
| 4/6/2020 | 4/6/2020 | AUTOTECK | ISUZU | FKM547EC | PARKS |
| 9/6/2020 | 9/6/2020 | PHAKAMISA FLEET | KOMATSU | DXC534EC | REFUSE |
| 29/06/2020 | 29/06/2020 | GEORGE AUTO | NISSAN UD70 | DBS643EC | SEWERAGE |
| 18/06/2020 | 18/06/2020 | GEORGE AUTO | ISUZU | FKM547EC | PARKS |
| 30/06/2020 | 30/06/2020 | DIESEL TRONIX | ISUZU | CMD328EC | ELECTRICAL |
| 30/06/2020 | 30/06/2020 | DIESEL TRONIX | NISSAN UD70 | DBS643EC | SEWERAGE |
| 30/06/2020 | 30/06/2020 | DIESEL TRONIX | ISUZU FSR700 | CKG231EC | SEWERAGE |
| 10/6/2020 | 10/6/2020 | DMS | NISSAN UD40L | FJP574EC | ELECTRICAL |
| 4/5/2020 | 4/5/2020 | DMS | NISSAN HB | FKD173EC | WATER |
| 30/06/2020 | 30/06/2020 | GEORGE AUTO | GMC | CFL662EC | FIRE DEPARTMENT |

- **Total job cards opened: 97**
- **Total jobs closed: 97**

**In house job cards: 223**

**Outsourched job cards: 97**

**Please note the combined total job cards: 320**

6. Total **job cards** for tyres received during May 2020 and June 2020 = **112**

- Job cards received for new tyres - 52
- Job cards received for repaired tyres – 51
- Job cards received for 2nd hand tyres - 8
- Job cards received for tubes - 1

**(i) Total tyres replaced – 90[new]**

**(ii) Total tyres repaired – 61**

**(iii) 2nd Hand tyres fitted- 8**

**(iv) Tubes procured - 1**

**Some job cards included more than one tyre, job cards are opened per vehicle.**

**(ii) Total tyres replaced – 90[new]**

| TYPE OF VEHICLE | NUMBER OF VEHICLES | QUANTITY of new tyres | REASON FOR REPLACEMENT |
|---|---|---|---|
| L.D.V. | 15 | 31 | Normal wear & Tear |
| Truck | 33 | 54 | Normal wear & Tear |
| Sedan | 2 | 4 | Normal wear & Tear |
| TLB | 1 | 1 | Normal wear & Tear |
| Total | 51 | 90 | |

(ii) **Tyres repaired & tighten wheel nuts – 61**

| TYPE OF VEHICLE | NUMBER OF VEHICLES | QUANTITY of repaired tyres | REASON FOR REPLACEMENT |
|---|---|---|---|
| L.D.V. | 23 | 29 | Puncture |
| Sedan | 2 | 2 | Puncture |
| Truck | 16 | 17 | Puncture |
| TLB | 8 | 12 | Puncture |
| SEDAN [loose wheel nuts] | 1 | 1 | Tighten wheel nuts |
| Total | 50 | 61 | |

**(iii) Second hand tyres fitted- 8**

**[2nd hand tyres still usable fitted for various reasons – no stock, no funds etc. for new tyres]**

| TYPE OF VEHICLE | NUMBER OF VEHICLES | QUANTITY of repaired tyres | REASON FOR REPLACEMENT |
|---|---|---|---|
| L.D.V. | 3 | 3 | Worn |
| Truck | 5 | 5 | Worn |
| Total | 8 | 8 | |

(iii) **Tubes procured - 1**

| TYPE OF VEHICLE | NUMBER OF VEHICLES | QUANTITY of repaired tyres | REASON FOR REPLACEMENT | COST FOR TUBE |
|---|---|---|---|---|
| Truck | 1 | 1 | Valve damaged | **R102.64** |
| Total | 1 | 1 | | |

7. Tyres procured for May 2020 and June 2020

| TYRE SIZE | QUANTITY | AMOUNT |
|---|---|---|
| 11/R22.5 [rear] | 2 | R7,475.00 |
| 11/R22.5 [front] | 4 | R14,260.00 |
| 900/20 | 8 | R22,729.52 |
| 315/80R22.5 [rear] | 16 | R59,800.00 |
| 315/80R22.5 [front] | 4 | R14,720.00 |
| 195/R14 | 6 | R4,963.86 |
| 215/R15 | 18 | R19,855.44 |
| 825/20 | 12 | R29,585.88 |
| 750/16 | 3 | R4,379.43 |
| 1000/20 | 2 | R7,200.38 |
| 175.65/R14 | 4 | R2,141.20 |
| 245/75R15 | 5 | R6,508.45 |
| 12R22.5 [front] | 1 | R3,565.00 |
| 12R22.5 [rear] | 2 | R7,475.00 |
| 12.5/80R18 | 1 | R2,500.00 |
| 165/80R15 | 1 | R404.70 |
| 165/80R13 | 1 | 4R04.70 |
| **TOTAL** | **90** | **R207,968.60** |

8. Fuel usage for May 2020 & June 2020

**The table below is a reflection on fuel that had been used for May 2020 & June 2020 inclusive of small plant and vouchers.**

| COST INFORMATION | DEPARTMENT | NO OF TRANSACTIONS | VALUE OF TRANSACTIONS | NO OF VEHICLES |
|---|---|---|---|---|
| COS0002 | 070 Building maintenance | 10 | R7124.49 | 3 |
| COS0004 | 120 Corporate Services | 5 | R3357.95 | 2 |
| COS0018 | 140 Disaster management | 10 | R6511.80 | 2 |
| COS0005 | 190 Electrical | 66 | R50118.71 | 12 |
| COS0027 | 190 Electrical [small plant] | 1 | R269.13 | 1 |
| COS0013 | 200 Workshop | 19 | R12298.31 | 2 |
| COS0007 | 210 Environmental health | 18 | R10801.41 | 3 |
| COS0006 | 223 Finance | 17 | R10369.52 | 4 |
| COS0022 | 223 Finance & Asset & Fleet | 3 | R2237.70 | 1 |
| COS0003 | 230 Fire Fight & Rescue | 56 | R24890.15 | 11 |
| COS0026 | 230 Fire Fight & Rescue [small plant] | 5 | R2619.44 | 1 |
| COS0001 | 530 Office of the Mayor | 5 | R4202.55 | 2 |
| COS0021 | 531 Housing | 5 | R2759.70 | 1 |
| COS0008 | 680 Cleansing & Parks | 97 | R69859.22 | 14 |
| COS0029 | 680 Cleansing & Parks [small plant] | 5 | R4310.09 | 1 |
| COS0009 | 710 Protection Services | 174 | R104412.10 | 20 |
| COS0010 | 720 Public works | 132 | R97801.33 | 15 |
| COS0031 | 720 Public works [small plant] | 3 | R907.75 | 1 |
| COS0011 | 730 Refuse | 133 | R237,111.51 | 19 |
| COS0014 | 731 Waste | 73 | R76956.36 | 7 |

| | | | | |
|---|---|---|---|---|
| COS0015 | 750 Sanitation | 9 | R17249.06 | 1 |
| COS0016 | 780 Sewerage | 124 | R115373.39 | 15 |
| COS0033 | 780 Sewerage [small plant] | 8 | R10418.45 | 8 |
| COS0024 | 800 Sport & Recreation | 2 | R2342.00 | 1 |
| COS0012 | 980 Water | 111 | R82613.72 | 17 |
| COS0032 | 980 Water [small plant] | 1 | R585.50 | 1 |
| COS0020 | 990 Waterways [small plant] | 4 | R2367.31 | 1 |
| | TOTAL | 1052 | R959,868.00 | 166 |

9. Repairs paid with Wesbank vouchers for May 2020 & June 2020 [already included the fuel usage report as per 7]

| WORK DONE | QUANTITY | AMOUNT |
|---|---|---|
| Fit new cylinder box onto vehicle | 1 | R1,600.00 |
| Repair exhaust | 4 | R4,164.40 |
| Rim 6139 16"7J | 1 | R1,150.00 |
| Gasket tuf [flange gasket] | 1 | R87.40 |
| 65T battery | 1 | R1,694.55 |
| Wheel alignment | 5 | R1,552.50 |
| **TOTAL** | | **R10,248.85** |

10. Requisitions submitted to SCM May 2020 and June 2020.

| **REQUISITIONS SUBMITTED** | **ORDERS RECEIVED** | **AMOUNT** |
|---|---|---|
| **215** | **200** | **R3,923,954.77** |

11. Vehicles licensed for May 2020 & June 2020.

| DEPARTMENT | SECTION | AMOUNT |
|---|---|---|
| I & E | Public works | R2676.00 |
| I & E | Sewerage | R5244.00 |
| I & E | Water | R2304.00 |
| I & E | Electricity | R4732.50 |
| I & E | Building & Property | R768.00 |
| COMMUNITY SERVICES | Parks | R3532.50 |
| COMMUNITY SERVICES | Refuse | R40549.00 |
| COMMUNITY SERVICES | Waste | R23298 |
| COMMUNITY SERVICES | Fire | R890.00 |
| COMMUNITY SERVICES | Beaches | R594.00 |
| FINANCIAL SERVICES | Finance | R900.00 |
| **TOTAL:** | | **R85488.00** |

a. Vehicles sent for Certificate of Fitness (COF) May 2020 and June 2020

- Annual inspections are done by sending vehicles for COF as well as ensuring the vehicles are serviced on regular intervals; **According to SANS 10090: 2003**

| DEPARTMENT | DEPARTMENT | AMOUNT |
|---|---|---|
| I & E | Electricity | R480.00 |
| TOTAL | | **R480.00** |

12. Hired vehicles for May 2020 & June 2020

Vehicles are hired for departments that require additional operational capacity due to repairs, vehicles that are written off. The table below indicates which departments received vehicles.

| DIRECTORATE | DEPARTMENT | TYPE OF VEHICLE | DRIVER | AMOUNT |
|---|---|---|---|---|
| Community services | Refuse | 1X LDV | O. Nelson | R15,000.00 |
| Community Services | Waste | 1X LDV | V. Dyaloyi | R15,000.00 |

**TOTAL: R30 000.00**

13 Vehicle Conditional & Performance Assessment for May 2020 & June 2020

| COST NAME | REG NO | MAKE | SERIES | STATUS | FUTURE PLANNING |
|---|---|---|---|---|---|
| 041 BEACHES | HSB953EC | JET SKI | MARK 1 | NEW | SERVISE ONLY |
| 041 BEACHES | FKM532EC | ISUZU | KB250D LWB | GOOD | SERVISE ONLY |
| 070 BUILDING MAINTENANCE | BZJ791EC | ISUZU | KB250 D SWB | FAIR | ATTEND TO BODY |
| 070 BUILDING MAINTENANCE | DYH604EC | NISSAN | HARD BODY 2.7D LWB | GOOD | SERVISE ONLY |
| 070 BUILDING MAINTENANCE | FKD174EC | NISSAN | HARDBODY NP300 2.5TD | GOOD | SERVISE ONLY |
| 230 FIRE FIGHT & RESCUE | BLH195EC | NISSAN | UG 780 WATER TANKER | GOOD | SERVISE ONLY |
| 230 FIRE FIGHT & RESCUE | BLH197EC | TOYOTA | WATER TANKER | GOOD | SERVISE ONLY |
| 230 FIRE FIGHT & RESCUE | CFL662EC | GMC | FIRE ENGINE | GOOD | SERVISE ONLY |
| 230 FIRE FIGHT & RESCUE | CLP384EC | DENNIS | FIRE ENGINE | FAIR | IN PROCESS OF INSTALLING NEW ENGINE. |
| 230 FIRE FIGHT & RESCUE | DVD611EC | FORD | RANGER 2.5TD | GOOD | SERVISE ONLY |

| | | | | | |
|---|---|---|---|---|---|
| 230 FIRE FIGHT & RESCUE | DVS234EC | DENNIS | FIRE ENGINE | FAIR | BUSY INSTALLING NEW GEARBOX |
| 230 FIRE FIGHT & RESCUE | DVS430EC | TOYOTA | HINO | GOOD | SERVISE ONLY |
| 230 FIRE FIGHT & RESCUE | FHY408EC | TOYOTA | LANDCRUISER | GOOD | SERVISE ONLY |
| 230 FIRE FIGHT & RESCUE | FHY414EC | TOYOTA | LANDCRUISER | GOOD | SERVISE ONLY |
| 230 FIRE FIGHT & RESCUE | FKV814EC | TRAILER | NONE | GOOD | SERVICE ONLY |
| 230 FIRE FIGHT & RESCUE | HSJ807EC | NISSAN | PATROL L.D. V | GOOD | SERVICE ONLY |
| 230 FIRE FIGHT & RESCUE | HTD760EC | TRAILER | NONE | GOOD | SERVICE ONLY |
| 230 FIRE FIGHT & RESCUE | JDW919EC | TRAILER | NONE | GOOD | SERVICE ONLY |
| 230 FIRE FIGHT & RESCUE | JGR875EC | IVECO | DAILY | GOOD | SERVICE ONLY |
| 120 CORPORATE SERVICES | DTD514EC | TOYOTA | COROLLA 140I | GOOD | SERVICE ONLY |
| 120 CORPORATE SERVICES | JFK384EC | NISSAN | HARDBODY NP300 2.5TD | GOOD/NEW | SERVICE ONLY |
| 140 DISASTER MANAGEMENT | FHY438EC | ISUZU | DOUBLE CAB | FAIR | NEEDS TO BE REPAINTED |
| 190 ELECTRICAL | CMD378EC | TRAILER | UNKNOWN | FAIR | SERVICE ONLY |
| 190 ELECTRICAL | DTB657EC | FORD | RANGER 2.5D XL LWB | GOOD | SERVICE ONLY |
| 190 ELECTRICAL | DTB659EC | FORD | RANGER 2.5D | GOOD | SERVICE ONLY |
| 190 ELECTRICAL | DYH582EC | NISSAN | HARDBODY 2.4 4X4 | GOOD | SERVICE ONLY |
| 190 ELECTRICAL | DYH588EC | NISSAN | HARDBODY 2.4 4X4 | GOOD | SERVICE ONLY |

| | | | | | |
|---|---|---|---|---|---|
| 190 ELECTRICAL | DYR508EC | FORD | RANGER 2.5TD | GOOD | SERVICE ONLY |
| 190 ELECTRICAL | FJP574EC | NISSAN | CABSTAR 40 | GOOD | SERVICE ONLY |
| 190 ELECTRICAL | FKD117EC | NISSAN | HARDBODY NP300 2.5TD | GOOD | SERVICE ONLY |
| 190 ELECTRICAL | FKD176EC | NISSAN | HARDBODY NP300 2.5TD | GOOD | SERVICE ONLY |
| 190 ELECTRICAL | FKW891EC | ISUZU | KB250 F/SIDE 4X2 LWB | GOOD | SERVICE ONLY |
| 191 ELECTRICAL | HMT797EC | TRAILER | GENERATOR | GOOD | SERVICE ONLY |
| 190 ELECTRICAL | HRL372EC | TRAILER | GENERATOR | GOOD | SERVICE ONLY |
| 190 ELECTRICAL | JDW953EC | TRAILER | GENERATOR | GOOD | SERVICE ONLY |
| 190 ELECTRICAL | HRL383EC | TRAILER | GENERATOR | GOOD | SERVICE ONLY |
| 190 ELECTRICAL | JFK369EC | NISSAN | HARDBODY NP300 2.5TD | GOOD/NEW | SERVICE ONLY |
| 190 ELECTRICAL | JLZ148EC | BELL | TLB 4X4 | GOOD/NEW | SERVICE ONLY |
| 190 ELECTRICAL | JFK372EC | NISSAN | HARDBODY NP300 2.5TD | GOOD/NEW | SERVICE ONLY |
| 223 FINANCE | DSV890EC | FORD | BANTAM 1300 LDV | POOR | BODY NEEDS TO BE PAINTED |
| 223 FINANCE | DSW023EC | FORD | BANTAM 1.3I | GOOD | SERVICE ONLY |
| 223 FINANCE | FKC847EC | FORD | BANTAM 1.3I | GOOD | SERVICE ONLY |
| 223 FINANCE | FKC852EC | FORD | BANTAM 1.3I | GOOD | SERVICE ONLY |
| 224 FINANCE | HZG736EC | NISSAN | HARDBODY NP300 2.5TD | GOOD | SERVICE ONLY |
| 210 ENVIRONMENTAL | DNT818EC | NISSAN | ALMERA 1.6 | FAIR | TO BE REPAINTED |

| | | | | | |
|---|---|---|---|---|---|
| 210 ENVIRONMENTAL | DPH042EC | NISSAN | ALMERA 1.6 | FAIR | TO BE REPAINTED |
| 210 ENVIRONMENTAL | DTB668EC | FORD | RANGER 2.5TD | GOOD | HAD BEEN REFURBISHED |
| 210 ENVIRONMENTAL | FCW797EC | TOYOTA | HILUX 2.7 4X4 DOUBLE/CAB | GOOD | SERVICE ONLY |
| 210 ENVIRONMENTAL | HMZ557EC | TRAILER | FLAT DECK | GOOD | SERVICE ONLY |
| 680 CLEANSING & PARKS | BHD154EC | ISUZU | 3TON TRUCK | GOOD | SERVICE ONLY |
| 680 CLEANSING & PARKS | BHD163EC | MASSEY FERGUSON | TRACTOR | GOOD | SERVICE ONLY |
| 680 CLEANSING & PARKS | CXP548EC | NISSAN | HARDBODY 2.7 LWB | GOOD | HAD BEEN UPGRADED |
| 680 CLEANSING & PARKS | DNZ484EC | NISSAN | HARDBODY 2.7 LWB | GOOD | SERVICE ONLY |
| 680 CLEANSING & PARKS | FKM518EC | ISUZU | KB250D LWB | BAD | WRITTEN OFF |
| 680 CLEANSING & PARKS | FKM524EC | ISUZU | KB250D LWB | GOOD | SERVICE ONLY |
| 680 CLEANSING & PARKS | FKM533EC | ISUZU | KB250D LWB | GOOD | SERVICE ONLY |
| 680 CLEANSING & PARKS | FKM543EC | ISUZU | KB250 F/SIDE 4X2 LWB | GOOD | SERVICE ONLY |
| 680 CLEANSING & PARKS | FKM547EC | ISUZU | KB250D LWB | GOOD | SERVICE ONLY |
| 680 CLEANSING & PARKS | FKM549EC | ISUZU | KB250D LWB | BROKEN | ENGINE BEEN OVERHAULED |
| 680 CLEANSING & PARKS | FKM553EC | ISUZU | KB250D LWB | GOOD | SERVICE ONLY |
| 680 CLEANSING & PARKS | FKM571EC | ISUZU | KB250D LWB | GOOD | SERVICE ONLY |

| | | | | | |
|---|---|---|---|---|---|
| 680 CLEANSING & PARKS | FLW544EC | NISSAN | UD80 | GOOD | SERVICE ONLY |
| 680 CLEANSING & PARKS | FKW895EC | ISUZU | KB250D-TEQ | GOOD | SERVICE ONLY |
| 710 PROTECTIVE SERVICES | DTB653EC | FORD | BANTAM | GOOD | HAD BEEN REFURBISHED |
| 710 PROTECTIVE SERVICES | DTD511EC | TOYOTA | COROLLA 160I GLE | GOOD | SERVICE ONLY |
| 710 PROTECTIVE SERVICES | DTD512EC | TOYOTA | COROLLA 160I GLE | BAD/BODY/MECHANICAL | REFURBISHMENT IN PROCESS AND ENGINE OVERALL |
| 710 PROTECTIVE SERVICES | DTD513EC | TOYOTA | COROLLA 140I | BROKEN | CYLINDER HEAD FAULTY |
| 710 PROTECTIVE SERVICES | FHY436EC | ISUZU | KB250 F/SIDE 4X2 LWB | BAD/BODY | BODY TO PAINTED |
| 710 PROTECTIVE SERVICES | FHY439EC | ISUZU | KB250 F/SIDE 4X2 LWB | GOOD | SERVICE ONLY |
| 710 PROTECTIVE SERVICES | FHY441EC | ISUZU | KB250 F/SIDE 4X2 LWB | GOOD | HAD BEEN REFURBISHED |
| 710 PROTECTIVE SERVICES | FJC354EC | OPEL | CORSA UTIL.1.7 DTI | GOOD | SERVICE ONLY |
| 710 PROTECTIVE SERVICES | FJZ694EC | TOYOTA | STALLION 1800 P/VAN | FAIR | NEW ENGINE TO BE INSTALLED |
| 710 PROTECTIVE SERVICES | FKB681EC | CHEV | CRUZE 1.8LS | GOOD | ENGINE HAD BEEN REBUILD |
| 710 PROTECTIVE SERVICES | FKB689EC | CHEV | CRUZE 1.8LS | GOOD | ENGINE HAD BEEN REBUILD |
| 710 PROTECTIVE SERVICES | HJC157EC | TRAILER | CATTLE TRAILER | GOOD | TO BE REPAINTED |
| 710 PROTECTIVE SERVICES | JHD256EC | TOYOTA | HILUX 4X4 | NEW | SERVICE ONLY |
| 710 PROTECTIVE SERVICES | JHD259EC | TOYOTA | COROLLA | NEW | SERVICE ONLY |

| | | | | | |
|---|---|---|---|---|---|
| 710 PROTECTIVE SERVICES | JHV596EC | NISSAN | NP200 | NEW | SERVICE ONLY |
| 710 PROTECTIVE SERVICES | JLW106EC | NISSAN | NP200 | NEW | SERVICE ONLY |
| 710 PROTECTIVE SERVICES | JLW109EC | NISSAN | NP200 | NEW | SERVICE ONLY |
| 710 PROTECTIVE SERVICES | JLW115EC | NISSAN | NP200 | NEW | SERVICE ONLY |
| 710 PROTECTIVE SERVICES | JLW479EC | NISSAN | NP200 | NEW | SERVICE ONLY |
| 711 PROTECTIVE SERVICES | JDM366EC | VW | POLO | NEW | SERVICE ONLY |
| 712 PROTECTIVE SERVICES | JDM370EC | VW | POLO | NEW | SERVICE ONLY |
| 713 PROTECTIVE SERVICES | JDM377EC | VW | POLO | NEW | SERVICE ONLY |
| 720 PUBLIC WORKS | BXY383EC | ISUZU | KB250 D SWB | FAIR | LOAD BODY TO BE REPAIRED |
| 720 PUBLIC WORKS | BZR308EC | ISUZU | KB250D SWB | FAIR | BODY TO BE PAINTED |
| 720 PUBLIC WORKS | CFP613EC | JOHN DEERE | TRACTOR | FAIR | ATTENTION TO BODY |
| 720 PUBLIC WORKS | CXR878EC | FORD | RANGER 2.5TD | GOOD | SERVICE ONLY |
| 720 PUBLIC WORKS | DVP732EC | NISSAN | UD90 | GOOD | SERVICE ONLY |
| 720 PUBLIC WORKS | DVS003EC | NISSAN | UD80 TIPPER | BROKEN | ENGINE TO BE OVERHAULED |
| 720 PUBLIC WORKS | DWB185EC | NISSAN | UD80 TIPPER | GOOD | SERVICE ONLY |

| | | | | | |
|---|---|---|---|---|---|
| 720 PUBLIC WORKS | DXC541EC | KOMATSU | WB93R TLB | BAD/BODY/MECHANICAL | IN PROCESS OF BEEN REFURBISHED |
| 720 PUBLIC WORKS | DYH583EC | NISSAN | HARD BODY 2.7D LWB | GOOD | SERVICE ONLY |
| 721 PUBLIC WORKS | DYH591EC | NISSAN | HARD BODY 2.7D LWB | GOOD | SERVICE ONLY |
| 720 PUBLIC WORKS | DYH603EC | NISSAN | HARD BODY 2.7D LWB | GOOD | SERVICE ONLY |
| 720 PUBLIC WORKS | DZS144EC | NISSAN | CABSTAR 40 | GOOD | SERVICE ONLY |
| 720 PUBLIC WORKS | FHY497EC | LANDINI | SOLIS 90 4X4 | GOOD | SERVICE ONLY |
| 720 PUBLIC WORKS | FHX905EC | TRAILER | ASPHALT TRAILER | GOOD | SERVICE ONLY |
| 720 PUBLIC WORKS | FKD121EC | NISSAN | HARDBODY NP300 2.5TD | GOOD | SERVICE ONLY |
| 720 PUBLIC WORKS | FKD164EC | NISSAN | HARDBODY NP300 2.5TD | GOOD | SERVICE ONLY |
| 720 PUBLIC WORKS | JLZ142EC | BELL | TLB 4X4 | NEW | SERVICE ONLY |
| 720 PUBLIC WORKS | FKD148EC | NISSAN | HARDBODY NP300 2.5TD | GOOD | SERVICE ONLY |
| 720 PUBLIC WORKS | JLZ151EC | BELL | TLB 4X4 | NEW | SERVICE ONLY |
| 730 REFUSE | BCX587EC | MERCEDES BENZ | C200 MANUAL | FAIR | ATTENTION TO ENGINE AND BODY |

| | | | | | |
|---|---|---|---|---|---|
| 730 REFUSE | CMX729EC | ISUZU | F6500FN | FAIR | WAITING FOR LICENCE |
| 730 REFUSE | CTW361EC | TOYOTA | HINO 33-350 | FAIR | FEHICLE TO BEREFURBISHED |
| 730 REFUSE | DWN714EC | NISSAN | UD290 REFUSE COMPACTOR | GOOD | SERVICE ONLY |
| 730 REFUSE | DWV246EC | NISSAN | UD290 REFUSE COMPACTOR | GOOD | SEERVICE ONLY |
| 730 REFUSE | DXC534EC | KOMATSU | WB93R LOADER | BAD | NEEDS TO BE REFURBUSHED |
| 730 REFUSE | DXM914EC | NISSAN | UD90 | BROKEN | TOP GASKET TO BE REPLACED |
| 730 REFUSE | FKM556EC | ISUZU | KB250D LWB | GOOD | SERVICE ONLY |
| 730 REFUSE | FKW884EC | ISUZU | KB250D-TEQ | GOOD | SERVICE ONLY |
| 730 REFUSE | FLF749EC | NISSAN | UD80 MESH TRUCK | GOOD | SERVICE ONLY |
| 730 REFUSE | FLF753EC | NISSAN | UD40 SMALL TIPPER TRUCK | GOOD | SERVICE ONLY |
| 730 REFUSE | FLW538EC | NISSAN | UD80 MESH TRUCK | GOOD | SERVICE ONLY |
| 730 REFUSE | FMJ516EC | NISSAN | UD330 REFUSE COMPACTOR | GOOD | SERVICE ONLY |
| 730 REFUSE | FMX511EC | NISSAN | UD330 REFUSE COMPACTOR | GOOD | SERVICE ONLY |
| 730 REFUSE | FNG215EC | NISSAN | UD85 SKIP TRUCK | GOOD | SERVICE ONLY |
| 730 REFUSE | JBD519EC | NISSAN | MESH TRUCK | NEW | |

| | | | | | |
|---|---|---|---|---|---|
| | | | | | SERVICE ONLY |
| 730 REFUSE | JBG856EC | NISSAN | MESH TRUCK | NEW | SERVICE ONLY |
| 730 REFUSE | JBG860EC | NISSAN | REFUSE COMPACTOR | NEW | SERVICE ONLY |
| 730 REFUSE | JBG916EC | NISSAN | REFUSE COMPACTOR | NEW | SERVICE ONLY |
| 730 REFUSE | JLZ144EC | BELL | TLB 4X4 | NEW | SERVICE ONLY |
| 730 REFUSE | JLZ145EC | BELL | TLB 4X4 | NEW | SERVICE ONLY |
| 730 REFUSE | JLZ146EC | BELL | TLB 4X4 | NEW | SERVICE ONLY |
| 980 WATER | DCT009EC | FORD | BANTAM 1.3I | FAIR | HAD BEEN REFURBISHED |
| 980 WATER | DTB656EC | FORD | RANGER 2.5TD | GOOD | SERVICE ONLY |
| 980 WATER | DYH590EC | NISSAN | HARD BODY 2.7D LWB | GOOD | SERVICE ONLY |
| 980 WATER | DYH597EC | NISSAN | HARD BODY 2.7D LWB | GOOD | SERVICE ONLY |
| 980 WATER | DYH599EC | NISSAN | HARD BODY 2.7D LWB | GOOD | SERVICE ONLY |
| 980 WATER | DYH607EC | NISSAN | HARD BODY 2.7D LWB | GOOD | SERVICE ONLY |
| 980 WATER | FKD124EC | NISSAN | HARDBODY NP300 2.5TD | GOOD | SERVICE ONLY |
| 980 WATER | FKD126EC | NISSAN | HARDBODY NP300 2.5TD | GOOD | SERVICE ONLY |
| 980 WATER | FKD156EC | NISSAN | HARDBODY NP300 2.5TD | GOOD | SERVICE ONLY |
| 980 WATER | FKD173EC | NISSAN | HARDBODY NP300 2.5TD | GOOD | SERVICE ONLY |

| | | | | | |
|---|---|---|---|---|---|
| 980 WATER | JFK366EC | NISSAN | HARDBODY NP300 2.5TD | NEW | SERVICE ONLY |
| 980 WATER | JFK376EC | NISSAN | HARDBODY NP300 2.5TD | NEW | SERVICE ONLY |
| 980 WATER | JFK388EC | NISSAN | HARDBODY NP300 2.5TD | NEW | SRVICE ONLY |
| 980 WATER | JFK391EC | NISSAN | HARDBODY NP300 2.5TD | NEW | SERVICE ONLY |
| 980 WATER | JFK396EC | NISSAN | HARDBODY NP300 2.5TD | NEW | SERVICE ONLY |
| 980 WATER | JFK399EC | NISSAN | HARDBODY NP300 2.5TD | NEW | SERVICE ONLY |
| 980 WATER | JLZ139EC | BELL | TLB 4X4 | NEW | SERVICE ONLY |
| 731 WASTE | FKM535EC | ISUZU | KB250D LWB | GOOD | SERVICE ONLY |
| 731 WASTE | FKM545EC | ISUZU | KB250D LWB | BROKEN | INSTALLING ENGINE |
| 731 WASTE | FMS633EC | MAN 26 280 | TIPPER TRUCK | FAIR | TRUCK TO BE REFURBISHED |
| 731 WASTE | FMS634EC | MAN 26 280 | TIPPER TRUCK | GOOD | PREPARIMG FOR COF |
| 750 SANITATION | DNH308EC | ISUZU FTR 800 | BALIE TRUCK | FAIR | SERVICE ONLY |
| 780 SEWERAGE | CKG231EC | ISUZU FSR 700 | SUCTION TERUCK | GOOD | PREPARING FOR COF |
| 780 SEWERAGE | CYK569EC | FORD | RANGER 2.5TD | FAIR | SERVICE ONLY |

| | | | | | |
|---|---|---|---|---|---|
| 780 SEWERAGE | CMD328EC | ISUZU F 8000D | SUCTION TANKER | GOOD | HAD BEEN REFURBISHED |
| 780 SEWERAGE | DBS236EC | NISSAN UD 60 | SUCTION TANKER | BROKEN | ENGINE TO BE OVERALLED |
| 780 SEWERAGE | DBS643EC | NISSAN UD 60 | SUCTION TANKER | FAIR | SEWERAGE TANK TO BE REPLACE |
| 780 SEWERAGE | DBV396EC | NISSAN | UD60 A520 | GOOD | SERVICE ONLY |
| 780 SEWERAGE | DTB662EC | FORD | RANGER 2.5TD | GOOD | SERVICE ONLY |
| 780 SEWERAGE | DVR990EC | NISSAN UD 80 | SUCTION TANKER | FAIR | BODY TO BE REFURBISHED |
| 780 SEWERAGE | DVR994EC | NISSAN UD 60 | SUCTION TANKER | GOOD | SERVICE ONLY |
| 780 SEWERAGE | DXM912EC | NISSAN UD 60 | SUCTION TANKER | FAIR | ENGINE TO BE OVERALLED |
| 780 SEWERAGE | DYH595EC | NISSAN | HARD BODY 2.7D LWB | GOOD | SERVICE ONLY |
| 780 SEWERAGE | FKD104EC | NISSAN | HARDBODY NP300 2.5TD | GOOD | SERVICE ONLY |
| 780 SEWERAGE | FKD135EC | NISSAN | HARDBODY NP300 2.5TD | GOOD | SERVICE ONLY |
| 780 SEWERAGE | FKD179EC | NISSAN | HARDBODY NP300 2.5TD | GOOD | SERVICE ONLY |
| 780 SEWERAGE | JGL065EC | TOYOTA | HI LUX 2.0LWB | BAD | VEHICLE VERY OLD NEEDS TO REPLACED |

| | | | | | |
|---|---|---|---|---|---|
| 780 SEWERAGE | JFK374EC | NISSAN | HARDBODY NP300 2.5TD | NEW | SERVICE ONLY |
| 780 SEWERAGE | JFK374EC | NISSAN | HARDBODY NP300 2.5TD | NEW | SERVICE ONLY |
| 780 SEWERAGE | JFK381EC | NISSAN | HARDBODY NP300 2.5TD | NEW | SERVICE ONLY |
| 140 DISASTER MANAGEMENT | HJC165EC | TRAILER | DOUBLE AXLE | GOOD | SERVICE ONLY |
| 990 WATERWAYS | DYV597EC | NISSAN | HARDBODY 20I SWB | GOOD | SERVICE ONLY |
| 531 HOUSING | CBY566EC | FORD | LASER TRACER 1.3 | GOOD | SERVICE ONLY |
| 223 FINANCE ASSET & FLEET | CTC613EC | OPEL | OMEGA 2.2 | GOOD | SERVICE ONLY |

14. Vehicles and Trailers which needs to be auctioned

| DEPARTMENT | REGISTRATION NUMBER | MAKE | TYPE | REASON |
|---|---|---|---|---|
| 230 FIRE FIGHT & RESCUE | BPH856EC | FORD | COURIER 2500 D LWB | BAD/BODY/MECHANICAL |
| 190 ELECTRICAL | DXC542EC | KOMATSU | WB93R LOADER | BAD/BODY/MECHANICAL |
| 680 CLEANSING & PARKS | FYG866EC | TRAILER | REAMOR TRADING 240 | BAD/BODY |
| 680 CLEANSING & PARKS | FYG868EC | TRAILER | REAMOR TRADING 240 | BAD/BODY |
| 680 CLEANSING & PARKS | FYG873EC | TRAILER | REAMOR TRADING 240 | BAD/BODY |
| 710 PROTECTIVE SERVICES | DRY769EC | CHEV AVEO | SEDAN | BAD/BODY/MECHANICAL |
| 710 PROTECTIVE SERVICES | FKB676EC | CHEV | CRUZE 1.8LS | BAD/BODY/MECHANICAL |
| 720 PUBLIC WORKS | BJX931EC | MAZDA | B2500_D | BAD/BODY/MECHANICAL |
| 720 PUBLIC WORKS | FYG859EC | TRAILER | REAMOR TRADING 240 | BAD/BODY |
| 720 PUBLIC WORKS | FYG876EC | TRAILER | REAMOR TRADING 241 | BAD/BODY |
| 720 PUBLIC WORKS | FYG881EC | TRAILER | REAMOR TRADING 242 | BAD/BODY |

| | | | | |
|---|---|---|---|---|
| 720 PUBLIC WORKS | FYG884EC | TRAILER | REAMOR TRADING 243 | BAD/BODY |
| 980 WATER | CGT410EC | TOYOTA | HILUX 2.4 DIES LWB | BAD/BODY/MECHANICAL |
| 223 FINANCE ASSET & FLEET | BWJ558EC | NISSAN | SENTRA 200 GSI | BAD/BODY/MECHANICAL |

Currently fleet is waiting for the auction to materialize.

An auctioneer had been appointed in March 2020 but due to the Covid – 19 all had to be put on hold.

Please note that the vehicles and equipment which were set aside is deteriorating every day due to rust and vandalism. Most of the vehicle's had been parked near the workshop for safe keeping but it still does not help much, therefore it is important that the auction should take place as soon as possible so that maximum funds can be generated by council.

15. Staff related matters

- Please note that there were some changes to the current staff structure at the fleet section for the last two months and the fleet section is now even more in dire need to have all vacant positions filled.
- Two [2] contract workers were appointed in May 2020 in the workshop fleet section to assist with general work and assist with sanitizing of premises as per Covid-19 rules and regulations.



16. Comment: Director I&E

The refurbishment & procurement of all municipal new and hired vehicles be done through fleet section

17. Comment Chief Financial Officer

Non applicable. No financial implications therefore no comment

18. Comment: Municipal Manager

Report noted.

19. Financial Implications

None

20. Recommendation

20.1 That the report on the Day to Day operations during the period of August 2019 September be noted

20.2 That the refurbishment & procurement of all municipal new and hired vehicles be done through fleet section.

**Item prepared by : The Acting Manager: Fleet**

**Item approved by Director : Infrastructure & Engineering:** VW Felton

**Noted by the Portfolio Councillor: 13/08/2020**

**KOUGA MUNICIPALITY (EC 108)**

**ORDINARY COUNCIL MEETING**

**INFRASTRUCTURE & ENGINEERING**

**DATE: 28 AUGUST 2020** **ITEM: 20/08/I&E4**

**REPORT: 100 ELECTRIFICATION PROJECT: PROGRESS REPORT AND SPENDING UP TO DATE**

1. Introduction

The purpose of this item is to report spending on the Kruisfontein 100 Electrification and bulk infrastructure project.

This project received grant funding of R 6 200 000.00 from the Department of Energy's INEP program for the 2019/20 financial year. The amount of R 6 200 000.00 has however been reduced by the Government with R 2 998 000.00 amounting to a shortfall of R 977 500 Incl. Vat.

The shortfall was funded with internal funding from a project that was cancelled, due to technicalities.

2. Background

The contractor resumes his duties from the start of lockdown 26 March 2020 on the 11 May 2020 on this project after the lockdown regulations was reduced to allow for construction projects to proceed.

The construction of the main line from Melkhout substation to Kruisfontein substation continued as per the bulk agreement. A two-week delay was experienced in June due to rainfall resulting in the ground being wet and vehicles got stuck in muddy conditions making access to the area rather difficult.

The 100 beneficiaries were relocated to the erven during June 2020 as construction progressed. Delays in the relocation were experienced as the elderly and vulnerable were given preference but were reluctant to move due to a lack of ablution facilities on site.

Completion of 80% of the connections has been done and it is envisaging completions as soon as the ablution challenge is sorted out and the rest of the beneficiaries move on to the erven.

3. Comment: Relevant Directorate

That budget for ablution facilities should be made available by the Human settlements department, for Housing projects. This will facilitate the relocation process much easier.

4. Comment: Chief Financial Officer

None

5. Comment: Municipal Manager

None

6. Financial Implications:

Spending on the 100-electrification project thus far excluding VAT:

| Local Area: Humansdorp- Kruisfontein | | |
|---|---|---|
| Ward: 5 | | |
| Project description: 100 Electrification & Bulk | | |
| DESCRIPTION: | R VALUE FINANCIALS: | % FINANCIALS |
| Original Budget: | R 6 002 000.00 | 100 % |
| Adjusted budget: | R 4 179 100.00 | 100 % |
| YTD Expenditure: | R 3 168 676.33 | 75.82% |
| Outstanding: | R 1 533 601.21 | 24.17% |

Spending on the project decreased due to uncertainty of funding being withheld as well as the implementation of the lockdown. The project will be completed with a reduced scope of work before end of June 2020. The contractor has re - established himself on site and subsequently started with the construction of the overhead line from Melkhout substation. All the material has been procured and delivered.

7. Legal implications

None

8. Other implications

None

9. Recommendation

9.1 That the report on the Kruisfontein 100 electrification project be noted.

**Item prepared by : Manager Electrical**

**Item approved by Director : Infrastructure & Engineering:** 


**Noted by the Portfolio Councillor:**  **13/08/2020**

**KOUGA MUNICIPALITY (EC 108)**

**ORDINARY COUNCIL MEETING**

**INFRASTRUCTURE & ENGINEERING**

**DATE: 28 AUGUST 2020** **ITEM: 20/08/I&E5**

**REPORT: ALLOCATION FOR ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT (EESDM) GRANT 2019/20**

1. Introduction

The purpose of this item is to report that Kouga municipality was allocated R 4 million conditional grant for the purpose of introducing energy efficient measures within the municipality's operations.

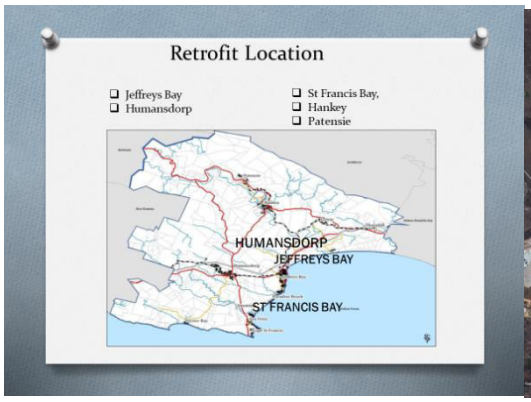
2. Background

Installations of the different lights took place in Jeffrey's Bay, Humansdorp, Hankey, Patensie, St. Francis Bay and Oyster Bay.

In Jeffrey's Bay, Humansdorp and St. Francis Bay the 125Watt streetlights were replaced with 37Watt LED lights.

In the Hankey, Patensie & Oyster Bay area's we replaced the 1000Watt Mercury Vapour high mast lights with 400Watt LED's and the 400Watt Mercury Vapour high mast lights with 200Watt LED lights.

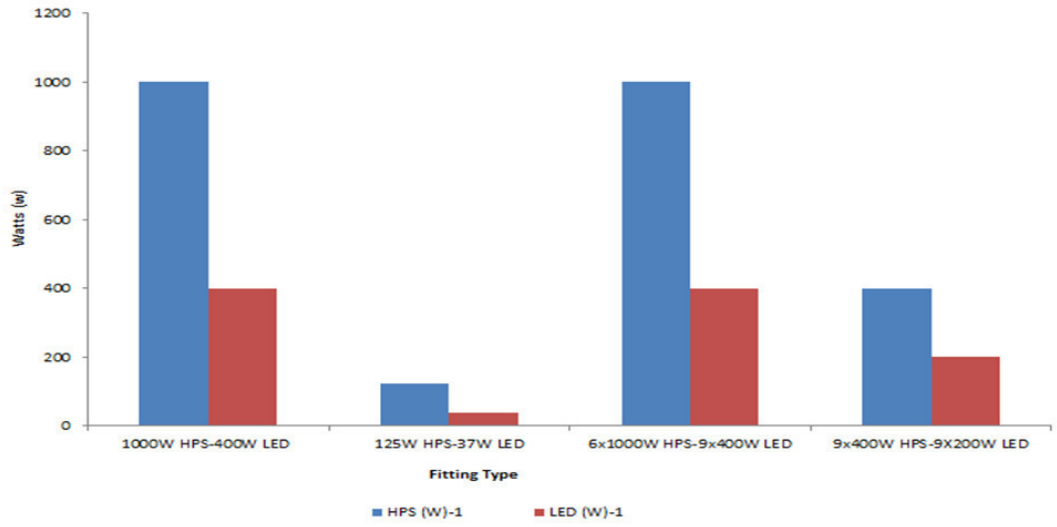
The cadastral pictures below is the mapping of where all installations has been done with regards to the streetlight installations thus far.



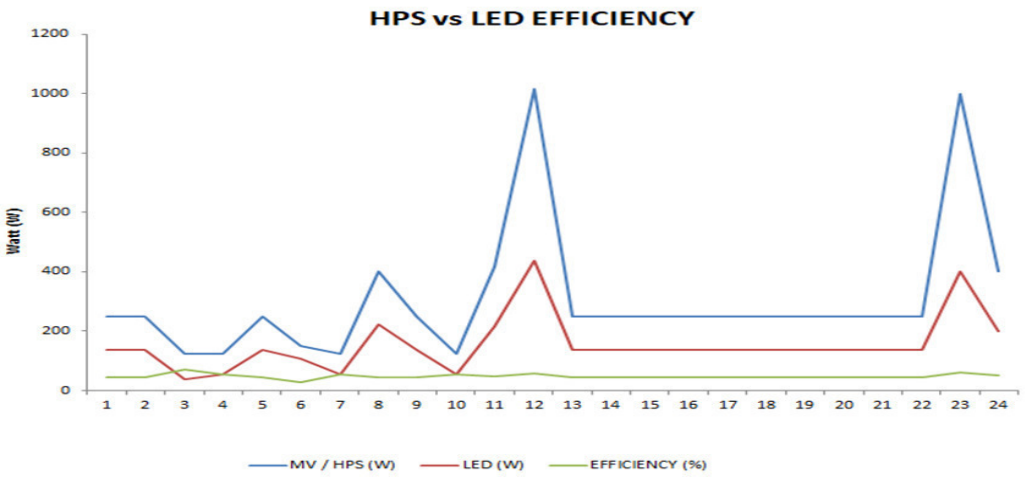





The two graphs below demonstrate the impact the LED lights have on the network. Th picture below is an illustration of the old versus the new technology.




This picture illustrates the saving in terms of efficiency of the lights while saving energy at the same time. The LED technology will allow us to spend less time on streetlight repairs as the light's modules have a 10 year life span, while providing a better light output.




These two pictures is basically what a typical high mast installation look like after the installation has been completed.





3. Comment: Relevant Directorate

Some of the funding will be utilized to further strengthen our drive in the reduction of energy to reduce strain on the national grid and to reduce our own municipal account.

Check metering on all Eskom meter points will be installed and monitoring software procured to monitor monthly accounts and build a load profile to motivate on further funding applications.

4. Comment: Chief Financial Officer

None

5. Comment: Municipal Manager

None

6. Financial Implications

Spending on the EEDSM Grant project thus far including VAT:

| Local Area: All areas within Kouga | | |
|---|---|---|
| Ward: all wards | | |
| Project description: LED Light replacement | | |
| DESCRIPTION: | R VALUE FINANCIALS: | % FINANCIALS |
| Original Budget: | R 4 000 000.00 | 100 % |
| Adjusted budget: | R 0.00 | - |
| YTD Expenditure: | R 3 959 996.87 | 98.99% |
| Outstanding: | R 40 003.13 | 1.02% |

7. Legal implications

None

8. Other implications

None

9. Recommendation

9.1 That the report on the allocation for Energy Efficiency and Demand side Management (EEDSM) grant be accepted.

**Item prepared by : Manager Electrical**

**Item approved by Director : Infrastructure & Engineering:** VW Felton

**Notes by the Portfolio Councillor:** Brilliant work team 13/08/2020

**KOUGA MUNICIPALITY (EC 108)**

**ORDINARY COUNCIL MEETING**

**INFRASTRUCTURE AND ENGINEERING**

**DATE: 28 AUGUST 2020** **ITEM NO: 20/08/I&E6**

**REPORT ON THE NEGOTIATIONS FOR THE PURCHASE OF ERF 9951 (PORTION 147 A PORTION OF PORTION 63 OF THE FARM KLEIN ZEEKOEI RIVIER NO 335): JEFFREYS BAY**

1. Introduction

The purpose of this item is to report to Council on the negotiations entered into in respect of the acquisition of the abovementioned Erf 9951, Jeffreys Bay.

2. Background

Council is advised that on 28 February 2020 it was resolved as follows:

***That the Municipal Manager be empowered to:***

***(a) Negotiate with the owner of Erf 9951 Jeffreys Bay for the purchase thereof***

***(b) Negotiate the purchase price within the value range provided by Evergreen Valuers (PTY) Ltd to the estimated amount of R90 000.00 and DDP Valuers tothe estimated amount of R360 000.00 and that a report on the negotiated purchase price be referred back to Council.***

***(c) Initiate all legal procedures to finalise the process of transferring the property, Erf 9951, to Kouga Municipality.***

Council is advised that the offer to purchase commenced at R90 000.00 but the Seller made a counter proposal of R360 000.00, and which counter proposal was based on the market related valuation of a willing buyer and a willing seller. Valuation is attached for ease of reference.

3. Financial Implications

The purchase price of R360 000 plus R54 000 (VAT @ 15%).
Transfer costs: Approximately R15 000.00

6. Recommendation

6.1 That Erf 9951, Jeffreys Bay be purchased at the purchase price of R360 000.00 plus VAT.

6.2 That the Municipal Manager be authorized to enter into a Deed of Sale for the acquisition of the said Erf 9951, Jeffreys Bay.

**Item prepared by** : **Director: Infrastructure & Engineering**




**Item noted by the Portfolio Chairperson** **17/08/2020**

EVERGREEN VALUERS Pty Ltd

*Year Round Meticulous*

# Erf 9951 Jeffrey's Bay




## VALUATION REPORT

Erf 9951 Jeffrey's Bay

Jeffrey's Bay

Eastern Cape, South Africa

## DATE OF VALUATION

10 June 2016

## MARKET VALUE

Vacant Land– R 360 000

## REFERENCE NO.

2019/9951



EVERGREEN VALUERS Pty Ltd ©
Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za

# Table of Contents

**A. GENERAL REPORT** ..... 3
1. INSTRUCTION ..... 3
2. PURPOSE OF VALUATION ..... 3
3. DATE OF VALUATION ..... 3
4. EFFECTIVE DATE OF VALUATION ..... 3
5. DATE OF INSPECTION ..... 3
6. ASSUMPTIONS & LIMITATIONS ..... 3
7. CERTIFICATE OF VALUATION ..... 4
**B. SUBJECT REPORT** ..... 5
8. HISTORICAL BACKGROUND ..... 5
9. LEGAL INTEREST & CONDITIONS ..... 5
10. MUNICIPAL INFORMATION ..... 6
11. LOCATION ..... 7
12. SITE ..... 10
13. SERVICES ..... 10
15. HIGHEST AND BEST USE (HABU) ..... 12
16. METHODOLOGY ..... 12
**C. MARKET REPORT** ..... 13
17. MARKET IDENTIFICATION ..... 13
18. MARKET TENDENCIES ..... 13
19. MARKET RESEARCH ..... 15
**D. VALUE REPORT** ..... 20
20. SUMMARY OF MARKET RESEARCH ..... 20
21. ACCEPTANCE AND REJECTION OF DATA ..... 20
22. APPLICATION AND CONCLUSION ..... 22
I. REPORTING STANDARDS AND PRINCIPLES ..... 22
II. VALUATION METHODS / APPROACHES ..... 25
III. DEFINITIONS OF VALUE ..... 29
IV. TITLE DEED ..... 31
**None Available** ..... 31
V. SECTIONAL TITLE PLANS ..... 31



EVERGREEN VALUERS PTY Ltd ©
Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za

# A. GENERAL REPORT

## 1. INSTRUCTION

My client, Kouga Municipality (Mr Vuyisani Dala), duly instructed me, Le-Shaun Ferreira, on the 25th of Novemeber 2019 to determine the **Market Value** of the property in question. The subject property is a vacant land held under **Freehold** ownership.

## 2. PURPOSE OF VALUATION

The purpose of this valuation report is to determine the value for Purchase purposes.

## 3. DATE OF VALUATION

The property is to be valued as at the 28th of November 2019.

## 4. EFFECTIVE DATE OF VALUATION

The effective date of valuation is the 28th of November 2019.

## 5. DATE OF INSPECTION

The property was inspected on the 28th of November 2019.

## 6. ASSUMPTIONS & LIMITATIONS

Not applicable for this report.



EVERGREEN VALUERS PTY Ltd ©
Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za

# 7. CERTIFICATE OF VALUATION

I am of the opinion that the **market value of R 360 000** (Three Hundred and Sixty Thousand Rand) is a fair indication of the market value as at the 28th of November 2019.



Le-Shaun Ferreira

Professional Valuer (Reg. No. 7007/2, NDREE)



EVERGREEN VALUERS PTY Ltd ©
Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za

# B. SUBJECT REPORT

## 8. HISTORICAL BACKGROUND

Mr Vuyisani Dala informed me that Kouga Municipality requires a valuation for the purpose of purchasing the subject property. The subject property is currently uncategorized as pertaining to the current zoning.

## 9. LEGAL INTEREST & CONDITIONS

The property formerly known as Portion 147 (a portion of Portion 63) of the Farm Estate, Klein Zeekoe Rivier No. 335, which has not yet registered a title deed number, and is registered in the name of Tantus Trading 301 Pty Ltd. It is further described as:

"Erf 9951, Jeffrey's Bay, Eastern Cape, South Africa, Kouga municipality, being 4591 m² in extent."

**Purchase Price:** Not indicated

**Date of Sale:** Not indicated

**Date of Registration:** Not indicated

**Mortgage Bond**: None

**Endorsements/Servitudes:** None where noticed, as such, no inspection further into this nature was made and it's assumed not to be value affecting.



EVERGREEN VALUERS PTY Ltd ©
Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za

# 10. MUNICIPAL INFORMATION

## MUNICIPAL VALUATION

None

## TOWN PLANNING CONDITONS

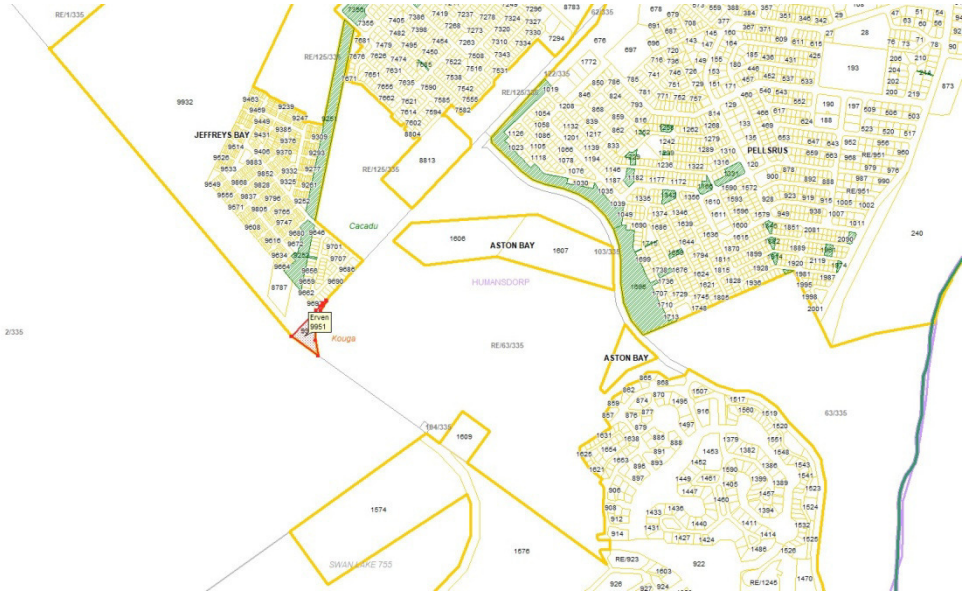
Local Authority: Kouga Municipality.

No information was available.



EVERGREEN VALUERS PTY Ltd ©
Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za

# 11. LOCATION




**LOCALITY PLAN**




**AERIAL PHOTO**



EVERGREEN VALUERS PTY Ltd ©
Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za

## MACRO LOCATION

Jeffrey's Bay is situated approximately 13 km East of Humansdorp and 60 km east from Port Elizabeth along the N2 national road.

Jeffrey's Bay provides most immediate amenities such as schools, medical clinic services, police station as well as shopping centres. More purchasing power is available in the form of Humansdorp, noted. Jeffrey's Bay is a popular holiday destination and especially known for its surfing competitions. The town of Jeffrey's Bay has shown good growth in the last couple of years with an increase in permanent residents.

## MICRO LOCATION

The subject property is located in outskirts of Jeffrey's Bay, approximately 1.775 km South East of Koraal Street on Dolphin Drive. The subject property is a subdivision of Portion 63 (remaining extent) of the Farm Estate Klein Zeekoe Rivier No. 335, which is located between the town of Jeffrey's Bay and Aston Bay approximate 5km to the west.

## GPS CO-ORDINATES

S 34˚ 04' 04.89"

E 24˚ 54' 14.12"

## SURROUNDING NEIGHBOURHOOD

To the west of the subject property is grazing land, to the north is a party enclosed power utility and a water treatment building, and to the east of the property, the municipality is currently busy with installing services for the future extension. The suburb profile consists primarily of residential and lower income properties.



EVERGREEN VALUERS PTY Ltd ©
Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za

## AMENITIES AND IMPORTANT POINTS

| Amenity | Type | Distance (km) |
|---|---|---|
| Jeffreys Bay - Main Beach | Beach | 1.55 km |
| Dolphin Beach | Beach | 1.62 km |
| Beach | Beach | 3.29 km |
| Caltex Caltex Wavelands | FillingStation | 2.09 km |
| BP Jeffreys Bay | FillingStation | 2.49 km |
| Engen Wavecrest Convenience Centre | FillingStation | 3.85 km |
| Policlinic - Jeffreys Bay | Hospital/Clinic | 2.46 km |
| SAPS - Jeffreys Bay | PoliceStation | 1.41 km |
| Makukhanye Primary School | PrimarySchool | 0.67 km |
| Pellsrus Primary School | PrimarySchool | 1.09 km |
| Elijah Christian School | School | 1.04 km |
| Skippers Centre | ShoppingCentre | 1.10 km |
| Wavecrest Convenience Centre | ShoppingCentre | 1.29 km |
| Pick 'n Pay Shopping Centre | ShoppingCentre | 1.97 km |
| Global Leadership Institute | TertiaryInstitution | 1.97 km |

### Public Transport

Sufficient public transport infrastructure is in place i.e. rail, busses, and mini-busses (taxi's).

### Recreation

Recreational options are available within the area.

### Shopping

Wavecrest Shopping Centre is located within 1.3km from the subject property.

### Employment

Employment options are available within the area.



EVERGREEN VALUERS PTY Ltd ©
Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za

# 12. SITE

### FORM AND SUB-DIVISION

The stand is an irregular shape, has a slight slope to the west with no noted sub-division proposals. The property is currently unimproved with an uncategorized zoning.

# 13. SERVICES

### ROADS

Sufficient surrounding road infrastructures are in place. Roads are mainly of tarred composition except for the new extension the municipality is busy providing services.

### ELECTRICITY, WATER, SEWERAGE AND STORMWATER

The subject property is currently vacant land.

**Site Photos**



EVERGREEN VALUERS PTY Ltd ©
Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za






EVERGREEN VALUERS PTY Ltd ©
Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za










## 15. HIGHEST AND BEST USE (HABU)

Highest and Best Use can be described as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued. The current use has limiting options as the stand has undetermined zoning, property usage as residential would not be financially recommended. The usage of PSI would in this instance be the highest and best use of the property in this point in time.

## 16. METHODOLOGY

### VALUATION METHODS / APPROACHES

There are 5 generally accepted methods or approaches to value i.e. The Sales Comparison-, the Income Capitalization-, the Depreciated Replacement Cost (DRC)-, the Residual-, and the Profits method. Please refer to the appendices for description. As this is a valuation utilizing the comparable sales method, the value will be determined by comparable sales in the immediate area and surroundings to establish a market trend to be applied to the subject property.



EVERGREEN VALUERS PTY Ltd ©
Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za

# C. MARKET REPORT

## 17. MARKET IDENTIFICATION

As the comparable sales method has been adopted, the market will be investigated for propertied unimproved properties that sold in the past 2 years. Only properties with similar attributes will be considered, but as the subject property is not a property that is available on the open market very often, some adjustment would be necessary to reflect market norms of the subject property. There were 99 vacant land transactions in Jeffrey's bay in the past two years within the immediate vicinity of the subject property. These sales range from R 146.15/m² to R 1181.10/m². Only two transactions are a similar extent to the subject property. There were only one vacant land transactions in Pellsrus in the past two years. This transaction had a selling rate of R 87.29/m². Unfortunately this transaction does not have the shape, extent and zoning of the subject property. There were only two vacant land transactions in Kruisfontein in the past two years. These sales range from R 15.18/m² to R 52.29/m². Sufficient information is available for the valuation.

## 18. MARKET TENDENCIES

### MACRO ECONOMIC TENDENCIES

Prime property generates higher income returns, with low vacancy rates and higher rentals generally provide good income streams. The economic downturn over the past few years have led to increased yields, but this has recently stabilised with certain nodes within the property industry in the major cities reporting a sideways movement in vacancies.

Various factors have a negative influence on the economy, including but not limited to the Rand exchange rate, inflation, transport costs, food process, labour costs and property running costs. It has been noted that the running costs of properties are becoming increasingly important, as this often affects the affordability of property as an asset class.

The headline CPI (for all urban areas) annual inflation rate in August 2019 was 4.3%, up from 4.0% in July 2019. The annual percentage change in the PPI for final manufactured goods was 4.5% in August 2019 down from 4.9% in July 2019. The unemployment rate increased from 27.60% in the first quarter of 2019 to 29.00% in the second quarter.

In late March, SARB Governor Lesetja Kganyago said the central bank expected SA's GDP growth for 2019 to average 1.3%, down from the bank's January projection


EVERGREEN VALUERS PTY Ltd ©
Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za

of 1.7%. In October 2019 they lowered this rate to under 1.0%. The bank's forecast for 2020 was 1.8%, down from 2.0% Various new and increases in tax were announced and this together with increased municipal costs, fuel, medical aid, low salary increases and other will put pressure on individual household spending.

The minister painted a bleak picture as the country struggles with rising expenditure, failing SOEs and declining revenues, but outlined several processes underway to try and rein things in.

In the medium term, spending reductions are expected at R50.3 billion, while provisional allocations of R75.3 billion have been budgeted, mainly to deal with the Eskom crisis.

The country's budget deficit has widened because of Eskom and because of a revenue shortfall, and is now seen at 4.5% of GDP in 2019-20 – up from the 4.2% forecast in the October mid-term statement. Expenditure in 2019 is expected at R1.83 trillion, with the bulk (R1.1 trillion) going to social services.

State wages and compensation remains the largest category of spending, accounting for 34.4% of consolidated expenditure – a level which the finance minister described as "unsustainable". Measures are in place to realise a R27 billion reduction in spending here, he said.

Local economists further predict that it will take considerably longer for market conditions to improve, as investors and the public in general has lost confidence, with the recent decrease in interest rates doing little to stimulate the market.

Any easing of mortgage loan criteria's by the financial institutions in the short-term is not forecasted, as upside risks regarding uncertainty in job security and income growth continue.

## MICRO ECONOMIC TENDENCIES

On a micro level, the immediate node, Jeffrey's Bay, is an old well-established mixed use node, which is popular amongst the small to medium scale concerns. Most of the tenants / owners have been trading from this area for many years and this trend is expected to continue in future. The majority of the work force reside in the greater node and as such enjoy the advantage of working close to home.

On the residential side, Jeffrey's Bay is a holiday town that is popular among retirees and holiday goers. Jeffrey's Bay is surrounded by an agricultural community that consists of smallholdings, dairy farms in Humansdorp RD, lifestyle estates and citrus farms (Patensie) that contributes to the economy of the area.

Demand for vacant land in the area is considered limited and mostly known for low-cost RDP developments and informal houses located to the north of Aston Bay.


EVERGREEN VALUERS PTY Ltd ©
Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za

# 19. MARKET RESEARCH

**TRANSACTIONS**




**Transaction 1**

Erf 8607

Jeffrey's Bay

This transaction was sold on the 31th of May 2018 for R 1 500 000 which is approximately 4400m from the subject property. The stand is measuring 3399m² in extent and is a rectangular/square shape. This transaction had a selling rate of R 441.31 m².



EVERGREEN VALUERS PTY Ltd ©
Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za




**Transaction 2**

Erf 3931

Jeffrey's Bay

This transaction was sold on the 2nd of July 2018 for R 1 380 000 which is approximately 5200m from the subject property. The stand is measuring 3705m² in extent and is a rectangular/square shape. This transaction had a selling rate of R 372.47 m².



EVERGREEN VALUERS PTY Ltd ©
Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za




**Transaction 3**

Erf 1781

Kruisfontein

This transaction was sold on the 26th of July 2018 for R 145 000 which is approximately 16820m from the subject property. The stand is measuring 2773m² in extent and is a rectangular shape. This transaction had a selling rate of R 52.29 m².



EVERGREEN VALUERS PTY Ltd ©
Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za




**Transaction 4**

Erf 100

Kruisfontein

This transaction was sold on the 6th of February 2019 for R 130 000 which is approximately 17380m from the subject property. The stand is measuring 8565m² in extent and is a rectangular shape. This transaction had a selling rate of R 15.18 m².



EVERGREEN VALUERS PTY Ltd ©
Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za

## SALES COMPARISON SCHEDULE

| Description | Transaction 1 | Transaction 2 | Transaction 3 | Transaction 4 |
|---|---|---|---|---|
| Erf | 8607 | 3931 | 1781 | 100 |
| Suburb | Jeffrey's Bay | Jeffrey's Bay | Kruisfontein | Kruisfontein |
| Sale Date | 31/05/2018 | 02/07/2018 | 26/07/2018 | 06/02/2019 |
| Price | R 1 500 000 | R 1 380 000 | R 145 000 | R 130 000 |
| Adjusted Price | R 1 545 643.20 | R 1 417263.60 | R 148 915.38 | R 132 182.99 |
| Extent | 3399 | 3705 | 2773 | 8565 |
| Security | Gently Superior | Similar | Similar | Similar |
| Surrounding Works | Superior | Superior | Similar | Similar |
| Landscaping | Gently Superior | Gently Superior | Similar | Similar |
| Frontage | Similar | Similar | Similar | Similar |
| Location | Superior | Superior | Inferior | Inferior |
| Zoning | Superior | Superior | Gently Superior | Gently Superior |



EVERGREEN VALUERS PTY Ltd ©
Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za

# D. VALUE REPORT

## 20. SUMMARY OF MARKET RESEARCH

Market selling rates varied depending on various value affecting factors such as extent, shape of stand, zoning, surrounding works and location. Based on the unimproved information (Transaction 1 to 4,) the selling rate for the subject property is between R 15.43 $m^2$ and R 454.73 $m^2$.

## 21. ACCEPTANCE AND REJECTION OF DATA

Transaction one is considered superior to the subject property, zoned commercially, shape is superior as well as the surrounding works. As such the selling rate of the subject property should be much lower than transaction one.

Transaction two is considered superior to the subject property, zoned residential (prime cluster home or sectional title development land), shape is superior as well as the surrounding works. As such the selling rate of the subject property should be much lower than transaction two.

Transaction three is considered slightly inferior to the subject property, zoned residential, shape is superior, but the surrounding works are similar. As such the selling rate of the subject property should be higher than transaction three.

Transaction four is considered inferior to the subject property, zoned residential, shape is superior, but the surrounding works are similar. As such the selling rate of the subject property should be much higher than transaction four.

The following information was considered in the quantification of value for the subject property:

*Estate Late Marks v Pretoria City Council 1969 3 SA 227 (A)-"COMPARABLE TRANSACTIONS afford best guide to fix MARKET VALUE."*

*Sri Raja Vyricherla Narayana Gajapatiraju Bahadur Garu v Revenue Divisional Officer, Vizagapatam [1939] 2 All ER 317 – "In this case where the acquirer is the only likely purchaser, the market value must be determined (between willing buyer and seller) to the best of ability, and taking potential into account in the same way as if there were a number of purchasers. The valuation must be made at the value before acquisition, not thereafter."*



EVERGREEN VALUERS PTY Ltd ©
Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za

As indicated by court cases, the method adopted in this valuation stands firm. The second court case involves only one likely purchaser (in this particular case Kouga municipality), but as indicated by the judge, the valuation must be made for multiple purchasers in the open market. It further states that the property should be valued based on the current use, rather than the future possible uses.

The subject property is an irregularly shaped stand which reduces the optimal development of the property. The location and surrounding works of the subject property is not ideal. Upon inspection it would seem the water treatment overflowed over the stand as the smell, as well as the discoloration of the soil, was immediately noted.

That being said, the subject property should have a slightly higher rate than transaction three and a much lower selling rate to transaction two. The transactions in the area were not directly comparable, as some adjustments would have been needed to quantify value of the subject property. The value of the subject property is between R 60.00 m² and R 90.00 m².

Taking cognizance of the other value forming attributes listed i.e. extent, zoning, location, etc., we believe a good reflection of the true market value would be **R358 098.00,** with a selling rate **of R 78/m²**, Say R 360 000.00.



EVERGREEN VALUERS PTY Ltd ©
Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za

# 22. APPLICATION AND CONCLUSION

Allowing for all aspects of differences the property is estimated at a value of

Vacant land - R 360 000 (Three Hundred and Sixty Thousand Rand) representing a selling rate of R 78.41/m².

# APPENDICES

## I. REPORTING STANDARDS AND PRINCIPLES

### VALUATION STANDARDS

This valuation has been conducted in accordance with the ethics and code of conduct of The SA Council for the Property Valuers Profession (SACPVP) and The SA Institute of Valuers (SAIV). The report complies with the Standards and Generally Accepted Valuation Principles (GAVP) of the International Valuations Standards Committee (IVSC). The report conforms to the requirements of IAS 16 as per International Financial Reporting Standards (IFRS).

### ACCURACY OF INFORMATION

Information provided by the property owners, parties to sale and others are assumed to be reliable but the accuracy thereof is not guaranteed. No responsibility can be assumed for the non-disclosure of any information or value affecting factors to Evergreen Valuers (Pty) Ltd.

### LAND TENURE

It is assumed that the title to the property is marketable, that the property, other than where stated in the report is free and clear of alien rights or encumbrances, and that there are no defects in title.

### DEDUCTIONS/RETENTIONS

The properties concerned have been valued free of any encumbrances unless specifically stated. Therefore, no deductions for outstanding mortgage bonds, loans or other have been made.

### VALUE ADDED TAX (VAT)

All valuation amounts exclude VAT.


EVERGREEN VALUERS PTY Ltd ©
Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za

## CALCULATION OF AREAS

All areas are measured onsite and in accordance with the latest release of "SAPOA Method for Measuring Floor Areas in Commercial and Industrial Buildings".

## LAYOUT PLAN

Plans included in the report are for information purposes only and may not necessarily be to scale.

## INCOME AND EXPENSES

Any agreements or restrictive covenants entered into between the landlord and any other party, of which the valuer has no knowledge or has not been made aware of, is excluded from the valuation. The income and expenses are therefore considered under 'normal' market conditions unless specifically stated to the contrary i.e. adoption of leases or relevant documentation.

## LEGAL SIZE

The boundaries of the properties as indicated by the client or any duly authorized individual whether by physical inspection or relevant documentation is assumed to be the legal extent of the property. No responsibility is taken for variations in size due to extension or omission.

## SITE CONDITION AND CONTAMINATION

No investigation as to the site condition with specific reference to ground conditions, services, hazardous or noxious substances has been conducted. Present or future contamination use/possibilities of the subject and/or abutting properties are assumed to be in order.

## CONDITION OF IMPROVEMENTS

We have not carried out a structural survey of any of the improvements. Any structural defects (patent or latent), including hazardous material or techniques employed during construction, as revealed by visual inspection can be noted in this report, though is excluded from the value unless explicitly stated to the contrary.

All equipment, apparatus, and electrical installations (including wiring as per the accepted standards of compliance to SANS) is assumed in order and working conditions unless explicitly stated to the contrary.

## STATUTORY NOTICE AND UNLAWFUL USE

The valuation was performed free of any restrictions/limitations by statutory notices and unlawful uses unless explicitly stated in this report.


EVERGREEN VALUERS PTY Ltd ©
Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za

## SOURCES OF INFORMATION

Several of the sources of information are listed under the "References" paragraph. In some instances information is obtained verbally or in writing whether telephonically, internet based, interview or other. These sources can be made available if required.

## CONFIDENTIALITY

Neither all nor any part of this report shall be conveyed to the public or anybody other than the addressee or their principals through advertising, public relations, news sales or any other media without the written consent of the author. This particularly pertains to the valuation conclusion, the identity of the valuer or any reference to the professional organisations to which he/she belongs. No responsibility is taken to any other party for the use of these valuations.

## VALUERS CLAUSE

The Valuer states that he/she has physically inspected the properties and/or assets. Neither the Valuer, nor Evergreen Valuers (Pty) Ltd (or any of its employees) have any vested interest (present or future) in the properties or other interest which would affect the statements, conditions and values found within this report. The valuation is therefore conducted entirely on an independent and unbiased basis by an external valuer employed/associated with Evergreen Valuers (Pty) Ltd, with the valuation fee not dependent on the specified amounts of value.

## INDEMNITY CLAUSE

Every effort has been made to ensure that this valuation fairly reflects the value of the properties concerned. We will, however, not be liable for any loss and/or damage which might be suffered should this valuation prove to be inaccurate in the event of uncontrollable external factors and "acts of God". Reliance, upon this valuation, can accordingly be entirely at own risk.



EVERGREEN VALUERS PTY Ltd ©
Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za

# II. VALUATION METHODS / APPROACHES

## VALUATION METHODS / APPROACHES

There are 5 generally accepted methods or approaches to value i.e. The Sales Comparison-, the Income Capitalization-, the Depreciated Replacement Cost (DRC)-, the Residual-, and the Profits method.

### Sales Comparison Method / Approach

"A comparative approach to value that considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison."

The first method is the sales comparison approach. In a perfect market (or even a share market) a pattern or trend of prices can be observed by participants or potential participants. However, the very differentiation of a market is a collection of buyers and sellers with differing tastes and needs in terms of property. For example, the investor might be placing a premium on security rather than a higher return. Property prices needs to be analyzed and interpreted in order to obtain the true values utilized in the comparison analysis. This method is the preferred approach to value accepted by courts as less room is given to either too many variables or non-market information.

Minister of Agriculture v Davey 1981 3 SA 877 (A) at 881: "Mr Junod (for applicant) ARGUES: the method of using comparables as a guide to what the hypothetical buyer and seller would have agreed upon…has been held to be the most reliable method…It is seldom, if ever, that our courts are confronted with a situation where the comparable material is a mirror-like reflection of the expropriated property (to be valued). What the valuer is looking for is a sale of a property which is similar, not identical."

### Income Capitalization Method / Approach

"A comparative approach to value that considers income and expense data relating to the property being valued and estimates value through a capitalization process."

The second method is applied when income generating capabilities is present and is considered by the market as forming the primary basis for value. The capital value arrived at is the value attributed to the right to an annual income stream. This approach, to name a few, entails a research and analysis of transaction prices of similar or comparably substituting properties, rental rates, expense ratios, yields, capitalization rates, tenant covenants, and risk. In essence this approach entails an income stream from which expenses are deducted, the net income is then capitalized (income is converted to capital) by dividing it with a capitalization


EVERGREEN VALUERS PTY Ltd ©
Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za

factor. Although the value is determined by capitalization, the basis of information researched and analyzed by utilizing the comparison approach. This method, therefore, is a combination of income and expense data though valued by processes of comparison.

An extended form of this method can be seen in the Discounted Cash Flow (DCF) approach and is defined as:

"A financial modeling technique based on explicit assumptions regarding the prospective cash flow to a property or a business. As an accepted methodology within the income approach to valuation, DCF analysis involves the projection of a series of periodic cash flows either to an operating property, a development property, or a business. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish an indication of the present value of the income stream associated with the property or business. In the case of operating real properties periodic cash flow is typically estimated as gross income less vacancy and collection losses and less operating expenses/outgoings. The series of periodic net operating income along with an estimate of the reversion/terminal value/exit value, anticipated at the end of the projected period, is then discounted. In the case of development properties, estimates of capital outlays, development costs, and anticipated sales income are estimated to arrive at a series of net cash flows that are then discounted over the projected development and marketing periods. In the case of a business, estimates of periodic cash flows and the value of the business at the end of the projection period are discounted. The most widely used application of DCF analysis are the Present Value (PV) or Net Present Value (NPV), and the Internal Rate of Return (IRR) of cash flows."

**Depreciated Replacement Cost (DRC) Method / Approach**

"The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation."

The third method, known as the depreciated replacement cost (DRC) method, is appropriate when little to no market evidence is available and the property does not transact readily in the market. A specialised property is a type of property that is rarely, if ever, sold in the market, due to the uniqueness of its specialised nature, design, configuration, size, and/or location. The approach entails the measuring of the improvements (buildings, site works) to which the appropriate construction costs are applied, resulting in the new replacement (or reproduction) cost. A depreciation factor (being composed of three factors namely physical deterioration, functional obsolescence, and external or economical obsolescence) is applied to the replacement values per category or segment in order to arrive at the present day value for the improvements.

Physical deterioration: Physical deterioration is as a result of wear and tear and lack of maintenance. Different methods can be used to estimate the amount required


EVERGREEN VALUERS PTY Ltd ©
Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za

for repair. Estimates can consist of specific elements of depreciation or charges of contractors or direct comparison of similar properties.

Functional obsolescence: changes in technology making the new assets more efficient. Functional obsolescence can also include changes in buyer preferences/tastes.

External obsolescence: This is the effect on value that external influences have due to changes in the economy, costs, availability of raw materials, utilities, and labour.

The market value of the land as if unimproved is then to be determined and added to this depreciated amount with the total amount reflecting the market value for the property.

### Residual Method / Approach

"The estimated amount that an entity would currently obtain from the disposal of an asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life."

The fourth method, known as the residual method, is widely used by developers to determine the value of land or the bid amount (the amount which the developer is willing to pay) for a piece of land given the proposed development. This approach, therefore, is applicable where a valuation is to be conducted for undeveloped land or where redevelopment of an obsolescent piece of land demands it. The first step is to estimate the value of the development as complete, whether it's a township development or residential development or any other use or type of building. Then an allowance for development costs, professional fees, advertising and marketing costs, financing costs, developer's profit and risk is deducted from the value as complete which results in the residual value.

### Profits Method / Approach

The fifth method is the profit's method and is sometimes referred to as the accounting method. In general, the rental amounts and capital values are usually influenced by the potential to generate profit. Resultantly, profits can be used as a basis to determine the value of a property. The method entails an estimation of the gross annual income or turnover from which cost of sales and operating expenses are deducted. The net balance is then divided into a rent and profit split. The rental split is capitalized at an appropriate capitalization factor. In addition, the goodwill is to be ascertained at a market related multiplier with the market represented by the total of these two amounts. The second approach takes the estimated net profit only, divides it into a rental and profit split, and capitalizes the rental amount in order to determine the value of the business "lock, stock and barrel".


EVERGREEN VALUERS PTY Ltd ©
Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za

## General

In certain circumstance it may be necessary to value on non-market based information. For example:

**a.)** a number of buildings can be compared on a cost basis to ascertain whether the property will be obtained at a bargain or a premium. It's useful to note that this approach centres on the property while costs can possibly not be market related.

**b.)** An owner may be willing to pay a premium for an adjoining property due to the potential or utility also known as Plottage Value i.e. where the whole represents more than the sum of the individuals.

**c.)** The owner may require the application of a rate of return in an income capitalisation approach which is non-market related and specific to that investor or Portfolio Company and their financial capabilities.

**d.)** It has been said that any method will be accepted, in the occasion of alternative approaches not being applicable, if it can be suitably motivated. Whenever a valuation is conducted on a non-market basis, then the definition of value should be provided i.e. investment value, synergistic value, etc.


EVERGREEN VALUERS PTY Ltd ©
Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za

# III. DEFINITIONS OF VALUE

## IVSC DEFINITIONS OF VALUE

### Fair Value

"Fair Value can be defined as the amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties in an arm's-length transaction."

Fair Value if market based is the equivalent of the Market Value definition, however, if a bases other than market value have been adopted then the definition of value should be included.

### Investment Value

"The value of property to a particular investor, or a class of investors, for identified investment or operational objectives. This subjective concept relates specific property to a specific investor, group of investors, or entity with identifiable investment objectives and/or criteria."

### Residual Value

"The estimated amount that an entity would currently obtain from disposal of an asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life."

"The net amount which the entity expects to obtain for an asset at the end of its useful life after deducting the expected costs of disposal."

### Market Rent

"The estimated amount for which a property, or space within a property, should lease on the date of valuation between a willing lessor and a willing lessee on appropriate terms in an arm's-length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion." (Whenever Market Rent is provided, the appropriate lease terms" which it reflects should also be stated.

### Market Value

"The Market Value can be defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

### Mortgage Lending Value (MLV)

"The value of the property as determined by a prudent assessment of the future marketability of the property taking into account long-term sustainable aspects of the property, the normal and local market conditions, and the current use and alternative appropriate uses of the property. Speculative elements shall not be taken into account in the assessment of mortgage lending value. The mortgage lending value shall be documented in a transparent and clear manner."


EVERGREEN VALUERS PTY Ltd ©
Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za

### New Replacement Cost

"A replacement cost estimate envisions constructing a structure of comparable utility, employing the design and materials that are currently used in the market."

### New Reproduction Cost

"The cost to create a virtual replica of the existing structure, employing the same design and similar building materials."

### Synergistic Value

"An additional element of value created by the combination of two or more interests where the value of the combined interests is worth more than the sum of the original interests."

### Liquidation Value

"The value of assets estimated with regard to specific circumstances under which the assets are sold. Liquidation value describes a situation where a group of assets employed together in a business are offered for sale separately, usually following a closure of the business. Although associated with forced sale, these terms have distinct meanings. There is no reason why assets cannot be liquidated by an orderly sale following proper marketing."

### International Financial Reporting Standards (IFRS)

International Financial Reporting Standards (IFRS) differentiates between physical (tangible) and non-physical (intangible) assets:

Current assets: These are assets that will not be utilised on a continuing basis with regards to the activities of an entity. For example stock, cash, short-term investments. Real estate can sometimes be treated as current assets where it's held in inventory for sale i.e. it's traded as a commodity.

Non-current assets: This is fixed or long-term assets and can be divided into two main categories:

Property, plant and equipment: These are assets that will be utilised on a continuing basis with regards to the activities of an entity. These assets are physical or tangible.

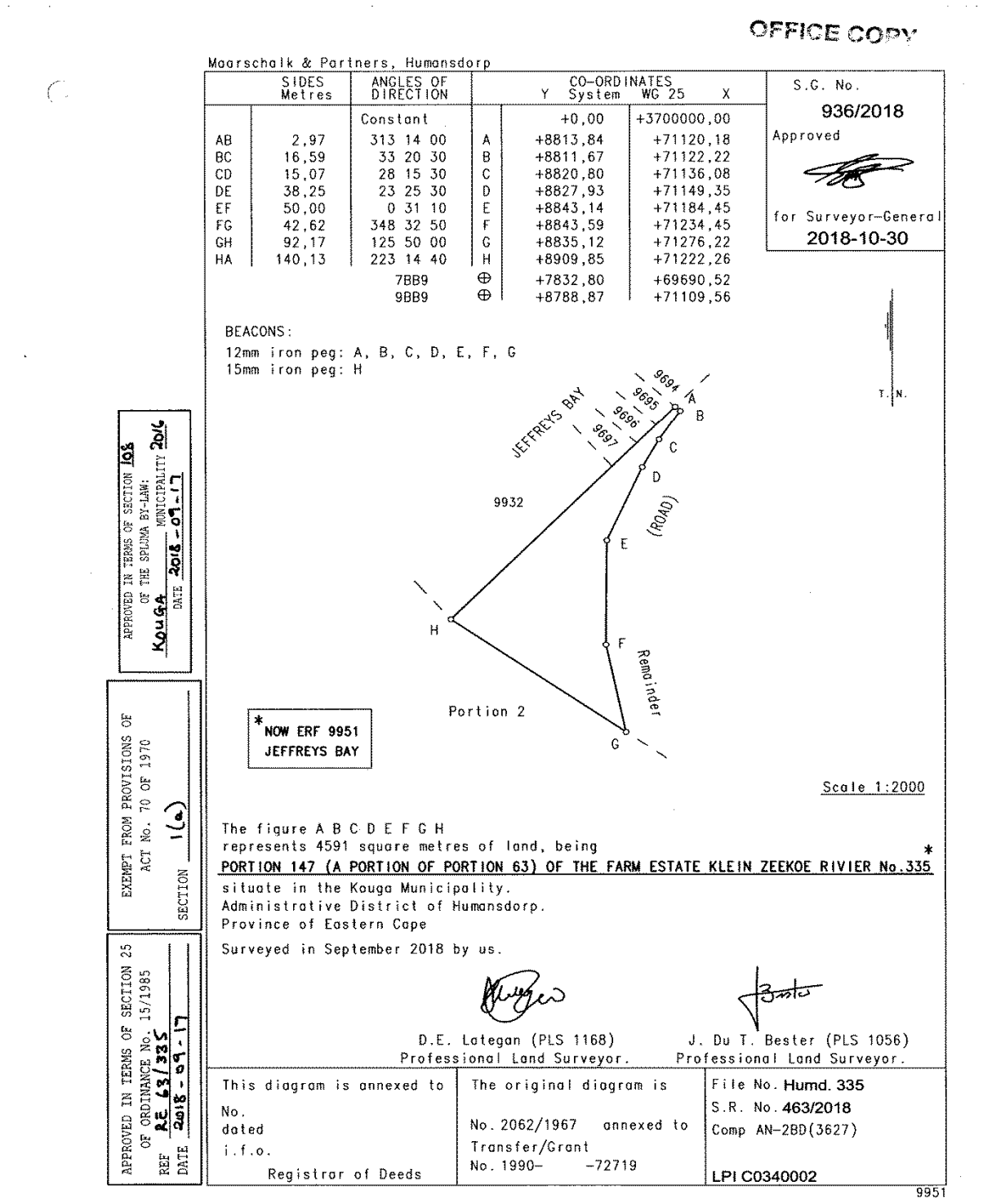
Other non-current assets: These are assets that will not be utilised on a continuing basis with regards to the activities of an entity but is expected to be held in long-term ownership. For example, long-term investments, receivable, goodwill, expenditure carried forward, patents & trademarks.


EVERGREEN VALUERS PTY Ltd ©
Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za

## IV. TITLE DEED

**None Available**

## V. SECTIONAL TITLE PLANS



OFFICE COPY

Maarschalk & Partners, Humansdorp

| | SIDES Metres | ANGLES OF DIRECTION | | CO-ORDINATES Y System WG 25 | X |
|---|---|---|---|---|---|
| | | Constant | | +0,00 | +3700000,00 |
| AB | 2,97 | 313 14 00 | A | +8813,84 | +71120,18 |
| BC | 16,59 | 33 20 30 | B | +8811,67 | +71122,22 |
| CD | 15,07 | 28 15 30 | C | +8820,80 | +71136,08 |
| DE | 38,25 | 23 25 30 | D | +8827,93 | +71149,35 |
| EF | 50,00 | 0 31 10 | E | +8843,14 | +71184,45 |
| FG | 42,62 | 348 32 50 | F | +8843,59 | +71234,45 |
| GH | 92,17 | 125 50 00 | G | +8835,12 | +71276,22 |
| HA | 140,13 | 223 14 40 | H | +8909,85 | +71222,26 |
| | | 7BB9 | ⊕ | +7832,80 | +69690,52 |
| | | 9BB9 | ⊕ | +8788,87 | +71109,56 |

S.G. No. 936/2018
Approved
for Surveyor-General
2018-10-30

BEACONS:
12mm iron peg: A, B, C, D, E, F, G
15mm iron peg: H

T.N.

JEFFREYS BAY
9694
9695
9696
9697
9932
(ROAD)
Remainder
Portion 2
A
B
C
D
E
F
G
H

* NOW ERF 9951 JEFFREYS BAY

Scale 1:2000

The figure A B C D E F G H
represents 4591 square metres of land, being *
PORTION 147 (A PORTION OF PORTION 63) OF THE FARM ESTATE KLEIN ZEEKOE RIVIER No.335
situate in the Kouga Municipality.
Administrative District of Humansdorp.
Province of Eastern Cape

Surveyed in September 2018 by us.

D.E. Lategan (PLS 1168)
Professional Land Surveyor.

J. Du T. Bester (PLS 1056)
Professional Land Surveyor.

| This diagram is annexed to | The original diagram is | File No. Humd. 335 |
|---|---|---|
| No.<br>dated<br>i.f.o.<br>Registrar of Deeds | No. 2062/1967 annexed to<br>Transfer/Grant<br>No. 1990- -72719 | S.R. No. 463/2018<br>Comp AN-2BD(3627)<br>LPI C0340002 |

9951

APPROVED IN TERMS OF SECTION 108 OF THE SPLUMA BY-LAW: KOUGA MUNICIPALITY DATE 2018-09-17

EXEMPT FROM PROVISIONS OF ACT No. 70 OF 1970 SECTION 1(a)

APPROVED IN TERMS OF SECTION 25 OF ORDINANCE No. 15/1985 REF RE 63/335 DATE 2018-09-17



EVERGREEN VALUERS PTY Ltd ©
Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za

# REPORTS BY THE PORTFOLIO CHAIRPERSON: COMMUNITY SERVICES

**KOUGA MUNICIPALITY (EC 108)**

**ORDINARY COUNCIL MEETING**

**COMMUNITY SERVICES**

**DATE: 28 AUGUST 2020** **ITEM NO: 20/08/CS1**

**KEEP KOUGA CLEAN: WHEELIE BIN ROLLOUT**

1. Purpose

The purpose of this report is to update the Council of the 240l Wheelie Bin rollout to Jeffreys Bay and surrounding areas.

2. Background

Kouga Municipality has procured 10 228 wheelie bins at the start of the project in March 2019. The Wheelie bin project was launched in Hankey at the Hankey Secondary School. Residents were invited to join the municipality at the launch.

During the 2019/2020 financial year additional 10 073 (2 333 bins were procured with COVD-19 funding) were procured.

3. Comments

Kouga Municipality started distribution of wheelie bins in Jeffreys Bay from May 2020. The Wheelie bins have been rolled out to all the residential areas in Jeffreys Bay. The distribution in the first week started in Ocean View, Pellsrus, Tokyo Sexwale and Mandela Bay.

The roll-out then moved to Aston Bay and Paradise Beach, followed by the remainder of Jeffreys Bay, including C-Place, Wavecrest and Kabeljous, during the last three weeks of June. The initial roll-out focused on residential houses. The waste section will be looking at issuing bins to complexes and businesses during July 2020.

During the roll out to Jeffreys Bay it was found that many residents are not home when delivery took place, and many are holiday homes. Residents who have not received bins can collect bins during office hours at Pellsrus Community Hall or register with the waste section for delivery.

The last phase of the roll out will be to Sea Vista, St Francis Bay, Cape St Francis and Oyster Bay from the last week in July 2020. This roll-out is planned to be completed by mid - August.

Four municipal refuse compactor trucks had bin lifters installed to assist with effective and efficient refuse collection. As from 1 July 2020 residents have been encouraged to use their wheelie bin.

The table below summarises the bins that has been delivered:

| AREA | NUMBER OF BINS |
|---|---|
| Hankey | 2314 |
| Loerie | 474 |
| Thornhill | 403 |
| Patensie | 712 |
| Humansdorp | 5710 |
| Ocean View | 6667 |
| Pellsrus/Mandela/Sexwale | |
| Aston Bay | |
| Paradise | |
| Jeffreys Bay | |
| **TOTAL** | **16 280** |

4. Recommendation

4.1 That the Keep Kouga Clean- Wheelie bin report be noted by Council.

4.2 That the roll-out programme for Ward 12 be made available to the Ward Councillor.

**Item prepared by** : **Environmental Specialist**

**Item approved by** : **Director Community Services**

**Item noted by** : **Portfolio Head**



## Annexure 1: Jeffreys Bay Wheelie Bin Roll-out













**KOUGA MUNICIPALITY (EC 108)**

**ORDINARY COUNCIL MEETING**

**COMMUNITY SERVICES**

**DATE: 28 AUGUST 2020** **ITEM NO: 20/08/CS2**

**UPGRADING OF HUMANSDORP TRAFFIC DEPARTMENT**

1. Introduction

The purpose of this report is to inform Council of the upgrading of the Humansdorp Traffic Department.

2. Background

The Traffic department building was for years not being upgraded and maintained properly due to budget constraints. Members of the public daily enters the building to do transactions, and staff spent eight hours inside the building which was had a depressing view.

To ensure that the building was user friendly, the outside walls and window frames were repainted.

Main front entrance, waiting room, and (4) four offices fitted with waterproof vinyl flooring.

The back offices for processing of fines, corridor plank floors had to be removed due to collapsing from ageing. More upgrades will be done in the new financial year 2020/21.

3. Financial implications

Operational Budget

4. Recommendation

4.1 That the report for the upgrading at the Traffic Department be noted.

Item prepared by : Chief Safety & Security

Item approved by : Director Community Services

Item noted by : Portfolio Head

## UPGRADING- TRAFFIC DEPARTMENT

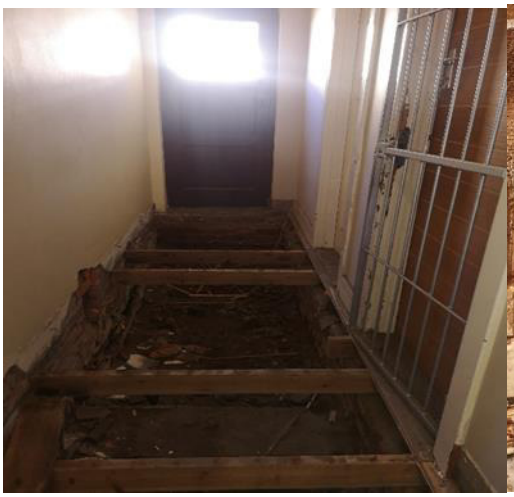
**Before painting of building:**



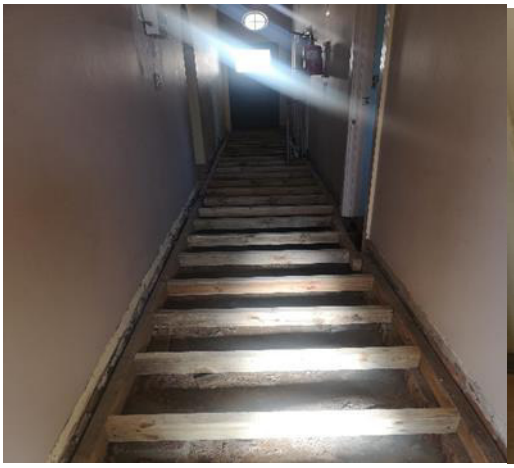
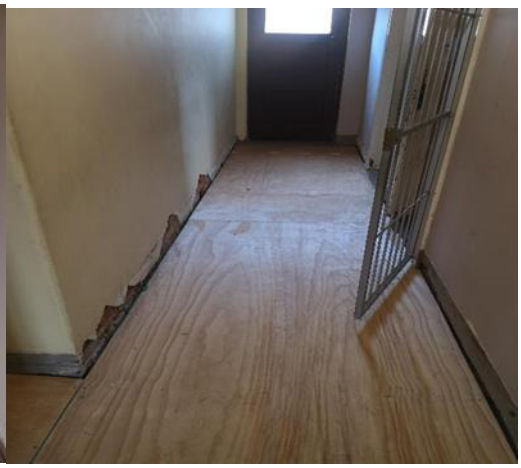

**After painting of building:**




**Inside upgrading of old wooden floors:**
**Before**




**After:**

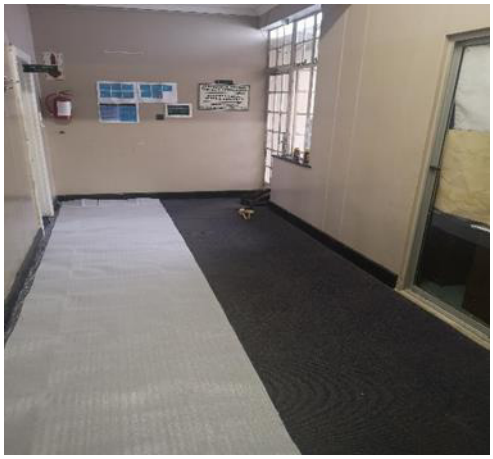
**Upgrading of Partitioning:**
**Before:**




**After:**




**Upgrading of Flooring:**
**Before**



**After**





**KOUGA MUNICIPALITY (EC 108)**

**ORDINARY COUNCIL MEETING**

**COMMUNITY SERVICES**

**DATE: 28 AUGUST 2020** **ITEM NO: 20/08/CS3**

**PROGRESS REPORT ON REPAIRS AND MAINTENANCE ON KOUGA FACILITIES**

1. Introduction

The purpose of this report is to inform Council of the progress on repairs and maintenance / upgrades completed from April 2020 till June 2020 on all Kouga facilities.

2. Background

As per the annual targets of the Kouga's IDP, it is the department's responsibility to manage the provisioning and maintenance of caravan parks / resorts, play parks, sports fields, community halls, beaches, public ablution facilities and cemeteries to the community hence the following upgrades took place to ensure that public facilities are in an acceptable standard, clean and safe to residents and visitors:

2.1 Repairs and maintenance / Upgrades

There was a slight delay on projects planned for the 4th quarter due to Covid 19 pandemic, however the following projects started, some are completed while some are still in progress:

| **Priority** | **Ward** | **Repairs** | **Budget** | **Outstanding works** |
|---|---|---|---|---|
| Fencing | 2, 7, 9 | Fencing at the Katriena Felix Hall and Pellsrus Caravan Park completed,<br><br>Partly Fencing of the Hankey Cemetery<br><br>Extension / rebuilding of the wall at the Jeffreys Bay Caravan Park | Fencing:<br><br>R 1,282,064.00<br>Available: R0.40<br><br>**Caravan Parks**<br>R 620,000.00<br>Available: R0. | Pellsrus Park and Yellowwoods Caravan Park fencing in progress |
| Chairs for Community Halls | 1,2,4, 6, 7,9,11,14, | Procurement of 1000 Chairs for Community Halls. | R 210,000,00<br>Available: R16,560.00 | Awaiting for the Service provider to deliver the chairs |
| Upgrading of community halls | 4, 6, 9, 11 | **Kruisfontein Civic Centre**: Changing of all doors, hall back wash, Tiling, repairing of the roof and painting, | OP:<br>R2,230,000.00<br>Available: R7904.00 | Stage curtains |

| Priority | Ward | Repairs | Budget | Outstanding works |
|---|---|---|---|---|
| | | • **Kwanomzamo Hall:** Replacing of all doors as they were stolen by the community members, tiling the toilets and Paving,<br><br>**Vusumzi Landu Hall:** beautification of the exterior + interior (repairing of the ceiling, painting and backwash). Installation of a Jojo tank Currently busy with the repairing of the roof + painting<br><br>Procurement of signboards for all community halls | **Sportsfields** included | • Installation of burglar windows |
| Upgrading of Sportsfields | 7, 9, 10, 14 | • **Thornhill Club house** Upgrading of the ablution facilities (Installation of new toilet sets + hand basin). Replacing of the roof + Ceiling, Painting (in & out), tiling, carpentry work, repairing burglars and Facility Back wash<br><br>Installation of a crowd control fence at **Tokyo Sexwale** and **Kruisfontein Sportfields** material for the procured crowd control fence<br><br>Procurement of signboards for all Sportfields | R500 000<br><br>Available: 25,041.71 | • Installation of the fence, painting and carpentry work<br><br>• Patensie Sportfield club house was vandalized after it was renovated, works will begin again in the new financial year |
| Upgrading of caravan parks in the Kouga area | 2, 11, 9 | The **Jeffreys Bay** and **Pellsrus Caravan Parks** have been upgraded,<br><br>Extension / rebuilding + Plastering of the wall at the Jeffreys Bay Caravan Park completed<br><br>**Yellowwoods** installation of the play park completed, currently | R 620 000<br>Available: R0<br><br>Fencing<br>320,623.00<br>360,000.00 | Awaiting for the delivery + installation of Electrical boxes for the Caravan Parks<br><br>Pellsrus Caravan Park and Yellowwoods Caravan Park fencing in progress |

| Priority | Ward | Repairs | Budget | Outstanding works |
|---|---|---|---|---|
| | | busy with the installation of the roof (ablution facility)<br><br>Procurement of signboards for all caravan parks and camping | | Additional funding needed to complete the works at the Yellowwoods and is prioritized for the 20/21 projects |
| Upgrade and maintain public ablution facilities to an acceptable standard | 12 | Building of the ablution block at Paradise (Botha Street) | R 700,000.00<br><br>Available: R0 | |
| Upgrading of parks | 8, | Landscaping at the **Kabeljouws Lagoon Park**<br><br>Procurement of signboards | R 707,000.00<br>Available: R 29,951.72 | |
| Upgrading of Cemeteries | 4,6, 7,9, 10, 11 | **C-Place, Kwanomzamo, Arcadia, Humansdorp town, Loerie**, **Hankey** and **Patensie** cemeteries were cleaned by SMME's | R 96,521.00<br><br>Used: R77,828.09 | |
| Machinery and Equipment | All | Procurement of 38 Side Cutters and 20 x lawn mowers | R 682,000.00 | |
| Parks & Open Space | | Procurement of 11 Play parks | R235 620.00 | |

3. Financial Implications

The budget for the repairs and maintenance / upgrades of all Kouga facilities was made available on the Capital and Operational budget.

4. Recommendation

4.1 That the progress on repairs and maintenance/upgrades completed from April 2020 till June 2020 on all Kouga facilities be noted.

**Item prepared by:** **Manager Community Amenities & Parks**

**Item approved by:** **Director Community Services**

**Item noted by:** **Portfolio Councillor**

**ANNEXURE "A"**

**FENCING:**

Fencing erected at the Thornhill Hall and Hankey Cemetery

- **Thornhill Hall**







- **Hankey Cemetery**




- **Jeffreys Bay Caravan Park**

  Extension + plastering of the wall




- **Pellsrus Caravan Park**

  Erection of a palisade fencing




**UPGRADING OF COMMUNITY HALLS**

- **Kruisfontein Civic Centre**



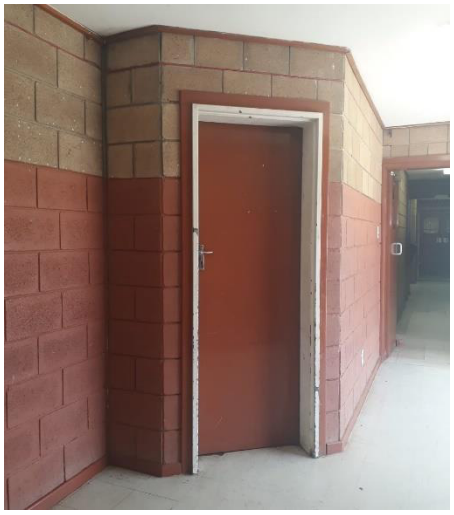
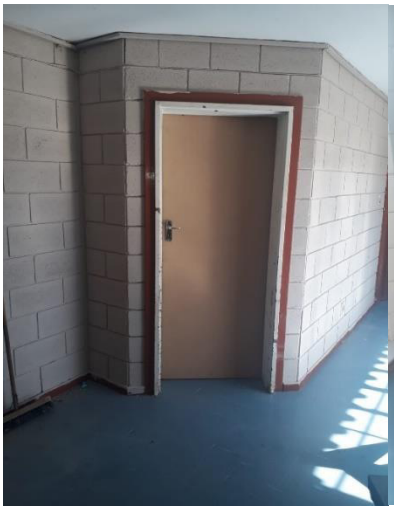











- **Vusumzi Landu Hall**

Exterior beautification of the Vusumzi Landu Hall









**Kwanomzamo Hall:**

- Paving the hall, tiling the toilets, installation of all stolen doors










**SPORTSFIELDS**

**Thornhill Sportfield**
















WET69
GodIB
SMURFZ
Guide BY THE EYE
OF
LIVE 2 DIE
G.S.O.D



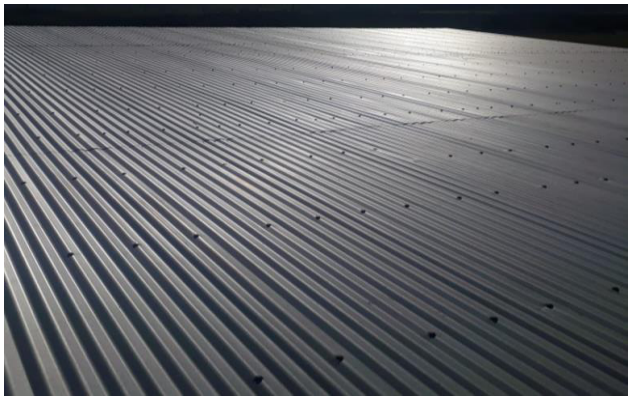





E TO'O
OSCAR
CR7







**Tokyo Sportsfield**

Installation of the crowd control fence







**ABLUTION FACILITIES**

- Building of the Paradise beach toilet (Botha Street), 2 x women + 1 x man + 1 x Pee buck + 1 x Disable toilets










**PARKS**

**Kabeljouws Park:**

- Landscaping











## Grass Cutting Equipment



## Play Parks




## Yellowwoods Play park




**Signboards**

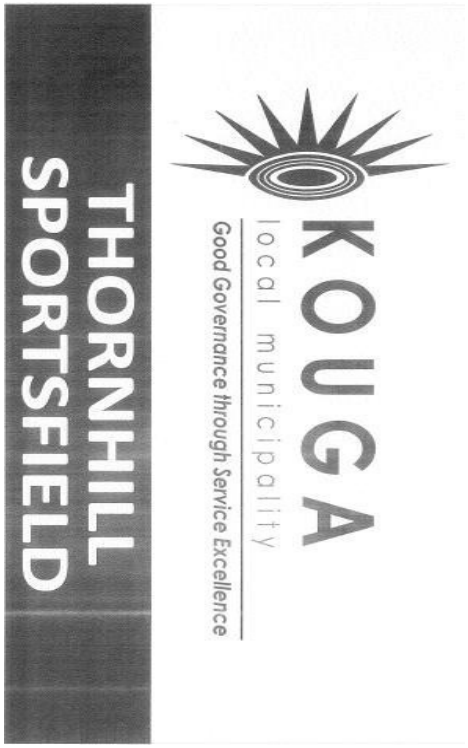
Signboards were procured for all Community halls, Sport fields, Caravan Parks and Cemeteries. Sample of signboards below









# REPORTS BY THE PORTFOLIO CHAIRPERSON: PLANNING AND DEVELOPMENT

**KOUGA MUNICIPALITY (EC 108)**

**ORDINARY COUNCIL MEETING**

**PLANNING AND DEVELOPMENT**

**DATE: 28 AUGUST 2020** **ITEM NO. 20/08/PD1**

**MONTHLY PROGRESS REPORT ON HUMAN SETTLEMENTS GRANT FUNDED PIPELINE PROJECTS**

1. Introduction

The municipality has identified a number of human settlements projects which are intended to yield a number of housing opportunities.

The Provincial Department of Human Settlements has allocated funding for all approved pipeline projects over the MTREF

The Municipality must coordinate the planning and delivery of housing projects in line with the National and Provincial Policy.

2. Purpose

This report is to appraise the Committee of progress and status of the approved housing projects in Kouga Municipality

3. Background

During the last PD&T Portfolio Committee meeting, the Human Settlements section submitted a progress report on the current and planned housing projects.

There are currently 12 BNG (Breaking New Ground) housing projects in the Kouga Municipality, and 1 FLISP/Social Housing Project.

The progress in these projects is monitored technically through the Human Settlements Co-ordinating Forum encompassing Kouga and ECDHS officials on a monthly basis.

4. Comments by the relevant Director

Item is Supported

4. Financial implications

No comment

5. Legal implications

None

6. Other implications

None

7. Recommendation

7.1 That the report on the human settlements grant funded projects be noted.

7.2 That a comprehensive report by DoHS in respect of the official handover process followed as well as verification of rightful owners of the 391 houses be submitted to the September 2020 Planning & Development Portfolio Committee meeting.

**Item prepared by : The Manager: Integrated Human Settlements**

**Item approved by : The Director Planning, Development & Tourism**

**Item noted by Portfolio Chairperson**

**PORTFOLIO:** **PLANNING AND DEVELOPMENT**

**DIRECTORATE:** **PLANNING, DEVELOPMENT& TOURISM**

**DEPARTMENT:** **INTEGRATED HUMAN SETTLEMENTS**

**REPORT:** **MONTHLY REPORT: JUNE 2020**

**DEPARTMENTAL OBJECTIVES**

- ✓ **To prioritise the housing needs in the municipality**
- ✓ **To co – ordinate the implementation of different housing options in line with the National and Provincial Policy**

**IMPLEMENTATION OF INTEGRATED HUMAN SETTLEMENT GRANT FUNDED PIPELINE PROJECTS**

| PROJECT NAME | DELIVERABLES | TIMEFRAME | BUDGETED AMOUNT | DELIVERED TO-DATE | PROGRESS/STATUS |
|---|---|---|---|---|---|
| **TOP STRUCTURES** | | | | | |
| **1.** Kruisfontein 391 (Ward 4) | 391 Units | 30/09/2019 | R 43 500 000 | • Slabs: 391 | • *Project was completed in* |

| | | | | | |
|---|---|---|---|---|---|
| | | | | • Wall Plates: 391<br>• Roof: 391<br>• 100% completed: 391 | *December 2019*<br>• *All houses are provided with a water and pre-paid electrical meter* |

| | | | | | |
|---|---|---|---|---|---|
| **2.** Pellsrus 220 (Ward 2) | 220 | 31/11/2019 | R 27 4226 678.31 | None | • Clearing of site is ongoing<br>• 218 beneficiaries approved<br>• Foundations: 214<br>• Wall plates: 187<br>• Roofs: 180<br>• Handover: 102<br>• 36 houses to be handed over on 29/5/2020 |
| **3.** Oceanview 1500 (Ward 14) | 1500 Units | | | None | • 1500 beneficiaries approved<br>• Top structures funding application was submitted on 24/5/19<br>• First phase of top structures will be 200<br>• Procurement process for 200 top structures has not commenced |

| | | | | | |
|---|---|---|---|---|---|
| **4.** Kouga Destitute (Wards 1 - 15 ) | 25 Units | | | None | • Awaiting approval from province<br>• Province was requested to extend scope of project to 75 opportunities (5 houses per ward) |
| **SERVICES** | | | | | |
| **1.** Oceanview 1500 (Ward 14) | 1500 Sites (services) | 20/3/2020 | R 46 904 141 .03 | Earth works: 100%<br>Water: 100%<br>Sewer: 100 %<br>Roads: 100 %<br>Stormwater: 100 % | • Phase 1 (413) is complete<br>• Phase 1 practically handed over on 08/8/19<br>• Phase 2 (632) is complete<br>• Phase 4a (88) is complete<br>• Project was completed on 4 December 2019 |

| | | | | | |
|---|---|---|---|---|---|
| **2.** Pellsrus 220 (Ward 2) | 220 Sites (services) | 31/11/2019 | R 9 597 720.00 | Earth works: 100%<br>Water: 100%<br>Sewer: 100%<br>Roads: 100%<br>Stormwater: 100% | • 220 services are complete |
| **PLANNED PROJECTS** | | | | | |
| **1.** Arcadia 139 (Ward 5) | Pipeline Project Plan | | | Planning of BNG housing, provision of basic services to 139 families | • Project approved for planning<br>• Application for 139 top structures was submitted in July 2017<br>• Land Surveyor appointed in February 2019 |

| | | | | | |
|---|---|---|---|---|---|
| | | | | | • Awaiting approval of General Plan<br>• Revised top structure application in accordance with the 18/19 subsidy quantum was submitted on 24/5/19<br>• Pegging of sites completed<br>• Beneficiary administration is complete<br>• ROD still active<br>• Project implementation is planned for 2021/22 |
| **2.** Weston 196 (Ward 13) | Pipeline Project Plan | | | Planning of BNG housing, provision of basic services to 196 families | • Project approved for planning<br>• Application for 196 top structures was |

| | | | | | |
|---|---|---|---|---|---|
| | | | | | submitted in July 2017<br>• Land Surveying is complete<br>• Draft General Plan submitted to the Land Surveyor General for approval<br>• Verification of potential beneficiaries is complete<br>• Revised top structure application in accordance with the 18/19 subsidy quantum was submitted on 24/5/19<br>• Beneficiary administration is complete<br>• ROD still active |

| | | | | | |
|---|---|---|---|---|---|
| | | | | | • Project implementation is planned for 2021/22 |
| **3.** Hankey 990 | Pipeline Project Plan | | | Planning of BNG housing, provision of basic services to 990 families | • Land Surveyor appointed in March 2019<br>• Final Engineering designs are complete and sent to province<br>• Awaiting approval of services and top structure's funding applications<br>• Verification of potential beneficiaries in Stofwolk is complete<br>• Site clearance of approved sites is complete |

| | | | | | |
|---|---|---|---|---|---|
| | | | | | • Pegging of project sites is complete<br>• Finalising Relocation of beneficiaries to TRA<br>• Beneficiary administration is complete<br>• Land transfer of PPC land to KLM is underway<br>• Commencement with BAR for PPC acquired land<br>• Appointment of service provider for provision of temporary housing material<br>• ROD still active |

| | | | | | |
|---|---|---|---|---|---|
| **4.** Patensie 278 | Pipeline Project Plan | | | Planning of BNG housing, provision of basic services to 278 families | • Beneficiary list submitted for pre – screening<br>• Request for extension of Extension of ROD was approved on 8/3/2020<br>• Beneficiary administration is complete<br>• Project implementation is planned for 2021/22 |
| **5.** Kruisfontein 800 (phase 2) | Pipeline Project Plan | | | Planning of BNG housing, provision of basic services to 800 families | • Provision of 800 serviced sites<br>• Town planning processes are complete<br>• Surveying needs to be commissioned |

| | | | | | |
|---|---|---|---|---|---|
| | | | | | • Project funding for Phase 2 is not yet approved<br>• ROD/Environmental Authorization for Phase 2 is still outstanding<br>• Preliminary Engineering designs are completed<br>• Approved General plan<br>• Finalisation of beneficiary list<br>• Beneficiary administration is in progress<br>• Project implementation is planned for 2021/22 |

| | | | | | |
|---|---|---|---|---|---|
| 6. Pellsrus 53 (Galjoen Street) | Pipeline Project Plan | 31/6/2020 | | Infill project | • Town planning processes are complete<br>• Surveying is complete<br>• Top structures funding application was submitted on 24/5/19<br>• Verification and Prescreening of potential beneficiaries is complete<br>• Beneficiary/subsidy administration is in progress |
| 7. Financed Linked Individual Subsidy Program (FLISP) and Social Housing | Pipeline Project Plan | | | Mixed development | • Request for Proposals (RFP) closed on 28/6/2019 |

| | | | | | |
|---|---|---|---|---|---|
| | | | | | • Pre-Evaluation of bids commenced on 2/9/2019<br>• Own Haven Social Housing Association was awarded tender on 28/10/19<br>• The successful Social Housing Institute will be responsible for the securing of funds, marketing, implement the project, and manage the subsequent tenanting of the rental stock or sale of the FLISP units<br>• Council endorsed Own Haven's Housing Association's appointment on 12/12/19 |

| | | | | | |
|---|---|---|---|---|---|
| | | | | | • Demand and needs analysis study for proposed FLISP/Social housing project is complete |
| **BLOCKED PROJECTS** | | | | | |
| 1.Sea Vista 2000 | Pipeline Project Plan | | | Planning of BNG housing, provision of basic services to 400 families | • Report on the development of Sea Vista was commissioned by Aurecon<br>• Report recommends provision of 400 housing opportunities instead of the initial 2000<br>• Upgrading of WWTW is estimated to be completed in December 2019 |

| | | | | | |
|---|---|---|---|---|---|
| | | | | | • Beneficiary administration is in progress<br>• Project implementation is planned for 2021/22<br>• Land transfer of DPW land to KLM is underway |
| 2. Kwanomzamo 400 | Pipeline Project Plan | | | Planning of BNG housing, provision of basic services to 400 families | • Funding of the WWTW is approved for the 2019/2020 financial year<br>• Consulting Engineers are appointed to conduct Feasibility Studies<br>• WWTW upgrading tender is approved<br>• Project to be implemented over three financial years |

| | | | | | |
|---|---|---|---|---|---|
| 3. Thornhill 390 | Pipeline Project Plan | | | Planning of BNG housing, provision of basic services to 390 families | • WWTW to be upgraded<br>• Bulk water connection from NMBM to be finalized and associated infrastructure. |

| **LAND PURCHASE** | | | | | |
|---|---|---|---|---|---|
| Loerieheuwel Farm | Pipeline Project Plan | | | Planning of BNG | Offer to Purchase document was signed on 20/6/2019<br>Planning will commence after land transfer<br>• Subdivision of the land is complete<br>• Beneficiary administration is in progress |

| | | | | | |
|---|---|---|---|---|---|
| Kwanomzamo Farm | Pipeline Project Plan | | | Planning of BNG | Offer to Purchase document was signed on 21/6/2019<br>Planning will commence after land transfer<br>• Subdivision is complete<br>• Beneficiary administration is in progress |
| **UPGRADING OF INFORMAL SETTLEMENTS** | | | | | |
| Upgrading of informal settlements | Pipeline Project Plan | | | Provision of interim basic services | Funding Business Plans were submitted on 25/10/19 for the upgrading of the following 10 informal settlements:<br>• Donkerhoek - 363 |

| | | | | | |
|---|---|---|---|---|---|
| | | | | | • Oceanview - 730<br>• Cyril Ramaphosa - 278<br>• Polar Park - 350<br>• Shukushukuma - 250<br>• Thornhill – 160<br>• Bungalows - 103<br>• Golf Course - 153<br>• Sea Vista – 2000<br>• No. R10 - 190 |

**KOUGA MUNICIPALITY (EC 108)**

**ORDINARY COUNCIL MEETING**

**PLANNING AND DEVELOPMENT**

**DATE: 28 AUGUST 2020** **ITEM NO. 20/08/PD2**

**PROGRESS REPORT ON THE ELECTRIFICATION OF DONKERHOEK INFORMAL SETTLEMENT**

1. Background

The Electrical Department received funding from INEP for the electrification of 200 informal houses in Donkerhoek and upgrading of the current electrical infrastructure.

100 informal houses will be electrified in the 2019/20 financial year and the remaining 100 houses in the 2020/21 financial year. For the project to be successfully implemented, the beneficiaries had to be relocated to the identified site in Donkerhoek from the same and surrounding areas. 100 beneficiaries are from the Vaaldam area.

The relocated communities would benefit from this project by having access to interim basic services that will be provided to the informal settlement as follows:

- Standpipes
- Containerized public toilets
- Electricity
- Emergency access roads
- Refuse removal

Priority was given to the elderly, disabled, and most vulnerable.

2. Purpose

This report is to apprise the Portfolio Committee about progress and status of the Donkerhoek informal settlement's electrical project and relocation of beneficiaries.

3. Status of project:

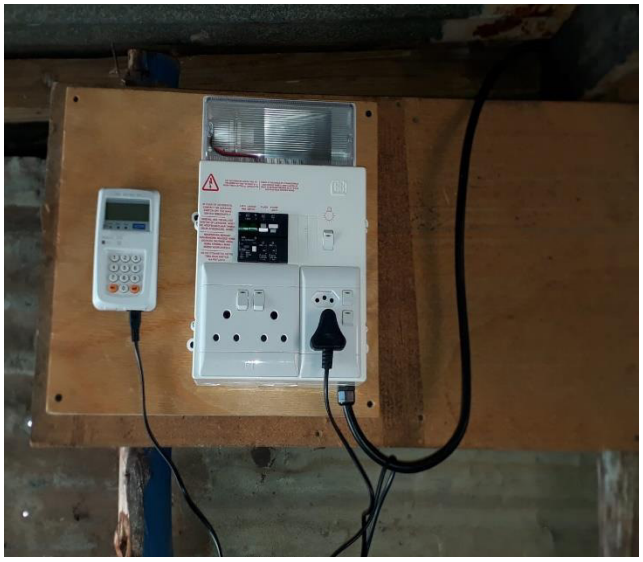
- Number of houses to be electrified in 19/20 FY: 100
- Number of families that relocated: 75
- Number of families that must still relocate: 25




5826







5. Comments by the relevant Director

The provision of infrastructure for the relocating families is a challenge due to non-availability of budget. This is one of the factors that bring delay to the project.

6. Financial implications

No comment

7. Legal implications

None

8. Other implications

None

9. Recommendation

9.1 That the progress report on the relocation of beneficiaries in Donkerhoek for electrification be noted.

9.2 That proper communication between the relevant Directorates take place in respect of all future housing projects to avoid any grant funding allocations being forfeited.

**Item prepared by : Manager: Integrated Human Settlements**

**Item approved by : The Director Planning, Development & Tourism**

**Item noted by Portfolio Chairperson**

**KOUGA MUNICIPALITY (EC 108)**

**ORDINARY COUNCIL MEETING**

**PLANNING AND DEVELOPMENT**

**DATE: 28 AUGUST 2020** **ITEM NO. 20/08/PD3**

**TOWN PLANNING PROGRESS REPORT: MUNICIPAL PLANNING TRIBUNAL (MPT): JULY 2019 – JUNE 2020**

1. Introduction

Spatial Planning and Land Use Management Act 2003 (35) makes provision for the Municipalities to establish Municipal Planning Tribunals and appointment of the Authorized Official. The Act maintains that:

35 "(1) A Municipality, in order to determine Land use and Development applications within its Municipal Area establish a Municipal Planning Tribunal;
(2) A Municipality may authorize that certain land use and land development applications may be considered and considered by an official in the employ of the Municipality.
The Municipality has a single MPT comprising of municipal officials and external members.

2. Purpose

The purpose of the item is to present the Portfolio Committee with a progress report on activities undertaken by the Municipal Planning Tribunal for the period of 1 July 2019 to 30 June 2020.

3. Spatial Planning and Land Use Management Municipal Planning Tribunal

The land use applications which were considered by the MPT over the period 1 July 2019 to 30 June 2020 are attached as Annexure A.

A total of 51 land use applications were considered by the Municipal Planning Tribunal of which 44 were approved, and 7 were refused / referred back or deferred over this period.

A total of 5 (Five) Municipal Planning Tribunal Meetings and one Special MPT were convened for the period 1 July 2018 to 30 June 2019.

4. Municipal Appeal Authority

The following land use applications were referred to the Municipal Appeal Authority over the period 1 July 2019 to 30 June 2020.

| Property description | Application type | Decision | Date |
|---|---|---|---|
| Erf 276, Jeffreys Bay | Consent Use | MPT Decision upheld | 5 September 2019 |
| Erf 711, Jeffreys Bay | Relaxation of Building line | MPT Decision revoked | 27 February 2020 |
| Erf 3837, Jeffreys Bay | Relaxation of Building line | MPT Decision upheld | 27 February 2020 |

5. Financial Implications

The financial implication for the external members serving on the Municipal Planning Tribunal over the 2019/2020 financial year amounted to R40147.32.

6. Recommendation

6.1 That the content in the Town Planning progress report on the performance of the Municipal Planning Tribunal be noted.

6.2 That all future reports to contain a locality map indicating physical addresses for ease of reference.

**Item prepared by : The Administrative Officer**

**Item approved by : The Director: Planning, Development & Tourism**

**Item noted by the Portfolio Chairperson**

| 2019/2020 - QUARTER 1 REPORT: MUNICIPAL PLANNING TRIBUNAL MEETINGS | | | | |
|---|---|---|---|---|
| | **Property description** | **Date submitted** | **Application type** | **Decision** |
| 30/08/2019 – MPT1 | Erf 168, Cape St Francis | 26 November 2018 | Application for Removal of Restrictive Title Deed Conditions & Departure Farm the Zoning Scheme Provisions | Approved |
| 30/08/2019 - MPT2 | Erf 1256, Jeffreys Bay | 30 August 2012 | Application for Removal of Restrictive Title Deed Conditions | Approved |
| 30/08/2019 – MPT3 | Erf 6149, Jeffreys Bay | 30 August 2018 | Removal of Restrictive Title Deed Conditions & Permanent Departure from Zoning Scheme Provisions | Approved |
| 30/08/2019 - MPT4 | Erf 971 & 972, Sea Vista | 08 November 2018 | Application for Removal of Restrictive Title Deed Conditions, Departure from Zoning Scheme Provisions & Consolidation | Approved |
| 30/08/2019 - MPT5 | Ptn 166 of Farm Goedegeloof No 745, Humansdorp RD | 17 February 2016 | Departure from Zoning Scheme Provisions for relaxation of building lines | Approved |
| 30/08/2019 - MPT6 | Erf 951, Humansdorp | 22 February 2019 | Application for Removal of Restrictive Title Deed Conditions, Consent Use for Additional Dwelling Unit & Departure from Zoning Scheme Provisions | Approved |
| 30/08/2019 - MPT7 | Erf 1109, Aston Bay | 12 March 2019 | Application for Departure for Cellular Tower | Approved |
| 30/08/2019 - MPT8 | Erf 3847, Jeffreys Bay | 28 February 2018 | Application for Departure | Approved |
| 30/08/2019 - MPT9 | Erf 3849, Jeffreys Bay | 18 March 2019 | Application for Departure | **Refused** |
| 30/08/2019 - MPT10 | R689/6 Farm Humansdorp | 28 March 2016 | Application for Departure for Cellular Base Station | Approved |
| 30/08/2019 - MPT11 | R335/63 Estate Klein Zeekoei River | 19 March 2019 | Application for Subdivision and Rezoning | Approved |
| 30/08/2019 - MPT12 | Erf 490, 491, 492 & 493, Sea Vista | 15 November 2018 | Application for Rezoning | Approved |

| | | | | |
|---|---|---|---|---|
| 30/08/2019 - MPT13 | Erf 1757, Jeffreys Bay | 11 February 2019 | Application for Departure | **Item referred back** |

| **2019/2020 - QUARTER 2 REPORT: MUNICIPAL PLANNING TRIBUNAL MEETINGS** | | | | |
|---|---|---|---|---|
| | **Property description** | **Date submitted** | **Application type** | **Decision** |
| 05/12/2019 - MPT1 | Erf 2850 and 2851, Sea Vista | 01 April 2019 | Application for Rezoning and Consolidation | Approved |
| 05/12/ 22019 - MPT2 | Erf 907, St Francis Bay | 09 May 2019 | Application for Removal of Restrictive Title Deed Conditions, Consent Use and Permanent Departure from Zoning Scheme Provisions | Approved |
| 05/12/2019 - MPT3 | A Portion of Portion 4 of Farm Vergaaderingskraal no 675, Humansdorp RD | 28 March 2019 | Application for Rezoning, Consent Use and Permanent Departure from Zoning Scheme | Approved |
| 05/12/2019 - MPT4 | Erf 1257, Jeffreys Bay | 31 May 2019 | Application for Removal of Restrictive Title Deed Conditions and Permanent Departure | Approved |
| 05/12/2019 - MPT5 | Erf 360, Cape St Francis Bay | 25 November 2015 | Application for Restrictive Title Deed Conditions | Approved |
| 05/12/2019 - MPT6 | Erf 309, Humansdorp | 04 June 2019 | Application for Rezoning | Approved |
| 05/12/2019 - MPT7 | Erven 882, 937, 1610, Aston Bay and Portion 63/335 Estate Klein Zeekoe River | 21 May 2019 | Application for Subdivision, Rezoning and Consolidation for proposed boundary shift | Approved |
| 05/12/2019 - MPT8 | Erf 2119, Jeffreys Bay | ?2019 | Application for Rezoning | **Item referred back** |
| 05/12/2019 - MPT9 | Erf 89, Patensie | 02 June 2019 | Application for Restrictive Title Deed Conditions and Permanent Departure | Approved |
| 05/12/2019 - MPT10 | Erf 425, Jeffreys Bay | 26 May 2019 | Application for Restrictive Title Deed Conditions and Permanent Departure | Approved |

| | | | | |
|---|---|---|---|---|
| 05/12/2019 - MPT11 | Erf 780, St Francis Links | 20 August 2019 | Application for Subdivision | Approved |
| 05/12/2019 - MPT12 | Erf 1016, Sea Vista | 29 May 2019 | Application for Restrictive Title Deed Conditions | Approved |
| 05/12/2019 - MPT13 | Erf 1248, Cape St Francis Bay | 04 December 2018 | Application for Restrictive Title Deed Conditions | Approved |
| 05/12/2019 - MPT14 | R/828 Humansdorp | 29 November 2018 | Application for Cellphone Tower and Base Station | Approved |
| 17/12/2019 - MPT1 | Erf: 2119, Jeffreys Bay | 24 June 2019 | Application for Rezoning | Approved |
| 17/12/2019 - MPT2 | Erf 228, Paradise Beach | 19 June 2019 | Application for Removal of Title Deed Restrictions and Departure | Approved |
| **2019/2020 - QUARTER 3 REPORT: MUNICIPAL PLANNING TRIBUNAL MEETINGS** | | | | |
| | **Property description** | **Date submitted** | **Application type** | **Decision** |
| 17/03/2020 - MPT1 | ERF: 185, Humansdorp | 31 May 2019 | Application for Departure from the Zoning Scheme Provisions | **Refused** |
| 17/03/2020 – MPT2 | ERF: 6400, Jeffreys Bay | 22 August 2019 | Removal of Restrictive Title Deed Conditions & Departure for Telecommunication Mast & Relaxation of Height Restriction | Approved |
| 17/03/2020-MPT3 | ERF: 6434, Jeffreys Bay | 26 July 2019 | Permanent Departure from Zoning Scheme Provisions to Allow a Telecommunication Mast, Relaxation of Height and Building Lines | **Refused** |
| 05/03/2020-MPT4 | ERF: 383, Patensie | 28 May 2019 | Application for Removal of Restrictive Conditions and Departure for Cellular Tower and Building Lines | Approved |
| 17/03/2020-MPT5 | ERF: 1280, Jeffreys Bay | 01 September 2019 | Application for Removal of Title Condition and Permanent Departure from Zoning Scheme Provisions for (1) Relaxation of Building Line, Coverage Restriction and Increase in Floor Area of Second Dwelling Unit | Approved |
| 17/03/2020-MPT6 | ERF: 22, Loerieheuwel Township | 31 May 2019 | Application for Departure for a Telecommunication Mast | Approved |

| | | | | |
|---|---|---|---|---|
| 17/03/2020-MPT7 | ERF: 94, Jeffreys Bay | 11 June 2019 | Application for Removal of Restrictive Title Deed Condition | Approved |
| 17/03/2020-MPT8 | ERF: 204, Kruisfontein | 01 August 2018 | Application for Departure for a Telecommunication Mast | Approved |
| 17/03/2020-MPT9 | ERF: 1751, Pellsrus | 31 May 2019 | Application for Departure for a Telecommunication Mast | Approved |
| 17/03/2020-MPT10 | ERF: 2951, Humansdorp | 21 May 2019 | Application for Departure | Approved |
| 17/03/2020-MPT11 | ERF: 4163, Jeffreys Bay | 21 May 2019 | Application for Departure for a Telecommunication Mast | **Deferred** |
| 17/03/2020-MPT12 | Portion 17 of the Farm Platjiesdrift No. 348, Humansdorp Rd | 11 December 2018 | Application for Departure for Cellphone Tower & Base Station | Approved |
| 17/03/2020-MPT13 | Ptn 26 of the Farm Tecoma No 446 | Unknown | Application for Rezoning & Permanent Departure | **Item withdrawn** |
| 17/03/2020-MPT14 | ERF: 360, Jeffreys Bay | 01 December 2018 | Application for Rezoning & Departure | Approved |
| **2019/2020 - QUARTER 4 REPORT: MUNICIPAL PLANNING TRIBUNAL MEETINGS** | | | | |
| | **Property description** | **Date submitted** | **Application type** | **Decision** |
| 28/05/2020 – MPT1 | Erf: 59, Aston Bay | 08 October 2019 | Application for Removal of Restrictive Title Deed Conditions & Departure from the Zoning Scheme Provisions | Approved |
| 28/05/2020 – MPT2 | Erf: 2, Sea Vista | 09 August 2019 | Application for Removal of Restrictive Title Deed Conditions | Approved |
| 28/05/2020 – MTP3 | Erf: Portion 26 of Farm Tecoma No.446, Uitenhage Rd | 01 December 2019 | Application for Rezoning of a Portion of Erf: Portion 26 of Farm Tecoma No.446, Uitenhage Rd, and the Relaxation of the North-Western and South Western Building Lines | Approved |
| 28/05/2020-MPT4 | Erf: R335/63 Estate Klein Zeekoei River | 19 March 2019 | Application In Terms Of Section 112 of the Kouga Spatial Planning and Land Use Management By-Law, 2016, For Error and Omissions | Approved |

| | | | | |
|---|---|---|---|---|
| 28/05/2020-MPT5 | Erf: Ptn 63 of the Farm Estate Klein Zeekoei River No.335 | 08 August 2019 | Application for Subdivision & Rezoning | Approved |
| 28/05/2020-MPT6 | Erf: 401, Sea Vista | 01 November 2019 | Application for Subdivision | Approved |
| 28/05/2020-MPT7 | Erf: 34, Aston Bay | 22 October 2019 | Application for Removal of Restrictive Title Deed Condition & Departure from Building Lines | Approved |
| 25/05/2020-MPT8 | Erf: 4148, Humansdorp | 13 November 2019 | Application for Rezoning | Approved |

**KOUGA MUNICIPALITY (EC 108)**

**ORDINARY COUNCIL MEETING**

**PLANNING AND DEVELOPMENT**

**DATE: 28 AUGUST 2020** **ITEM NO.: 20/08/PD4**

**PREPARATION OF THE JEFFREYS BAY CENTRAL BUSINESS DISTRICT PRECINCT PLAN**

1. Introduction

The purpose of this item is to inform Council of the department's intention to proceed with the Jeffreys Bay Central Business District (CBD) Precinct Plan.

2. Background

A precinct is a geographically smaller area with specific characteristics (areas that require economic, physical and social renewal, or areas likely to be subject to large scale development within the planning horizon of an SDF). The locally specific emphasis of a precinct plan will vary based on the specific context and local issues. It should however contain sufficient detail to:

a) Indicate desired patterns of land use within the precinct and set out basic guidelines for implementation;

b) Identify programmes, projects and restructuring elements for the development of land within the precinct area;

c) Set out a clear implementation plan and the associated costs

d) Identify where public investment should be prioritised.

The Kouga Municipality has appointed Urban Dynamics Town and Regional Planners to assist with the development of the Jeffreys Bay CBD Precinct Plan.

3. Comment

In terms of Sections 6, 7 and 11 of the Spatial Planning and Land Use Management By-law: Kouga Municipality, 2016, it is required that the Executive Council be informed of the process to be followed and further that a project steering committee (PSC) be established to monitor progress and ensure that the compilation of the precinct plan is progressing according to the process plan. In terms of Section 7(4) of the said by-law, the project committee must consist of –

(a) the Municipal Manager;
(b) municipal employees in the full-time service of the Municipality designated by the Municipality;

A committee comprising of the following people has been established:

i. The Municipal Manager
ii. Director: Planning, Development & Tourism (or representative)
iii. Director: Infrastructure & Engineering (or representative)
iv. Director: Community Services (or representative)
v. Director: Cooperate Services (or representative)
vi. The Ward Councillor
vii. The Portfolio Councillor: Planning and Development
viii. Manager LED
ix. Other members to be co-opted as needed by the committee.

At a virtual inception meeting held on 23 July 2020, a project methodology, attached here as **Annexure A** was presented and agreed to. It is now the intention of the department to proceed with the development of the precinct plan.

4. Financial Implications

A total amount of R494 500-00, was quoted for the project. According to the terms of reference, payment will be made on the successful delivery of each milestone, in accordance with the terms and conditions agreed upon with the service provider. To date, no payment has been made.

5. Recommendation

5.1 That Council takes note of the appointment made by the department.

5.2 That Council takes note of the proposed methodology and nominated PSC members.

**Item approved by : Director: Planning, Development & Tourism**

**Item endorsed by : Municipal Manager**

**Item noted by the Portfolio Chairperson**

ANNEXURE:

KOUGA
local municipality
Good Governance through Service Excellence

# Jeffreys Bay CBD Precinct Plan

## *Project Implementation Plan (PIP)*
## *(Phase 1 Deliverable)*

***Report 1720E/00***

***July 2020***

***Assisted By :***
URBAN DYNAMICS
EASTERN CAPE
***Johan van der Westhuysen***
Tel: 041 374 3980
Fax: 041 374 3984
Email: info@udec.co.za
P O Box 27757, Greenacres, Port Elizabeth, 6057
117 Cape Roads, Mill Park, Port Elizabeth, 6001

## Contents


***1.0 Introduction ..... 1***

1.1 Project Implementation Plan ..... 1
1.2 Service Provider Appointment ..... 1

***2.0 Project Objectives & Deliverables ..... 1***

2.1 Study Area ..... 1
2.2 Legal Status ..... 2
2.3 Project Objectives ..... 2
2.3.1 *Objectives* ..... 3
2.3.2 *Deliverables* ..... 3

***3.0 Stakeholder Structures ..... 4***

3.1 Administrative Arrangements ..... 6

***4.0 Required Notifications ..... 7***

***5.0 Kouga Process (SPLUM By-laws) ..... 7***

***6.0 Project Methodology & Implementation Schedule ..... 8***

***7.0 General Provisions & Implementation ..... 9***

***8.0 Project Cash Flow ..... 11***


## Annexures


1. Appointment of Urban Dynamics EC
2. Media Notice
3. MEC Notice
4. Project Inception Meeting : Agenda & Minutes

# 1.0 Introduction

## 1.1 Project Implementation Plan

This document represents the **Inception Report & Project Implementation Plan (PIP) for the Jeffreys Bay CBD Precinct Plan.**

**PHASE 1 DELIVERABLE : Project Implementation Plan (PIP)**

The document includes, amongst others, the following :

- The study area
- Project objectives
- Public participation structures and institutional arrangements
- Project methodology, timeframes and deliverables for each project implementation phase
- General provisions with respect to project implementation, i.e. data availability, quality control, reporting format, participation, I & AP interaction, etc.

## 1.2 Service Provider Appointment

The Kouga Municipality appointed Urban Dynamics EC *"as the Professional Service Provider (PSP) for the Development of the Jeffreys Bay CBD Precinct Plan"*.

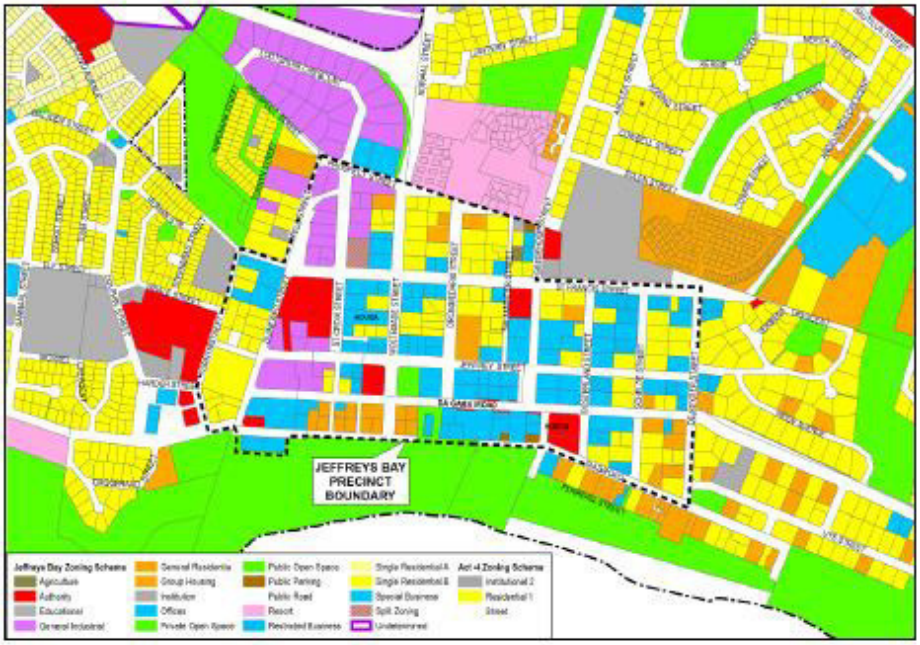
***Refer to Annexure 1 : Appointment of Urban Dynamics EC***

# 2.0 Project Objectives & Deliverables

## 2.1 Study Area

The study area comprises of the CBD of Jeffreys Bay as delineated in the Municipal Spatial Development Framework.

The area is bounded by Prospect Street (west), St Francis Street (west), De Reyger Street (north), Diaz Road (east), Tornyn Street (south) and Pell Street (south).




## 2.2 Legal Status

The Jeffreys Bay CBD Precinct Plan will be prepared in compliance with the requirements of the Spatial Planning & Land Use Management Act (Act 16 of 2013) (SPLUMA) and Section 11 of the Kouga Spatial Planning & Land Use Management (SPLUM) By-laws.

The Jeffreys Bay CBD Precinct Plan will have the status of a Local Spatial Development Framework as contemplated in the Kouga By-laws.

## 2.3 Project Objectives

Precinct plans, within the framework of higher-level plans (such as PSDFs, RSDFs, MSDFs), therefore provide more detailed proposals for areas where significant development and change is anticipated.

By setting more localised policy contexts for individual planning decisions, precinct plans are important policy instruments by which local authorities can promote specific objectives (e.g. economic renewal, in the case of regenerating city and town centres, or ensuring protection of environmental qualities such as biodiversity).

These plans thus serve as a means for the planning system to incentivise development in a way that meets a whole range of locally specific policy objectives while ensuring for "on the ground" manifestation and implementation of these spatial objectives.

### 2.3.1 Objectives

The main objective of the municipality :

- To develop a spatial vision for the Jeffreys Bay CBD
- To leverage private and community/ public investment within Jeffreys Bay
- To enhance the collateral value of properties within the CBD
- To create conditions for broadening of capital formation and business development
- To achieve efficiency in the movement of goods and people by restructuring the spatial form of the CBD by introducing proper land use zones and supporting the introduction of activity nodes and movement corridors
- To create vibrant public and economic spaces
- To build institutional and development capacity that will contribute to social and economic cohesion

### 2.3.2 Deliverables

The following are expected deliverables for the project :

- Jeffreys Bay CBD Precinct Plan, with a map at an appropriate scale, accompanied by :
  - Jeffreys Bay Precinct Planning Report that documents the results of technical studies, analyses and community consultation undertaken during the development of the precinct plan; and demonstrates the consistency of the proposed precinct with the Spatial Development Framework and the Integrated Development Plan of the municipality
  - A detailed development plan for the Jeffreys Bay beachfront precinct
  - List of implementation actions which include a prioritized list of development interventions and their spatial locations that indicate how the Municipality intends to manage the precinct. This can include both statutory and non-statutory implementation measures

**Kouga SPLUM By-laws Section 10**

**10 Local spatial development framework**

(1) The Municipality may adopt a local spatial development framework for a specific geographical area of a portion of the municipal area.

(2) The purpose of a local spatial development framework is to:

(a) provide detailed spatial planning guidelines or further plans for a specific geographic area or parts of specific geographical areas and may include precinct plans;

(b) provide more detail in respect of a proposal provided for in the municipal spatial development framework or where considered necessary to give effect to the municipal spatial development framework and or its integrated development plan and other relevant sector plans;

(c) address specific land use planning needs of a specified geographic area;

(d) provide detailed policy and development parameters for land use planning;

(e) provide detailed priorities in relation to land use planning and, in so far as they are linked to land use planning, biodiversity and environmental issues; or

(f) guide decision making on applications;

(g) comply with any other relevant provision that will give effect to its duty to manage municipal planning in the context of its constitutional obligations.

- **Kouga SPLUM By-laws Section 11**

| | | |
|---|---|---|
| 11 | **Preparation, amendment or review of local spatial development framework** | |
| | (1) | If the Municipality prepares, amends or reviews a local spatial development framework, it must comply with the requirements and procedures for the preparation, amendment or review of the municipal spatial development framework, including notification and public participation prescribed in terms of this Chapter and sections 5 to 9 apply with the necessary changes as the context may require. |
| | (2) | The municipality must, within 21 days of adopting a local spatial development framework or an amendment of local spatial development framework, publish a notice of the decision in the media and the Provincial Gazette. |

- **Kouga SPLUM By-laws Section 12**

| | | |
|---|---|---|
| 12 | **Effect of local spatial development framework** | |
| | (1) | A local spatial development framework or an amendment thereof comes into operation on the date of publication of the notice contemplated in section 11(2). |
| | (2) | A local spatial development framework guides and informs decisions made by the Municipality relating to land development, but it does not confer or take away land use rights. |

## 3.0 Stakeholder Structures

The project implementation schedule outlines stakeholder participation for each of the relevant phases in detail. The participation is further guided by the Kouga Spatial Planning & Land Use Management By-laws and the following participation structures are proposed.

- **Working Group (WG)**

The WG will deal with the day-to-day activity items within the project scope.

The Working Group comprises of the following members :

- Project Manager : Lawrence Ramakuwela
- Kouga Town Planning Office
- Director : Planning, Development & Tourism
- Urban Dynamics Eastern Cape (UDEC) (PSP)

WG meetings scheduled as per the project methodology and programme and as needed for project progress and reporting.

- **Project Committee (PC)**

The Project Committee (PC) is established in terms of the Kouga SPLUM By-laws (Section 6 (a).

The PC will include the members of the WG and will deal with matters relating to project deliverables and would act as a feedback medium to various stakeholders.

The purpose of the PC contemplated in section 7 (3), is to –

- prepare, amend or review the municipal spatial development framework for adoption by the Council;
- provide technical knowledge and expertise;

- monitor progress and ensure that the drafting of the municipal spatial development framework or amendment of the municipal spatial development framework is progressing according to the approved process plan;
- guide the public participation process, including ensuring that the registered key public sector stakeholders remain informed;
- ensure alignment of the municipal spatial development framework with the development plans and strategies of other affected municipalities and organs of state as contemplated in section 24(1) of the Municipal Systems Act;
- facilitate the integration of other sector plans into the municipal spatial development framework;
- oversee the incorporation of amendments to the draft municipal spatial development framework or draft amendment or review of the municipal spatial development framework to address comments obtained during the process of drafting thereof;
- the purpose of the PC, as contemplated in Section 19 (3), is to
  - prepare, review or amend the land use scheme for adoption by the Council;
  - provide technical knowledge and expertise;
  - monitor progress and ensure that the development of the land use scheme or review or amendment thereof is progressing according to the approved project plan;
  - guide the public participation process, including ensuring that the registered key public sector stakeholders remain informed;
  - ensure alignment of the land use scheme with the municipal spatial development framework, development plans and strategies of other affected municipalities and organs of state;
  - oversee the incorporation of amendments to the draft land use scheme or draft review or amendment of the land use scheme to address comments obtained during the process of drafting thereof;
  - if the Municipality decides to establish an intergovernmental steering committee—
    - assist the Municipality in ensuring that the intergovernmental steering committee is established and that timeframes are adhered to; and
    - ensure the flow of information between the project committee and the intergovernmental steering committee.

The By-laws require that the PC must include –

- the Municipal Manager;
- municipal employees in the full-time service of the Municipality designated by the Municipality.

The PC for the Jeffreys Bay CBD Precinct Plan project comprises of the following members :

- Working Group Members
- Municipal Manager
- Director : Planning, Development & Tourism
- Director : Community Services
- Engineering & Infrastructure
- Head : Planning & Development
- The Speaker (Ward Councillor)
- Manager : Planning & Development
- Kouga Town Planners
- Manager : Parks
- Environmental Officer
- Manager : LED

PC meetings scheduled as per the project methodology and programme.

- **Key Stakeholders & Targeted I & AP's**

Implementation of this project, including participation should be done within the stipulations of the COVID-19 Regulations. This specifically relates to limitations on meetings, public gatherings and personnel interactions.

Therefore, the Steering Committee opted to target specific I & AP's to ensure comprehensive interaction, input and feedback. Virtual interaction processes will be used wherever possible.

Key stakeholders within the development environment and with specific reference to the study area have been identified. Through press notices, additional stakeholders will be identified (Section 6 (b).

The following Stakeholders have been identified upfront :

- Working Group Members
- Project Committee Members
- Dorp van Drome representative
- Billabong Village
- Infoods
- Smhart Security
- Brewhaha
- Viswiyf
- Kitchen Windows
- Bay Pasta:
- Gabriels Jewellers
- Kouga Local Tourism Association
- Property Owner (Spur Building)
- Spar & property owner
- KBF and business owner
- Resident : Alan Wright
- Gamtkwa First Nation (Heritage NGO)

The Press Notices will further invite stakeholders to register.

- **Intergovernmental Steering Committee**

Provision is not made for the establishment of an Intergovernmental Steering Committee.

## 3.1 *Administrative Arrangements*

The following relates to general project administration :

- The PM is Lawrence Ramakuwela.
- Project Manager (PM) and WG will deal with day-to-day activities and administrative procedures.
- The PSP will be responsible for preparation and distribution of all documentation, workshop material and agendas to the PM.
- Documentation and workshop material to be made available in an electronic format and circulated on that basis.

- All communication from the PSP through the PM's office.
- Municipal facilities to be available for meetings and participation (if needed).
- All internal communication to be done through the PM's office.
- Meetings and interaction will be done through virtual platforms as far as possible.

## 4.0 Required Notifications

In terms of the Kouga SPLUM By-laws and prior to commencement, the Municipality :

- must publish a notice in a newspaper circulating in the area concerned in two of the official languages of the Province most spoken in the municipal area of the Municipality of its intention to prepare, amend or review the municipal spatial development framework.

  ***Refer to Annexure 2 : Media Notice***

- must inform the Member of the Executive Council in writing of -
  - its intention to prepare, amend or review the municipal spatial development framework; and
  - the process that will be followed in the drafting or amendment of the municipal spatial development framework including the process for public participation; and

  ***Refer to Annexure 3 : MEC Notice***

## 5.0 Kouga Process (SPLUM By-laws)

The Kouga SPLUM By-laws provide clear procedural requirements for LSDF implementation. The following confirms the specific milestones.

| SDF | |
|---|---|
| *Process Plan* | Sec 11(1) |
| *Project Committee* | Sec 6(a) |
| *Press Notice (I & AP's)* | Sec 6(b) |
| *Inform MEC* | Sec 6(c) |
| *Register Stakeholders* | Sec 6(d) |
| *Purpose of PC* | Sec 7(3) |
| *Composition of PC* | Sec 7(4) |
| *Status Quo Document* | Sec 8(1) |
| *Draft SDF* | Sec 8(3) |
| *Submit Draft SDF to Council* | Sec 8(4) |
| *Publication of Draft SDF* | Sec 8(4) |
| *Final SDF* | Sec 8(6) |
| *Adopt Final SDF* | Sec 8(8) |
| *Notice of Adoption* | Sec 11(2) |
| *Submit SDF to MEC* | Sec 8(8) |

## 6.0 Project Methodology & Implementation Schedule

The following deliverables, actions and participation milestones will guide and manage this project.

| Project Phases | Objectives | Actions | Deliverable | Stakeholder Participation | Target Date |
|---|---|---|---|---|---|
| **Phase 1 :** Inception | *To prepare and confirm the project methodology and Project Inception Report* | 1. Project Inception Meeting<br>2. Confirmation of project outcomes & detailed deliverables<br>3. Confirm public participation structures<br>4. Obtain all baseline information from Kouga Municipality<br>5. Confirm study area<br>6. Establish administrative arrangements | **Project Inception Report** | • WG Meeting<br>• PC Meeting<br>• MEC Notice<br>• Press Notice | Jul 2020 |
| **Phase 2 :** Status Quo Analysis | *To conduct a detailed status quo of the study area and immediate surroundings with emphasis on spatial analysis, traffic and transportation movement, existing infrastructure, land use, ownership and economic base* | 1. Spatial & environmental assessment<br>2. Economic, social & demographic assessment<br>3. Infrastructure & transportation assessment<br>4. Heritage assessment<br>5. Urban form, development footprint & facades<br>6. Stakeholder engagement | **Status Quo Report & SWOT Analysis** | • WG Meeting<br>• PC Meeting<br>• Stakeholder Registration<br>• Stakeholder Meeting | Sep 2020 |
| **Phase 3 :** First Draft Jeffreys Bay CBD Precinct Plan | *To compile a First Draft Jeffreys Bay draft Precinct Plan for the study area as identified, including detailed proposed land uses, development rights, urban form vision, urban design and architectural guidelines and project proposals and intervention areas* | 1. Agree on spatial vision for Jeffreys Bay CBD<br>2. Incorporate existing projects, programmes & development shortfalls as identified<br>3. First draft development proposals, based on situation analysis outcome<br>4. Land use & development parameter guidelines<br>5. Conservation & preservation guidelines<br>6. Infrastructure demand & strategies<br>7. Transportation & pedestrian movement strategies<br>8. Draft concept & precinct plan proposals<br>9. Stakeholder engagement & SWOT analysis<br>10. Final 1st Draft CBD Precinct Plan | **Initial Concept & Precinct Plan Proposals**<br><br>**1st Draft CBD Precinct Plan** | • WG Meeting<br>• PC Meeting<br>• Stakeholder Meeting<br>• Press Notice for Input / Comment (60 days) | Nov 2020 |
| **Phase 4 :** Final Submission & Approval of Jeffreys Bay CBD Precinct Plan | *To finalise the Precinct Plan and to submit to Council for approval. This Phase includes proposals, graphic representations on urban design proposals including 3D renders and fly-through as per the terms of reference* | 1. Submit 1st Draft CBD Precinct Plan to Kouga Municipality<br>2. Obtain input & feedback<br>3. Final Precinct Plan, Urban Design Guidelines, Transportation Proposals & Land Use Management Guidelines<br>4. Prepare 3D renders & fly-through<br>5. Council submission & presentation<br>6. Council approval | **Updated Draft CBD Precinct Plan**<br><br>**Final Precinct Plan & Council Approval** | • PC Meeting<br>• Council Resolution<br>• Press Notice | Dec 2020 |

- **Heritage & Urban Form**

  Building footprint and status quo of the built environment to be mapped in detail, including existing buildings, street reserve, pedestrian movement areas, road surfaces and access to the beach area. This will form a detailed base map on which future urban design and implementation will be based for mapping to be digitised from most recent aerial photography.

- **Economic & Socio Economic Assessment**

  Economic data and socio demographic information based on latest available information and data available through established sources.

- **Infrastructure Assessment**

  Existing bulk and internal reticulation infrastructure (i.e. water, sanitation and electricity) will be assessed on street level to provide an indication of infrastructure location. Infrastructure shortfalls and bulk supply challenges to be identified through the normal IDP prioritisation and Sector Plan prioritisation processes.

- **Concept & Precinct Plan Proposals**

  The professional team proposed to provide detail with respect to future land use control & management, urban design guidelines, urban restructuring, street upgrading and beautification. It is further proposed that detailed urban design proposals will be tabled with specific reference to Da Gama Road section and interaction with the beachfront component. This will include objectives, strategies and intervention for redeveloping and upgrading the CBD area with specific reference to design principles, unleashing a development vision for the CBD, detailed beachfront upgrading proposals and project implementation and prioritisation and phasing.

- **3D Rendering & Fly-through**

  It is noted that 3D rendering, building facades and fly-through imaging can be an extremely cost intensive exercise and the professional team costed for this component based on the following:

  - Presentation study area scaled plan sections and elevations where required.
  - Presentation specific zone detailed plan sections and elevations where required.
  - Final 3D renders to include various 3 D images of the study areas and specific zones. These renders will show existing buildings ( and their elevations) as well as blocked in possible future development and some detail to the public spaces including car, people and street furniture.
  - Final 3D renders to include a 'fly through' short video with audio. This will be of a blocked up 3 D model of the study area, then moving towards the main street and then focusing on some specific zones of importance.
  - Items above are to include day and night time views.

  Additional cost and further development of the 3D rendering and fly-through can be upgraded and intensified based on further budget availability. It is noted that the budget for this specific component is stipulated under the cost items of this submission.

- **Advertising and Disbursements**

  Advertising in the local press will be done by the Kouga Municipality.

## 8.0 Project Cash Flow

The project phases, deliverables and cash flow are outlined below :

| Phase | Deliverables | Timeframes | % Payable | Amount (R) |
|---|---|---|---|---|
| **Phase 1 :** Inception | *Project Inception Report* | Jul 2020 | 10 | 43 000 |
| **Phase 2 :** Status Quo Analysis | *Status Quo Report & SWOT Analysis* | Sep 2020 | 10 | 43 000 |
| **Phase 3 :** First Draft Jeffreys Bay CBD Precinct Plan | • *Initial Concept & Precinct Plan Proposals*<br>• *1st Draft CBD Precinct Plan* | Nov 2020 | 20<br>20 | 86 000<br>86 000 |
| **Phase 4 :** Final Submission and Approval of Jeffreys Bay CBD Precinct Plan | • *Updated Draft CBD Precinct Plan*<br>• *Final Precinct Plan & Council Approval* | Dec 2020 | 30<br>10 | 129 000<br>43 000 |
| | | ***Sub Total*** | ***100%*** | ***430 000*** |
| | | ***VAT @ 15 %*** | | ***64 500*** |
| | | ***TOTAL*** | | ***494 500*** |

Project implementation, deliverables ad timeframes are based on the following :

- Full co-operation of all role players and stakeholders.
- Delays with respect to Kouga Municipal decision making and co-operation of role players will not be the responsibility of the service provider and will be communicated to the project manager.
- Monthly progress reporting and upfront identification of key issues.
- The service providers will ensure timely notification of any delays or anticipated delays.
- Unforeseen project delays will impact on final project delivery date.

Annexure 1

# Appointment of Urban Dynamics EC

KOUGA local municipality
Good Governance through Service Excellence

Cape St Francis
Hankey
Humansdorp
Jeffreys Bay
Loerie
Oyster Bay
Patensie
St Francis Bay
Thornhill

Postal: PO Box 21, Jeffreys Bay, 6330
Tel: 042 200 2200 / 042 200 8300
Fax: 042 200 8606
Email: registry@kouga.gov.za
Website: www.kouga.gov.za

27 May 2020

**Urban Dynamics EC**

**Attention: Johan Van Der Westhuysen**
Tel No: 041 374 3980
Fax No: 041 374 3984
Cell No: 083 321 2299

Email: info@udec.co.za

Madam/Sir

**APPOINTMENT OF A SERVICE PROVIDER FOR THE DEVELOPMENT OF THE JEFFREYS BAY PRECINCT PLAN**

You are advised that at a Bid Adjudication Committee Meeting held 27 May 2020 the Committee resolved as follows:

That **Tender 5/2020** Appointment of a Service Provider for the Development of the Jeffreys Bay Precinct Plan be awarded to **Urban Dynamics EC (Pty) Ltd** at the following rates:

| DELIVERABLES/ITEMS (INCLUSIVE OF ALL DISBURSEMENTS) | Price Excl. VAT | VAT | Price Incl. VAT |
|---|---|---|---|
| **Phase 1 & 2**- Status Quo Report (including initial explorative engagements with key stakeholders) **(Maximum 20% of total project cost)** | **R 43 000.00** | **R 6 450.00** | **R 49 450.00** |
| | **R 43 000.00** | **R 6 450.00** | **R 49 450.00** |
| **Phase 3**- Initial Concept & Precinct Plan Proposals providing for:<br>• Initial Concept & Precinct Plan Proposals Report **(Maximum 20% of total project cost)**<br>• Updated Concept & Precinct Plan Proposals Report, based on internal comments received (to serve as basis for external | | | |
| | **R 86 000.00** | **R 12 900.00** | **R 98 900.00** |
| | **R 86 000.00** | **R 12 900.00** | **R 98 900.00** |

KOUGA local municipality
Good Governance through Service Excellence

Cape St Francis
Hankey
Humansdorp
Jeffreys Bay
Loerie
Oyster Bay
Patensie
St Francis Bay
Thornhill

Postal: PO Box 21, Jeffreys Bay, 6330
Tel: 042 200 2200 / 042 200 8300
Fax: 042 200 8606
Email: registry@kouga.gov.za
Website: www.kouga.gov.za

| | | | |
|---|---|---|---|
| stakeholder engagement) **(Maximum 20% of total project cost)** | | | |
| **Phase 4** - Updating of Concept & Precinct Plan Proposals subsequent to external stakeholder engagement providing for: | | | |
| • Updated Draft Report based on inputs from external stakeholder engagement, as well as any additional internal inputs (including initial 3Drenders [with building facades and day/night-time views] and fly-through video [with voice-over]) **(Maximum 30% of total project cost)** | **R 129 900.00** | **R 19 350.00** | **R 148 350.00** |
| • Consolidated Final Submissions (Including final report, final 3D-renders [with building facades and day/night-time views], final fly-through video [with voice-over] and all other related final supporting deliverables) **(Maximum 10% of total project cost)** | **R 43 000.00** | **R 6 450.00** | **R 49 450.00** |
| **TOTAL** | **R 430 000.00** | **R 64 500.00** | **R 494 500.00** |

**Please be advised that the appointment is subject to the following conditions:**

a) That a cooling-off period of 14 days from the date of decision for the bidders to lodge objections.
b) Project must be completed within 6 months.

KOUGA
local municipality
Good Governance through Service Excellence

Cape St Francis
Hankey
Humansdorp
Jeffreys Bay
Loerie
Oyster Bay
Patensie
St Francis Bay
Thornhill

**Postal: PO Box 21, Jeffreys Bay, 6330**
**Tel: 042 200 2200 / 042 200 8300**
**Fax: 042 200 8606**
**Email: registry@kouga.gov.za**
**Website: www.kouga.gov.za**

c) All the contractual obligations as stipulated in the tender contract must be adhered to.
d) That the award of Contract be accepted in writing.
e) That all contractual documentation including tax compliance be kept updated for the contract period

Kindly direct enquiries in this regard to Mr. L. Ramakuwela at telephone no. 042-2002200 or email: lramakuwela@kouga.gov.za or Mr. Landu Lundi; SCM Manager at tenders@kouga.gov.za

Yours faithfully

**Mr C Du PLESSIS**
**MUNICIPAL MANAGER**
**KOUGA LOCAL MUNICIPALITY**

Annexure 2

# Media Notice

## KOUGA MUNICIPALITY

### LOCAL SPATIAL DEVELOPMENT FRAMEWORK
### (JEFFREYS BAY CBD PRECINCT PLAN)

The Kouga Municipality resolved to prepare a Local Spatial Development Framework for the Jeffreys Bay CBD, in terms of Section 11 of the Kouga Spatial Planning & Land Use Management By-laws, 3609 (4 March 2016).

The main objective of the Local Spatial Development Framework is to formulate a development vision for the Jeffreys Bay CBD, including land use development parameters.

Interested and Affected Parties (I & AP's) are hereby invited to register or direct further enquiries to the Municipal Manager, Mr C du Plessis on 042 200 2200.

Closing date for registration of I & AP's is 30 days after this notice.

The Municipal Manager
Mr C du Plessis

## KOUGA MUNISIPALITEIT

### PLAASLIKE RUIMTELIKE ONTWIKKELINGSPLAN
### (JEFFREYSBAAI SENTRALE BESIGHEIDS DISTRIK)

Die Kouga Munisipaliteit het besluit om 'n Plaaslike Ruimtelike Ontwikkelingsplan vir die Jeffreysbaai Sentrale Besigheids Area op te stel, in terme van Artikel 11 van Kouga Ruimtelike Beplanning & Grondgebruikbestuur's Bywet, 3609 (4 Maart 2016).

Die hoof doelwit van die Ruimtelike Ontwikkelingsplan is om 'n ontwikkelingsvisie vir die Jeffreysbaai Sentrale Sake Kern to formuleer, insluitende ruimtelike grondgebruik voorstelle.

Geinteresseerde en geaffekteerde partye (GGP's) word hiermee genooi om te registreer of verdere navrae kan gerig word aan die Munisipale Bestuurder, Mnr C du Plessis by 042 200 2200.

Sluitingsdatum vir registrasie van GGP's is 30 dae vanaf plasing van hierdie kennisweging.

The Munisipale Bestuurder
Mnr C du Plessis

Annexure 3

# MEC Notice

**Kouga Municipality Letterhead**

Date

The Member of the Executive Council (MEC)
Department of Co-operative Governance & Traditional Affairs
Private Bag X0026
5605

Dear Sir / Madam

**KOUGA MUNICIPALITY : PREPARATION OF A LOCAL SPATIAL DEVELOPMENT FRAMEWORK (PRECINCT PLAN FOR THE KOUGA CENTRAL BUSINESS DISTRICT (CBD))**

Kouga Municipality resolved to prepare a Local Spatial Development Framework (Precinct Plan for the Kouga Central Business District (CBD)) in terms of Section 11 of the Kouga Spatial Planning & Land Use Management (SPLUM) By-laws, 3609 (4 March 2016). The LSDF will include the Jeffreys Bay CBD.

In terms of Sections 6 (c) (i) of the Kouga SPLUM By-laws, your office is hereby informed of the Kouga Municipality's intention to prepare a LSDF in terms of the relevant legislation. Kindly refer to the attached project programme.

I trust that you will find the above in order. If any further information is needed, please do not hesitate to contact our office.

Kind Regards,

Mr C du Plessis
Municipal Manager

Annexure 4

# Project Inception Meeting : Agenda & Minutes

**KOUGA LOCAL MUNICIPALITY**

**JEFFREYS BAY PRECINCT PLAN**

# AGENDA

## Inception Meeting

**DATE** : 23 July 2020 (Thursday)
**TIME** : 14h00
**VENUE** : Virtual (Zoom)

1. Opening & Welcome
2. Attendance & Apologies
3. Agenda & Additional Items
4. Project Objectives, Deliverables & Methodology
5. Project Implementation Plan (PIP)
   - *5.1 Study Area*
   - *5.2 Participation Structures*
   - *5.3 Participation Process*
   - *5.4 Timeframes*
   - *5.5 Data Availability & Specialist Studies*
6. Way Forward
7. Closure

**KOUGA LOCAL MUNICIPALITY**

**JEFFREYS BAY PRECINCT PLAN**

# MINUTES

## Inception Meeting

**DATE** : 23 July 2020 (Thursday)
**TIME** : 14h00
**VENUE** : Virtual (Zoom)

1. **Opening & Welcome**

   The meeting was opened and all delegates welcomed by the Director : Planning, Development & Tourism (Fezeka Mabusela).

2. **Attendance & Apologies**

   The following delegates attended the meeting :

   - Director (Fezeka Mabusela)
   - Planning Office : Kobus Marais
   - Planning Office : Elsa van Biljon
   - Planning Office : Lawrence Ramakuwela
   - Infrastructure : Gert Swanepoel
   - Manager Parks : Frank Tamboer
   - Environmental Officer : Nomvelo Siwela
   - Councillor Rheeder
   - Councillor Bornman (speaker)

   Apologies were received from the Municipal Manager and the Director : Infrastructure.

3. **Agenda & Additional Items**

   The agenda, as circulated by UDEC, was accepted.

4. **Project Objectives, Deliverables & Methodology**

   UDEC outlined the project programme, which was circulated with the agenda to all delegates. The project programme comprises of 4 Phases as in the table indicated below.

*5.3* *Participation Process*

- The COVID-19 regulations and restrictions on public interaction were noted. It was agreed that virtual platforms will be extensively used to conduct these processes and a targeted I & AP process will be followed. Notices to be placed in the local press, inviting I & AP's to participate in the process.
- The PM (Lawrence Ramakuwela) to forward identified stakeholders to UDEC for inclusion in the Project Implementation Plan (PIP).
- I & AP's to include business owners, key role players, tourism, ward councillors.
- It is recommended that public participation should not be conducted during the December year-end holiday season.

The revised participation milestones are included in the PIP.

*5.4* *Timeframes*

UDEC noted that the timeframes as per the Terms of Reference (TOR) and the tender submission is 6 months. The PSP will make every effort to implement the project within the relevant timeframes. However, it is noted that the legislated timeframes for public participation, draft document circulation and public input is 90 days. Co-ordination of the participation process should be discussed with the PC going forward to ensure alignment with the year-end holiday break and the 60 day required SPLUMA advertising period.

It is further noted that the Phase 2 deliverable will concurrently with the press notices and invitation of I & AP's to contribute.

*5.5* *Data Availability & Specialist Studies*

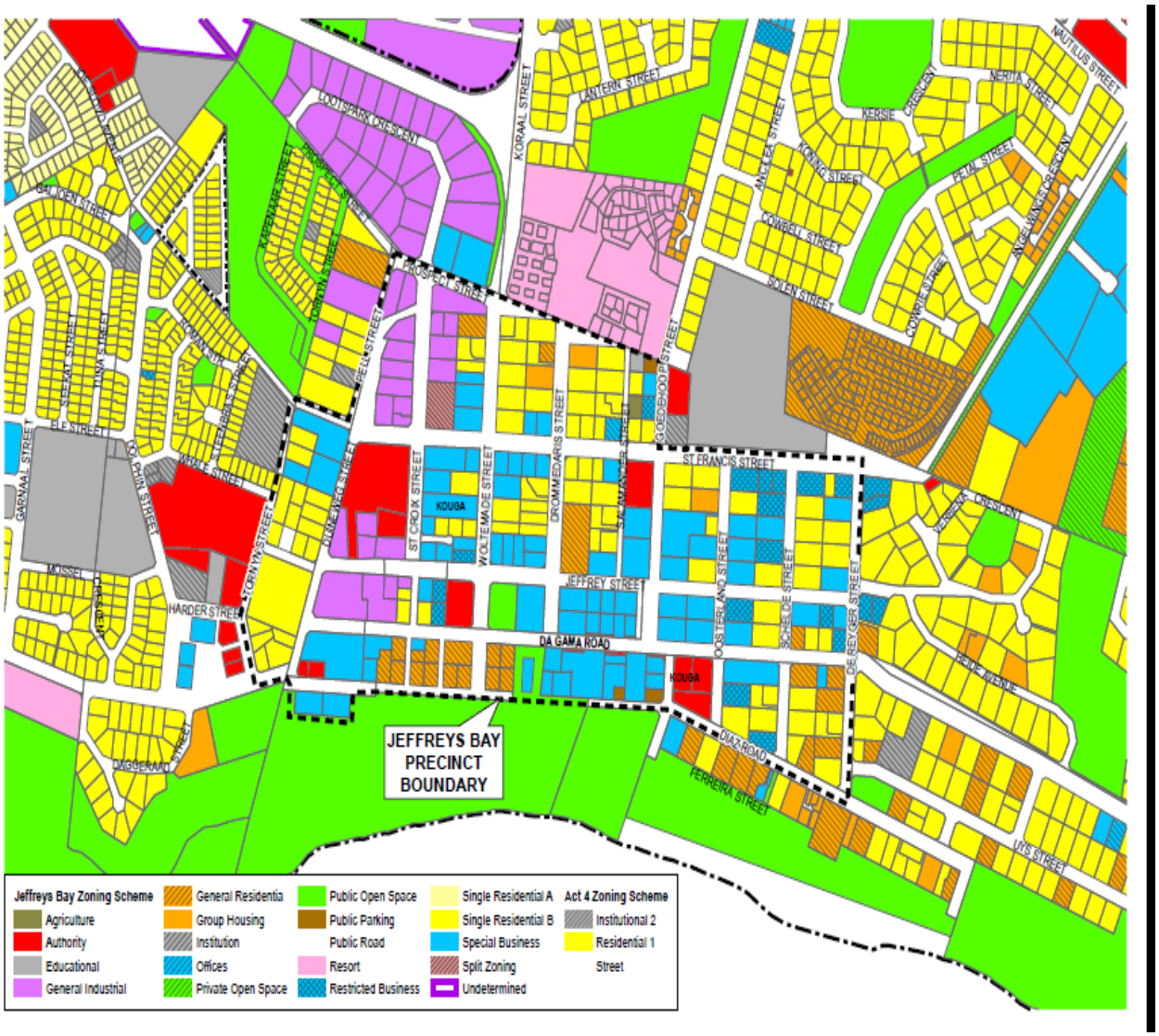
The PSP requests that all specialist studies and sector plans relevant to the study area be made available through the PM's office.

**6. Way Forward**

PSP to prepare Project Implementation Plan (PIP), Minutes (including PC members and targeted I & AP's), press notices and notification to the MEC within the next 10 days.

**7. Closure**

The virtual meeting was closed at 15h30.


JEFFREYS BAY PRECINCT BOUNDARY
DA GAMA ROAD
JEFFREY STREET
ST FRANCIS STREET
KOBUS STREET
KORAAL STREET
LANTERN STREET
NAUTILUS STREET
KERSIE CRESCENT
NERITA STREET
PERIWINKLE CRESCENT
ANCHOR STREET
KONING STREET
COWRIE STREET
SOLEN STREET
GOEDEHOOP STREET
ST FRANCIS CRESCENT
ST CROIX STREET
WOLTEMADE STREET
DROMMEDARIS STREET
ST LUCIA STREET
OOSTERLAND STREET
SCHELDE STREET
DE REYGER STREET
HEINZ AVENUE
DIAZ ROAD
FERREIRA STREET
UYS STREET
LOOISPARK CRESCENT
KAPENAAR STREET
GUILLOEN STREET
GARNAAL STREET
ELE STREET
WHALE STREET
HARDER STREET
MOSSEL STREET
DASSEN STREET
KOUGA
Jeffreys Bay Zoning Scheme
Agriculture
Authority
Educational
General Industrial
General Residentia
Group Housing
Institution
Offices
Private Open Space
Public Open Space
Public Parking
Public Road
Resort
Restricted Business
Single Residential A
Single Residential B
Special Business
Split Zoning
Undetermined
Act 4 Zoning Scheme
Institutional 2
Residential 1
Street

# REPORTS BY THE PORTFOLIO CHAIRPERSON: LOCAL ECONOMIC DEVELOPMENT & TOURISM

**KOUGA MUNICIPALITY (EC 108)**

**ORDINARY COUNCIL MEETING**

**LOCAL ECONOMIC DEVELOPMENT & TOURISM**

**DATE: 28 AUGUST 2020** **ITEM NO: 20/08/LED&T1**

**BUILDING GREEN INCLUSIVE MUNICIPALITIES (BIGM) PROGRAMME – REPORT ON BUSINESS RETENTION AND EXPANSION SURVEY ON KOUGA TOURISM SECTOR**

1. Purpose

The purpose of the item is to table the BR&E report to the Committee for noting and approval.

2. Background

The BR&E program is a secondary project to be implemented by Kouga Municipality within the Building Inclusive Green Municipalities Programme. The purpose of the BR&E is to help Kouga Municipality to identify local business issues, concerns and potential opportunities that local government, agencies and other stakeholders can address proactively and ultimately creating a supportive environment for Business and Investment in all sectors of the Local Economy.

The Tourism sector was identified as the first sector in which the BR&E would be conducted in 2019 in the annual work plan for the BIGM. The study was carried on 60 businesses across the Local Tourism Value Chain through one on one interviews with the respective participants/tourism operators. The data collection method was gathered through a questionnaire that was developed in December 2019 in Canada by Kouga Officials under the mentorship of our Canadian partners Prince Edward County. The Local Economic Development Department concluded the BR&E report for the Tourism Sector and some critical findings were uncovered on the state of the local tourism sector and local economy in general below are some of the key findings:

- Kouga has a Resilient Local Economy - 59 (98.33%) out of the 60 businesses interviewed operate throughout the year even though the local tourism sector is seasonal and rely heavily on tourists
- that Kouga Municipality needs to improve on local attractions to attract visitors into the Kouga area especially in off season times.
- Public ablution facilities are not enough to accommodate tourists.
- Information Centres for visitor services needs serious improvement.

3. Recommendation

3.1 That the Business Retention and Expansion Report and its recommendations be approved.

3.2 That an Action Plan be developed and be submitted to the next Local Economic Development & Tourism Portfolio Committee meeting.

**Item prepared by : The LED: Officer**

**Item approved by : The Director: Planning, Development & Tourism**



**Item noted by the Portfolio Chairperson**



**ANNEXTURE A**


KOUGA
local municipality
Business Retention
& Expansion Report
2019
Department: Local Economic Development & Tourism
16 Woltemade Building
Jeffreys Bay

# TABLE OF CONTENTS

Background and Introduction 3-5

About the Sector 5

Key Findings 6 - 11

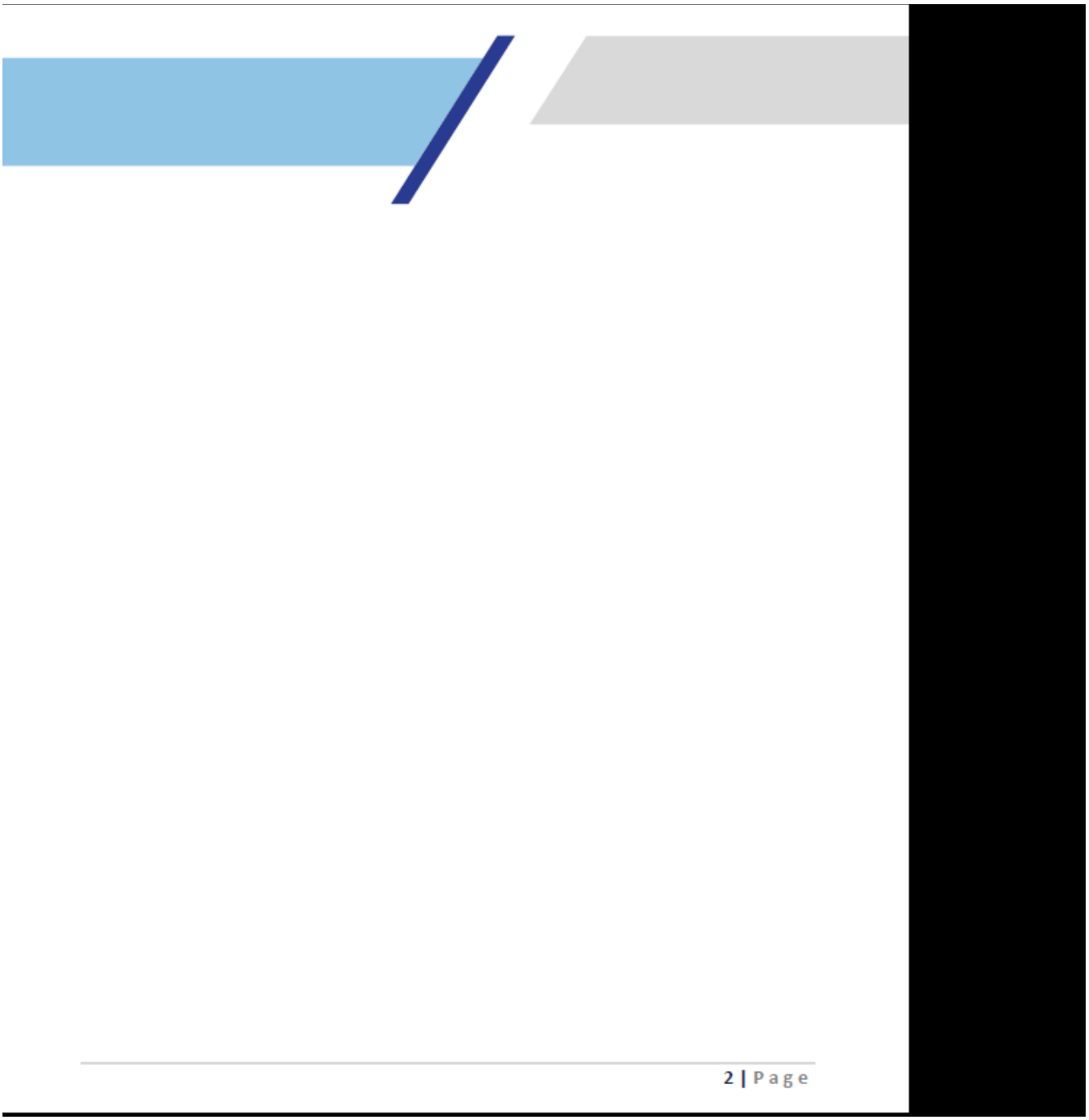
- Accommodation 7
- Food Services 7
- Attraction 7
- Business Climate 8
- Bookings Accommodation 9
- Retail 10
- Information Centers 10
- Signage 10
- Condotion & Cleanliness of the Public 11
- Availability of Ablution Facilities 11

Challenges to Growth in the Tourism Sector 11

Opportunities 11

Recommendations 13

Concluding Remarks 14



# Background & Introduction

In 2019, the Kouga Municipal Local Economic Development and Tourism Department embarked on its first BR+E study for the Tourism sector. A sample of 60 businesses in the sector across the towns of Kouga were interviewed in a course of eight months. These in-person surveys provide baseline information about each business, future plans and challenges with doing business in the community. BR+E project serves as an important resource for informing Economic Development priorities and work plans. They also provide an opportunity to outreach to the business community and identify any immediate needs that may be impeding business growth. This in return gives the Municipality the opportunity to have an in-depth look at the health and vitality of each sector of our economy.



**"The BR&E model adopted in this study originated from the province of Ontario in Canada. Through a Learning Exchange Opportunity afforded through Building Inclusive Green Municipalites (BIGM) Programme, KLM spend 2 weeks with the partner Prince Edward County participating in the same survey in PEC. Subsequently KLM customized its BR&E tool and started on its 1st BR&E survey"**

*(Picture: KLM delegation, PEC Officials & Rep. from Food & Women Ministry: Ontario)*

## The Process

The BR&E project is a 4- step process as illustrated below. Each Step entails specific milestones.




**Step 1: Preparation**

- ✓ Form Leadership Team
- ✓ Design Project (Identification of businesses and visitation schedules)
- ✓ Recruit and Train Volunteers

**Step 2: Collecting & Assessing**

- ✓ Business Visits
- ✓ Immediate Response
- ✓ Analyze survey data

**Step 3: Action Planning**

- ✓ Hold Taskforce Retreat
- ✓ Write final report and action plan
- ✓ Communicate results

**Step 4: Implementation**

- ✓ Implement actions
- ✓ •Evaluate results

## Data Capturing & Analysis Tool

To successfully implement the BR&E, Kouga Municipal subscribed to an online data management system (Monkey Survey). The Monkey Survey enables Kouga Municipality to design business survey templates, capture responses from businesses and utilise online data management system. By participating in and using Survey Monkey Kouga Municipality gained the benefits of designing a survey, entering and storing data online and analysing and presenting results.

## About the Sectors

Included in the Tourism Sector BR&E Study interviews were all the represented each of the following:

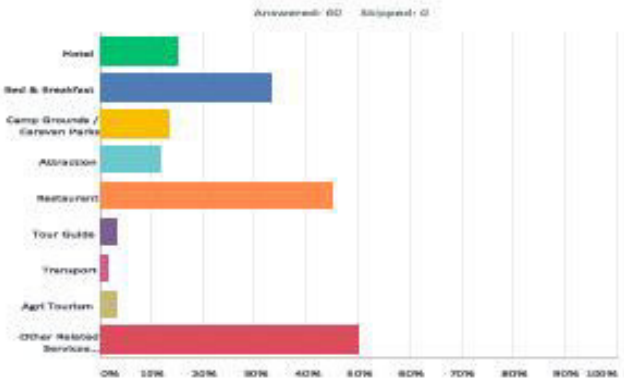
- Hotels
- Restaurant
- Bed & Breakfast
- Camping Grounds / Caravan Parks
- Guided Tour Operators
- Wedding and Conference Venues
- Golf courses



The businesses participating in the project were identified from Jeffreys Bay, Humansdorp, Thornhill, Hankey and St. Francis Bay.

The figure below depicts the category of businesses interviewed as part of the BR&E

Survey. Restuarants and B&Bs made up majority of respondents .



# Key Findings

**98.33% of the 60** businesses interviewed operate throughout the year even though the local tourism sector is seasonal and rely heavily on tourists as clientele ***(sales are at a high in summer season due to influx of holiday makers and in Winter due to Winterfest World Surf League in the Coastal area and Citrus Industry boom in the Gamtoos area)***.

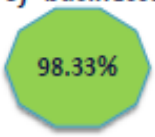
- ✓ Qualitative evidence from the tourism operators indicates that Kouga Municipality needs to improve on local attractions to attract visitors into the Kouga area especially in off season times,
- ✓ Public ablution facilities are not enough to accommodate tourists, Information Centres for visitor services needs serious improvement,
- ✓ Signage is also poor along the N2, between local towns and within local towns. For example, tourism entrepreneurs interviewed stated that there is no sign along the N2 that indicates kilometres when travelling to Jeffreys Bay up until you reach Mentors Kraal, and this results in tourists travelling past Jeffreys Bay area.

Road Infrastructure - Qualitative evidence indicates that the majority of the tourism business operators in across Kouga are not satisfied with the level of infrastructure in particular roads (48.33%) 29 out of
60 people expressed that the conditions of our public roads as being in a poor condition.

**Level of satisfaction with Tourism Facilities in Kouga Area -** The tour operators on a scale of one to four were asked their level of satisfaction regarding facilities for tourist / visitors in the area starting from Accommodation, Food Services, Attraction, Information Centres, Signage, Availability of Ablution Facilities to the Condition and Cleanliness of the Public.

Kouga Tourism as a sector depends strongly on the Summer *(November, December and January)* and Winter *(June and July)* Seasons. Kouga Municipality can leverage on the strength and resilience of this sector to increase visitors coming in to Kouga during low season times.

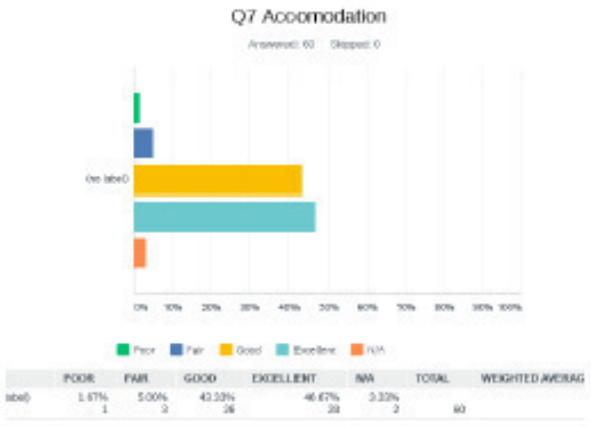
*"The study revealed that of the 60 interviewed businesses 98.33% of businesses operate all year round in Kouga."*




This suggests that Kouga Municipality should then intensify its efforts in implementing projects and programmes that would draw local and international tourists to visit Kouga during the low season times and this in would ensure jobs and businesses are retained.

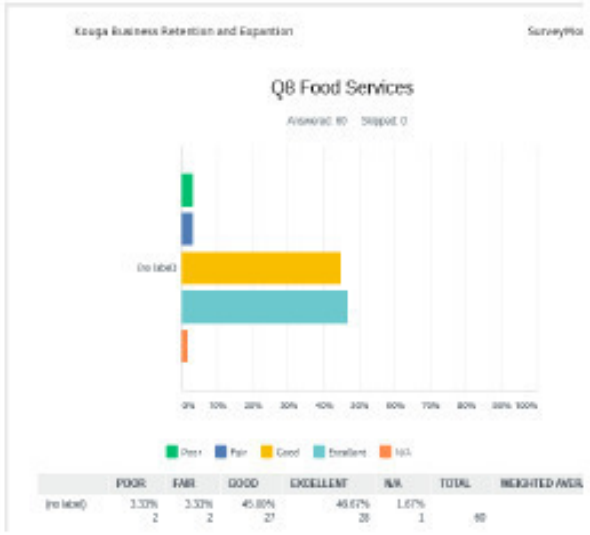
## Accommodation

- 46.7% percent of the survey participants indicated that Kouga has excellent accommodation establishments and can cater for all types of tourist on and off pick times.
- 43.33% of the participants indicated that Kouga Tourist sector offers good accommodation for tourist.
- 5.0% indicated that the accommodation sector caters fairly for tourist and visitors coming into the Kouga Area.
- 1.67% Indicated that the accommodation sector is poor in Kouga.
- 3.33 % indicated that Accomodation facilities do not apply to their businesses and these were restuarants.



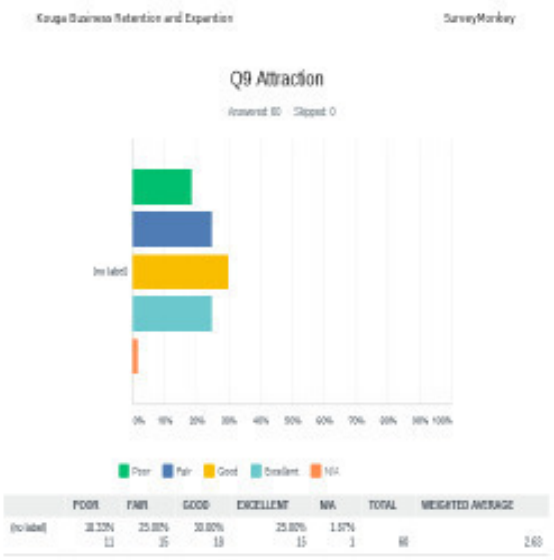

## Food Services ( Restuarants, Delis etc)

- 46.67 % of survey participants indicated that the availability and quality of food services is excellent.
- 45% of indicated that availability and quality of food services as good.
- 3.33% indicated that the availability and quality of food as being fair.
- 1.67% indicated the quality and availability of food services as being poor.




## Attraction

- 25% indicated that Kouga has excellent attractions for Tourist
- 30% Indicated that Kouga has good attraction for Tourist.
- 25% indicated that Kouga has fair attraction for tourist
- 18.33% indicated that Kouga that there is not enough to attract tourist to the region, and this is poor.



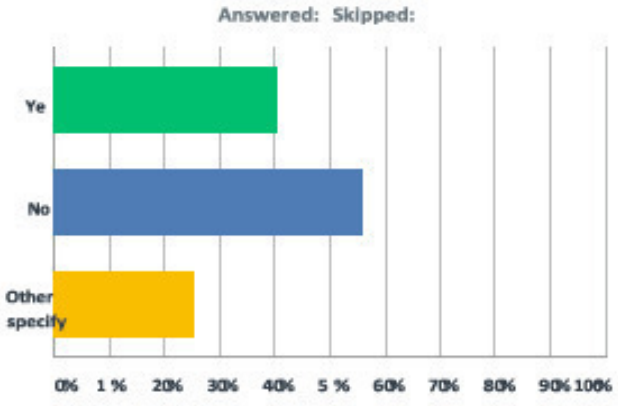

Tourism Operators were asked on what they feel, or think are the main products or services that attract visitors to the area and had a choice of selecting up to five services or products and the following was highlighted as key activities attracting people into the area:

- Adventure Tourism e.g. Surfing, Horse Riding
- Outdoor Activities – Hiking and Camping
- Sightseeing
- Shopping
- Fishing

## Registration with Kouga Supplier Data Base and Central Data base

The survey indicated that most of businesses in the Tourism sector are not registered in the Central Data base and Kouga Supplier Database. In essence this indicates that most of the opportunities in the business tourism like conferencing and accommodation are missed where client is likely to be Government department or Municipality.

***"55.93% participating businesses are not registered with KLM Supplier data base"***



## Business Climate

Pertaining to the Business Climate a question was posed what the respondents perceive as *Advantages of Operating a Tourism Business in Kouga?*

Out of the 60 interviewees the most notable responses were as follows:

- *"There is big potential around the Kouga Municipal area and business is good"*
- *"Location makes it accessible for our guests to visit other parts of the region for day trips (Addo, Tsitsikamma, St. Francis etc.)"*
- *"Exit and Entry point from the baviaans world heritage site"*
- *"Big Support from the farming community"*
- *"Beautiful Coastline" /"Landscape / Environment"*
- *"Influx of Visitors/ Professionals around the citrus industry (Business Tourism)"*
- *"Perfect Location and Views World Famous Tubes"*
- *"Escape from the City"*
- *"Adventure - Surfing, Sandboarding, and Trails"*
- *"The almost untouched nature that Oyster Bay has to offer"*
- *"Fynbos, Protea, Indigenous Plants, 5 Hiking Trails"*
- *"Blue Flag beach, Surf Sport"*

From the responses above it is deduced that three key factors are seen as advantages for Tourism business in Kouga namely, **Locality ( including the country feel); Natural Resources and Surf/ Blue Flag .**

## Bookings Accommodation

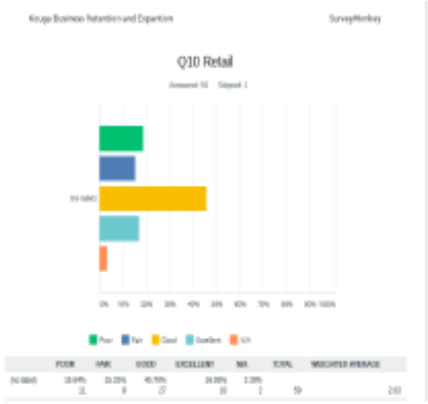
Out of the Tourism business operators in the Hospitality business 47.27% indicated that people visiting their premise book two to three nights and this indicates that people tend to visit mostly over weekends and short stays in the area and they tend to be families, couples, business tourist, groups.The Study also revealed that local businesses should interact more and collaborate more on product or service offerings. 53.45 percent of businesses indicated that they do not package or collaborate with anyone in doing business while 46.55% indicated that they partner with other local businesses, this indication should be seen as a opportunity to drive a keep it local campaign where businesses are encouraged to support one another and do business with one another to break down operating in silos.

## Retail

- 45% of survey participants indicated that the retail sector is good for Tourism in Kouga.

**16.95% survey participants indicated that retail sector in Kouga is excellent for tourism.**

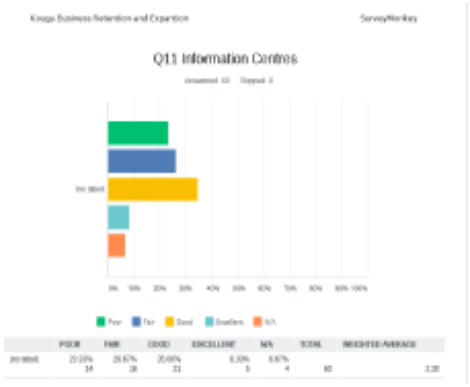
- 15.25% indicated that the retail in Kouga accommodates fairly for tourist and visitors.
- 18.64% indicated that the retail sector in Kouga is poor.




- 3.39 % indicated not applicable.

## Information Centres

*"35% of the survey participants indicated that tourist and information centres in Kouga are good."*




- 26.67% indicted that tourist information centres is
- fair.
- 23.33 indicated that Information centres or services for tourist in Kouga as being poor.
- 8.33 indicated that tourist and visitor information centres as being Excellent

## Signage

*"36.67 of survey participants indicated that signage is very poor in and around Kouga area for Tourist".*

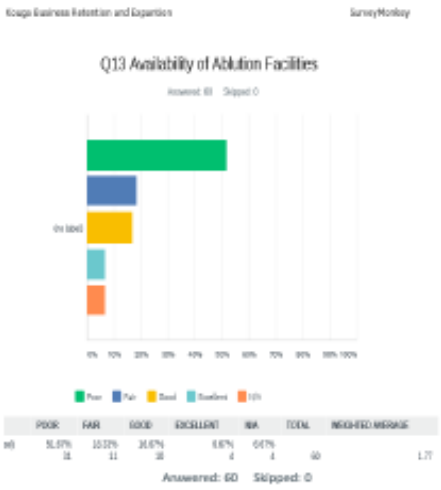
- 23.33% of the survey participants indicated that signage around Kouga as fair.
- 26.67% indicated that signage in Kouga as good.
- 11.67% indicated that signage as excellent.
- 1.67% indicated that signage does not apply to their businesses.



# Key Findings...

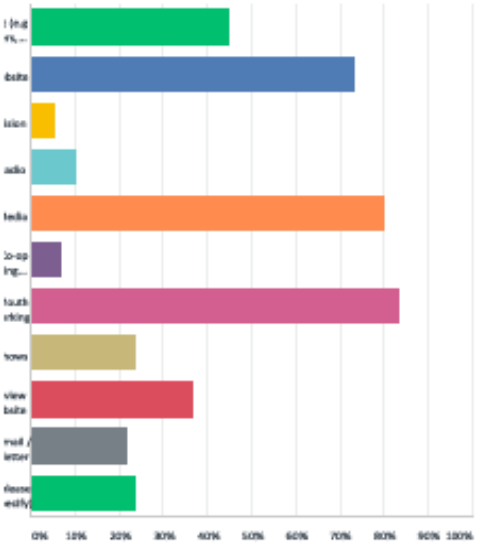
## Availability of Ablution Facilities:

- 51.67% indicated that the availability of ablution facilities for tourist throughout Kouga as poor.
- 16.67% indicated that the availability of ablution facilities as good.
- 18.33% indicated that the availability of ablution facilities as fair.
- 6.67 % indicated that ablution facilities are in excellent condition.




## Condition and Cleanliness of Public

- 27% of survey participants indicated that the cleanliness of public as poor.
- 22.03% indicated good
- 25.42% indicated fair.
- 15.25% stated not applicable.
- 10.17% indicated excellent for cleanliness of the public.



## Marketing platforms

The leading platforms used by the businesses for marketing and promotion is *Website, Social Media and Word of Mouth.*

Interestingly only **23,3%** of businesses in the Tourism Sector in Kouga use the Trade Shows to promote their businesses.

## Challenges to Growth & Expansion in the Tourism Sector.

### # 1 Poor Infrastructure

Majority of the Businesses indicated Water, Roads, Electricity, and Communications as critical infrastructure that needs attention for Tourism businesses to grow.

48.33% of Businesses indicated level of road infrastructure in Kouga as poor. This is more applicable to attraction sites in the rural part of KLM.

### # 2 Tourism Signage

Tourism Signage is a major problem for tour operators in Kouga Majority indicated and. Litter needs to be controlled Hankey dumps site needs to be greened and converted to recycling hub.

Police Visibility is also a concern for tourism sector around the Kouga area.

## Opportunities

### # 1 Improve Infrastructure in Tourism Routes

Supporting Tourism through building infrastructure and creation of products outside peak seasons could help close the gap between what tourists seek and what the sector offers and this will drive entrepreneurship not only in key tourism nodes but also in local townships around Kouga.

### # 2 Build Capacity of Local Tourism

Training in marketing to international audiences would help local tourism operators beyond their traditional clientele.

### # 3 Multi-Stakeholder Collaborations and Communication

More than 75.86 % of businesses interviewed affiliate to Kouga Local Tourism Organisation (KLTO), this affords an opportunity for the Municipality to easily collaborate on wider reaching programmes.

# Recommendations

There are a number of interventions that need to be implemented in order to achieve the BR&E objective for Tourism industry in KLM. These are summarized as:

1. *Improve on Tourism Signage* – Kouga Municipality need to set measures in place that will ensure that tourism signage in Kouga is improved.
2. *Drive a "Keep it Local" Business Campaign* to foster relationships and promote trade amongst Kouga businesses to partner on services.
3. *Improve on Communication* & client services through tourism offices in the especially in the Gamtoos region. Information sharing platforms & Tourism symposiums are needed. Website update on Tourism information is also critical.
4. Continue close *working relationship* with Captains of the industry.
5. *Expand Tourism products* for Kouga Local Municipality. Build content for nature reserves and things to do in & around Jeffreys Bay."
6. *Pedestrianize the CBDs.* Develop a cycling lane (Important for development) e.g. Create cycling lanes and develop a tourist corridor from Da Gamma Entrance to Billabong Surf Village."
7. *Visible Policing* "Improve safety for Tourist to feel comfortable Improve and work on cleanliness of the Town."
8. *Improve Provision of Infrastructure: Upgrading and maintenance of Roads,* provision of Electricity, Water. Improve the Road Condition of the R109, proper signage, Gamtoos mouth caravan park needs revival."
9. *Town Planning to encourage and fast-track* commercial developments that support the retail sector.
10. *Expand on Greening Projects:* Litter needs to be maintained, Hankey dumps site needs to be greened and converted to recycling hub." Cleanup between Sea Vista and Cape St. Francis Bay More Skip bins for Township Beach Cleaning Programmes Maintenance of Nature reserves"
11. *Promote Inclusive Township Tourism. Support* activities and attractions in the Townships. Develop the Humansdorp old railway building to arts and craft centre."
12. *Continue to support Museums* as Tourism Assets. To portray History and Heritage of Kouga."
13. Intensify ***Destination Marketing & Tourism*** Development
14. Develop a Public Transport Bus Stop for Tourist coaches.

## Concluding Remarks

This report comes out at a time when the country and the world at large battles the threat posed by the Covid-19 pandemic. This pandemic has created profound disruptions to our economy and society. Many South African industries are experiencing an adverse impact from the pandemic as the government had to introduce lockdown restrictions. The businesses affected by the national lockdown are mainly those that are not regarded as providing essential services (e.g. Leisure and non-essential travel) and thus have been non-operational since the country was placed on lockdown. The adverse impact is likely to be a greater scale for Tourism related business and other smaller businesses.

Accelerated effort for retaining businesses is now more necessary than ever. The Municipality has the challenge of acting as enabler for survival of local economies during and post lockdown. It is an advantage that the study indicates a strong and resilient tourism sector in Kouga, however, more interventions are necessary ensure that businesses in the Tourism sector are retained and in the plight of covid-19 remain afloat.

.....

F.F Mabusela

Director: Planning, Development & Tourism

**Annexure B: BR&E Questionnaire**

| COMPANY / ORGANIZATION PROFILE |
|---|

| | |
|---|---|
| COMPANY / ORGANIZATION NAME | |
| ADDRESS | |
| WARD | |
| TELEPHONE | |
| EMAIL | |
| DESCRIPTION OF BUSINESS | |

**BI: BUSINESS INFORMATION**

BI 1. WHICH OF THE FOLLOWING BEST DESCRIBES YOUR BUSINESS?

| | |
|---|---|
| Hotel | |
| Bed & Breakfast | |
| Campgrounds / Caravan Park | |
| Attraction | |
| Restaurant | |
| Tour Guide | |
| Attraction | |
| Tour Guide | |
| Transport | |
| Agri - Tourism | |
| Other (Please Specify) | |

BI 2. What time of the year is your Business Open?

| | |
|---|---|
| Year Round (Go to Question Four) | |
| Summer Only | |
| Winter Only | |
| Spring | |
| Autumn | |

BI 3. a) Does your Business have potential to expand to other seasons?

- Yes
- No

BI 4. a) What are the Advantages of operating a Tourism Business in this area? (List up to Three)

BI 5. Rate Your level of Satisfaction with Tourism facilities in this area?

| **4 = Excellent** | **3 = Good** | **2 = Fair** | **1 = Poor** | **N/A = Not Applicable** | |
|---|---|---|---|---|---|
| **TOURISM FACILITIES** | | | | | |
| **Accommodation** | | | | | |
| **Food Services** | | | | | |
| **Attraction** | | | | | |
| **Retail** | | | | | |
| **Information Centers** | | | | | |
| **Signage** | | | | | |
| **Availability of Ablution Facilities** | | | | | |
| **Conditions & Cleanliness of Public** | | | | | |

BI 6. Are you registered with the following Kouga Municipal Database and National Treasury Supplier Database?

- Yes
- No

If not (Kindly Explain)

**BC: BUSINESS CLIMATE**

BC 1. Are there Assets or Infrastructure that you would like to see developed to support Tourism?

BC 2. (a) Please estimate the percentage of your day visitors that come for a day trip and the percentage that are overnight visitors?

% Day Trip: _____ % Overnight_____

BC 3. (b) On average, how many nights does a typical visitor stay?

- Not Applicable
- 1 Night
- 2 to 3 Nights
- 4 to 5 Nights
- 6 to 7 Nights
- 7+ Nights

BC 4. Visitors to this Business are they most likely to be? (Select Three)

- Families
- Business
- Couples
- Solo
- Seniors
- Groups
- Other (Please Specify) _____

BC 5. What are your target markets? Select All that apply.

- Local within 100 km
- Humansdorp
- Hankey
- Oyster Bay
- Other Towns or Cities / International (Please Specify)

BC 6: What do you think are the products / activities that attract visitors to the area? Select up to five?

- Adventure (Surfing)
- Agri – Tourism
- Arts & Culture
- Casino
- Crafts & Breweries
- Fishing
- Golf
- Heritage
- Museums
- Music
- Outdoor Activities
- Performing Arts
- Shopping
- Sightseeing
- Sports Eve
- Trails
- Water based Activities (Boating)
- Other (Specify)

BC 7. Are you a member of any Tourism Organization?

- Yes
- No

If yes, please specify

BC 8. (a) Do you offer packages?

- Yes
- No (Go to Question T13 d)

BC 9. (b) Who do you package with? (Give any Promotional Partnerships)

- Partner with others?
- Only include in my own Amenities.

BC 10. (c ) Who handles the promotion of the packages?

- Self
- Self and Partners
- Tour / Travel Agent.
- Chamber of Commerce or Municipality.
- Tourism Association
- Local Destination Marketing Organization.
- Regional Tourism Organization.
- Other (Please Specify) _____ (Go to Question T14)

BC 11. (d) If no what are the barriers to you offering packages?

BC 12. What methods do you use to promote your Business? (Select all that Apply)

- Print (e.g. Flyers, Newspaper, Magazines)
- Website.
- Television / Radio
- Social Media (E.g. Facebook, Twitter, Instagram)
- Co – op advertising campaigns.
- Word of Mouth and Networking.
- Trade Shows and Business Events.
- Travel review and Website
- Email / Newsletter.
- Other (Specify)_____

BC 13. Where do you get your market Research regarding tourism trends, market & growth opportunities etc.? Select All that Apply?

- Provincial Government
- Kouga Municipality – Local Economic Development?
- Eastern Cape Tourism and Parks Association?
- Sector Association?
- Kouga Local Tourism Organization?
- Conferences?
- Regional Tourism Association?
- In – House Research?

BC 14. Does the market research information you receive assist you in making Business decisions?

- Yes
- No

If no what additional Information would be useful? _____

BC 15. How would you rate the Level of Infrastructure in Kouga area?

| **4 = Excellent** | **3 = Good** | **2 = Fair** | **1 = Poor** | **N/A = Not Applicable** | |
|---|---|---|---|---|---|
| **INFRASTRUCTURE** | | | | | |
| **ROAD** | | | | | |
| **WATER** | | | | | |
| **ELECTRICITY** | | | | | |
| **INFORMATION COMMUNICATIONS TECHNOLOGY** | | | | | |

BC 16. What kind of Support / Intervention would your Business need from the Municipality?

**KOUGA MUNICIPALITY (EC 108)**

**ORDINARY COUNCIL MEETING**

**LOCAL ECONOMIC DEVELOPMENT & TOURISM**

**DATE: 28 AUGUST 2020** **ITEM NO: 20/08/LED&T2**

**LOCAL ECONOMIC DEVELOPMENT STRATEGY IMPLEMENTATION – 2020/2021 ANNUAL WORK PLAN**

1. Purpose

The item is tabled in response to the Special Council meeting Resolution No 20/06/LED&T2 that, **"That the action plan together with timelines be tabled at the next Portfolio Committee Meeting."**

2. Background

The Municipality recently adopted the Comprehensive LED Strategy in a Special Council dated 30 June 2020. The LED Strategy outlines an implementation over short term- long term. This item is an extract of action items from the LED Strategy Action Plan that will be implemented and monitored over the Financial year 2020/ 2021. The Annual workplan is attached herewith and forms the integral part of this item and recommendations.

3. Recommendation

3.1 That Annual Work Plan 2020/21 for the implementation of the LED strategy be approved.

3.2 That the item serve as a standing item on all future Portfolio Committee agendas in order to report on progress made on the Annual Work Plan 2020/2021.

**Item prepared by : The LED Officer**

**Item approved by : The Director: Planning, Development and Tourism**

**Item noted by the Portfolio Chairperson**

**IMPLEMENTATION / ACTION PLAN OF LOCAL ECONOMIC DEVELOPMENT STRATEGY- ANNUAL WORK PLAN 2020 / 2021**

| FOCUS AREA | Planned Action 2020 /2021 | Quarter | | | | Required Human Resources |
|---|---|---|---|---|---|---|
| | | Q1 | Q2 | Q3 | Q4 | |
| AGRICULTURE | Activity 1: Link emerging farmers with established commercial farmers to offer support and training to emerging farmers. | | | | | KLM |
| | Activity 2: Training farmers in modern and sustainable farming techniques. | | | | | KLM |
| | Activity 3: Establish a Fresh Produce Market. | | | | | KLM |
| | Activity4: Establish Local Farmer's Association | | | | | KLM |
| | **Planned Action 2020 /2021** | **Quarter** | | | | **Required Human Resources** |
| | | **Q1** | **Q2** | **Q3** | **Q4** | |
| TOURISM SECTOR | Activity 1: Diversify & Improve Tourism Offerings. | | | | | KLM |
| | Activity 2: Market Kouga as Tourism destination and events capital | | | | | KLM |
| | Activity 3: Urban renewal / Beach front development Initiatives to Improve Tourism Infrastructure. | | | | | KLM |
| | Activity 4: Co-ordinate and implement tourism safety support programmes. | | | | | KLM |

| | | | | | | |
|---|---|---|---|---|---|---|
| | Activity 5: Facilitate Development of Tourism Enterprise to Contribute to Inclusive Economy and Job Creation (Focus on PDI and Township/rural tourism). | | | | | KLM |
| | Activity 6: Develop and link a database of all Kouga tourism assets and businesses to National & Provincial databases. | | | | | KLM |
| | **Planned Action 2020 /2021** | **Quarter** | | | | **Required Human Resources** |
| | | **Q1** | **Q2** | **Q3** | **Q4** | |
| **GREEN AND OCEANS ECONOMY** | Activity 1: Develop existing industry and create new educational industry (clean industry for the coast) – Recycle Projects, Climate Change mitigation programmes, Renewable Energy Opportunities | | | | | KLM |
| | Activity 2: Promote initiatives for inclusion of Local SMMEs in the Renewable Energy Sector. | | | | | KLM |
| | Activity 3: Forge Public/Private Partnerships for Infrastructure Development to Support and grow Ocean Economy. | | | | | KLM |
| | **Planned Action 2020 /2021** | **Quarter** | | | | **Required Human Resources** |
| | | **Q1** | **Q2** | **Q3** | **Q4** | |

| | | | | | | |
|---|---|---|---|---|---|---|
| **BUSINESS AND ENTREPRENEURSHIP SUPPORT** | Activity 1: Reduce Red Tape: prioritise building plan & land use approvals. | | | | | KLM |
| | Activity 2: Conduct Annual Business Retention & Expansion survey per industry/ sector. (Women in Construction) | | | | | KLM |
| | Activity 3: Facilitate Industry Information Sharing and Networking Platforms | | | | | KLM |
| | **Planned Action 2020 /2021** | **Quarter** | | | | **Required Human Resources** |
| | | **Q1** | **Q2** | **Q3** | **Q4** | |
| **KNOWLEDGE MANAGEMENT** | Activity 1: Develop and enhance institutional capacity to conduct and manage tourism research. | | | | | KLM |
| | Activity 2: Develop Communication Plan for LED & Tourism Initiatives | | | | | KLM |
| | **Planned Action 2020 /2021** | **Quarter** | | | | **Required Human Resources** |
| | | **Q1** | **Q2** | **Q3** | **Q4** | |
| **INVESTMENT ATTRACTION & PROMOTION** | Activity 1: Develop Investment Promotion strategy & Incentives Policy | | | | | KLM |
| | Activity 2: Identify Special Development Zones/ Renewal zones | | | | | KLM |

**KOUGA MUNICIPALITY (EC 108)**

**ORDINARY COUNCIL MEETING**

**LOCAL ECONOMIC DEVELOPMENT AND TOURISM**

**DATE: 28 AUGUST 2020** **ITEM NO: 20/08/LED&T3**

**LED & TOURISM COVID-19 SUPPORT FOR TOURISM SECTOR IN KOUGA**

1. Purpose

The purpose of the item is to seek approval of Council, on the Covid 19 relief measure to be set in place for Tourism Sector in Kouga during and post Covid 19 Lock down.

2. Background

The Covid 19 pandemic has created profound disruptions to our economy and society. Many business sectors are experiencing an adverse impact from the pandemic as the government had to introduce lockdown restrictions. The businesses affected by the national lockdown are mainly those that are not regarded as providing essential services (e.g. Leisure and non-essential travel) and thus have been non-operational since the country was placed on lockdown. The adverse impact is likely to be a greater scale for Tourism related business and other smaller businesses, this propels Kouga Municipality now more than ever to accelerate efforts for retaining businesses in the Tourism sector and act as enabler for survival of local economies during and post lockdown.

3. Legal Implications

None

4. Financial Implications

Tariff for each special consent application = R6000 (application fee).
Water, electricity connections for events= varying as per need and applicable tariff.

*Payment Holiday*

Council resolved that Covid-19 relief be provided, which was a fair resolution, because all Rate Payers were taken into account for this assistance, as follows:-

- Council approved that interest will not be levied until June 2020 for all Rate Payers.
- Council has forfeited 4 months of interest on all Rate Payers from March – June 2020, and also up to the end of December 2020 for those that applied for relief.

When taking the submissions made to the Department for relief into account, the average cost of income forfeited would be approximately R8,204 million, excluding the usage of electricity, water and interest. This loss is based on the basic charges only and does not include the usage of electricity and water. The actual loss is therefore far higher.

The recommendations do not take all businesses into account and if this payment holiday is resolved for tourism only, there is a risk that businesses currently paying will stop paying, as all businesses were affected by the COVID-19 pandemic.

The businesses and tourism sector did not all apply for the relief offered by the Municipality, but those businesses that did apply, receives the interest free benefit for the 6 months and if they owned a house they were given the EQS benefit as well.

Therefore, providing additional relief in terms of a payment holiday will have extreme cashflow consequences and can result in the budget not being funded.

3. Recommendation

3.1 That Council approves payment holiday for all registered tourism establishments in Kouga on rates and taxes for six months until December 2020.

3.2 That Council exempts illegal accommodation establishments from application fees for Land use.

3.3 That all summer events in need of municipal support (i.e. water, electricity, public amenities, public open spaces) be supported without payment of tariffs.

**Item prepared by : The Director: Planning, Development and Tourism**

**Item endorsed by : The Municipal Manager**

**Item noted by the Portfolio Chairperson**

**KOUGA MUNICIPALITY (EC 108)**

**ORDINARY COUNCIL MEETING**

**LOCAL ECONOMIC DEVELOPMENT & TOURISM PORTFOLIO**

**DATE: 28 AUGUST 2020** **ITEM NO: 20/08/LED&T4**

**RE: SPONSORSHIP OF R20 000.00 (TWENTY THOUSAND RANDS ONLY) TO RIP CURL ONLINE SURF EVENT**

1. Background

A proposal for the Rip Curl surf event was submitted to the accounting Officer and an in- principle approval or commitment of R20 000 in support of the event.

2. Motivation

The event is basically a content and media event, so the contest is virtual and takes place online. There are many platforms, and Kouga Municipality will be represented on all media output, with logo and links. There is also hardcopy media, with newspapers and magazines. Many of the waves entered will come from Jbay, so we will be doing an article on Jbay and its history and surfing legacy for global media output. We will also be interviewing the Jbay / St Francis Bay surfers who have entered, including their history, and the history of their hometowns - Jbay, Pellsrus, St Francis Bay and Cape St Francis. we have quite a few entries so far from our area, including current South African champion Joshe Faulkner (JBay/Pellsrus).

We wish to elevate the women surfing element, showcase the girls surfing, their history and the legacy of women's surfing in South Africa, including history of South Africa's previous multiple women's world champion Wendy Botha.The event takes place in South Africa's women's month, and we wish to utilise this concept in our output and show support and be a supporter of the Women's Month campaign from a local Kouga perspective. The combination of Kouga region showcasing and Women's Month support through the multiple platforms of our event should provide very powerful Return on Investment to any sponsorship you could provide.

3. Purpose

The item is for Council to approve the payment of R20 000.00 in sponsorship to the Rip Curl online surf event.

5. Comments by the relevant Director

In absence of a Sponsorship Policy, Council should approve approval according to s67 of the MFMA. Further on, the Donation stipulates that all donations exceeding **R5000.00 should be referred for Council approval.**

6. Comments by Municipal Manager

Item supported

7. Financial implications

The 2017/2018; 2018/2019 and 19/20 budget provision was made through the Tourism development vote number 20170702071090.

8. Legal implications

Section 67 of the MFMA reads as follows:

***Funds transferred to organisations and bodies outside government***
***67. (1) Before transferring funds of the municipality to an organisation or body outside any sphere of government otherwise than in compliance with a commercial or other business transaction, the accounting officer must be satisfied that the organisation or body—***
***(a) has the capacity and has agreed—***
***(i) to comply with any agreement with the municipality;***
***(ii) for the period of the agreement to comply with all reporting, financial management and auditing requirements as may be stipulated in the agreement;***
***(iii) to report at least monthly to the accounting officer on actual expenditure against such transfer; and***
***(iv) to submit its audited financial statements for its financial year to the accounting officer promptly;***
***(b) implements effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement; and***
***(c) has in respect of previous similar transfers complied with all the requirements of this section.***
***(2) If there has been a failure by an organisation or body to comply with the requirements of subsection (1) in respect of a previous transfer, the municipality may despite subsection (1)(c) make a further transfer to that organisation or body provided that—***
***(a) subsection (1)(a) and (b) is complied with; and***
***(b) the relevant provincial treasury has approved the transfer.***
***(3) The accounting officer must through contractual and other appropriate mechanisms enforce compliance with subsection (1).***
***(4) Subsection (1)(a) does not apply to an organisation or body serving the poor or used by government as an agency to serve the poor, provided—***
***(a) that the transfer does not exceed a prescribed limit; and***
***(b) that the accounting officer—***
***(i) takes all reasonable steps to ensure that the targeted beneficiaries receive the benefit of the transferred funds; and***
***(ii) certifies to the Auditor-General that compliance by that organisation or body with subsection (1)(a) is uneconomical or unreasonable.***

9. Financial implications

**R20 000.00** = Ukey 20181116011252
Economic Development: Tourism
Advertising, Publicity and Marketing: Gifts and Pro (Tourism Development)

10. Recommendation

10.1 That Council approves the sponsorship/ Donation of **R20 000.00 (Twenty Thousand Rands Only),** in support of the Rip Curl Surfing Event.

10.2 That Council endorses the payment of invoice (attached) of **R20 000.00 (Twenty Thousand Rands Only),** to the Truth Collective for the event stated in 10.1 above.

**Item prepared by : The Director: Planning, Development and Tourism**

**Item endorsed by : The Municipal Manager**

**Item noted by the Portfolio Chairperson**

**ANNEXURES:**

1. **Articles**

https://www.heraldlive.co.za/sport/2020-08-07-top-surfers-put-eastern-cape-on-map-in-online-surf-contest/

https://www.redbull.com/za-en/rip-curl-e-pro-report

https://www.wavescape.co.za/surf-news/breaking-news/staples-and-bell-win-online.html

https://www.sportindustry.co.za/events/event-rip-curl-e-pro-online-surf-contest-opens

https://lwmag.co.za/rip-curl-e-pro-online-surf-contest-south-africa

https://www.jbaynews.com/2020-08-17/st-francis-bay-local-wins-inaugural-rip-curl-e-pro

https://www.zigzag.co.za/news/rip-curl-e-pro-online-surf-event-confirmed-for-south-africa/

https://www.theinertia.com/surf/this-weird-new-concept-event-could-be-the-future-of-surf-contests/

https://stfrancistoday.com/staples-and-bell-win-inaugural-rip-curl-e-pro-online-surf-contest/

https://www.coastalwatch.com/surfing/26113/there-s-a-digital-surf-comp-coming-to-south-africa-the-rip-curl-e-pro

https://www.surfopen.com/post/rip-curl-e-pro-online-surf-contest-opened-up-to-48-surfers

https://www.surfalliance.co.za/surfing-news/347-rip-curl-e-pro-south-africa-round-one-results

https://www.boardriding.com/Events/surf-web-series-rip-curl-e-pro-online-surf-event-south-africa-2020

https://showme.co.za/jeffreys-bay/news/mix-of-youth-and-experience-in-rip-curl-e-pro-online-surf-event/

## 2. Invoice

THE TRUTH COLLECTIVE

**3 OSTE WAY, CAPE ST FRANCIS, EASTERN CAPE, 6312**
**PRIVATE BAG X3, SUITE 37, ST FRANCIS BAY, EASTERN CAPE, 6312**
**042 298 0023**

**INVOICE**

| | | | |
|---|---|---|---|
| INVOICE DATE | **17 AUGUST 2020** | INVOICE NUMBER | **572** |
| TO | **KOUGA MUNICIPALITY** | | |
| ATT | **FEZEKA MABUSELA** | | |

| | | |
|---|---|---|
| SPONSORSHIP FOR THE RIP CURL E-PRO SURFING TOURNAMENT | R20 000.00 | R20 000.00 |
| **TOTAL** | | R20 000.00 |

**BANKING DETAILS**

**THE TRUTH COLLECTIVE**
**FIRST NATIONAL BANK**
**ACCOUNT NUMBER: 626 0959 8787**
**BRANCH: HUMANSDORP**
**BRANCH CODE: 210115**

**SWIFT CODE: FIRNZAJJ**
**BANK ADDRESS: 48 MAIN STREET, HUMANSDORP, EASTERN CAPE**
**PAYPAL: INFO@CRAIGJARVIS.CO.ZA**

TTC

CRAIG JARVIS e: craig@truthcollective.co.za c: 082 376 4443
LORRIN JARVIS e: lorrin@truthcollective.co.za c: 082 388 6213
Reg No 2016/032966/07

**KOUGA MUNICIPALITY (EC108)**

**ORDINARY COUNCIL MEETING**

**LOCAL ECONOMIC DEVELOPMENT & TOURISM**

**DATE: 28 AUGUST 2020** **ITEM NO: 20/08/LED&T5**

**KOUGA SMME DEVELOPMENT DRAFT POLICY**

1. Purpose

The purpose of this item is to is to table the Kouga SMME Development Draft Policy for adoption by council.

2. Background

The absence of the SMME Development Policy in Kouga has been a huge challenge in terms of addressing the challenges faced by SMME's in this region, thus resulting to an unstable environment in the SMME space.

The SMME Development Draft Policy recognizes the national policy and legislative framework in which SMMEs are defined, promoted, and monitored. The Kouga SMME Development Draft Policy aims to create a conducive environment that places the SMME's at the epicentre of accelerated economic growth and development.

The Kouga SMME Development Draft Policy was tabled for workshopping on the 18 August 2020 where inputs were made to be tabled to council for scrutiny and approval.

Inputs from the Chief Financial Officer regarding the evaluation of bids are mentioned in point 14 (Awarding of contacts for SMME's) of the Draft SMME Development Policy.

***Attached – Kouga SMME Development Draft Policy***.

3. Comments Director Planning Development And Tourism

None

4. Financial Implications

None

5. Legal Implications

None

6. Recommendation

6.1 That the Kouga SMME Development Draft Policy be approved by Council.

**Item prepared by : The Director: Planning, Development and Tourism** 

**Item endorsed by : The Municipal Manager** 

**Item noted by the Portfolio Chairperson** 

KOUGA
local municipality
Good Governance through Service Excellence

# KOUGA SMME DEVELOPMENT DRAFT POLICY

## 1. DEFINITIONS

- **Black people** refer African, Colored and Indians.
- **Accredited service providers** – service providers who meets the requirements of supply chain.
- **Disabled person** – refer to a physically challenged individual
- **SMME** is a small, medium and micro enterprise which operates in any business sector, must be registered on the centralized supplier data- base.
- **Black economic empowerment**-sole purpose is to empower Smme's owned by PDI's.
- **Counci**l refers to Kouga Local Municipality.
- **Cooperative**- people centered enterprises, owned and controlled by members of that particular coop. minimum is 3 and maximum 5.
- **Preferential procurement**- targets and empower individuals owned by HDI's
- **Functionality**- ability of a tenderer to deliver goods and services as per the tender document.
- **QSE** -qualifying small business enterprise in terms of BBBEE act.

**Designated group means-**

- Black people
- Women;
- People with disabilities; or
- Small enterprises, as defined in section 1 of the National Small Enterprises Act, 1996 (Act No. 102 of 1996)

## 2. INTRODUCTION

The role played by small businesses is being increasingly recognized all-over the world. The perceived potential of small businesses to create employment has caused governments in many countries to pay the small business sector more attention.

As stated in the *National Strategy for the development and promotion of small business in South Africa,* the creation of an enabling environment for the development of small businesses needs to happen at both national and a local level.

On a local level, opportunities and resources need to be identified and utilized in a way that takes into account the local characteristics and resources.

Kouga Local Municipality is committed in the implementation of Government policy framework that seeks to empower SMME's in the municipal space.

**Why support to SMME's**

- SMME's have shown a remarkable capacity to absorb Labour, albeit largely unskilled
- SMME's are usually locally owned and controlled and can strengthen the extended family and other social systems and cultural traditions.
- SMME' provide a 'nursery' and a proving ground for entrepreneurship and innovation.
- Because the profits of small enterprises are not dependent on long production runs, small firms can manufacture smaller quantities of products, which have a regional or even a local market only.
- SMME 's provide employment for and sometimes expand the entrepreneurial talents of women.

## 3. RATIONALE

- KLM does not create sufficient opportunities for SMME's particularly HDI's.
- Develop local Smme's into successful entrepreneurs.
- Empower Smme's through identifying and availing minor works in all municipal departments.
- Graduates and semi-literate youth do not participate sufficiently in the local economy.
- Proximity to Smme and cooperative support centers i.e. SEDA, NYDA, CDC.
- SMME's and Cooperatives lack resources for them to participate in the Local Economy.

## 4. LEGAL FRAMEWORK/PARAMETRES

The policy is guided by the following legislations:

- Broad-Based Black Economic Empowerment Act No 53 of 2003 of the Employment Equity Act No 55 of 1998.
- Preferential Procurement Policy Framework Act No 5 of 2000
- National Small Business Act 102 of 1996;
- Skills Development Act 97 of 1998;

- The White Paper on National Strategy for the Development and Promotion of Small Business in South Africa published by the Department Trade and Industry reference WPA/1995. 16317 28 March1995.

## 5. DEFINING SMME"S

**Defining SMME 's**

**Micro-enterprises**
Annual turnover is less than the VAT registration limit (then R150 000); no more than 5 paid employees. These generally lack formality in terms of registration for tax, labour law, premises, or accounting procedures (e.g. minibus taxis, spaza shops, home industry). The category subsumes the survivalist group of enterprises, which generate income less than the poverty line, have no paid employees and minimal asset value.

**Very small**
Fewer than 10 paid employees, except in mining, electricity, manufacturing and construction, where the upper limit is 20. Enterprises operate on the formal market and have access to modern technology. Lower limit: self-employed e.g. artisans, professionals (Limits are rather fluid).

**Small**
Fewer than 50 employees. Enterprises are generally more established than the very small class, with more complex business practices. They have often outgrown direct supervision by the entrepreneur and developed a secondary coordinating mechanism.

**Medium**
Maximum of 100 employees, except in mining, electricity, manufacturing and construction,

## 6. PROBLEMS FACING SMME'S

In order to develop an appropriate support framework for SMME 's, it is necessary to review what we know about the main problems faced by SMME 's.

- **Financial constraints**

  Lack of working capital is the major constraint at start-up, while a lack of investment funds becomes more significant as time passes.

  Access to finance from formal lenders is scarce before a firm is at least three to five years old.

  There is substantial unmet demand for finance among young firms.

- **Market constraints**

A lack of customers, increasing competition, and the rising cost of supplies are felt most acutely by micro-enterprises.

These firms tend to operate in small, location-specific, low-income niche markets; broader markets were found to be virtually closed to them.

- **Information**

  This is an important element of empowerment for the business owner, and particularly for the emerging entrepreneur.

  Lack of basic information about small business in the Historically disadvantage areas.

- **Equipment and technology**

  The acquisition of efficient and reliable tools and access to technology represents the gap between survivalist and real sustainable expansion.

  It is critical that appropriate technology is developed in an effort to promote the development of smaller businesses whose owners may not possess the skills to operate more sophisticated technology.

- **Laws and regulations**

  Amongst micro-enterprises, there are municipal concerns (especially street traders), and problems with regards to health, safety, and Labour codes for the workplace and taxation

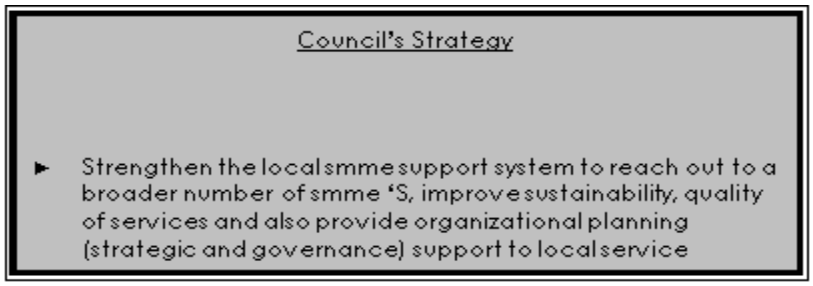
- **Skills development.**

  Access to proper business and technical skills is seen as one of the greatest areas of need in the Kouga , particularly by emerging entrepreneurs.

## 7. COUNCIL STRATEGY

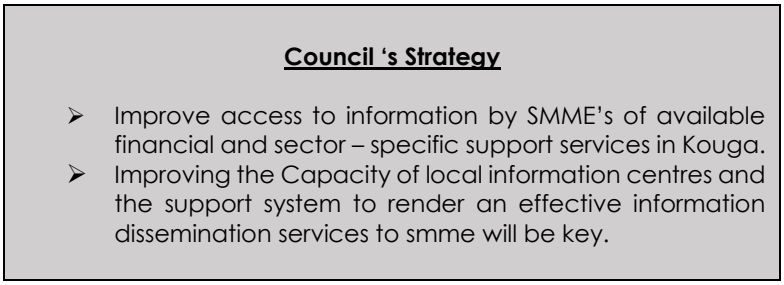
### 7.1 STRENGTHEN LOCAL SMME SUPPORT SYSTEM

The need to strengthen the local SMME system and to extend its services and infrastructure to other needy areas is recommended.



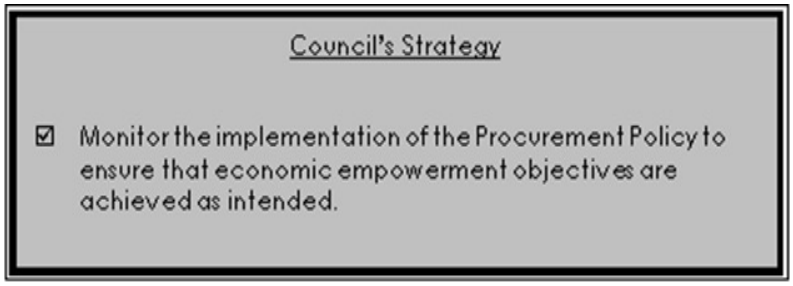

## 7.2 PROVISION OF RESEARCH AND INFORMATION

Conducting research and gathering information to influence and guide policy with regards to economic development of Kouga Municipality is a clear responsibility of Council, specifically the Economic Development Unit.



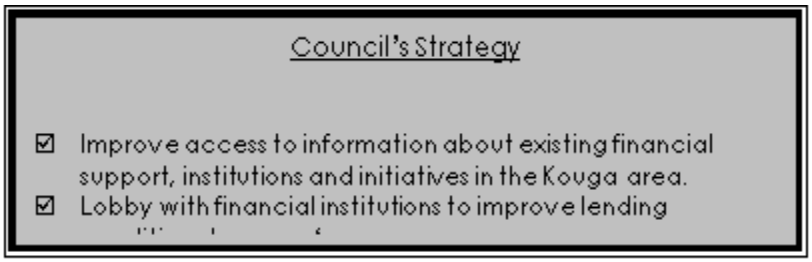

## 7.3 FACILITATE ACCESS TO MARKETS AND PUBLIC PROCUREMENT

The two main ways of enhancing market access for SMME's are through the public procurement, and the promotion of big to small business linkages. Promoting business linkages between SMME 's and big business also enhances market access for SMME 's



## 7.4 FACILITATE ACCESS TO FINANCE

Facilitating access to finance can be seen as an important element in the creation of an enabling environment for SMME 's.




## 7.5 FACILITATE ACCESS TO TRAINING

Lack of access to business and technical training as one of the constraint areas. This is not a direct responsibility of local government, but the Council can facilitate access to training by:




## 7.6 FACILITATE ACCESS TO LAND AND INFRASTRUCTURE

Infrastructure development can be a useful job creation tool not only if it is labour intensive, but also if the nature of the infrastructure is such that it supports the development of small businesses. However, currently no measures or processes exist with regard to making land and infrastructure available to meet the particular needs of SMME 's.



As a first step, an audit of land use and ownership in Kouga is suggested, to identify unused and underutilized land and buildings, which could be made available to SMME 's.

### 7.7 REVIEWING THE LEGAL AND REGULATORY FRAMEWORK

The legal and regulatory framework within which SMME 's operate needs to be reviewed, to ensure that it is enabling rather than obstructive. This encompasses local bylaws and ordinances as well as the bureaucratic processes that affect fast-tracked economic development.




### 7.8 CO-ORDINATION OF SUPPORT ACTIVITIES

The need for a neutral structure to play a pivotal role of facilitating and encouraging co-operation between Kouga -based business organizations and support institutions. Kouga is better positioned to provide such a co-ordination role to ensure coherence and collective approach to smme development.




## 8. POLICY OBJECTIVES

The policy seeks to: -

- Guide the municipality on the funding criteria for Smme development
- Promote increased participation by and opportunities for SMME's in the municipality's procurement processes
- Identify and assess minor contract opportunities within the municipality for the development and support of SMME's.
- Identify opportunities where minor contracts may be awarded to SMME's.

- Identify and align minor contracts with the development and support programmes for SMME's in the municipality.
- Promote partnerships between the municipality and the private sector in respect of the development and support to SMME's.
- Promote skills transfer, training, and accessibility to the processes of procurement through the implementation of SMME development and support programme of the municipality; and
- Promote monitoring and evaluation of the identification and development of SMME's.

## 9. POTENTIAL SECTORS FOR POLICY TARGETING

The following sectors must be supported based on their forward and backward linkages, and employment multipliers:

- Manufacturing (esp. agro-processing)
- Transport Services
- Agriculture (Citrus, crop and stock farming)
- Tourism (Township tourism)
- Catering and accommodation
- Construction
- Oceans Economy
- Textile, clothing and leather
- Food and beverages

## 10. SCOPE OF THE POLICY

This policy applies to all contracts awarded by Kouga municipality and its entity/s.

## 11. SMME DEVELOPMENT TARGETS

- SMME participation in the municipal economy is a priority of Kouga Municipality. This shall be achieved through an SMME Economic Empowerment Programme. The programme shall have the following components:
- The municipality shall set aside at least 30% of all jobs created by the municipality, other sector agencies and private sector, more especially those doing business with the municipality, for unemployed local youth cooperatives in the area.

- Facilitate at least 30% participation of local SMMEs and cooperatives entrepreneurs in business opportunities created by the municipality and within the

## 12. PROCUREMENT METHODS TO BE USED BY KOUGA LOCAL MUNICIPALITY

The municipality will implement the Preferential Procurement Regulations of 2017 in line with the Municipal Supply Chain Policy as indicated herein-under

### 12.1. GENERAL METHODS

A Preference Points System must be developed, which awards tenders based on points for price as determined by standard conditions of tender for local SMMEs and/or the procurement priorities/developmental objectives of Kouga Municipality.

## 13. DATA BASE

As a general rule, all suppliers, Service Providers and Contractors who want to do business with Kouga Municipality should ensure that they are registered in Central Supplier Database.

## 14. AWARDING OF CONTRACTS FOR SMMEs

This shall be in line with the Municipal Supply Chain Policy.

Upon finalization of the evaluation and the bidder who scored the highest total number of points is identified, the preferred bidder must be assessed to determine if the bidder is from the Kouga Local Municipal Area. Where the preferred bidder is not from the Kouga Local Municipal Area, bidders who scored within 10 points of the score obtained by the preferred bidder must be assessed to determine if the bidder is from the Kouga Local Municipal Area. Where there are bidders from the Kouga Local Municipal Area, these bidders must be further assessed to ensure that the bidders' price is within 10% of the price of the preferred bidder. Where there are bidders who meet these criteria, the bidder with the lowest price from the Kouga Local Municipal Area must be recommended for the award of the tender. Where there is no bidder from the Kouga Local Municipal Area, the contract must be awarded to the bidder who scored the highest total number of points (As required in terms of the SMME Policy);

## 15. PAYMENTS TO SMMES

In line with government policy, all SMMEs should be paid within 30 days. The municipality is not liable for non-payment of sub-contractors and labourers by the main contractor.

## 16. DELIVERY OF SUPPLY

SMME shall be expected to deliver goods and services as determined by the agreement failing which, orders will be cancelled at no expense to council. Whilst Council encourages empowerment of local SMMEs, it will not compromise the quality of service.

## 17. ROLE OF THE MUNICIPALITY

Council shall declare certain commodities for the purpose of sourcing them from the previously disadvantaged groups and SMME's

Council shall provide the necessary support for the identified groups to be mentored until they reach a desired stage of being competitive and self-reliant.

Council will act strictly under supply chain processes and not allow SMME representatives to select contractors outside the tender processes.

The rotation of contractors is the responsibility of council in consideration of SMMEs development programme.

Council shall monitor the quarterly expenditure on local SMME and supply by local SMMEs and Cooperatives

## 18. CONTRACT LIMITS TO SMMES

This section will be informed by the Supply Chain Management Policy

## 19. MONITORING AND EVALUATION

LED Unit must ensure:

- Jobs created for SMME'S in their respective departments.
- Skills transfer and budgets spent on local SMME's.
- Strategies to mitigate SMME protests and work stoppages
- Strategies to minimize risks involved in the awarding of jobs and contracts to local Smme's.




**Annexure A**

**1. SMME FUNDING DRAFT GUIDELINES**

- Applicant must submit a comprehensive business plan that should contain the following, Company profile, Implementation plan, relevant experience with success, detailed budget breakdown,
- The project/business must exhibit economic merit in terms of profitability and sustainability,
- Business should operate within the Kouga area and applicants should a be residents of Kouga, therefor proof of residence should be attached,
- Business Registration Documents E.g. Tax Clearance and CSD,
- Latest audited and actual financials (signed by the Finance Director, MD, CEO),
- Receiving and SMME Support Grant, irrespective of the amount granted is a privilege not a right,
- All beneficiaries must enter into an agreement with council, with council stipulating the conditions of this grant,

**2. SMME FUNDING DRAFT GUIDELINES**

- Applicant must submit a comprehensive business plan that should contain the following, Company profile, Implementation plan, relevant experience with success, detailed budget breakdown,
- The project/business must exhibit economic merit in terms of profitability and sustainability,
- Business should operate within the Kouga area and applicants should a be residents of Kouga, therefor proof of residence should be attached,

- Business Registration Documents E.g. Tax Clearance and CSD,
- Latest audited and actual financials (signed by the Finance Director, MD, CEO),
- Receiving and SMME Support Grant, irrespective of the amount granted is a privilege not a right,
- All beneficiaries must enter into an agreement with council, with council stipulating the conditions of this grant,

**3. <u>Business Plan Guidelines</u>**

General overview of the business:

- State if the business is a start-up operation or an existing business.
- Background/history of the business including the geographic location of the operations and how long the business has been operating for.
- Industry within which the business operates.
- Products/services being offered.
- Outline the amount of funding required.
- Other material issues such as number of existing and new jobs to be created; and new/existing contracts or letters of intent secured.

**4. Application Process.**

- Applications are invited via advertising in the local newspaper and on Municipal website. Within the advert the deadline for submission and other required criteria with regards to the SMME Support Grant application, must be stated.

**4.1 SMME SUPORT FUND COMMITTEE COMPRISES OF THE:**

- Portfolio Head
- Director of the Department
- Manager of the Section within the Directorate
- Officer of the Section

**5. <u>APPROVAL PROCESS</u>**

- The report of SMME Grant applications indicating proposed allocations is submitted to council.
- The council has the discretion to approve or reject and grants made to applicants as well as the amounts related thereto.
- All applicants, whether successful of not, are advised in writing by the relevant Directorate of the outcome of their application. No amounts are paid out to applicants until they have entered into written agreements with the Municipality.

## 6. CONDITIONS

- All applicants should submit all the relevant documents as stipulated in the call out.
- The council reserves the right to fund or not an organization for more than one year.
- The SMME grant must be exclusively utilized for the purposes specified in the agreement with a beneficiary.
- Beneficiaries must report monthly to the relevant directorate on actual expenditure against such transfer.
- Beneficiaries must acknowledge council's assistance in all publicity material and reports.

## 7. EXCLUSIONS

- Start – up Businesses.
- Where only one individual will benefit.
- SMME's residing outside the Kouga area.
- Non submission of relevant business documents without a reasonable explanation.
- If you receive approval of your grant and you are a full-time employee, you might be required to declare.

# REPORTS FOR INFORMATION

16. **MATTERS FOR INFORMATION**

16.1 **OFFICE OF THE MUNICIPAL MANAGER**

***(refer to complete items with annexures of the Mayoral Committee meeting held on 21 July 2020)***

**20/07/MM1 MAYORAL RESOLUTIONS FOR 7 MAY 2020**

**Resolved (21 July 2020)**

1. That the updated Action Sheets reflecting resolutions of the Mayoral Committee meeting for 7 May 2020, be noted.

2. That it be noted that all resolutions are referred to Top Management meetings for discussion whereafter outstanding reports are submitted to their respective Portfolio Committee meetings.

3. That Directorates complete the Action sheets comprehensively, indicating the official responsible for actioning the recommendation, the due date, status of completion and tasks performed.

4. That internal audit be requested to compile a comprehensive Institutional Risk Register for submission to the August 2020 Council meeting.

5. That it be noted that a SCM module is currently being developed for finalization and implementation mid-August 2020 for contract/lease management.

6. That it be noted that in terms of the Provisions contained in the Disaster Management Regulations, public auctions may now take place.

7. That the relevant Directorate identify all Kouga redundant equipment and proceed with arrangements for a public auction as a matter of urgency.

**20/07/MM2 COMPARATIVE CALL CENTRE REPORT ON SERVICE DELIVERY REQUESTS AS AT JUNE 2020**

**Resolved (21 July 2020)**

1. That the report on the Call Centre Service Delivery Requests as at June 2020 be noted.

2. That specific questions on service delivery issues be raised at the I&E and Community Services Portfolio Committee where this report is also tabled.

16.2 **REPORTS BY THE PORTFOLIO CHAIRPERSON: FINANCE**

***(refer to complete items with annexures of the Mayoral Committee meeting held on 21 July 2020)***

**20/07/F1 REVENUE MANAGEMENT: MONTHLY DEBTORS REPORT – MAY 2020**

**Resolved (21 July 2020)**

1. That the Debtors Report for the month of May 2020, be noted.

**20/07/F2 REVENUE MANAGEMENT AND CUSTOMER CARE REPORT FOR THE MONTH OF MAY 2020**

**Resolved (21 July 2020)**

1. That the Revenue Management and Customer Care Report for the month of May 2020 be noted

**20/07/F3 REPORT ON DEBT HANDED OVER FOR COLLECTION AS AT 31 MAY 2020**

**Resolved (21 July 2020)**

1. That the Handover Report for the month of May 2020, be noted

**20/07/F4 MONTHLY REPORT OF ALL COUNCIL PROPERTIES LEASES AS AT 31 MAY 2020**

**Resolved (21 July 2020)**

1. That the Operating Lease of Council properties as at 30 May 2020, be noted.

2. That Committee note comments on each lease.

**20/07/F5 SHORT-TERM INSURANCE CLAIMS REPORT FOR THE MONTH OF MAY 2020**

**Resolved (21 July 2020)**

1. That the Short-term insurance claims report as at 31 May 2020, be noted.

2. That the Chief Finance Officer and Manager: Legal Services liaise with the current Insurance Company to address all outstanding insurance claims.

**20/07/F6 ICT REPORT FOR THE MONTH OF MAY 2020**

**Resolved (21 July 2020)**

1. That the ICT report for the month of May 2020 be noted.

**20/07/F7 MONTHLY REPORT OF ALL COUNCIL PROPERTIES LEASES AS AT 30 JUNE 2020**

**Resolved (21 July 2020)**

1. That the Operating Lease of Council properties as at 30 June 2020, be noted, with concern.

2. That the Manager: Legal Services submit a full report with proof of evidence in respect of all legal process followed regarding erf 873, Jeffreys Bay Driving Range and non-adherence to the eviction notice served as well as all outstanding monies owed to the Municipality as this was not contained in the report, to the next Finance Portfolio Committee meeting.

3. That an external audit on the oversight and monitoring control measures in place regarding the management of the Municipal Stores be undertaken and be submitted to the next Finance Portfolio Committee meeting.

**20/07/F8 SHORT-TERM INSURANCE CLAIMS REPORT FOR THE MONTH OF JUNE 2020**

**Resolved (21 July 2020)**

1. That the Short-term insurance claims report as at 30 June 2020, be noted.

**20/07/F9 ICT REPORT FOR THE MONTH OF June 2020**

**Resolved (21 July 2020)**

1. That the ICT report for the month of June 2020 be noted.

**20/07/F10 MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2019 TO JUNE 2020 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 30 JUNE 2020 (2019/20 FINANCIAL YEAR)**

**Resolved (21 July 2020)**

1. That the Executive Mayor notes the Municipal Manager's report on the monthly budget statements, in accordance with Section 71(1) of the Municipal Finance Management Act.

2. That the Executive Mayor's report on the implementation of the budget and the financial state of affairs of the municipality, in accordance with Section 52(d) of the MFMA be noted.

3. That the monthly budget statements accordingly be submitted to Provincial Treasury as stipulated in Section 71(1) of the MFMA.

16.3 **REPORTS BY THE PORTFOLIO CHAIRPERSON: CORPORATE SERVICES**

***(refer to complete items with annexures of the Mayoral Committee meeting held on 21 July 2020)***

**20/07/CORP2** **PORTFOLIO RESOLUTION FOR 2 JUNE 2020**

**Resolved (21 July 2020)**

1. That the updated Action Sheets reflecting Portfolio resolutions for the Corporate Services Directorate be noted.

**20/07/CORP3** **MONTHLY REPORT FOR THE CORPORATE SERVICES DIRECTORATE: ADMINISTRATION SECTION AS AT JUNE 2020 & YEAR ON YEAR COMPARATIVE STATS**

**Resolved (21 July 2020)**

1. That the monthly report for the Corporate Services Directorate: Administration Section be noted.

2. The Administration section be commended for their concerted effort in reducing printing and Telkom landline costs.

**20/07/CORP4** **SDBIP REPORT AS AT 30 JUNE 2020**

**Resolved (21 July 2020)**

1. That progress on the SDBIP as at 30 June 2020 be noted.

2. That the Directorate be commended on the progress on the SDDBIP report.

**20/07/CORP5** **HR REPORT FOR MAY 2020 TO JUNE 2020**

**Resolved (21 July 2020)**

1. That the monthly HR report be noted.

2. That the progress made during the 2019/2020 Financial Year be noted.

3. That the total cost of the annual overtime in the amount of R23m be noted.

4. That the Municipal Manager include a target of a 10% reduction of overtime in Performance Contracts of Directors for the 2020/2021 Financial Year.

5. That strict monitoring and supervision by relevant Directorates be implemented in respect of non-essential overtime claims.

6. That a full audit in respect of overtime by Internal Audit be submitted to the next Corporate Services Portfolio meeting.

**20/07/CORP6** **YEAR ON YEAR COMPARATIVE HR REPORT**

**Resolved (21 July 2020)**

1. That the Year on Year HR report be noted.

2. That the HR Section be commended for the all improvement in the functioning of the section and the department and for its ongoing commitment to institutional excellence.

**20/07/CORP7** **PUBLIC PARTICIPATION PROGRESS REPORT**

**Resolved (21 July 2020)**

1. That the report on the progress of Public Participation be noted.

2. That respective departments action the issues raised at Ward Committee meetings

3. That the Public Participation Officers give feedback on progress at the Ward Committee meetings.

4. That the relevant Directorate be commended on the good progress made in all Wards.

5. That the Director: Planning, Development & Tourism take personal oversight on proper feedback pertaining to the respective Directorate on Public Participation.

6. That the Director: Planning, Development & Tourism submit a full report on the temporary shelter provided for the destitute to the next Local Economic Development & Tourism Portfolio Committee meeting.

16.4 **REPORTS BY THE PORTFOLIO CHAIRPERSON: INFRASTRUCTURE & ENGINEERING**

***(refer to complete items with annexures of the Mayoral Committee meeting held on 21 July 2020)***

**20/07/I&E5 REPORT ON ELECTRICAL MAINTANACE FOR THE MONTH OF MAY 2020 AND JUNE 2020**

**Resolved (21 July 2020)**

1. That the report electrical maintenance be noted.

16.5 **REPORTS BY THE PORTFOLIO CHAIRPERSON: COMMUNITY SERVICES**

***(refer to complete items with annexures of the Mayoral Committee meeting held on 21 July 2020)***

**20/07/CS1 ST FRANCIS BAY SPIT CONSTRUCTION OF EMERGENCY REVETMENT**

**Resolved (21 July 2020)**

1. That the report on Construction of rock revetment on the St Francis Bay Spit be noted.

**20/07/CS3 PROGRESS REPORT ON THE IMPLEMENTATION OF THE SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (SDBIP) AS AT 30 JUNE 2020**

**Resolved (21 July 2020)**

1. That the progress report on the progress with regards to the on the implementation of the SDBIP as at 30 June 2020 be noted.

**20/07/CS6 APPOINTMENT OF 60 X COVID-29 DISASTER MANAGEMENT VOLUNTEERS**

**Resolved (21 July 2020)**

1. That approval be granted for the appointment of 60 x COVID-19 Disaster Management Volunteers for a period of forty-two (42) days over three (3) months.

2. That the prescribed recruitment criteria process be followed for the appointment of the contractual COVID-19 Volunteers as a matter of urgency.

3. That the contractual COVID-19 volunteers be required to undergo medical surveillance and medical screening.

4. That training be provided to the appointed contractual COVID-19 volunteers.

5. That the appointed contractual COVID-19 volunteers be properly branded with Kouga Municipality authority as Peace Officers in order to perform the required duties.

16.6 **REPORTS BY THE PORTFOLIO CHAIRPERSON: PLANNING & DEVELOPMENT**

***(refer to complete items with annexures of the Mayoral Committee meeting held on 21 July 2020)***

**20/07/PD5 TOWN PLANNING PROGRESS REPORT: 4TH QUARTER: APRIL TO JUNE 2020**

**Resolved (21 July 2020)**

1. That the content in the Town Planning progress report be noted.

2. That final timeframes for manual submissions as well as the commencement of electronic submissions of building plans be made available to professional service providers allowing sufficient time for such to meet the required criteria as determined by the Municipality.

3. That all future reports include year-on-year comparison figures in respect of building plan statistics.

4. That a comprehensive report on all backlogs be specified as well as conditions for site inspections be submitted to the September 2020 Planning & Development Portfolio Committee meeting.

5. That an updated report reflecting the year-on-year comparisons be submitted to the September 2020 Planning & Development Portfolio Committee meeting.

**20/07/PD6** **INSTITUTIONAL PERFORMANCE REPORT: 2019/20 FINANCIAL YEAR: 4TH QUARTER PERIOD 1 APRIL TO 30 JUNE 2020**

**Resolved (21 July 2020)**

1. That the content of the Quarter 4 Institutional Performance Report on the implementation of the 2019/20 Service Delivery and Budget Implementation Plan for the period 1 April and 30 June 2020 be noted.

**20/07/PD7** **PROGRESS REPORT ON IMPLEMENTATION OF OUTSTANDING COUNCIL RESOLUTIONS ON LAND DISPOSALS**

**Resolved (21 July 2020)**

1. That the item be withdrawn and that an updated report be submitted to the September 2020 Planning & Development Portfolio Committee meeting.

16.7 **REPORTS BY THE PORTFOLIO CHAIRPERSON: LOCAL ECONOMIC DEVELOPMENT & TOURISM**

***(refer to complete items with annexures of the Mayoral Committee meeting held on 21 July 2020)***

**20/07/LED&T3** **INSTITUTIONAL PERFORMANCE REPORT: 2019/20 FINANCIAL YEAR: 4TH QUARTER PERIOD 1 APRIL TO 30 JUNE 2020**

**Resolved (21 July 2020)**

1. That the content of the Quarter 4 Institutional Performance Report on the implementation of the 2019/20 Service Delivery and Budget Implementation Plan for the period 1 April and 30 June 2020 be noted.