ANNEXURES

COUNCIL MEETING

31 OCTOBER 2023

Annexure A

SWELLENDAM MUNICIPALITY

SUPPLY CHAIN MANAGEMENT MONTHLY REPORT

September 2023

TABLE OF CONTENTS

1. ABBREVIATIONS

1.1 **"SWDM"** refers to Swellendam Municipality;

1.2 **"SCM"** refers to Supply Chain Management;

1.3 **"Manager SCM"** refers to the Sectional Head of the Supply Chain Management Division;

1.4 **"CFO"** refers to Director Financial Services;

1.5 **"MFMA"** means the Municipal Finance Management Act 56 of 2003;

2. PURPOSE OF THIS POLICY

2.1 The SCM monthly report is prepared to inform Council on key SCM monthly activities and adhere to the reporting requirements in terms of the Legislative Framework.

3. LEGISLATIVE FRAMEWORK

3.1 The report was prepared to take into consideration the legislative reporting requirements:

3.1.1 Municipal Finance Management Act, 2003
3.1.2 Municipal Supply Chain Management Regulation, 2005
3.1.3 Municipal Supply Chain Management Policy, 2022

4. PROCUREMENT STATISTICS FOR THE MONTH

4.1 The table below provides information on the number of SCM activities for the month:

Nr.	Process description	Qty	Value
1.	No of Bid Specification Committee meetings	8	n/a
2.	No of Bid Evaluation Committee meetings	3	n/a
3.	No of Bid Adjudication meetings	2	n/a
4.	No of orders processed/placed	328	R7 122 509
5.	No of formal quotations awarded (R30 000 to R200 000)	12	R568 836
6	No of tenders awarded above R200 000	2	R1 545 208
7.	No of awards above R30 000 (CIDB)	-	-
8.	No of contract price increases approved	-	n/a
9.	No of contracts amended i.t.o MFMA circular 62	3	R393 435
10.	No of contracts amended i.t.o s.116(3) of MFMA	2	R1 725 547
11.	No of Deviations	8	R428 132
12.	No of minor breaches	-	-
13.	No of stock receipts	111	R182 961
14.	No of stock issued	744	(R426 892)
15.	No of stock disposal	-	-
16.	No of stock take	1	R4 690 634
18.	No of requests received for disposal	-	-

5. AWARDS ABOVE R 100 000 REPORTED TO NATIONAL TREASURY

5.1 Sections 74(1) and 104(1)(b) of the Municipal Finance Management Act (MFMA) prescribes the following regarding general reporting obligations:

"The accounting officer of a municipality must submit to the National Treasury, the Provincial Treasury, the Department for Local Government in the Province or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as may be required."

5.2 National Treasury per MFMA Circular No 34 issued instructions to all municipalities to report effective from 1 July 2006 per the above, to disclose all awards made for contracts above the value of R100 000.

5.3 Below is a table of the key information submitted:

Contract reference	Service provider/ Supplier	Contract Description	Total value of contract	Duration of Contract	B-BBEE Status
SMT47/22/23	Keineli Investments t/a Megaflow	Upgrading of Mechanical and Electrical Works for Swellendam Waste Water Pump Stations and Water Treatment Works	R1 545 207,95	6 months	1
SMQ08-23-24	Sentraal-Suid Kooperasie Beperk	Supply and Delivery of Lubricating & Hydraulic Oils for a One (1) Year Period	R110 275,62	12 months	8
SCMD023	Lezmin 1712 Cc	Management and Operation of Bontebok Landfill Site (amend agreement from 1 October 2023 until new tender process is finalised)	R276 645,03	1 month	1

Note: Contract amounts up to R50 million the 80/20 preference points applied.
Contracts amounts above R50 million the 90/10 preference points applied.

6. SCM DEVIATIONS

6.1 Section 36(2) of the Supply Chain Management Regulation prescribes the following regarding deviation from and ratification of minor breaches of the procurement process:
"The accounting officer must record the reasons for any deviation in terms of sub-delegation (1)(a) and (b) and report them to the next meeting of the council"

6.2 The number of deviations approved during September 2023 is indicated in the table below:

129.

Nr	SCM Regulation	Nr	Amount
1.	SCM Regulation 16(c) & 17(c) where three (3) quotations could not be obtained;	3	R36 461
2.	SCM Regulation 36(1)(a)(i) dispensing of the official procurement process in the case of an emergency;	4	R103 632
3.	SCM Regulation 36(1)(a)(ii) where goods or services are available from a sole supplier;	1	R15 000
4.	SCM Regulation 36(1)(a)(iii) applies to the acquisition of special works of art or historical objects;	-	-
5.	SCM Regulation 36(1)(a)(iv) acquisition of animals for zoos;	-	-
6.	SCM Regulation 36(1)(a)(v) in exceptional cases where it is impartial or impossible to follow the process;	3	R309 500
7.	SCM Regulation 36(1)(b) is applicable where the accounts officer can verify minor breaches;	-	-

6.3 The reasons for the deviations above are as follows:

6.3.1 Verbal and formal quotations, section 16(c) and 17(c) of the SCM regulation:

Date Requested	Supplier	Quotation Details	Amount	Approved Date	Directorate	Reasons
01-Sep-23	Sentraal-Suid Kooperasie Beperk	Supply and Delivery of Septic Tank	R 9 291,97	13-Sep-23	Solid Waste	Three potential bidders were invited however only two quotes were received,
01-Sep-23	Top Carperts Swellendam	Supply and installation of carpet at 4 x Suurbraak Offices	R 19 995,00	14-Sep-23	Infrastructure	Three potential bidders were invited however only two quotes were received,
26-Sep-23	Kaap Agri	5x Harness Brushcutter Universal Padded, 23x Glkoves PVC 35cm open Cuff, 3x Gloves Welding Elbow, 20x Nylon Couplingn15mm and 2, Chloring Granular Pool HtH 25kg	R 7 173,75	28-Sep-23	Stores	Three potential bidders were invited however only two quotes were received,

6.3.2 In exceptional cases where it is impractical or impossible to follow the official procurement process, section 36

Date	Supplier	Details	Amount	Dir	Dept	Reason	Type
06-Sep-23	Bredasdorp Armed Response	Provision of Security Services at Swellendam Head Office: 4 guards, night shift (17-21 August 2023)	R12 519,59	MM	MM	The recent community protest necessitated immediate action to protect valuable assets. Given the emergent nature of these security requirements adhering to the normal procurement process may have resulted in unnecessary loss of additional assets.	36(1)(a)(i) - Emergency
11-Sep-23	Thousand Sensations	Provision of marketing of Swellendam at the adventure travel world summit in	R15 000,00	MM	MM	Thousand Sensations is the sole supplier and this is an exclusive opportunity that will be in the best interest of	36(1)(a)(ii) - Single provider

		Sapporo Japan 11-14 August 2023				the Municipality's tourism and economic growth.	
27-Sep-23	Blue Stone Trading Fifty Three t/a Action Aluminium	Replacement of Riot damaged glass at old library and Town hall.	R41 768,00	INF	BUILDING MAINTENANCE	Due to recent community protest the Head Office burnt down and the glass of the old library and town hall were damaged. The glass needed to be replaced urgently to prevent further loss of assets. Action Aluminium was contacted on 16 August 2023 and immediately started to measure and replace the glass. The two suppliers in Railton were contacted but were not able to respond due to ongoing protest and fear of safety	36(1)(a)(i) - Emergency
27-Sep-23	Drostdy oudhede	Repair of floor at Council chambers	R2 855,00	INF	BUILDING MAINTENANCE	Due to protest the Head Office burnt down and additional offices were needed urgently. The floor at the Council chambers was damaged and needed to be repaired. This is an exceptional case where action was needed urgently to host certain staff of the municipality. Due to the age of the building, Drostdy Oudhede was contacted to repair the floor.	36(1)(a)(v) - Impractical or Impossible
27-Sep-23	Bredasdorp Armed Response	Provision of Security Services at Swelllendam Head Office: 1x guards (day shift), 2x guards (night shift) 7-30 September 2023	R44 444,54	MM	MM	The recent community protest necessitated immediate action to protect valuable assets. Given the emergent nature of these security requirements adhering to the normal procurement process may have resulted in unnecessary loss of additional assets. The current contractors' guards were not available and their contract is coming to an end	36(1)(a)(v) - Impractical or Impossible
27-Sep-23	Swellen Konstrukise	Building & welding works at Thusong Centre	R4 900,00	INF	BUILDING MAINTENANCE	The recent community protest necessitated immediate action to protect valuable assets. Given the emergent nature of these security requirements adhering to the normal procurement process may have resulted in unnecessary loss of additional assets. The supplier responded swiftly and was willing to do job over the weekend.	36(1)(a)(i) - Emergency

29-Sep-23	Lezmin 1712 Cc	Management and Operation of Bontebok Landfill Site (amend agreement from 1 October 2023 until new tender process is finalised)	R276 645,03	COM	REFUSE	Due to the fact that the tender process was not finalised (adjudication of tender pending outcome of legal advice) and the importance of continuity in management and operations of landfill site to prevent health risk to community and comply with Department of Environmental Affairs directives.	36(1)(a)(v) - Impractical or Impossible
29-Sep-23	Andre Petersen	Supervision of Bontebok Landfill Site (extend agreement from 1 October 2023 until new tender process is finalised)	R30 000,00	COM	REFUSE	Due to the fact that tender process not being finalised (adjudication of tender pending outcome of legal advice) and the importance of continuity in supervision of landfill site to prevent damage to property and environment as result of theft and fires started by illegal pickers	36(1)(a)(v) - Impractical or Impossible

6.4 The below table contains details of awards made to close family members of employees who are in the services of the state, section 45 of the SCM regulation for any award above R2000.

Nr	Supplier	Family member	Relationship	Institution	Amount
1.	Agritech CC T/A Autozone	L. Baransky	Wife	Swellendam Mun	-
2.	Bazil Koopman	B. Koopman	Son	Dept of Education	-
3.	Desmond Prins	J. Francis	Daughter	Dept of Health	-
4.	Durcharme Consulting	L.Mbekeni	Wife	Dept of Rural Development and Land Reform	-
5.	Gert Coetzee	L. Coetzee	Wife	Swellendam Mun	-
6.	Hein's Auto Electrical	J. de Jager	Brother	Swellendam Mun	-
7.	Hermanus Jacobus Swart	F. Swart	Brother	Swellendam Mun	-
8.	Jarsiem Carelse	W. Carelse	Son	Swellendam Mun	-
9.	Jacobus Cornelius Kouter	J. Kouter	Brother	Swellendam Mun	-
10.	Jonathan Oktober	M Oktober	Wife	Swellendam Mun	-
11.	Kemanzi (Pty) Ltd	J. du Toit	Wife	Dept of Education	-
12.	Khoisan Cave Holdings (Pty) Ltd	G. Jansen	Son	Swellendam Mun	-
13.	LSL Enterprises	G. Lebazi	Sister	Swellendam Mun	R1 920
14.	Masakane Trading (Pty) Ltd	Q. Martin	Husband	SAPS	-
15.	Molatuseli (Pty) Ltd	A Sidloyi	Son	Swellendam Mun	-
16.	Paul Cupido	T. Cupido	Wife	Swellendam Mun	-
17.	Phillip Crafford T/A Crafford Blinds	J. Crafford	Wife	Swellendam Mun	R6 706

18.	RD Beukes	D. Beukes	Mother	Swellendam Mun	-
19.	Swellendam Bestuurskool (Pty) Ltd	R. Blauw	Son	Dept. of Education	-
20.	AH Windvogel	R. Windvogel	Mother	Parliament	-
21.	Red Ant Security and Relocation Services	N. Lesiela	Wife	Mogale City Mun	-
Total					**R8 626**

6.5 The below table contains details of any incidents of an inducement, rewards, gifts and favours made to the municipality, employee or any other role player, in terms of section 47 of the SCM regulation:

Directorate	**Report on Gifts**
Office of the Municipal Manager	None
Financial Services	None
Corporate Services	None
Infrastructure Services	None
Community Services	None

6.6 The table below contains details of any tender other than the one recommended in the normal course of implementing the supply chain management policy was approved, section 114 of the SCM regulation:

Directorate	**Tender Recommended**	**Tender Awarded**
Office of the Municipal Manager	None	None
Financial Services	None	None
Corporate Services	None	None
Infrastructure Services	None	None
Community Services	None	None

SWELLENDAM MUNICIPALITY
GENERAL VALUATION ROLL
2023-2028

SECTION 52 OBJECTIONS

CLOSE OUT REPORT
REF: DDPMUN4639

www.ddp.co.za

Table of Contents

135.

1. INTRODUCTION

1.1. INSTRUCTION

DDP Valuers (Pty) Ltd was appointed by Swellendam Municipality as per Tender No: SMT13/22/23 for the Provision of Professional Services for Compilation of General and Supplementary Valuation Role for a 5-year period.

Effective date of appointment:	01 October 2022

1.2. APPLICABLE DATES:

Draft Valuation Roll:	31 December 2022
Certified Valuation Roll:	27 January 2023
Date of Section 49 Notices:	13 February 2023
Objection Period:	13 February 2023 – 14 April 2023
Public Participation:	15 – 17 April 2023
Extended Objection Period:	15 – 26 May 2023
Finalisation of objection register:	26 May 2023
Objections submitted to Valuer:	26 May 2023
Finalisation of objection decisions:	24 July 2023
Date of Section 53(1)(a) notices:	25 July 2023

2. OBJECTION REGISTER

There were 321 objections received in terms of Section 50 of the Municipal Property Rates Act.

The objection register is attached as Appendix A.

The number of objections received per category are as follows:

CATEGORY	NUMBER
OMITTED	2
AGRICULTURAL PROPERTIES	52
BUSINESS AND COMMERCIAL PROPERTIES	12
CROSS REFERENCE	4
INDUSTRIAL PROPERTIES	1
PROPERTIES USED FOR MULTIPLE PURPOSES	1
RESIDENTIAL PROPERTIES	230
VACANT LAND	19
TOTAL	321

186.

3. OBJECTIONS

3.1. PROCESSING OF OBJECTIONS

As per Section 51 of the Municipal Property Rates Act, the municipal valuer considered the objections received against the particulars as reflected in the General Valuation Roll.

The Municipal Valuer decided based on facts, including the submissions of objectors and / or owners. The values and categories of objections were adjusted where required in accordance with the decisions taken.

Number of Objections Received:	321
Number of Categories changed:	32
Number of Values adjusted/inserted	132
Number of Values adjusted downwards	84
Number of Values adjusted upwards	46
Number of Properties omitted:	2

3.2. OBJECTIONS LODGED BY THE MUNICIPALITY

According to Section 50(4) of the Municipal Property Rates Act, the municipality may also lodge and objection concerned against any matter reflected in, or omitted from, the roll.

Objections lodged by the municipality: 93

3.3. OUTCOME OF OBJECTIONS

As per section 53 of the Municipal Property Rates Act, all objectors and property owners were notified in writing of the following:

a) The valuer's decision in terms of Section 51 of the MPRA regarding the objection;
b) Any adjustments made to the valuation roll in respect of the objected properties; and
c) Whether Section 52 of the MPRA applies to the decision.

Where the municipality, or any other party than the property owner, was the objector, an outcome of objection notice as per Section 53 of the Municipal Property Rates Act was sent to both the objector and the property owner.

As per Section 52 of the Municipal Property Rates Act, the municipal valuer submitted a list of the outcome of objection decisions, including Section 52 reviews, to the municipality on 24 July 2023.

3.4. COMPULSORY REVIEW OF DECISIONS OF MUNICIPAL VALUER

As per Section 52 of the Municipal Property Rates Act:

If a municipal valuer adjusts the valuation of a property by more than 10% upwards or downwards:

a) The municipal valuer must give written reasons to the municipal manager;

b) The Valuation Appeal Board must review such decisions and either confirm, amend or revoke the decision in terms of Section 52(2)(a)+(b).

Number of Section 52 review adjustments: 76 (Appendix B)

4. APPEALS AND REQUESTING OF REASONS

4.1. APPEAL PERIOD

The appeal period has been activated by the outcome of objection notices on 25 July 2023. The Appeal period closed on 24 August 2023.

As per Section 54 of the Municipal Property Rates Act, all appeals must be lodged in the prescribed manner with the municipal manager.

There were 27 Appeals lodged against the objection decisions.

4.2. REQUEST FOR REASONS

As per section 53 of the Municipal Property Rates Act an objector or owner of a property affected by an objection may request reasons for the outcome of the objection.

Such reasons must be requested in writing from the municipal manager and may be accompanied by a prescribed fee.

The municipal valuer must, within 30 days after receipt of such application for reasons, provide the reasons for the decisions to the applicant, in writing.

NOTE: Once an objector or owner requested reasons in terms of Section 53, the appeal period for that property gets "paused" by legislation. Once the written reasons have been provided, the appeal period re-activates again and the owner / objector has 21 days from the date on which the reasons were provided, to appeal should he/she wish to do so.

Four requests for reasons were received by the municipal valuer on 04 September 2023.

5. ADJUSTMENTS OR ADDITIONS TO THE VALUATION ROLL

As per section 55 of the MPRA, the above adjustments and additions made to the valuation roll with reference to objections take effect on the effective date of the valuation roll, being 01 July 2023.

Corné Louw
MUNICIPAL VALUER
Professional Valuer (South Africa)
SACPVP Reg. No 6831

DATE: 06 September 2023

138.

APPENDIX A: OBJECTION REGISTER

OBJ NR	SUBURB	ERF	PTN	UNIT	SECT	SECTION SCHEME	EXTENT HA
OBJ-001-GV2023	SWELLENDAM	4684	0	0	0	-	0.0680
OBJ-002-GV2023	INFANTA	86	0	0	0	-	0.0595
OBJ-003-GV2023	BARRYDALE	254	0	0	0	-	0.2974
OBJ-004-GV2023	SWELLENDAM RD	290	2	0	0	-	99.3577
OBJ-005-GV2023	SWELLENDAM RD	290	3	0	0	-	759.4580
OBJ-007-GV2023	SWELLENDAM	6817	0	0	0	-	0.1780
OBJ-008-GV2023	INFANTA	1	0	0	0	-	0.0447
OBJ-009-GV2023	SWELLENDAM	4711	0	0	0	-	0.0666
OBJ-010-GV2023	MALAGAS	53	0	0	0	-	1.2805
OBJ-011-GV2023	MALAGAS	244	0	0	0	-	0.3950
OBJ-011-GV2023	SWELLENDAM	1840	0	0	0	-	0.1154
OBJ-012-GV2023	SWELLENDAM	3484	0	0	0	-	0.1018
OBJ-013-GV2023	SWELLENDAM	399	0	0	0	-	0.2379
OBJ-014-GV2023	SWELLENDAM RD	622	19	0	0	-	1.9494
OBJ-015-GV2023	INFANTA	83	0	0	0	-	0.0595
OBJ-016-GV2023	MALAGAS	366	0	0	0	-	0.5693
OBJ-017-GV2023	SWELLENDAM	1193	0	0	0	-	0.7215
OBJ-018-GV2023	INFANTA	150	0	0	0	-	3.7617
OBJ-019-GV2023	SWELLENDAM	913	0	0	0	-	0.1394
OBJ-020-GV2023	MALAGAS	243	0	0	0	-	0.4193
OBJ-021-GV2023	MALAGAS	246	0	0	0	-	0.3123
OBJ-022-GV2023	SWELLENDAM	1768	0	0	0	-	0.0853
OBJ-023-GV2023	MALAGAS	345	0	0	0	-	0.6039
OBJ-024-GV2023	SWELLENDAM	2749	0	0	0	-	0.1100
OBJ-025-GV2023	SWELLENDAM	1560	0	0	0	-	0.0566
OBJ-026-GV2023	INFANTA	98	0	0	0	-	0.0595

OBJ-027-GV2023	MALAGAS	255	0	0	0	-	0.3650
OBJ-028-GV2023	MALAGAS	254	0	0	0	-	0.2969
OBJ-029-GV2023	INFANTA	154	0	8	0	SS INFANTA PARK	0.0071
OBJ-030-GV2023	SWELLENDAM	1620	0	0	0	-	0.1029
OBJ-031-GV2023	SWELLENDAM	4533	0	0	0	-	0.0805
OBJ-032-GV2023	SWELLENDAM	4087	0	0	0	-	0.0445
OBJ-033-GV2023	SWELLENDAM	4085	0	0	0	-	0.0359
OBJ-034-GV2023	SWELLENDAM	4086	0	0	0	-	0.0383
OBJ-035-GV2023	SWELLENDAM	3490	0	0	0	-	0.0645
OBJ-036-GV2023	MALAGAS	461	0	0	0	-	7.2081
OBJ-037-GV2023	SWELLENDAM	338	0	0	0	-	0.0553
OBJ-038-GV2023	SWELLENDAM RD	50	0	0	0	-	647.9020
OBJ-039-GV2023	SWELLENDAM RD	711	0	0	0	-	644.3090
OBJ-040-GV2023	SWELLENDAM	1634	0	0	0	-	0.0620
OBJ-041-GV2023	SWELLENDAM	1594	0	0	0	-	0.1388
OBJ-042-GV2023	MALAGAS	33	0	0	0	-	0.4459
OBJ-043-GV2023	MALAGAS	333	0	0	0	-	0.3478
OBJ-044-GV2023	MALAGAS	241	0	0	0	-	0.4578
OBJ-045-GV2023	SWELLENDAM	1003	0	0	0	-	0.0855
OBJ-046-GV2023	MALAGAS	484	0	0	0	-	0.0910
OBJ-047-GV2023	MALAGAS	86	0	0	0	-	54.6995
OBJ-048-GV2023	MALAGAS	176	0	0	0	-	0.8346
OBJ-049-GV2023	MALAGAS	529	0	0	0	-	6.0640
OBJ-050-GV2023	INFANTA	97	0	0	0	-	0.0595
OBJ-051-GV2023	SWELLENDAM	1540	0	0	0	-	0.0836
OBJ-052-GV2023	INFANTA	107	0	0	0	-	63.5594
OBJ-053-GV2023	SWELLENDAM	4517	0	0	0	-	0.0857
OBJ-054-GV2023	SWELLENDAM	6315	0	0	0	-	0.0800

OBJ-055-GV2023	SWELLENDAM	6221	0	0	0	-	0.0809
OBJ-056-GV2023	SWELLENDAM	1555	0	0	0	-	0.0698
OBJ-057-GV2023	SWELLENDAM RD	494	1	0	0	-	0.4283
OBJ-058-GV2023	INFANTA	80	0	0	0	-	0.0595
OBJ-059-GV2023	SWELLENDAM	2479	0	0	0	-	0.0719
OBJ-060-GV2023	SWELLENDAM	2837	0	0	0	-	0.0785
OBJ-061-GV2023	MALAGAS	58	0	0	0	-	1.2990
OBJ-062-GV2023	SWELLENDAM	3592	0	0	0	-	0.0300
OBJ-063-GV2023	SWELLENDAM	1719	0	0	0	-	0.0888
OBJ-064-GV2023	SWELLENDAM	4160	0	0	0	-	0.8251
OBJ-065-GV2023	SWELLENDAM	4161	0	0	0	-	0.8324
OBJ-066-GV2023	SWELLENDAM	7424	0	0	0	-	2.6402
OBJ-067-GV2023	SWELLENDAM	7422	0	0	0	-	25.1676
OBJ-068-GV2023	SWELLENDAM	7420	0	0	0	-	26.4097
OBJ-069-GV2023	BARRYDALE	1650	0	0	0	-	1.6793
OBJ-070-GV2023	MALAGAS	343	0	0	0	-	0.6196
OBJ-071-GV2023	MALAGAS	341	0	0	0	-	0.5734
OBJ-072-GV2023	SWELLENDAM	2715	0	0	0	-	0.1023
OBJ-073-GV2023	BARRYDALE	115	0	0	0	-	0.2974
OBJ-074-GV2023	SWELLENDAM	396	0	0	0	-	0.0599
OBJ-075-GV2023	SWELLENDAM	431	0	0	0	-	0.1065
OBJ-076-GV2023	SWELLENDAM	27	0	0	0	-	0.0780
OBJ-077-GV2023	SWELLENDAM	1632	0	0	0	-	0.1074
OBJ-078-GV2023	BARRYDALE	913	0	0	0	-	0.1200
OBJ-079-GV2023	SWELLENDAM	1571	0	0	0	-	0.2141
OBJ-080-GV2023	SWELLENDAM	6228	0	0	0	-	0.0623
OBJ-081-GV2023	MALAGAS	459	0	0	0	-	28.4048
OBJ-082-GV2023	MALAGAS	454	0	0	0	-	31.8939

OBJ-083-GV2023	MALAGAS	453	0	0	0	-	9.5959
OBJ-084-GV2023	MALAGAS	452	0	0	0	-	12.0800
OBJ-085-GV2023	SWELLENDAM	6348	0	0	0	-	0.0192
OBJ-086-GV2023	SWELLENDAM	4519	0	0	0	-	0.0890
OBJ-087-GV2023	SWELLENDAM	6574	0	0	0	-	0.0244
OBJ-088-GV2023	SWELLENDAM	4522	0	0	0	-	0.0903
OBJ-089-GV2023	BARRYDALE	155	0	0	0	-	0.2974
OBJ-090-GV2023	SUURBRAAK	91	0	0	0	-	0.2023
OBJ-091-GV2023	BARRYDALE	285	0	0	0	-	0.2231
OBJ-092-GV2023	BARRYDALE	286	0	0	0	-	0.2231
OBJ-093-GV2023	SWELLENDAM	5178	0	0	0	-	0.0639
OBJ-094-GV2023	SWELLENDAM RD	21	4	0	0	-	1229.5100
OBJ-095-GV2023	SWELLENDAM RD	27	2	0	0	-	512.9910
OBJ-096-GV2023	SWELLENDAM	6268	0	0	0	-	0.0692
OBJ-097-GV2023	BARRYDALE	1132	0	0	0	-	0.0602
OBJ-098-GV2023	SWELLENDAM	534	0	0	0	-	0.0486
OBJ-099-GV2023	INFANTA	154	0	24	0	SS INFANTA PARK	0.0055
OBJ-100-GV2023	INFANTA	197	0	0	0	-	0.2210
OBJ-101-GV2023	SWELLENDAM	4091	0	0	0	-	0.0863
OBJ-102-GV2023	SWELLENDAM RD	523	0	0	0	-	361.5833
OBJ-103-GV2023	SWELLENDAM RD	261	4	0	0	-	24.2571
OBJ-104-GV2023	SWELLENDAM	709	0	0	0	-	0.0923
OBJ-105-GV2023	BARRYDALE	1271	0	0	0	-	0.2067
OBJ-106-GV2023	SWELLENDAM	2243	0	0	0	-	0.2106
OBJ-107-GV2023	SWELLENDAM	4678	0	0	0	-	0.0600
OBJ-108-GV2023	BARRYDALE	247	0	0	0	-	0.2974
OBJ-109-GV2023	MALAGAS	300	0	0	0	-	0.6167
OBJ-110-GV2023	MALAGAS	245	0	0	0	-	0.3946

OBJ-111-GV2023	SWELLENDAM	1340	0	0	0	-	0.1323
OBJ-112-GV2023	SWELLENDAM	648	0	0	0	-	0.0000
OBJ-113-GV2023	BARRYDALE	317	0	0	0	-	0.2974
OBJ-114-GV2023	BARRYDALE	140	0	0	0	-	0.0991
OBJ-115-GV2023	SWELLENDAM	430	0	0	0	-	0.1065
OBJ-116-GV2023	SUURBRAAK	978	0	0	0	-	0.1877
OBJ-117-GV2023	BARRYDALE	878	0	0	0	-	0.2195
OBJ-118-GV2023	SWELLENDAM	6789	0	0	0	-	0.0834
OBJ-118-GV2023	SWELLENDAM	8403	0	0	0	-	0.0956
OBJ-119-GV2023	SWELLENDAM	328	0	0	0	-	0.1071
OBJ-120-GV2023	SWELLENDAM	6266	0	0	0	-	0.0255
OBJ-121-GV2023	SWELLENDAM	6726	0	0	0	-	0.0322
OBJ-122-GV2023	SWELLENDAM	2436	0	0	0	-	0.0608
OBJ-123-GV2023	SWELLENDAM	2466	0	0	0	-	0.0898
OBJ-124-GV2023	SWELLENDAM RD	69	40	0	0	-	247.4180
OBJ-125-GV2023	SWELLENDAM RD	69	38	0	0	-	34.8349
OBJ-126-GV2023	SWELLENDAM RD	69	49	0	0	-	264.9310
OBJ-127-GV2023	SWELLENDAM	1697	0	0	0	-	0.0932
OBJ-128-GV2023	SWELLENDAM	1602	0	0	0	-	0.1210
OBJ-129-GV2023	SWELLENDAM	324	0	0	0	-	0.1071
OBJ-130-GV2023	SWELLENDAM	1601	0	0	0	-	0.2141
OBJ-131-GV2023	SWELLENDAM	314	0	0	0	-	0.1071
OBJ-132-GV2023	SWELLENDAM	360	0	0	0	-	0.0804
OBJ-133-GV2023	SWELLENDAM	429	0	0	0	-	0.1054
OBJ-134-GV2023	SWELLENDAM	2914	0	0	0	-	0.1018
OBJ-135-GV2023	MALAGAS	431	0	0	0	-	0.4514
OBJ-136-GV2023	SWELLENDAM	2628	0	0	0	-	0.0875
OBJ-137-GV2023	SWELLENDAM	2218	0	0	0	-	0.0916

143.

OBJ-138-GV2023	SWELLENDAM	339	0	0	0	-	0.2312
OBJ-139-GV2023	INFANTA	61	0	0	0	-	0.0595
OBJ-140-GV2023	SWELLENDAM	937	0	0	0	-	0.0475
OBJ-141-GV2023	SWELLENDAM	924	0	0	0	-	0.0063
OBJ-141-GV2023	SWELLENDAM	927	0	0	0	-	0.0253
OBJ-141-GV2023	SWELLENDAM	8364	0	0	0	-	0.0305
OBJ-142-GV2023	SWELLENDAM	1715	0	0	0	-	0.0768
OBJ-143-GV2023	SWELLENDAM	8395	0	0	0	-	5.0015
OBJ-144-GV2023	BARRYDALE	364	0	0	0	-	0.2231
OBJ-145-GV2023	BARRYDALE	57	0	0	0	-	0.0744
OBJ-146-GV2023	BARRYDALE	69	0	0	0	-	0.2974
OBJ-147-GV2023	SUURBRAAK	500	0	0	0	-	0.1435
OBJ-148-GV2023	SWELLENDAM	4523	0	0	0	-	0.0905
OBJ-149-GV2023	SWELLENDAM	16	0	0	0	-	12.7802
OBJ-150-GV2023	SWELLENDAM	2702	0	0	0	-	0.0748
OBJ-151-GV2023	SWELLENDAM	2225	0	0	0	-	0.1476
OBJ-152-GV2023	SWELLENDAM	1738	0	0	0	-	0.0741
OBJ-153-GV2023	SWELLENDAM	4146	0	0	0	-	0.0885
OBJ-154-GV2023	SWELLENDAM	1749	0	0	0	-	0.0744
OBJ-155-GV2023	SWELLENDAM	1406	0	0	0	-	0.1338
OBJ-156-GV2023	SWELLENDAM	5372	0	0	0	-	0.1118
OBJ-157-GV2023	SWELLENDAM	538	0	0	0	-	0.0772
OBJ-158-GV2023	SWELLENDAM	2744	0	0	0	-	0.1655
OBJ-159-GV2023	SWELLENDAM	2826	0	0	0	-	0.2547
OBJ-160-GV2023	MALAGAS	466	0	0	0	-	45.3028
OBJ-161-GV2023	SWELLENDAM RD	516	68	0	0	-	430.5860
OBJ-162-GV2023	MALAGAS	465	0	0	0	-	58.4600
OBJ-163-GV2023	MALAGAS	470	0	0	0	-	81.5569

OBJ-164-GV2023	MALAGAS	467	0	0	0	-	121.1450
OBJ-164-GV2023	MALAGAS	468	0	0	0	-	210.7740
OBJ-165-GV2023	INFANTA	134	0	0	0	-	85.6532
OBJ-166-GV2023	BARRYDALE	1694	0	0	0	-	0.1433
OBJ-167-GV2023	SWELLENDAM RD	4	0	0	0	-	3623.6400
OBJ-168-GV2023	SWELLENDAM RD	9	0	0	0	-	761.7970
OBJ-169-GV2023	SWELLENDAM RD	10	0	0	0	-	21.4133
OBJ-170-GV2023	SWELLENDAM RD	6	0	0	0	-	1540.8100
OBJ-171-GV2023	SWELLENDAM RD	13	60	0	0	-	893.2350
OBJ-172-GV2023	SWELLENDAM RD	654	0	0	0	-	3245.4900
OBJ-173-GV2023	SWELLENDAM RD	13	59	0	0	-	511.6080
OBJ-174-GV2023	SWELLENDAM RD	13	61	0	0	-	614.5750
OBJ-175-GV2023	SWELLENDAM RD	13	19	0	0	-	1463.0000
OBJ-176-GV2023	SWELLENDAM RD	13	58	0	0	-	216.8330
OBJ-177-GV2023	SWELLENDAM RD	13	18	0	0	-	805.4890
OBJ-178-GV2023	SWELLENDAM RD	13	40	0	0	-	3653.7100
OBJ-179-GV2023	SWELLENDAM RD	13	7	0	0	-	2761.8100
OBJ-180-GV2023	SWELLENDAM RD	1	1	0	0	-	1204.7800
OBJ-181-GV2023	SWELLENDAM RD	13	8	0	0	-	2072.9900
OBJ-182-GV2023	SWELLENDAM RD	622	40	0	0	-	24380.6000
OBJ-182-GV2023	SWELLENDAM RD	622	40	0	#VALUE!	-	24380.6000
OBJ-183-GV2023	SWELLENDAM RD	5	8	0	0	-	2661.2400
OBJ-184-GV2023	SWELLENDAM	452	0	0	0	-	0.0652
OBJ-185-GV2023	SWELLENDAM	2823	0	0	0	-	0.0846
OBJ-186-GV2023	SWELLENDAM	1129	0	0	0	-	0.0418
OBJ-187-GV2023	INFANTA	196	0	0	0	-	0.2506
OBJ-188-GV2023	SWELLENDAM	42	0	0	0	-	0.0726
OBJ-189-GV2023	SWELLENDAM	341	0	0	0	-	0.2391

OBJ-191-GV2023	MALAGAS	344	0	0	0	-	0.6153
OBJ-192-GV2023	SWELLENDAM	4690	0	0	0	-	0.2120
OBJ-193-GV2023	SWELLENDAM	257	0	0	0	-	0.0985
OBJ-194-GV2023	SWELLENDAM	6352	0	0	0	-	0.0140
OBJ-195-GV2023	SWELLENDAM	874	0	0	0	-	0.1311
OBJ-196-GV2023	SWELLENDAM RD	497	31	0	0	-	0.0300
OBJ-197-GV2023	SWELLENDAM	1974	0	0	0	-	0.1073
OBJ-198-GV2023	SWELLENDAM	1413	0	0	0	-	0.1500
OBJ-199-GV2023	SWELLENDAM	2230	0	0	0	-	0.1116
OBJ-200-GV2023	SUURBRAAK	123	0	0	0	-	0.1988
OBJ-201-GV2023	SUURBRAAK	258	0	0	0	-	0.1345
OBJ-202-GV2023	BARRYDALE	1696	0	0	0	-	0.2977
OBJ-203-GV2023	SWELLENDAM	8071	0	0	0	-	0.2758
OBJ-204-GV2023	SWELLENDAM RD	450	13	0	0	-	521.7230
OBJ-205-GV2023	SWELLENDAM	2412	0	0	0	-	0.0937
OBJ-206-GV2023	SWELLENDAM	1367	0	0	0	-	0.0981
OBJ-207-GV2023	MALAGAS	413	0	0	0	-	0.3014
OBJ-209-GV2023	INFANTA	2	0	0	0	-	0.0446
OBJ-210-GV2023	INFANTA	3	0	0	0	-	0.0892
OBJ-211-GV2023	INFANTA	4	0	0	0	-	0.0892
OBJ-212-GV2023	INFANTA	5	0	0	0	-	0.0892
OBJ-213-GV2023	INFANTA	6	0	0	0	-	0.0892
OBJ-214-GV2023	INFANTA	7	0	0	0	-	0.0892
OBJ-215-GV2023	INFANTA	8	0	0	0	-	0.0443
OBJ-216-GV2023	INFANTA	9	0	0	0	-	0.0443
OBJ-217-GV2023	INFANTA	10	0	0	0	-	0.0447
OBJ-218-GV2023	INFANTA	11	0	0	0	-	0.0447
OBJ-219-GV2023	INFANTA	12	0	0	0	-	0.0449

OBJ-220-GV2023	INFANTA	13	0	0	0	-	0.0449
OBJ-221-GV2023	INFANTA	21	0	0	0	-	0.0595
OBJ-222-GV2023	INFANTA	22	0	0	0	-	0.0595
OBJ-223-GV2023	INFANTA	23	0	0	0	-	0.0595
OBJ-224-GV2023	INFANTA	24	0	0	0	-	0.0775
OBJ-225-GV2023	INFANTA	25	0	0	0	-	0.0595
OBJ-226-GV2023	INFANTA	26	0	0	0	-	0.0595
OBJ-227-GV2023	INFANTA	28	0	0	0	-	0.0595
OBJ-228-GV2023	INFANTA	29	0	0	0	-	0.0595
OBJ-229-GV2023	INFANTA	30	0	0	0	-	0.0595
OBJ-230-GV2023	INFANTA	31	0	0	0	-	0.0925
OBJ-231-GV2023	INFANTA	32	0	0	0	-	0.0503
OBJ-232-GV2023	INFANTA	33	0	0	0	-	0.0595
OBJ-233-GV2023	INFANTA	34	0	0	0	-	0.0595
OBJ-234-GV2023	INFANTA	35	0	0	0	-	0.0595
OBJ-235-GV2023	INFANTA	36	0	0	0	-	0.0595
OBJ-236-GV2023	INFANTA	38	0	0	0	-	0.0595
OBJ-237-GV2023	INFANTA	39	0	0	0	-	0.0595
OBJ-238-GV2023	INFANTA	40	0	0	0	-	0.0595
OBJ-239-GV2023	INFANTA	41	0	0	0	-	0.0764
OBJ-240-GV2023	INFANTA	42	0	0	0	-	0.0937
OBJ-241-GV2023	INFANTA	43	0	0	0	-	0.0595
OBJ-242-GV2023	INFANTA	44	0	0	0	-	0.0595
OBJ-243-GV2023	INFANTA	45	0	0	0	-	0.0595
OBJ-244-GV2023	INFANTA	46	0	0	0	-	0.0595
OBJ-245-GV2023	INFANTA	47	0	0	0	-	0.0595
OBJ-246-GV2023	INFANTA	48	0	0	0	-	0.0595
OBJ-247-GV2023	INFANTA	49	0	0	0	-	0.0595

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OBJ-248-GV2023	INFANTA	50	0	0	0	-	0.0595
OBJ-249-GV2023	INFANTA	51	0	0	0	-	0.0595
OBJ-250-GV2023	INFANTA	52	0	0	0	-	0.0595
OBJ-251-GV2023	INFANTA	53	0	0	0	-	0.0595
OBJ-252-GV2023	INFANTA	54	0	0	0	-	0.0595
OBJ-253-GV2023	INFANTA	55	0	0	0	-	0.0595
OBJ-254-GV2023	INFANTA	56	0	0	0	-	0.0595
OBJ-255-GV2023	INFANTA	58	0	0	0	-	0.0595
OBJ-256-GV2023	INFANTA	59	0	0	0	-	0.0595
OBJ-257-GV2023	INFANTA	60	0	0	0	-	0.0595
OBJ-259-GV2023	INFANTA	62	0	0	0	-	0.0595
OBJ-260-GV2023	INFANTA	63	0	0	0	-	0.0595
OBJ-261-GV2023	INFANTA	64	0	0	0	-	0.0595
OBJ-262-GV2023	INFANTA	65	0	0	0	-	0.0595
OBJ-263-GV2023	INFANTA	66	0	0	0	-	0.0595
OBJ-264-GV2023	INFANTA	67	0	0	0	-	0.0595
OBJ-265-GV2023	INFANTA	68	0	0	0	-	0.0595
OBJ-266-GV2023	INFANTA	69	0	0	0	-	0.0595
OBJ-267-GV2023	INFANTA	70	0	0	0	-	0.0595
OBJ-268-GV2023	INFANTA	71	0	0	0	-	0.0595
OBJ-269-GV2023	INFANTA	72	0	0	0	-	0.0595
OBJ-270-GV2023	INFANTA	73	0	0	0	-	0.0595
OBJ-271-GV2023	INFANTA	74	0	0	0	-	0.0595
OBJ-272-GV2023	INFANTA	75	0	0	0	-	0.0595
OBJ-273-GV2023	INFANTA	76	0	0	0	-	0.0595
OBJ-274-GV2023	INFANTA	77	0	0	0	-	0.0595
OBJ-275-GV2023	INFANTA	78	0	0	0	-	0.0595
OBJ-276-GV2023	INFANTA	79	0	0	0	-	0.0595

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148.

OBJ-278-GV2023	INFANTA	82	0	0	0	-	0.0595
OBJ-280-GV2023	INFANTA	84	0	0	0	-	0.0595
OBJ-281-GV2023	INFANTA	85	0	0	0	-	0.0595
OBJ-283-GV2023	INFANTA	87	0	0	0	-	0.0594
OBJ-284-GV2023	INFANTA	88	0	0	0	-	0.0595
OBJ-285-GV2023	INFANTA	89	0	0	0	-	0.0595
OBJ-286-GV2023	INFANTA	90	0	0	0	-	0.1190
OBJ-287-GV2023	INFANTA	91	0	0	0	-	0.0595
OBJ-288-GV2023	INFANTA	92	0	0	0	-	0.0595
OBJ-289-GV2023	INFANTA	93	0	0	0	-	0.0595
OBJ-290-GV2023	INFANTA	94	0	0	0	-	0.0595
OBJ-291-GV2023	INFANTA	95	0	0	0	-	0.0595
OBJ-292-GV2023	INFANTA	96	0	0	0	-	0.0595
OBJ-295-GV2023	INFANTA	100	0	0	0	-	0.0595
OBJ-296-GV2023	INFANTA	101	0	0	0	-	0.0595
OBJ-297-GV2023	INFANTA	143	0	0	0	-	0.0447
OBJ-298-GV2023	INFANTA	148	0	0	0	-	0.0596
OBJ-299-GV2023	INFANTA	149	0	0	0	-	0.0595
OBJ-300-GV2023	INFANTA	151	0	0	0	-	0.0595
OBJ-301-GV2023	INFANTA	57	0	0	0	-	0.0595
OBJ-302-GV2023	BARRYDALE	99	0	0	0	-	0.2974
OBJ-303-GV2023	BARRYDALE	1085	0	0	0	-	2.3792
OBJ-304-GV2023	BARRYDALE	85	0	0	0	-	0.2974
OBJ-305-GV2023	BARRYDALE	1084	0	0	0	-	0.5948
OBJ-306-GV2023	SWELLENDAM	1691	0	0	0	-	0.0848
OBJ-307-GV2023	BARRYDALE	1154	0	0	0	-	0.1652
OBJ-308-GV2023	SWELLENDAM	859	0	0	0	-	0.2264
OBJ-309-GV2023	SWELLENDAM	2215	0	0	0	-	0.0745

OBJ-311-GV2023	BARRYDALE	660	0	0	0	-	0.0991
OBJ-312-GV2023	BARRYDALE	716	0	0	0	-	0.1486
OBJ-313-GV2023	SWELLENDAM RD	522	0	0	0	-	5.8282
OBJ-314-GV2023	SWELLENDAM	2656	0	0	0	-	0.1638
OBJ-314-GV2023	SWELLENDAM	9864	0	0	0	-	0.0000
OBJ-315-GV2023	INFANTA	222	0	0	0	-	0.1269
OBJ-316-GV2023	BARRYDALE	1638	0	0	0	-	0.4466
OBJ-317-GV2023	SWELLENDAM	2705	0	0	0	-	0.0731
OBJ-318-GV2023	SWELLENDAM	4503	0	0	0	-	0.0333
OBJ-319-GV2023	SWELLENDAM	313	0	0	0	-	0.1071
OBJ-320-GV2023	SWELLENDAM	1270	0	0	0	-	0.1486
OBJ-321-GV2023	SWELLENDAM	1386	0	0	0	-	0.0984
OBJ-322-GV2023	BARRYDALE	700	0	0	0	-	0.3267
OBJ-323-GV2023	SWELLENDAM	964	0	0	0	-	0.0825
OBJ-324-GV2023	SWELLENDAM	8395	0	0	0	-	5.0015

APPENDIX B: SECTION 52 REVIEW LIST

OBJ NR	GV VALUE ADVERTISED	OBJECTION DECISION VALUE	% ADJUST	MUNICIPAL VALUER COMMENT
OBJ-002-GV2023	R6,900,000	R4,800,000	-30%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-003-GV2023	R480,000	R150,000	-69%	RIVER RUNS TRHOUGH PROPERTY. 30% USABLE. ADJUST VALUE ACCORDINGLY
OBJ-008-GV2023	R5,100,000	R3,300,000	-35%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-014-GV2023	R3,700,000	R1,100,000	-70%	VALUE ADJUSTED AS PER MOTIVATION AND RECENT SALE OF PTN 17
OBJ-026-GV2023	R7,200,000	R5,100,000	-29%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-042-GV2023	R1,430,000	R1,000,000	-30%	SEVERE BUILDING FAILURE - ADJUSTED 30% DOWNWARDS FOR DEFECTS. REFER TO P/PRICE IN 2019
OBJ-050-GV2023	R11,100,000	R7,300,000	-34%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-052-GV2023	R1,300,000	R100,000	-92%	UNDEVELOPABLE OPEN SPACE AS PER TITLE DEED - AMENDED ACCORDINGLY
OBJ-058-GV2023	R5,000,000	R3,800,000	-24%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-069-GV2023	R730,000	R520,000	-29%	PROPERTY SUBDIVIDED. VALUE ALLOCATED TO REMAINDER ONLY
OBJ-077-GV2023	R2,600,000	R2,200,000	-15%	VALUE CHANGE - SUPPORTIVE INFORMATION PROVIDED.
OBJ-088-GV2023	R530,000	R2,600,000	391%	NO LONGER A VACANT STAND. OCCUPATION CERTIFICATE SUPPLIED. VALUE CHANGED ACCORDINGLY
OBJ-102-GV2023	R14,100,000	R9,100,000	-35%	SIZE IN DEEDS INCORRECT. AMENDED AS PER GIS AND OBJECTION FORM. VALUE ADJUSTED ACCORDINGLY
OBJ-112-GV2023	R3,100,000	R0	-100%	ERF 648+9522 CONSOLIDATED ON 19/9/2022= ERF 9522. NEW VALUE FOR ERF 9523
OBJ-118-GV2023	-	R1,300,000	ERR	VALUE INCLUDED. WAS ERF 6789. OMITTED FROM GV
OBJ-138-GV2023	R1,400,000	R950,000	-32%	VALUE ADJUSTED. SALES 3086 AND 71
OBJ-139-GV2023	R2,000,000	R2,700,000	35%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-140-GV2023	R2,300,000	R2,000,000	-13%	VALUE SPLIT TO ERF 8364 . NO CHANGE TO TOTAL VALUE
OBJ-141-GV2023	-	R300,000	ERR	VALUE SPLIT OF ERF 937. NO CHANGE TO TOTAL VALUE
OBJ-149-GV2023	R380,000	R230,000	-39%	ACCORDING TO OBJECTION LETTER AND MARKET RESEARCH
OBJ-196-GV2023	R380,000	R800,000	111%	NO LONGER A VACANT STAND. VALUE AND CATEGORY CHANGED ACCORDINGLY

OBJ-200-GV2023	R360,000	R180,000	-50%	VALUE ADJUSTED AS IT IS PREDOMINANTLY SITUATED IN THE RIVER BED.
OBJ-210-GV2023	R7,300,000	R4,900,000	-33%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-211-GV2023	R7,100,000	R4,900,000	-31%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-212-GV2023	R7,900,000	R4,900,000	-38%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-213-GV2023	R6,600,000	R4,900,000	-26%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-214-GV2023	R5,600,000	R4,500,000	-20%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-216-GV2023	R2,700,000	R3,200,000	19%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-217-GV2023	R4,400,000	R3,600,000	-18%	NEW VALUATION BASIS DETERMINED - COMPARABLE SALE
OBJ-220-GV2023	R6,500,000	R4,300,000	-34%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-222-GV2023	R2,600,000	R3,200,000	23%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-223-GV2023	R2,300,000	R3,000,000	30%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-226-GV2023	R5,700,000	R4,100,000	-28%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-227-GV2023	R4,900,000	R3,700,000	-24%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-228-GV2023	R4,900,000	R3,600,000	-27%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-229-GV2023	R9,400,000	R5,400,000	-43%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-230-GV2023	R7,800,000	R4,600,000	-41%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-231-GV2023	R2,300,000	R2,900,000	26%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-232-GV2023	R1,500,000	R1,200,000	-20%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-234-GV2023	R4,500,000	R3,800,000	-16%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-235-GV2023	R2,000,000	R2,500,000	25%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-236-GV2023	R2,700,000	R3,100,000	15%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-241-GV2023	R2,500,000	R3,000,000	20%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-243-GV2023	R2,000,000	R2,800,000	40%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-244-GV2023	R2,200,000	R650,000	-70%	HOUSE DEMOLISHED. CHANGED FROM IMPROVED TO VACANT LAND ACCORDINGLY

OBJ-245-GV2023	R2,700,000	R3,100,000	15%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-247-GV2023	R2,600,000	R3,100,000	19%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-248-GV2023	R2,600,000	R3,200,000	23%	NEW VALUATION BASIS DETERMINED - DATED COMPARABLE SALE
OBJ-249-GV2023	R4,600,000	R3,700,000	-20%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-251-GV2023	R2,700,000	R3,200,000	19%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-254-GV2023	R2,900,000	R3,200,000	10%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-255-GV2023	R2,100,000	R2,600,000	24%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-256-GV2023	R5,100,000	R3,800,000	-25%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-259-GV2023	R2,500,000	R3,100,000	24%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-260-GV2023	R2,400,000	R3,100,000	29%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-264-GV2023	R2,900,000	R3,400,000	17%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-266-GV2023	R2,700,000	R3,100,000	15%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-267-GV2023	R2,600,000	R3,000,000	15%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-268-GV2023	R5,200,000	R3,800,000	-27%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-271-GV2023	R2,100,000	R3,200,000	52%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-274-GV2023	R1,600,000	R1,900,000	19%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-280-GV2023	R5,500,000	R4,000,000	-27%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-281-GV2023	R8,800,000	R5,700,000	-35%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-284-GV2023	R2,400,000	R3,000,000	25%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-285-GV2023	R2,300,000	R3,000,000	30%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-286-GV2023	R4,900,000	R4,100,000	-16%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-287-GV2023	R2,100,000	R2,500,000	19%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-289-GV2023	R1,400,000	R1,700,000	21%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-290-GV2023	R6,000,000	R4,900,000	-18%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY

OBJ-291-GV2023	R11,800,000	R6,300,000	-47%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-292-GV2023	R13,400,000	R6,700,000	-50%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-295-GV2023	R6,300,000	R4,800,000	-24%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-300-GV2023	R1,300,000	R1,900,000	46%	NEW VALUATION BASIS DETERMINED. ALL INFANTA PROPERTIES VALUED ACCORDINGLY
OBJ-314-GV2023	R2,100,000	R0	-100%	RELAYOUT NOW ERF 9864. VALUE MOOVED TO NEW ERF
OBJ-314-GV2023	R0	R2,100,000	ERR	COMPARABLE SALE WAS ERF 2656. VALUE MOOVED
OBJ-315-GV2023	R1,100,000	R2,200,000	100%	NO LONGER A VACANT STAND. VALUE AND CATEGORY CHANGED ACCORDINGLY

CAVEATS

1. FULL DISCLOSURE

This valuation has been prepared on the basis that full disclosure of all information and factors that could affect the valuation ('all relevant factors') have been made to us. We accept no liability or responsibility whatsoever for the valuation if it should transpire that a full disclosure of all relevant factors was not made.

2. THIRD PARTY INVOLVEMENT

Where reliance was placed on information supplied by third parties in undertaking the evaluation, we have assumed such information to be substantially correct. We accept no liability or responsibility whatsoever for the valuation if it should transpire that the information supplied was substantially incorrect.

3. VALUATION STANDARD

This valuation has been prepared in accordance with the International Valuation Standards Committee requirements as adopted by the South African Council for the Property Valuers Profession and the South African Institute of Valuers.

4. FREEHOLD PROPERTY

In the case of freehold properties we have inspected the relevant Title Deed documents when available. Whenever perusal of the Title Deed caused concern, we made specific reference to this in the Valuation Report. Where the Title Deeds were not available we have assumed that good title can be shown and that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings.

5. MORTGAGE BONDS, LOANS OR OTHER CHARGES

The property has been valued as if wholly owned with no allowance made for any outstanding monies due in respect of mortgage bonds, loans or other charges. No deductions have been made in our valuation for the cost of acquisition, such as legal or transfer fees, or the costs involved in the disposal of the assets.

6. CALCULATION OF AREAS

Where the client (or his/her representative) has provided all surface areas quoted within the Valuation Report, we assume such surface areas have been calculated in accordance with the SAPOA standard method of measurement. Where a valuer on site measures the surface areas, the SAPOA standard method of measurement shall be employed.

7. PLANS

All plans included in the Valuation Report are supplied for the purpose of identification and orientation only and are not necessarily to scale.

8. PROPERTY BOUNDARIES

The farm or property boundaries, as indicated to the Valuer by the instructing client or his appointed agent, or the boundaries as indicated by plans supplied by the client, are assumed to be the legal extent of the property. Any variation of these boundaries by extension or omission, and the resultant inclusion or omission of any improvements because of this or these variations, cannot therefore be regarded as the responsibility of the Valuer. We accept no liability or responsibility whatsoever for the valuation should it transpire that any boundaries were incorrectly pointed out.

9. OUTGOINGS

It is assumed, except where otherwise stated, that the property is subject to the normal property owner's outgoings and that there are no onerous restrictions or unusual covenants of which we have no knowledge. In preparing our valuation, we have formed our opinion of outgoings, having had reference to the various schedules of outgoings supplied by the client or a representative thereof.

10. STRUCTURAL CONDITION

The property has been valued in its existing state. In the event of its ownership or use changing in such a manner that the local authority will require the upgrading of the premises to comply with fire protection and other regulations, it may be necessary to reduce the valuation by the amount covering the cost of such compliance. We have had regard to the apparent state and condition of the property but have not carried out a structural survey, nor inspected those areas, which were covered, unexposed or inaccessible, neither have we arranged for the testing of electrical, heating or other services. The valuation assumes that the services and structures are in a satisfactory state of repair and condition, unless otherwise stated in our report. The valuation further assumes that the improvements have been erected in accordance with the relevant Building and Town Planning Regulations as well as the Local Authority by-laws. We have not inspected woodwork or other parts of the structure, and we are therefore unable to repost that such parts of the property are free from rot, beetle or other defects. We have assumed that no deleterious or hazardous materials or techniques were used in the construction of the property nor have since been incorporated.

11. CONTAMINATION

Our valuation assumes that a formal environmental assessment is not provided and further that the property is not environmentally impaired nor contaminated, unless otherwise stated in our report.

12. VACANT LAND

No soil or substratum tests on the property have been undertaken and it is assumed that the property is suitable for the intended purpose, without having to provide excessive reinforcement to any structure built thereon.

13. STATUTORY NOTICE AND UNLAWFUL USE

We have assumed that the property and its value are unaffected by any statutory notice, and that neither the property nor its condition, nor its use, nor its intended use, is or will be unlawful.

14. INDIVIDUAL PROPERTIES

The values reported are for the individual properties. No allowance is made for any premium, which may be applicable for an assembled portfolio of properties, nor is a discount allowed for any flooding of the market, which might exist if all, or a majority of the properties were offered for sale simultaneously.

15. CONFIDENTIALITY

This valuation is produced exclusively for the client and for the specific purposes to which it refers. It may be disclosed to other professional advisers assisting you in respect of that purpose. We accept no responsibility whatsoever to any parties other than yourselves who make use of this valuation.

DDP Group* values your privacy. Please note that by providing your personal information, you are giving DDP Group permission to process and store your personal information according to our PoPI Compliance Manual. The information that we process concerning our users is only used for the sole purpose that it is given for. Your information will only be shared with third parties as mandated by legislation. If you have any objections or questions, please contact our Information Officer (io@ddp.co.za).

DDP Group accepts no liability for any loss, damages and/or expenses of any nature which may arise as a result of, or which may be attributable directly or indirectly from information made available to us, or actions or transactions resulting therefrom. Please refer to our Privacy Policy for more information (https://ddp.co.za/legal/).

In the event of any changes to your personal information, you have an obligation to inform DDP Group within 30 days.

For more information regarding DDP Group, please refer to our website (https://ddp.co.za/legal/).

16. NON-PUBLICATION

Neither the whole nor any part of this valuation report or certificate, nor any reference thereto, may be included in any published document, circular or statement, nor published in any way without the written approval of the Valuer, as to the form or context in which it may appear and acknowledgement that the Valuer are professional valuers.

32.
157

17. INDEPENDENT VALUERS CLAUSE

Neither the Valuer, nor any employee, have any present or contemplated interest in this or any other properties or any other interests, which could affect the statements or values, contained in this valuation report. The valuation enclosed herewith was therefore undertaken on a completely independent basis by a valuer employed the Valuer, a company which specializes in valuation and which does not trade in these assets.

18. VALUE ADDED TAX

All figures quoted are exclusive of Value Added Tax.

19. COURT CASES

Please note that if this report or any portions of the report are used in a court case, additional fees will be applicable.

20. LIABILITY

It is agreed that the maximum aggregate liability of DDP to the Client in respect of any loss or damage that may result from this engagement will be limited to a maximum of 300% of the fees paid or payable under this quotation.
on.

Brasika

Adv Helen Venter

Cell: 082 440 1886 – *hventer@brasika.co.za*

TO: **Mr Deon Lewis/ Annelise Vries**
Legal Services
Hessequa Municipality

Cc: **Mr Dana du Plessis**
Corporate Services
Swellendam Municipality

by e-mail

MEMORANDUM: CONTRACTING WITH THE LBRCT

PURPOSE

1. This Memorandum serves as a response to the above.

INSTRUCTION

2. Author was formally requested by Hessequa Municipality together with the Swellendam Municipality *[Municipalities]* to assist with advice regarding the following matters:
   (i) May the Municipalities legally extend the current tri-partite agreement with the Lower Breede River Conservancy Trust *[LBRCT]*.
   (ii) What processes must be followed to continue contracting with the LBRCT.
   (iii) Must the Municipalities follow a procurement process in contracting with the LBRCT.
   (iv) Correct contracting mechanism in an event such as this one.
   (v) Any other related advice.

BACKGROUND

3. Both Municipalities share joint By-law powers and/or responsibilities[1] *[By-law powers]* with regards to the Breede River.

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[1] Refer to the Hessequa By-law relating to the Management and Use of Rivers *[Provincial Gazette 7030 of 6 September 2012]* and Swellendam similar By-law *[Provincial Gazette 7131 of 24 May 2013]*.

4. The Municipalities entered into a tri-partite Service Level Agreement *[LBRCT Contract]* with the LBRCT to assist it with the execution of certain of its By-law powers[2] with regards to Breede River.

5. Swellendam Municipality commenced with its contractual relationship with the LBRCT in 2003 and the Hessequa Municipality joined the relationship in 2009.

6. The current LBRCT Contract was concluded by both Municipalities on 29 June 2018[3] for a period of 3-years and will expire on 30 June 2021.

7. It is important to note that Clause 6.5 of the current LBRCT Contract stipulates that funding allocations to the LBRCT will be regarded as 'transfer payments' as per MFMA section 67.

8. With the LBRCT Contract expiry event between the parties coming up in June 2021, author was approached to advise as referenced in paragraph 2 above.

DISCUSSION

9. **Author applied the following methodology in addressing this matter:**

   (i) **Firstly**, in responding to the enquiries, author considered the following legal requirements and developed appropriate legality tests in relation to the current LBRCT Contract:

      A. *By-law legal requirements of the Municipalities to delegate or transfer its By-law powers to a private sector organisation.*

      B. *Legal requirements for transfer payments.*

   (ii) **Secondly**, author tested compliance against the developed legality tests when the LBRCT Contract was concluded in 2018.

   (iii) **Thirdly,** author confirms the legality requirements should the Municipalities continue with its LBRCT contractual arrangements in its current form.

   (iv) **Fourthly,** author responds to the relevant enquiries as stipulated in paragraph 2 above.

   (v) **Lastly**, author concludes with final recommendations.

10. Author did not address the SCM requirements at this stage as it does not apply to 'transfer payments' as discussed later in the document.

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[2] Source: Tri-partite LBRCT Contract, clause 5.2.3:

5.2.3 The Lower Breede River Conservancy Trust [hereinafter referred to as the LBRCT] is hereby contracted in terms of this agreement to deliver the services required by the Municipalities [hereinafter referred to as the Municipalities].

[3] References to the LBRCT Contract will refer to the LBRCT Contract concluded on 29 June 2018.

A. BY-LAW LEGAL REQUIREMENTS OF THE MUNICIPALITIES TO DELEGATE OR TRANSFER ITS BY-LAW POWERS TO A PRIVATE SECTOR ORGANISATION

11. Section 14[4] of the referenced Municipal By-laws conditionally allows the Municipalities to delegate or transfer any powers conferred on the Municipality to ***any person or persons or organisations***. The condition attached to this provision is that Municipalities ***must not delegate or transfer its powers for the power to levy or determine fees***.

12. ***The By-law legal requirements to delegate or transfer its powers are as follows:***
    (i) ***When the Municipality delegate its By-law powers, it may do so, to 'any person or persons or organisations'.***
    (ii) ***The Municipality must not delegate or transfer its powers for the power to levy or determine fees.***

Discussion of 'a person or persons or organisation':

13. Although not defined in the relevant By-laws, it is common cause that ***'a person or persons or organisations'*** may include natural persons[5] as well as juristic persons[6]. The Companies Act defines a juristic person to be inclusive of a Trust.

14. The LBRCT was founded as a juristic person in the form of a Trust *[Registration number IT410/2000]* on 18 November 1999. It confirms that it is conducting its business as a non-profit Trust as is evident on the first page of its website: https://breede-river.org. One of the LBRCT's establishment objectives is: ***"4.6. To coordinate and promote the implementation of laws relevant to the conservation of the Lower Breede River;[7]'***

Discussion of provisional condition of the By-laws section 14:

15. Clause 8.1.3 of the LBRCT Contract confirms that the parties acknowledge compliance with the provisional requirements of section 14 of the said By-laws, in that the Municipalities retained the power to levy or determine fees.

16. ***Legality test for By-law requirements to delegate or transfer its powers:***
    (i) ***The Municipality delegated or transferred its By-law powers to a natural or juristic person.***
    (ii) ***The Municipality retained its power to levy or determine fees.***

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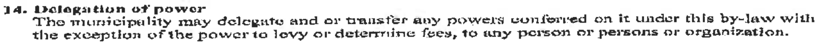
[4] Source: Reference By-laws clause 14:



14. Delegation of power
The municipality may delegate and or transfer any powers conferred on it under this by-law with the exception of the power to levy or determine fees, to any person or persons or organization.

[5] **Natural person:** *"A human being as distinguished from a person (as a corporation) created by operation of law"* [https://www.merriam-webster.com/legal/natural%20person]

[6] **Juristic person:** *"An entity, such as a corporation, that is recognized as having legal personality, i.e., it is capable of enjoying and being subject to legal rights and duties. It is contrasted with a human being, who is referred to as a natural person."* [https://www.oxfordreference.com/view/10.1093/oi/authority.20110803100027393]

[7] Source: Deed of Trust of the LBRCT [9 July 2013], clause 4.6

B. LEGAL REQUIREMENTS FOR TRANSFER PAYMENTS

17. The next logical question to respond to, is when delegating or transferring its By-law powers to the LBRCT, what contracting mechanism should apply?

18. The MFMA[8] provides for two types of contract mechanisms where juristic persons are involved, namely:
    (i) Transfer payment contracts as per MFMA section 67.
    (ii) Procurement contracts as per MFMA section 116.

19. **Transfer payments** are unrequited funds that are transferred to other institutions, businesses, and individuals[9].

20. The qualification criteria for transfer payments is that it is an unrequited payment made by a municipality. A payment is unrequited provided that the municipality does not receive anything of similar value directly in return for the transfer to the other party[10].

21. Service delivery and transfer payment agreements are entered into with these persons or organisations within a regulated environment and reported on separately in the relevant Municipality's financial statements.

22. The contracting with these persons or organisations occurs outside of the procurement regime of government and they do not tender for services[11] or apply government procurement prescripts.

23. In its classification circular of 28 May 2018[12], the National Treasury provides the following clarification:
    (i) Confirms that there is a clear distinction between the management and classification of expenditure classified as *'transfers'* vis a vis *'goods, services, and capital assets'*.
    (ii) Where funds are transferred to another entity for the entity to further its operations inline with the entity's mandate, are classified as transfers.
    (iii) The funds for operations would be requested by the entities through the budget process.
    (iv) These funds are only transferred to persons or organisations on an 'unrequited' basis, meaning that the Municipality does not receive anything of similar value directly in return for the transfer.

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[8] Municipal Finance Management Act, 2003 (Act 56 of 2003) - MFMA

[9] Reference Guide on Economic Reporting, Natio0nal Treasury, 2009 - page 19.

[10] National Treasury, 2009 – page 66

[11] Examples of current transfers are social security benefits paid to households, fines, penalties, compulsory fees and subsidies. Examples of capital transfers are a payment that is conditional on the recipient unit using the funds to acquire capital assets.

[12] Classification circular – Classification of transfers and subsidies versus goods and services or capital assets, National Treasury, 28/05/2018 – par. 12.

37.

162.

(v) The municipality does not buy an item or pay for a service when making cash grant payments.

(vi) Following from this, cash grants offer beneficiaries discretion in that beneficiaries can subsequently spend the cash received on any good and/or service according to their individual needs.

24. Since the inception of the MFMA[13], transfer payments were allowed and made in terms of section 67 of the MFMA to persons or organisations.

25. MFMA section 67 allows a municipality to transfer funds to an organisation or body outside any sphere of government otherwise than in compliance with a commercial or other business transaction. The same section requires a municipality to ensure that certain criteria and conditions are met before funds are transferred.

26. For brevity purposes the relevant requirements of MFMA section 67 are listed in Annexure A, attached hereto.

27. ***<u>Legality test for transfer payments as per MFMA section 67</u>***

(i) ***Payment must be unrequited, i.e., the municipality does not buy an item or pay for a service when making cash grant payments.***

(ii) ***Payments must not constitute a commercial or business transaction.***

(iii) ***The funds were transferred to the LBRCT to further its operations in-line with its mandate.***

(iv) ***The funds for operations are requested by the LBRCT through the budget process.***

(v) ***The LBRCT retains the discretion to subsequently spend the cash received on any good and/or service according to their individual needs.***

(vi) ***The MFMA section 67 requirements have been met as stipulated in Annexure A.***

<u>Discussion of Hessequa Municipality requirements for transfer payments to the LBRCT[14]:</u>

28. The Hessequa Municipality adopted a Grant-in-Aid Policy [GiAP] to manage its 'transfer payments' and the following is highlighted in relation to the GiAP applicable prior to 2018, i.e., being its GiAP Policy of 2017, which applied at the time of the LBRCT Contract, which provides the following:

(i) The Municipality defined "grant-in-aid' as the allocation / contribution of municipal funds to an organisation, body, or person(s) outside any sphere of government, which does not constitute a

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[13] Municipal Finance Management Act, 2003 (Act 56 of 2003).

[14] Please note that for purposes of this discussion, author will discuss the relevant GiAP applicable when contracting the LBRCT in 2018 as well as the latest GiAP version if the Municipality wishes to continue with its current contractual arrangement with the LBRCT.

38.

163.

commercial or business transaction. Grant-in-aid refers in this policy only to a monetary donation.

(ii) At clause 2 the Municipality confirmed that the provisions of MFMA section 67 shall regulate the circumstances within which Grants-in-aid may be allocated and distributed.

(iii) At clause 5 the Municipality confirmed that Grants-in-aid shall be allocated in the following categories:

a) Educational Institutions

b) Welfare Organisations

c) Sporting Bodies

d) Arts and Culture

e) Churches

f) Other – ***NOTE that for purposes of this exercise, author accepts that 'environmental institutions' are regarded as 'other'.***

(iv) The remainder of the GiAP provides the various roles, obligations, and responsibilities of the relevant contracting parties.

(v) Please refer to discussion at Annexure B1 attached hereto which provides a detailed discussion of the relevant GiAP requirements and the LBRCT compliance test against it.

29. ***Legality test of LBRCT transfer payments by the Hessequa Municipality***

(i) ***Payment must be made an organisation, body or person(s) outside any sphere of government.***

(ii) ***Payments must adhere to MFMA section 67.***

(iii) ***The 'other' categories qualifying for payments, includes organisations involved in environmental matters.***

(iv) ***Payments must be supported by a suitable contractual arrangement.***

Discussion of Swellendam Municipality legal requirements when making transfer payments to the LBRCT:

30. Apart from compliance with MFMA section 67, the Swellendam Municipality adopted a Grant-in-Aid Policy[15] *[GiAP]* to manage its 'transfer payments' and the following is highlighted in relation to the GiAP applicable prior to 2018:

(i) The main objective of the GiAP is to provide a framework for grant-in-aid to non-governmental organisations [NGO's], community-based organisations [CBO's]; non-profit organisations

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[15] This Policy was in operation from 2015 and still applicable.

39.

164.

[NPO's] and/or bodies that are used by government as an agency to serve the poor, marginalised or otherwise vulnerable as envisaged by sections 12 and 67 of the MFMA.

(ii) Clause 10 of the GiAP provides for the qualifying categories and relevant to the LBRCT provides for inter alia, the following:

> *"10.1.3. Environmental projects and programmes, including but not limited to:*
> *(iii) Environmental organisations or groups.*
> *(iv) Organisations promoting community involvement as a means of sustaining leisure, aesthetic or environmental projects.*
> *(v) Projects which further the Council's aims and the strategies related to:*
> *(a) Riverine corridors;*
> *(b) Biodiversity;*
> *(c) Natural and built environment;*
> *(d) ..;*
> *(e) ...;*
> *(f) Ecological conservation areas;*
> *(g) ...;*
> *(h) Bio-regional planning;*
> *(i) Nature area management;*
> *(j) Wetlands;*
> *(k) ..;*
> *(l) .."*

(iii) Clause 11.6.1 of the GiAP provides that payments will only be made once a Transfer Payment Agreement is duly completed or any other suitable contractual arrangement.

(iv) The remainder of the GiAP provides the various roles, obligations, and responsibilities of the relevant contracting parties.

(v) Please refer to discussion at Annexure B3 attached hereto which provides a detailed discussion of the relevant GiAP requirements and the LBRCT compliance test against it.

31. ***Legality test of LBRCT transfer payments by the Swellendam Municipality***

(i) ***Payments may be made to NGO's.***

(ii) ***Payments must adhere to MFMA section 67.***

(iii) ***The categories qualifying for payments, may include organisations involved in environmental matters.***

(iv) ***Payments must be supported by a suitable contractual arrangement.***

COMPLIANCE TEST AGAINST THE LBRCT CONTRACT CONCLUDED IN 2018

32. In this part of the report, the legality tests discussed in paragraphs 11 to 31 above are recorded and compliance against the minimum legal requirements were measured.

33. The following table ***[Table 1]*** was structured to record the legality test, confirmation of compliance or not, remarks and appropriate cross referencing:

40.

165.

#	LEGALITY TEST	COMPLY	REMARKS	REF
Legality test for By-law requirements to delegate or transfer its powers:				
1.	The Municipality delegated or transferred its By-law powers to a natural or juristic person.	**COMPLY**	The LBRCT, being a juristic person, which is a registered and recognised Trust, falls within the By-law provision at section 14 as 'a person or persons or organisations' to whom the Municipality may delegate or transfer its By-law powers.	**Par. 14**
2.	The Municipality retained its power to levy or determine fees.	**COMPLY**	The LBRCT contract complies with the By-law provision of section 14 as the Municipalities retained the power to levy or determine fees as per clause 8.1.3 of the LBRCT contract.	**Par. 15**
Legality test for transfer payments as per MFMA section 67				
3.	Payment must be unrequited, i.e., the municipality does not buy an item or pay for a service when making cash grant payments.	**COMPLY**	Clause 6.5 of the LBRCT Contract stipulates that funding allocations to the LBRCT will be regarded as 'transfer payments' as per MFMA section 67.	**Par. 7 & 23(iv)**
4.	Payments must not constitute a commercial or business transaction.	**COMPLY**	The LBRCT Contract does not refer to payments for a commercial or business transaction procured through a SCM process, but a transfer payment arrangement as per MFMA section 67.	**Par.17-27**
5.	The funds were transferred to the LBRCT to further its operations in-line with its mandate.	**COMPLY**	One of the LBRCT's establishment objectives is: ***"4.6. To coordinate and promote the implementation of laws relevant to the conservation of the Lower Breede River,'*** and the LBRCT Contract at Clause 5.2.1 confirms that the LBRCT acts as the service delivery authority to achieve this objective.	**Par. 14**
6.	The funds for operations are requested by the LBRCT through the budget process.	**COMPLY**	Clause 6.1 of the LBRCT Contract confirms that the Municipalities will consider the amount of funding during its annual operational and adjustment budgets.	**Par 23(iii)**
7.	The LBRCT retains the discretion to subsequently spend the cash received on any good and/or service according to their individual needs.	**COMPLY**	The LBRCT Contract only provides conditions related to the accounting and reporting of funds transferred by the Municipalities and no conditions are set on how the LBRCT should spend its money.	**Par. 23(vi)**
8.	The MFMA section 67 requirements have been met as stipulated in Annexure A.	**COMPLY**	Refer to discussion in Annexure A attached hereto.	**Annexure A**
Legality test of LBRCT transfer payments by the Swellendam Municipality				
9.	Payments may be made to NGO's.	**COMPLY**	The LBRCT was founded as a juristic person in the form of a Trust [Registration number IT410/2000] on 18 November 1999. The LBRCT confirms that it is conducting its business as a non-profit Trust as is evident on the first page of its website: https://breede-river.org. The LBRCT's was established for the realisation of its aims and objectives on behalf of and for the benefit of the community and inhabitants as well as visitors to the area known as Lower Breede River.	**Par. 14**
10.	Payments must adhere to MFMA section 67.	**COMPLY**	Refer to confirmation in item 8 above.	**Annexure A**
11.	The categories qualifying for payments, may include organisations involved in environmental matters.	**COMPLY**	The sole object of the LBRCT is to engage and promote nature conservation and to protect the natural resources and species of the Lower Breede River and adjoining land in a sustainable way.	**LBRCT Deed of Trust, clause 4**

#	LEGALITY TEST	COMPLY	REMARKS	REF
12.	Payments must be supported by a suitable contractual arrangement	COMPLY	The LBRCT Contract justify a suitable contractual arrangement.	Par. 6
Legality test of LBRCT transfer payments by the Hessequa Municipality				
13.	Payment must be made to an organisation, body or person(s) outside any sphere of government.	COMPLY	The LBRCT was founded as a juristic person in the form of a Trust [Registration number IT410/2000] on 18 November 1999 and functions outside any sphere of government.	Par. 14
14.	Payments must adhere to MFMA section 67.	COMPLY	Refer to confirmation in item 8 above.	Par. 24 Annexure A
15.	The 'other' categories qualifying for payments, includes organisations involved in environmental matters.	COMPLY	The sole object of the LBRCT is to engage and promote nature conservation and to protect the natural resources and species of the Lower Breede River and adjoining land in a sustainable way.	LBRCT Deed of Trust, clause 4
16.	Payments must be supported by a suitable contractual arrangement.	COMPLY	The LBRCT Contract justify a suitable contractual arrangement.	Par. 6

COMPLIANCE REQUIREMENTS TO CONTINUE WITH THE LBRCT CONTRACTUAL ARRANGEMENT IN ITS CURRENT FORM

34. In this part of the report, the following legality test is recorded to assist the Municipalities should it wish to continue with its contractual arrangements with the LBRCT in its current form, i.e., a transfer payment contractual arrangement.

35. The discussions at paragraphs 11 to 31 above apply *mutatis mutandis* to this discussion, with the only difference that this legal test apply to continuing with the LBRCT contract and not compliance with the legal requirements prior to the 2018 contract.

36. Please note that in October 2018, the Hessequa Municipality reviewed its GiAP in totality and it is evident that it reads significantly similar to the provisions as contained in the Swellendam Municipality GiAP.

37. For brevity purposes the relevant requirements of the Municipal GiAP are listed in Annexures B2 for the Hessequa Municipality and Anne4xure B3 for the Swellendam Municipality, attached hereto.

38. ***Legality test of future LBRCT transfer payments by the Municipalities***

As per the By-laws:

1) ***The Municipality delegate or transfer its By-law powers to a natural or juristic person.***
2) ***The Municipality retain its power to levy or determine fees.***

As per MFMA section 67 transfer payments:

3) ***Payment must be unrequited, i.e., the municipality does not buy an item or pay for a service when making cash grant payments.***

4) ***Payments must not constitute a commercial or business transaction.***

5) ***The funds must be transferred to the LBRCT to further its operations in-line with its mandate.***

6) ***The funds for operations must be requested by the LBRCT through the budget process.***

7) ***The LBRCT must retain the discretion to subsequently spend the cash received on any good and/or service according to their individual needs.***

8) ***The MFMA section 67 requirements must be met as stipulated in Annexure A.***

1) ***As per Municipal GiAP re transfer payments:***

9) ***Payments are made to NGO's.***

10) ***The categories qualifying for payments, include organisations involved in environmental matters.***

11) ***Payments must be supported by a suitable contractual arrangement.***

12) ***The relevant Municipal GiAP requirements must be met as stipulated in Annexures B2 and B3.***

39. The following table ***[Table 2]*** was structured to record the legality test, evidence required, remarks identifying whether the current situation is compliant to the requirements:

#	LEGALITY TEST	EVIDENCE	REMARKS
Legality test for By-law requirements to delegate or transfer its powers:			
1.	The Municipality must delegate or transfer its By-law powers to a natural or juristic person.	Evidence that body is a natural or juristic person.	Refer to discussion in Table 1, item 1 above which confirms existing compliance.
2.	The Municipality must retain its power to levy or determine fees.	The Contract must clearly retain the power to levy or determine fees to the relevant Municipalities.	Clause 8.1.3 of the current LBRCT contract is adequate.
Legality test for transfer payments as per MFMA section 67			
3.	Payment must be unrequited, i.e., the municipality does not buy an item or pay for a service when making cash grant payments.	Contract must stipulate that the arrangement is not to buy an item or pay for a service but a 'transfer payment' as per MFMA section 67.	Clause 6.5 of the LBRCT Contract provides some guidance, but some clarification is required.
4.	Payments must not constitute a commercial or business transaction.	Contract must stipulate that payments do not constitute a commercial or business transaction.	The current LBRCT Contract can be augmented to provide a bit more clarity on the matter.
5.	The funds must be transferred to the LBRCT to further its operations in-line with its mandate.	Contract must stipulate that the intention of the payments are to assist the LBRCT to further its operations in-line with its Trust mandate, i.e., "***4.6. To coordinate and promote the implementation of laws relevant to the conservation of the Lower Breede River,'***.	The current LBRCT Contract can be augmented to provide a bit more clarity on the matter.
6.	The funds for operations must requested by the LBRCT through the budget process.	Contract to set out mechanism aligned with the Municipal Budget.	Clause 6.1 of the current LBRCT Contract is adequate.
7.	The LBRCT must retain the discretion to	Contract to confirms that LBRCT retains the	The current LBRCT Contract can

#	LEGALITY TEST	EVIDENCE	REMARKS
	subsequently spend the cash received on any good and/or service according to their individual needs.	discretion to subsequently spend the cash received on any good and/or service according to their individual needs.	be augmented to provide a bit more clarity on the matter.
8.	The MFMA section 67 requirements must be met as stipulated in Annexure A.	Refer to detailed requirements and compliance requirements in Annexure A attached hereto.	
Legality test of LBRCT transfer payments by the Municipalities			
9.	Payments may be made to NGO's.	Contract must confirm the LBRCT qualifies as a NGO.	Refer to discussion in Table 1, item 9 above.
10.	The categories qualifying for payments, include organisations involved in environmental matters.	Contract must confirm the legal objective of the LBRCT as it relates to environmental matters.	Refer to discussion in Table 1, item 11 above.
11.	Payments must be supported by a contractual arrangement.	A formal contract must be concluded.	The current LBRCT Contract may be used as a basis with some clarifying provisions.
12.	The relevant Municipal GiAP requirements must be met as stipulated in Annexure B.	Refer to detailed requirements in Annexures B2 and B3 attached hereto.	

RESPONSES TO SPECIFIC ENQUIRIES

40. Mindful of the above discussions, author will respond now to the enquiries stipulated in paragraph 2 above, *at seriatim*:

A. MAY THE MUNICIPALITIES LEGALLY EXTEND THE CURRENT TRI-PARTITE AGREEMENT WITH THE LOWER BREEDE RIVER CONSERVANCY TRUST [LBRCT]

41. **YES,** it is author's considered opinion that the Municipalities may continue with its current LBRCT Contract based on a transfer payment arrangement, subject to compliance with the legality test provided in paragraph 39 above as supported by Table 2 and Annexure B2 and B3 attached hereto.

B. WHAT PROCESSES MUST BE FOLLOWED TO CONTINUE CONTRACTING WITH THE LBRCT

42. The legality test provided in paragraph 39 above as supported by Table 2 and Annexure B2 and B3 attached hereto provide the legality and process requirements.

C. MUST THE MUNICIPALITIES FOLLOW A PROCUREMENT PROCESS IN CONTRACTING WITH THE LBRCT

43. **NO,** it is author's considered opinion that the Municipalities do not have to follow a procurement process as a 'transfer payment' process applies, subject to compliance with the legality test provided in paragraph 39 above as supported by Table 2 and Annexure B2 and B3 attached hereto.

D. CORRECT CONTRACTING MECHANISM IN AN EVENT SUCH AS THIS ONE

44. The legality test provided in paragraph 39 above as supported by Table 2 and Annexure B2 and B3 attached hereto provide the correct contracting mechanism, namely a Service Delivery Agreement, supported by a Transfer Payment arrangement.

CONCLUSION

45. Based on the discussions above, it is author's considered opinion that:
    - (i) The current LBRCT Contract was correctly concluded and managed as a 'transfer payment' contract in terms of MFMA section 67 and NOT a procurement contract as per MFMA section 116.
    - (ii) The current LBRCT Contract is legally defendable as it complies with the relevant Municipal By-laws on the management and use of rivers, MFMA section 67, as well as the relevant Municipal GiAP.
    - (iii) The Municipalities may continue with its current LBRCT Contract based on a transfer payment arrangement, subject to compliance with the legality test provided in paragraph 39 above as supported by Table 2 and Annexure B2 and B3 attached hereto.
    - (iv) It is advisable that the Council confirms the continuation of the transfer payment arrangement and related contractual requirements.
    - (v) The Municipalities may consider clarifying some provisions of the current LBRCT Contract to prevent any ambiguities as identified in Table 2 above.

You are more than welcome to contact me if you have any further enquiries.

Kind regards

NOT SIGNED IF SUBMITTED ELECTRONICALLY
Adv Helen Venter
021 863 1532 – 082 440 1886 ~ hventer@brasika.co.za
small seeds to promote sustainable governance growth
25 January 2021

ANNEXURES
ANNEXURE A: MFMA s 67 LEGAL REQUIREMENTS
ANNEXURE B1: HESSEQUA GiAP REQUIREMENTS PRIOR TO 2018
ANNEXURE B2: HESSEQUA GiAP REQUIREMENTS POST 2018
ANNEXURE B 3: SWELLENDAM GiAP, 2015 and still applicable

ANNEXURE A: MFMA SECTION 67 LEGAL REQUIREMENTS WHEN CONTRACTING WITH LBRCT

No.	REQUIREMENT	REF	COMPLY	REMARKS
1.	Organisation or body is outside any sphere of government.	S 67(1)	COMPLY	Refer to LBRCT Contract at clause 5.2.1
2.	Before transfer Accounting Officer confirms compliance with MFMA s 67.	S 67(1)	COMPLY	Refer to LBRCT Contract at clauses 6 & 7
3.	LBRCT has capacity and confirmed to comply with agreement.	S 67(1)(a)(i)	COMPLY	Refer to LBRCT Contract signed by LBRCT
4.	LBRCT has capacity and confirmed for the period of the agreement to comply with all reporting, financial management and auditing requirements as may be stipulated in the agreement	S 67(1)(a)(ii)	COMPLY	Refer to LBRCT Contract at clauses 6 & 7
5.	LBRCT has capacity and confirmed to report at least monthly to the accounting officer on actual expenditure against such transfer	S 67(1)(a)(iii)	COMPLY	Refer to LBRCT Contract at clause 7.1.5
6.	LBRCT has capacity and confirmed to submit its audited financial statements for its financial year to the accounting officer promptly	S 67(1)(a)(iv)	COMPLY	Refer to LBRCT Contract at clause 7.1.1(i)
7.	LBRCT implements effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement	S 67(1)(b)	COMPLY	Refer to LBRCT Contract at clauses 7.1.1(i) & 7.1.3
8.	LBRCT has in respect of previous similar transfers complied with all the requirements of this section	S 67(1)(c)	COMPLY	Refer to LBRCT Contract at clause 6
9.	The accounting officer must through contractual and other appropriate mechanisms enforce compliance	S 67(3)	COMPLY	Refer to LBRCT Contract at clauses 9, 12 & 13
PREVIOUS FAILURE TO COMPLY WITH TRANSFER PAYMENT REQUIREMENTS				
10.	The LBRCT previously failed to comply with the transfer payment requirements.	S 67(2)	COMPLY	Not applicable
11.	If the answer to item 14 is 'yes' - further payment must be made subject to compliance with section 67(2) of the MFMA	S 67(2)(a)	COMPLY	Not applicable
12.	If the answer to item 14 is 'yes' - has the Provincial Treasury approved the transfer?	S 67(2)(b)	COMPLY	Not applicable
CONTRACT ARRANGEMENTS				
13.	A contract between the municipality and the LBRCT was concluded	S 67(3)	COMPLY	Refer to LBRCT Contract of 29 June 2018

ANNEXURE B.1: MUNICIPAL GRANT IN AID POLICY LEGAL REQUIREMENTS

NOTE: THIS TABLE REFERS TO THE HESSEQUA POLICY OF 2017

No.	REQUIREMENT	HQ REF	COMPLY	REMARKS
PREVIOUS TRANSFERS				
1.	"grant-in-aid' means the allocation / contribution of municipal funds to an organisation, body, or person(s) outside any sphere of government, which does not constitute a commercial or business transaction	1	**COMPLY**	Refer to LBRCT Contract at clause 5.2.1.
2.	The provisions of section 67 of the Municipal Finance Management Act (Act No. 56 of 2003) regulate the circumstances within which Grants-in-aid may be allocated and distributed	2	**COMPLY**	Refer to discussion at Annexure A
3.	Grant-in-Aid applications are invited via publication in the local newspapers. Within the advert the Municipality will give the deadline for submissions and other relevant information with regards to the Grant-in-Aid applications. The advertisement process will run concurrently with the annual IDP revision and budgeting processes and the results will be accounted for in both the IDP and the annual operational budget.	3.1	**COMPLY**	Refer to LBRCT Contract at clause 6.1 which confirms that application coincide with municipal budget process
4.	Applications are received and processed within the Administration Department. The applications are verified, and all relevant information is considered.	3.2	**COMPLY**	Refer to LBRCT Contract at clause 6 which explains screening and amount allocation process
5.	The preliminary list of Grant-in-aid applications indicating proposed allocations is submitted to Council	3,3	**COMPLY**	
6.	No amounts are paid out to the successful applicants until they have entered into written agreements with the Municipality	3.3	**COMPLY**	The LBRCT Contract satisfy this requirement
7.	Where grants exceed R 10 000-00, it must be submitted for Council approval.	**4.1(c)**	**COMPLY**	Grants are approved by Council via budget process
8.	Only applicants who constitute "not for profit" organisations, bodies, or person(s) will be eligible to receive a Grant-in-aid allocation	**4.1(e)**	**COMPLY**	The LBRCT confirms that it is conducting its business as a non-profit Trust as is evident on the first page of its website: https://breede-river.org.
9.	All applicants must submit their most recent audited financial statements and a budget and proper business plan for the ensuing financial year	**4.1(f)**		Refer to LBRCT Contract at clauses 7.1.1 & 7.1.9
10.	Beneficiaries must implement effective, efficient, and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement	**4.2(c)**		Refer to LBRCT Contract at clause 7.1.1(i)
11.	The grant must be exclusively utilised for the purposes defined in the agreement reached with a beneficiary			Refer to LBRCT Contract at clause 7.1.3
12.	The agreement signed with a beneficiary must be complied with, including all reporting, financial management and auditing requirements as may be stipulated in the agreement			Refer to LBRCT Contract at clauses 6 & 7
RESTRICTIONS				
13.	Application does not fall within the parameters of: a) If, in Council's opinion, an applicant receives sufficient funds from other sources to sustain its activities or the project applied for. b) For religious, political, ratepayers, educational, cultural, arts or sectarian organisations or groupings directly; however, funding may be made available for specific projects run by such and organisation which are in line with	6.1	**COMPLY**	LBRCT does not fall within these restrictions.

ANNEXURE B.1: MUNICIPAL GRANT IN AID POLICY LEGAL REQUIREMENTS

NOTE: THIS TABLE REFERS TO THE HESSEQUA POLICY OF 2017

No.	REQUIREMENT	HQ REF	COMPLY	REMARKS
	Councils overall objectives; Where projects are outside the Municipal boundaries, unless the project benefits the community or a specific group within the Municipal boundaries. c) Where only one individual will benefit, except for individuals as described in the Introduction. In such cases the assistance will be rendered through paying the relevant service provider or via the organisation/institution or body to which such a person(s) is affiliated and will always be subject so specific conditions and requirements. d) Where subsequent requests for Grants-in-aid are to cover unauthorised overspending on projects. e) Council reserves the right not to award any Grant-in-aid to an organisation who cannot account for the expenditure of a previous Grant-in-aid. f) Where the applicant seeks to establish a new organisation. g) Where the application form was not properly completed by the applicant and not all documentation provided without a reasonable explanation. h) Where the applicant is more than three months in arrears to Council.			
14.	Application does not fall within the following circumstances: a) Where the utilisation of the grant-in-aid will be outside the boundaries of the Hessequa Municipal area. b) Where expenses have already been incurred. c) Where the application does not meet with the stated objectives and principles of this Policy. d) Where the application does not meet with the priorities, strategies, and objectives of the IDP. e) Where a project or organisation is already receiving sufficient funding from other sources to sustain its activities or the project applied for. f) Where organisations did not comply with its obligation conditions during previous allocations. g) Where the allocation will constitute a second allocation per financial year. h) Subsidies for municipal rates.	6.4	COMPLY	LBRCT does not fall within these restrictions.
15.	Application falls within the following categories: a) Educational Institutions b) Welfare Organisations c) Sporting Bodies d) Arts and Culture e) Churches f) Other	10.1	COMPLY	NOTE that for purposes of this exercise, author accepts that 'environmental institutions' are regarded as 'other' and the LBRCT falls within the environmental category.
PREVIOUS FAILURE TO COMPLY WITH TRANSFER PAYMENT REQUIREMENTS				
16.	Council may cancel the Grant-in-Aid Agreement should it come to light that the Beneficiary does not have effective, efficient, and transparent financial management and internal control systems in place	11.7.1(iv) Form 3, clause 16	COMPLY	Refer to LBRCT Contract at clauses 12, 13 and 16

ANNEXURE B.2: MUNICIPAL GRANT IN AID POLICY LEGAL REQUIREMENTS

NOTE: THIS TABLE REFERS TO THE HESSEQUA POLICY OF 2018

No.	REQUIREMENT	HQ REF	COMPLY	REMARKS
PREVIOUS TRANSFERS				
1.	LBRCT received previous transfer payments from the municipality	**6.4.6 & 11.3.2(viii)**	**COMPLY**	Received transfer payments since 2009
2.	The objectives of previous projects were achieved	**6.4.6 & 11.3.2(viii)**	**COMPLY**	No non-compliance recorded
3.	Previous funds were utilised only for the purposes for which it was approved	**6.4.6 & 11.3.2(viii)**	**COMPLY**	No non-compliance recorded
CAPACITY AND VIABILITY				
4.	The LBRCT implements effective, efficient, and transparent financial management and internal control systems.	**11.3.2(viii)**	**COMPLY**	Refer to LBRCT Contract at clauses 7.1.1(i) & 7.1.3
5.	Separate legal entity	**5.1**	**COMPLY**	Refer to LBRCT Contract at clause 5.2.1
6.	Is a NGO		**COMPLY**	The LBRCT confirms that it is conducting its business as a non-profit Trust as is evident on the first page of its website: https://breede-river.org. The LBRCT's was established for the realisation of its aims and objectives on behalf of and for the benefit of the community and inhabitants as well as visitors to the area known as Lower Breede River.
RESTRICTIONS				
7.	Application does **not** fall within the parameters of: • Bursaries or funds to bursars for other activities, reasons, or resources. • Disaster relief. • Indigent grants. • Housing development subsidies. • Housing billing subsidies. • Donation of movable or immovable assets. • Rewards, awards, or donations to support individual meritorious cases to assist and/or recognise individual excellence in whichever field. • Conditional grants received by the Municipality, which are in turn awarded to outside organisations to perform the service or function. • Inter-governmental grants.	**6.1**	**COMPLY**	LBRCT does not fall within these restrictions.

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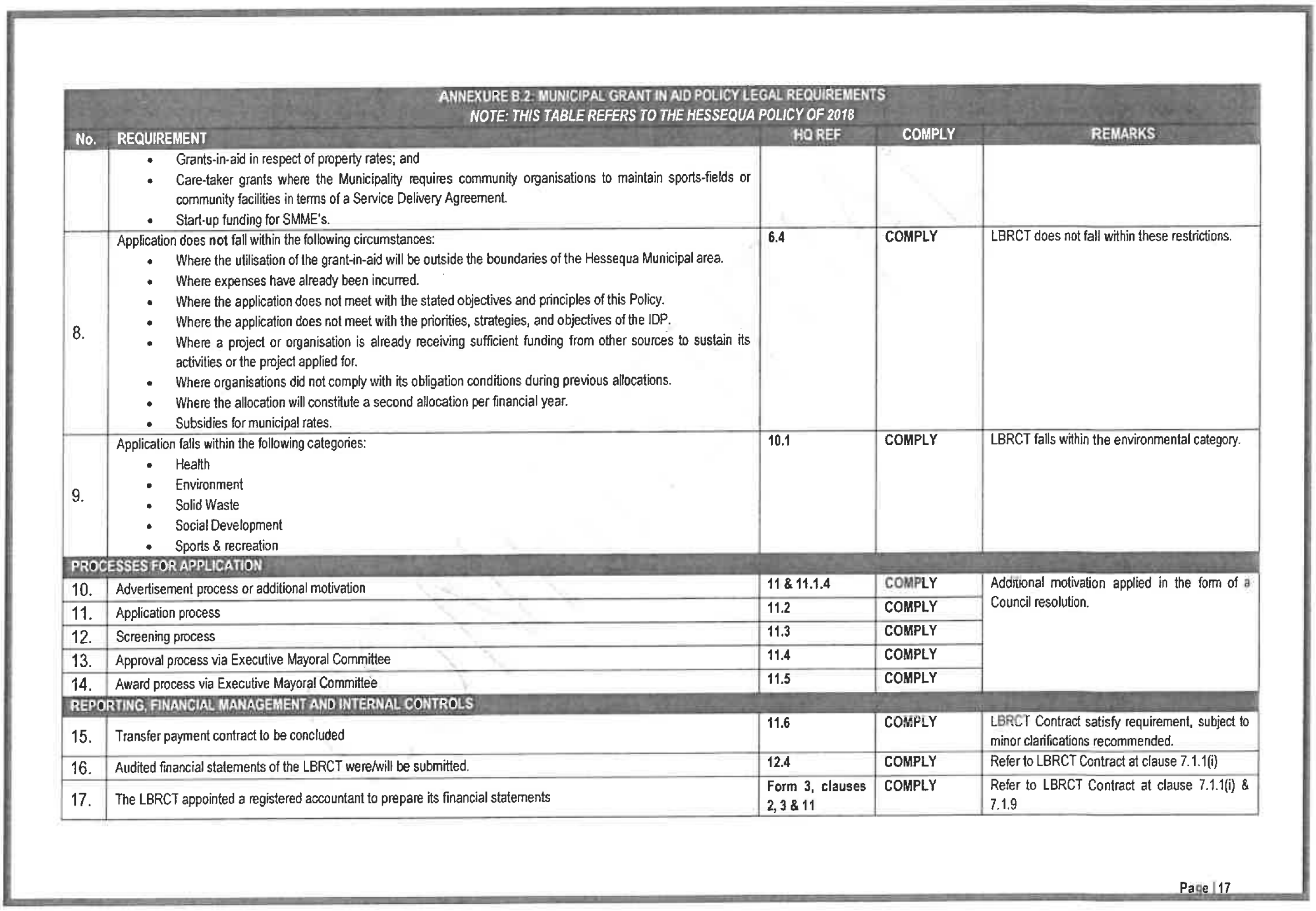

ANNEXURE B.2: MUNICIPAL GRANT IN AID POLICY LEGAL REQUIREMENTS

NOTE: THIS TABLE REFERS TO THE HESSEQUA POLICY OF 2018

No.	REQUIREMENT	HQ REF	COMPLY	REMARKS
	• Grants-in-aid in respect of property rates; and • Care-taker grants where the Municipality requires community organisations to maintain sports-fields or community facilities in terms of a Service Delivery Agreement. • Start-up funding for SMME's.			
8.	Application does **not** fall within the following circumstances: • Where the utilisation of the grant-in-aid will be outside the boundaries of the Hessequa Municipal area. • Where expenses have already been incurred. • Where the application does not meet with the stated objectives and principles of this Policy. • Where the application does not meet with the priorities, strategies, and objectives of the IDP. • Where a project or organisation is already receiving sufficient funding from other sources to sustain its activities or the project applied for. • Where organisations did not comply with its obligation conditions during previous allocations. • Where the allocation will constitute a second allocation per financial year. • Subsidies for municipal rates.	6.4	COMPLY	LBRCT does not fall within these restrictions.
9.	Application falls within the following categories: • Health • Environment • Solid Waste • Social Development • Sports & recreation	10.1	COMPLY	LBRCT falls within the environmental category.
PROCESSES FOR APPLICATION				
10.	Advertisement process or additional motivation	11 & 11.1.4	COMPLY	Additional motivation applied in the form of a Council resolution.
11.	Application process	11.2	COMPLY	
12.	Screening process	11.3	COMPLY	
13.	Approval process via Executive Mayoral Committee	11.4	COMPLY	
14.	Award process via Executive Mayoral Committee	11.5	COMPLY	
REPORTING, FINANCIAL MANAGEMENT AND INTERNAL CONTROLS				
15.	Transfer payment contract to be concluded	11.6	COMPLY	LBRCT Contract satisfy requirement, subject to minor clarifications recommended.
16.	Audited financial statements of the LBRCT were/will be submitted.	12.4	COMPLY	Refer to LBRCT Contract at clause 7.1.1(i)
17.	The LBRCT appointed a registered accountant to prepare its financial statements	Form 3, clauses 2, 3 & 11	COMPLY	Refer to LBRCT Contract at clause 7.1.1(i) & 7.1.9

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ANNEXURE B.2: MUNICIPAL GRANT IN AID POLICY LEGAL REQUIREMENTS

NOTE: THIS TABLE REFERS TO THE HESSEQUA POLICY OF 2018

No.	REQUIREMENT	HQ REF	COMPLY	REMARKS
18.	The LBRCT has a separate trust account in its name, within the Republic of South Africa at a registered bank or building society, into which transfers can be made	11.6.2 Form 4A, item 10	COMPLY	Refer to LBRCT Contract at clause 7.1.4
19.	The trust account offers the most beneficial interest rates	Form 3, clause 6	COMPLY	Refer to LBRCT Contract at clause 7.1.7
20.	Interest must be used for benefit of approved project	Form 3, clause 7	COMPLY	Refer to LBRCT Contract at clause 7.1.7
21.	The LBRCT will submit a monthly report of its actual expenditure against transfers received.	11.7.1(ii)	COMPLY	Refer to LBRCT Contract at clause 7.1.5
22.	LBRCT must submit business plan to Municipality inclusive of budget	Form 3, clause 5	COMPLY	Refer to LBRCT Contract at clause 6.1
23.	LBRCT must submit progress report	Form 3, clause 14	COMPLY	Via liaison committee, refer to LBRCT Contract at clause 9
PREVIOUS FAILURE TO COMPLY WITH TRANSFER PAYMENT REQUIREMENTS				
24.	The LBRCT previously failed to comply with the transfer payment requirements.	11.7.1(iv) Form 3, clause 16	COMPLY	Refer to LBRCT Contract at clauses 12, 13 and 16
25.	If the answer to item 14 is 'yes' - further payment must be made subject to compliance with section 67(2) of the MFMA		COMPLY	
26.	If the answer to item 14 is 'yes' - the Provincial Treasury must approve the transfer		COMPLY	
AGREEMENT ARRANGEMENTS				
27.	An agreement between the municipality and the LBRCT was concluded	11.6.1	COMPLY	LBRCT Contract satisfy requirement, subject to minor clarifications recommended.
28.	The delegated authority has been assigned the task of monitoring the LBRCT in terms of: a) Monitoring that funds are spent for its intended purpose b) Receiving all reports outlined in the MFMA	11.7 & 11.8	COMPLY	Via liaison committee, refer to LBRCT Contract at clause 9
29.	Municipality may verify and inspect activities and premises of LBRCT	13.2 Form 3, clause 15	COMPLY	Refer to LBRCT Contract at clause 7.1.9

ANNEXURE B.3: MUNICIPAL GRANT IN AID POLICY LEGAL REQUIREMENTS

NOTE: THIS TABLE REFERS TO THE SWELLENDAM POLICY OF 2015

No.	REQUIREMENT	HQ REF	COMPLY	REMARKS
CAPACITY AND VIABILITY				
1.	The LBRCT implements effective, efficient, and transparent financial management and internal control systems.		**COMPLY**	Refer to LBRCT Contract at clauses 7.1.1(i) & 7.1.3
2.	Is a NGO	**5.1**	**COMPLY**	The LBRCT confirms that it is conducting its business as a non-profit Trust as is evident on the first page of its website: https://breede-river.org. The LBRCT's was established for the realisation of its aims and objectives on behalf of and for the benefit of the community and inhabitants as well as visitors to the area known as Lower Breede River.
RESTRICTIONS				
3.	Application does **not** fall within the parameters of: • Bursaries or funds to bursars for other activities, reasons, or resources. • Disaster relief. • Indigent grants. • Housing development subsidies. • Housing billing subsidies. • Donation of movable or immovable assets. • Rewards, awards, or donations to support individual meritorious cases to assist and/or recognise individual excellence in whichever field. • Conditional grants received by the Municipality, which are in turn awarded to outside organisations to perform the service or function. • Inter-governmental grants. • Grants-in-aid in respect of property rates; and • Care-taker grants where the Municipality requires community organisations to maintain sports-fields or community facilities in terms of a Service Delivery Agreement.	**6.1**	**COMPLY**	LBRCT does not fall within these restrictions.
4.	Application does **not** fall within the following circumstances: • Where the utilisation of the grant-in-aid will be outside the boundaries of the Swellendam Municipal area. • Where expenses have already been incurred. • Where the application does not meet with the stated objectives and principles of this Policy. • Where the application does not meet with the priorities, strategies, and objectives of the IDP	**6.4**	**COMPLY**	LBRCT does not fall within these restrictions.

ANNEXURE B.3: MUNICIPAL GRANT IN AID POLICY LEGAL REQUIREMENTS

NOTE: THIS TABLE REFERS TO THE SWELLENDAM POLICY OF 2015

No.	REQUIREMENT	HQ REF	COMPLY	REMARKS
	• Where a project or organisation is already receiving sufficient funding from other sources to sustain its activities or the project applied for. • Where organisations did not comply with its obligation conditions during previous allocations. • Where the allocation will constitute a second allocation per financial year. • Subsidies for municipal rates. • Where a member of the Council or official receives any financial or other gain.			
5.	Application falls within the following categories: • Health • Environment • Solid Waste • Social Development • Sports & recreation • Ad hoc support	10.1	COMPLY	LBRCT falls within the environmental category.
PROCESSES FOR APPLICATION				
6.	Advertisement process or additional motivation	11 & 11.1.3	COMPLY	Additional motivation applied in the form of a Council resolution.
7.	Application process	11.2	COMPLY	
8.	Screening process	11.3	COMPLY	
9.	Approval process via Mayoral Committee	11.4	COMPLY	
10.	Award process via Mayoral Committee	11.5	COMPLY	
REPORTING, FINANCIAL MANAGEMENT AND INTERNAL CONTROLS				
11.	Transfer payment contract to be concluded	11.6	COMPLY	LBRCT Contract satisfy requirement, subject to minor clarifications recommended.
12.	Audited financial statements of the LBRCT were/will be submitted.	12.5	COMPLY	Refer to LBRCT Contract at clause 7.1.1(i)
13.	The LBRCT has a separate trust account in its name, within the Republic of South Africa at a registered bank or building society, into which transfers can be made	11.6.2	COMPLY	Refer to LBRCT Contract at clause 7.1.4
14.	The LBRCT will submit a monthly report of its actual expenditure against transfers received.	11.7.1(ii)	COMPLY	Refer to LBRCT Contract at clause 7.1.5
15.	LBRCT must submit business plan to Municipality inclusive of budget	11.2.1	COMPLY	Refer to LBRCT Contract at clause 6.1
PREVIOUS FAILURE TO COMPLY WITH TRANSFER PAYMENT REQUIREMENTS				
16.	The LBRCT previously failed to comply with the transfer payment requirements.	11.7.1(iv)	COMPLY	Refer to LBRCT Contract at clauses 12, 13 and 16
17.	If the answer to item 14 is 'yes' - further payment must be made subject to compliance with section 67(2) of the MFMA		COMPLY	
18.	If the answer to item 14 is 'yes' - the Provincial Treasury must approve the transfer		COMPLY	

ANNEXURE B.3: MUNICIPAL GRANT IN AID POLICY LEGAL REQUIREMENTS

NOTE: THIS TABLE REFERS TO THE SWELLENDAM POLICY OF 2015

No.	REQUIREMENT	HQ REF	COMPLY	REMARKS
AGREEMENT ARRANGEMENTS				
19.	An agreement between the municipality and the LBRCT was concluded	**11.6.1**	COMPLY	LBRCT Contract satisfy requirement, subject to minor clarifications recommended.
20.	The delegated authority has been assigned the task of monitoring the LBRCT in terms of: a) Monitoring that funds are spent for its intended purpose b) Receiving all reports outlined in the MFMA	**11.7**	COMPLY	Via liaison committee, refer to LBRCT Contract at clause 9
21.	Municipality may verify and inspect activities and premises of LBRCT	**13.1**	COMPLY	Refer to LBRCT Contract at clause 7.1.9

55.

TRIPARTITE SERVICE LEVEL AGREEMENT

entered into by the

MUNICIPALITY OF SWELLENDAM

and the

MUNICIPALITY OF HESSEQUA

and the

LOWER BREEDE RIVER CONSERVANCY TRUST

Registration No IT 410/2000

regulating certain funding, financial, compliance and conservation management services in the designated area of the Breede River Estuary.

THE PARTIES AGREE AS FOLLOWS:

1. PARTIES TO THE AGREEMENT

The parties to this agreement are

1.1 The **Swellendam Municipality** as a demarcated local municipality, herein represented by _________ in her capacity as **Municipal Manager** of the **Swellendam Municipality.**

1.2 The **Hessequa Municipality** as a demarcated local municipality, herein represented by _________ in his capacity as **Municipal Manager** of the **Hessequa Municipality**.

1.3 The **Lower Breede River Conservancy Trust**, a registered qualified nongovernmental organisation (NGO) with **Registration Number IT 410/2000**, represented herein by _________ and duly authorised thereto by resolution of its Trustees. Resolution attached as **Appendix I.**

2. DEFINITIONS

In this agreement, unless the context otherwise requires, the words and expressions listed in Appendix II shall have the meanings thus assigned to them.

3. INTERPRETATION

The rules of interpretation for this agreement are set out in **Appendix III** hereto.

4. DURATION OF THE AGREEMENT

4.1 This agreement shall commence on **1 July 2024** and shall terminate on **30 June 2027,** irrespective of its date of signature.

4.2 The parties shall have the option to extend this agreement for further periods and shall exercise this option by giving written notice to the other parties not later than one month before the aforementioned termination date and subject to both parties' executives approval.

5. PURPOSE OF THE AGREEMENT AND APPOINTMENT

5.1 Various legislation places certain environmental service delivery responsibilities on Swellendam Municipality and Hessequa Municipality with regard to river management, (hereinafter the respective parties are collectively referred to as the **Municipalities**)

5.2 Lower Breede River Conservancy Trust as LBRCT:

5.2.1 The Lower Breede River Conservancy Trust; a duly registered Public Benefit Organisation acts as the service delivery authority for both Swellendam Municipality (since 2003) and the Hessequa Municipality (since 2009) in the context of a service level agreement in the designated area of the Breede River Estuary;

5.2.2 The Lower Breede River Conservancy Trust employs trained and experienced personnel and has the resources and experience to ensure continuing cost effective compliance and has the requisite operational efficiency to address environmental service delivery to the Municipalities.

5.2.3 The Lower Breede River Conservancy Trust [hereinafter referred to as the LBRCT] is hereby contracted in terms of this agreement to deliver the services required by the Municipalities [hereinafter referred to as the **Municipalities**].

5.3 The LBRCT shall conduct its obligations and duties in terms of this agreement as an independent contractor and not be regarded as being in the employ of the respective Municipalities.

5.4 The purpose of this agreement is not to pay the LBRCT for services rendered but to allocate funds to the LBRCT in support of their functions and duties and in lieu for the grant funding allocated in terms of section 67 of the MFMA, to expect from the LBRCT to render the functions and take responsibility for the obligations as stipulated in this agreement.

5.5 The grant finding allocated to the LBRCT do not constitute a commercial or business transaction

6. FUNDING ARRANGEMENTS

6.1 The Municipalities' agree to allocate grant funding to the LBRCT in terms of this agreement to assit the LBRCT in-line with their Trust mandate as stipulated in this agreement and further in order to ensure that the duties and responsibilities for the management of the Breede River estuary, the environmental responsibilities and the enforcement of the municipal by-laws is effectively and efficiently be dealt with by the LBRCT;

6.2 The amount of funding considered by the respective municipalities for payment to the LBRCT shall be based on an annual submission of income and expenditure projections by the LBRCT and shall be considered for approval and funding in the annual operational and adjustment budgets of the respective municipalities.

6.3 Payment for services rendered shall, in the first instance, be set off against all revenue collected by the LBRCT on behalf of the respective Municipalities in terms of this agreement.

6.4 Any shortfall of funds approved in the operational adjustment budgets of the respective Municipalities, after taking into account the revenues collected as envisaged in clause 6.2, shall be paid in equal shares by the respective municipalities and paid at quarterly intervals on submission of financial reports on income and expenditure.

6.5 Where costs for services are requested by one of the Municipalities only, these shall be for its account only and not be shared between the two municipalities.

6.6 The amount of revenue collected on behalf of the municipalities in a previous financial year shall be the benchmark used to estimate the funding requirements for the next financial year.

6.7 Funding allocations to the LBRCT will be regarded as 'transfer payments' as governed by the Local Government Municipal Finance Management Act, 2003 (Act 56 of 2003), [hereinafter referred to as the MFMA] more specifically section 67(1) and (3).

6.8 The procedure and protocols regarding revenue generation, the instituting of claims for funding allocations and transfers and relevant reporting and monitoring shall be governed through the Liaison Committee as envisaged in clause 9 below.

6.9 The LBRCT retains the discretion to subsequently spend the cash received on any good and/or service according to their individual needs subject to compliance with the stipulations of this agreement

7. DUTIES AND RESPONSIBILITIES OF THE LBRCT

7.1 Financial management

7.1.1 The LBRCT shall provide the Municipalities annually by February of each year, with the following:

i) Its most recent financial statements prepared by a registered accountant accompanied by a certificate from its auditor that the LBRCT has established effective, efficient and transparent financial management and internal control systems;

ii) A business plan for the next financial year, with a proposed budget for the costs to be incurred by the LBRCT with regards to its operations together with a breakdown to indicate the envisaged revenue to be collected for services rendered, as well as the anticipated shortfall to be financed by the two Municipalities;

iii) An operating budget based upon the actual audited costs incurred by the LBRCT in providing the required services in a previous financial year, with motivated increases, as and where necessary; and shall include items of a capital nature which are required for service delivery; and b) an income budget based on the estimated income to be received;

iv) A motivated proposal for consideration and due processing by the Municipalities regarding fees to be imposed for the registration and licensing of boats in the designated area of the Breede River Estuary;

v) A certificate from its Chief Executive Officer which refers to the following:
   - functions and objectives of the LBRCT provided for by law or this agreement;
   - the extent to which the LBRCT achieved its objectives for the financial year concerned;
   - appropriate performance information regarding the economical, effective and appropriate utilisation of funds; and
   - an indication of other funds, if any, received from other organs of State, as well as any undertaking given with regards to such funding.

7.1.3 The LBRCT shall be obliged to manage, enforce and collect:

i) prescribed fees in respect of licences required for activities related to boats on the Breede River Estuary; and

ii) predetermined fines to be imposed in respect of contraventions of the municipal by-laws applicable to river management.

7.1.4 The LBRCT shall ensure that all income derived in terms of this agreement; whether collected by the LBRCT or received as a grant or funding from the Municipalities shall be paid into an exclusive bank account operated in the name of the Lower Breede River Conservancy Trust.

7.1.5 The LBRCT shall keep accurate records of all payments made from or received into this bank account and shall provide monthly management reports of this account to the Municipalities, with a breakdown of monthly expenditure within each month, or as and when required on reasonable written notice from the Municipalities.

7.1.6 The LBRCT shall ensure that all income derived in terms of this agreement is used exclusively for the management, control and the conservation of the designated area of the Breede River Estuary.

7.1.7 Interest earned may only be utilised for the benefit of the project.

7.1.8 Expenditure vouchers, including cashed cheques, indicating the project number, must be retained for audit purposes.

7.1.9 The LBRCT grants authorised Municipal officials access to its financial records at all reasonable times and these officials shall be entitled to inspect the LBRCT's records at the LBRCT's premises, after reasonable notice has been given.

7.1.9. A financial statement, preferably audited, but at least certified as materially correct by a registered accountant, which indicates the total allocation, total expenditure and total interest generated must be forwarded to the respective Municipalities within six months at the end of the LBRCT's financial year and should include at least the following:

(i) Audit report;

(ii) Report confirming all assets of the LBRCT, including the assets of the Municipalities;

(iii) Financial statements consisting of the following:

- income statement;
- expenditure statement;
- balance sheet;
- cash flow statement;
- notes to the financial statements; and
- any other documentation required by legislation.

7.2 **Asset management**

7.2.1 It is recorded that the LBRCT will use its own infrastructure to perform in terms of this agreement.

7.2.2 Assets provided to the LBRCT directly by the Municipalities or purchased with funds generated in terms of this agreement shall be managed by the LBRCT for the duration of this agreement but shall remain the property of the Municipalities and only revert back to the Municipalities on termination of this agreement.

7.2.3 The LBRCT shall ensure that proper risk mitigation measures for the protection and safeguarding and insurance of Municipal assets are implemented and maintained; and shall heed the management of asset standards in relation to the MFMA.

7.3 **Registration and licensing of boats**

7.3.1 The policy, protocol and documentation relating to the registration and licensing of boats shall be regulated via the Liaison Committee.

7.3.2 The LBRCT shall be responsible for the registration and licensing of boats and shall be required to inspect boats in the designated area of the Breede River Estuary for due compliance with the by-laws in this regard.

7.3.3 Registration and licensing of boats shall be in accordance with fees as prescribed by the Municipalities.

7.3.4 The LBRCT shall be entitled to appoint and manage vendors for the sale of such registrations and licences on a commission basis in terms of the regulated policy and protocol envisaged in clause 7.3.1.

7.3.5 Commission paid to vendors for the collection of revenues due in terms of this agreement shall be recorded as an expense in the budget of the LBRCT.

7.3.6 The LBRCT shall be responsible for maintaining a database of all boats registered and licensed in terms of this agreement and shall provide an updated copy of the database via the Liaison Committee to the Municipalities on an annual basis and shall allow reasonable access to information on the database whenever requested.

7.3.7 The LBRCT shall render reports on a quarterly basis to the Liaison Committee on all relevant activity in relation to the boat database.

7.3.8 Any application for the registration and/or licensing of any houseboat and/or commercial craft and/or boat over seven meters long (including any sailing boat) and/or with the capacity to carry a crew and/or passenger of 12 or more for commercial or other use shall be referred via the Liaison Committee together with recommendations from the LBRCT for approval by the Municipality.

7.3.9 It is recorded that the Municipalities shall also register and license boats directly. Income received in this regard shall be separately accounted for and paid over to the LBRCT in accordance with a protocol as determined by the Liaison Committee.

7.3.10 Should the Municipalities in terms of its regulations and any relevant legislation order the removal of any boat from the designated area of the Breede River Estuary; and require the LBRCT's assistance therein; any liability and claims related to damage or loss arising from the related action shall rest with the Municipalities

7.4 **Law Enforcement**

7.4.1 The LBRCT shall be responsible for the enforcement of the by-laws regulating the use of the Breede River Estuary and associated legislation and regulations advised from time to time via the Liaison Committee.

7.4.2 Qualifying individuals in the employ of the LBRCT shall be issued with appropriate licence cards identifying them as authorised peace officers appointed by the Municipalities for the purpose of enforcement of the by-laws and associated legislation and regulations.

7.4.3 The Municipalities and LBRCT shall by mutual agreement determine the scope and extent of additional law enforcement duties and responsibilities in terms of other municipal by-laws and statutory responsibilities and delegate same to specific individuals in the employ of the LBRCT by means of specific appointment letters.

7.5 Conservation Management Services

7.5.1 The LBRCT shall continue its current level of conservation management in the designated area of the Breede River Estuary in relation to but not restricted to water quantity and quality, the conservation of biodiversity, land use and infrastructure development and promoting education and awareness.

7.5.2 The parties to this agreement are aware that the Integrated Coastal Management Act, 2008 (No 24 of 2008) details institutional arrangements to contribute to cooperative coastal management in South Africa right at municipal government level and are aware furthermore of the existence of the responsibilities arising out of such direction.

7.5.3 The LBRCT shall assist with the implementation of the Breede River Estuary Management Plan in terms of the Memorandum of Agreement entered into between the LBRCT and the Department of Environmental Affairs & Development Planning (DEA&DP) who will in turn negotiate with the Municipalities' their participation and apportionment of cost.

7.5.4 Any extension of the LBRCT's duties to assist in the actual implementation of the Breede River Estuary Management Plan over and above those duties agreed between the LBRCT and DEA&DP shall be governed under terms and conditions of this agreement and determined at Liaison Committee level.

7.5.5 The LBRCT shall be entitled to submit an interim budget for any additional operating costs that may arise as a result of such extension of its duties.

7.6 <u>Other</u>

7.6.1 The LBRCT shall from time to time, at the discretion of the respective Municipalities, be requested to provide comment on applications relating to land use planning and building plans for the area within the required periods for each application.

7.6.2 LBRCT shall represent and act on behalf of the respective Municipalities on environmental forums to the extent agreed upon with the Liaison Committee.

7.6.3 LBRCT is also herby appointed as management agent on behalf of the Swellendam municipality for implementing the Operational Plans and managing the Infanta Slipway, the Moddergat Slipway and the Malagas West Bank Slipway.

8 DUTIES AND RESPONSIBILITIES OF THE MUNICIPALITIES

8.1 Financial management

8.1.1 The Municipalities shall consider and resolve any queries; disagreements and adjustments to the budget submitted by the LBRCT, and

8.1.2 shall confirm approval of the budget before 15 June of each year.

8.1.3 The Municipalities warrant that fees approved for imposition on the registration and licensing of boats in the designated area of the Breede River Estuary have been duly processed in terms of all legislation and regulations including the MFMA.

8.1.4 The Municipalities shall communicate the claims protocol and procedures by means of the Liaison Committee and shall be responsible for the transfer of all income derived in terms of this agreement to the LBRCT.

8.2 Law Enforcement

8.2.1 The Municipalities shall from time to time communicate additional associated legislation and regulations via the Liaison Committee for enforcement by the LBRCT. Scope and extent of such enforcement shall be determined via the Liaison Committee.

8.2.2 Authorised officials of the Municipalities shall assist the LBRCT in law enforcement operation as and when agreed at Liaison Committee level.

8.2.3 Law enforcement shall be delegated by the Municipalities to specific individuals in the employ of the LBRCT and confirmed by means of certificate of appointment as duly authorised agents and law enforcement officers for the relevant regulations and legislation.

8.2.4 The Municipalities shall provide assistance where possible, in the spirit of this agreement, to train designated individuals in the operation of law enforcement. The cost of such training shall be directly for the Municipalities.

8.2.5 The Municipalities shall provide individuals authorised for law enforcement with the appropriate documentation, including identification, warning notices and fine books to enable such persons to enforce the provisions of the by-laws and associated legislation as provided for in this agreement.

8.2.6 Revisions to, and guidelines on, the practical application of the by-laws shall be communicated to the LBRCT via the Liaison Committee.

8.3 Other

8.3.1 The Municipalities shall make available and/or grant access to all applications for land use planning and building for the area to the LBRCT for comment.

8.3.2 The Municipalities shall be responsible for ensuring legislative compliance with regard to all actions taken and duties and responsibilities carried out in terms of this agreement, particularly in relation to public participation.

8.3.3 The Municipalities shall be responsible for making public the particulars of this agreement as required by Law.

9. LIAISON COMMITTEE

9.1 The parties to this agreement shall within 30 days from date of signature; confirm the details of the nominated individuals for the Liaison Committee from within their respective organisations to function as a coordinating body to ensure proper communication and liaison on all services and protocols as envisaged and reflected throughout this agreement.

9.2 The Liaison Committee shall be representative of all parties to the agreement and meet at least once a quarter for reporting and to provide facilitation in the implementation of this agreement.

9.3 The Liaison Committee role shall include, but not be restricted to

9.3.1 regulating and monitoring the conditions and provisions of this agreement to ensure uninterrupted service delivery in the best interests of the community and environs of the designated area of the Breede River Estuary; and reviewing annually the performance of the LBRCT in terms of this agreement

9.3.2 monitoring the building of jetties and slipways;

9.3.3 monitoring of status of land use planning and building plan applications; and

9.3.4 resolving any disputes arising regarding the enforcement of the by-laws and other legislation or regulations in an appropriate manner.

10. INDEMNITY

10.1 The parties to this agreement hereby record that the LBRCT shall be operating as an independent body to the Municipalities.

10.2 The Municipalities shall, for purposes of the agreement, indemnify the LBRCT from any claims for damages or losses of whatever nature, which arise from this project, carried out by the LBRCT in terms of this agreement, unless such damages or losses arise directly from the wilful or grossly negligent conduct of the LBRCT or its employees.

10.3 The parties to this agreement hereby record that no party shall be liable to another for any loss, injury or any other incident suffered or incurred by another party, or for any failure to comply with its obligations in terms of this agreement due to strikes, irregular industrial actions, riots, storms, explosions, force majeure occurrences, war (declared or undeclared) or any other similar cause beyond the reasonable control of any party, and any failure or delay by any party in the performance of any of its obligations in terms of this agreement, due to any of the foregoing causes shall not be considered to be a breach of this agreement.

11. NATURE OF CONTRACT

11.1 It is specifically recorded that this contract is not a contract of employment and that the LBRCT and any person appointed by the LBRCT shall not be regarded as an employee of the Municipalities.

11.2 This agreement constitutes the sole record of the agreement between the parties in regard to the subject matter thereof, but does not seek to limit any statutory powers and functions of the parties.

11.3 No addition to, variation or consensual cancellation of this agreement shall be of any force and effect unless reduced to writing and signed by, or on behalf of the parties to this agreement.

11.4 All appendices to this agreement are regarded as an integral part of this agreement.

12. SERVICE LEVEL

In the event that the LBRCT defaults in the provision of acceptable service levels, the Municipalities shall advise the LBRCT in writing, which advice shall be accompanied by reasons and substantiated evidence. The LBRCT shall upon receiving such complaint investigate it and report its findings to the Liaison Committee and at Liaison Committee level resolve on the implementation of corrective measures. Unresolved issues shall be referred for arbitration in terms of clause 16 of this agreement.

13. BREACH

13.1 The parties agree to act in good faith and reasonably at all times; and warrant that they shall not do anything to prejudice or detract from the rights or obligations of each other.

13.2 Should any party to this agreement breach any provision of the agreement, the aggrieved party shall give the party in breach fourteen days written notice in which to rectify the breach.

13.3 Should the party alleged to be in breach disagree, the matter shall be referred to arbitration for resolution as provided for in terms of clause 16.

13.4 Subject to clause 13.3, failure to rectify the breach within the specified time period shall entitle the aggrieved party to withdraw from this agreement by written notice

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191.

addressed and delivered to the domicilium citandi et executandi of the party in breach and the other party thereto.

13.5 It is however specifically recorded that should the breach of the defaulting party relate to a material matter such as fraud or financial mismanagement, the other party shall be entitled to execute its remedies allowed by law to immediately resile from this agreement in order to mitigate its risks, notwithstanding the provisions of clauses 13.3 or 16. In this regard, if the LBRCT is the defaulting party, the Municipalities shall be entitled to cancel this agreement and claim back all allocated funds with interest.

14. DOMICILIUM CITANDI ET EXECUTANDI

14.1 The parties record their addresses for purpose of giving notice, for the serving of any process and for any other purpose arising from this agreement as follows:

SWELLENDAM MUNICIPALITY:
Physical address: 49 Voortrek Street, Swellendam
Fax Number: 028 514 2694
E-mail address: info@swellenmun.co.za

HESSEQUA MUNICIPALITY:
Physical address: Van Den Berg Street, Riversdale
Fax Number: 028 713 8035
E-mail address: mm@hessequa.gov.za

LOWER BREEDE RIVER CONSERVANCY TRUST:
Physical address: 2 Main Road, Witsand
Fax Number: 086 654 4999
E-mail address: info@breede-river.org

14.2 Notice to change the above addresses to any other physical address in South Africa may be given in writing to each other.

15. NOTICES

15.1 Notices in terms of this agreement are required to be in writing which shall include electronic communication.

15.2 All notices given shall be presumed, until proven to the contrary by the other party; to have been received by the addressee:

15.2.1 at the time of delivery, if delivered by hand at the addressee's domicilium; and

15.2.2 seven days after the date of posting, if posted by prepaid post from an address within South Africa; and

15.2.3 within 48 working hours after electronic transmission.

16. ARBITRATION

16.1 Disputes on any matters arising out of this agreement between the parties which cannot be settled after all reasonable efforts to settle such disputes through consultation and negotiation have failed can be referred to arbitration by any party.

16.2 Written notice of arbitration setting out the particulars of the dispute must be given to the other party.

16.3 Arbitration hearing shall be conducted under the auspices of the Association of the Arbitration Foundation of Southern Africa (AFSA) and commence not later than 3 days after receipt of notice to that effect and shall be completed within 14 days after notice of arbitration has been given.

16.4 All parties must agree to the appointment of a suitable arbitrator, failing which an arbitrator shall be appointed by the chairman of AFSA.

16.5 The decision of the arbitrator shall be final and binding for both parties. Either of the parties shall be entitled to have such a decision be made an order of the court with competent jurisdiction.

17 TERMINATION OF AGREEMENT

17.1 Upon termination of this agreement, whether in terms of clause 4.1 or for any other reason mutually agreed upon by the parties, all capital assets in possession of and purchased by the LBRCT from funds generated in terms of this agreement shall be transferred back to the Municipalities and all surplus income shall be transferred to the Municipalities, provided that the LBRCT shall be entitled to deduct from any monetary surpluses it holds, the monetary value of any damages suffered as a result of any breach of by the municipalities.

THUS, DONE AND SIGNED BY REPRESENTATIVES OF THE PARTIES WHO WARRANT THAT THEY ARE DULY AUTHORISED THERETO ON THIS ………DAY OF ………………… 2024.

As witnesses:

1. ____________________________

2. ____________________________

____

SWELLENDAM MUNICIPALITY

THUS DONE AND SIGNED BY REPRESENTATIVES OF THE PARTIES WHO WARRANT THAT THEY ARE DULY AUTHORISED THERETO ON THIS ………DAY OF ……………………2024.

As witnesses:

1. ______________________________

______________________________ 2. ______________________________

HESSEQUA MUNICIPALITY

THUS DONE AND SIGNED BY REPRESENTATIVES OF THE PARTIES WHO WARRANT THAT THEY ARE DULY AUTHORISED THERETO ON THIS....... DAY OF ....2024.

As witnesses:

1. ______________________________

______________________________ 2. ______________________________

LOWER BREEDE RIVER CONSERVANCY TRUST

Appendix I: **Resolution of the Lower Breed River Conservancy Trust**

Appendix II: **Definitions**

Appendix III: **Rules of Interpretation**

Appendix II

DEFINITIONS

The following words and expressions shall have the following meanings in this agreement unless otherwise required by the context in which they are used:

Agreements refers to this agreement and all schedules, appendices, attachments, addendums and variations or amendments thereof, duly effected in terms of this agreement.

By-law refers to the by-laws promulgated by the Swellendam Municipality for the control and use of the Breede River, and by the Hessequa Municipality for the control and use of the Breede River, as noted in Appendix IV and any subsequent amendments.

Designated area of the Lower Breede River and Breede River Estuary shall mean the area of jurisdiction for the operation of the LBRCT as envisaged in the applicable estuary management plan approved in accordance with the national estuarine management protocol; the exact parameters of which shall be confirmed and documented at Liaison Committee level.

Fees refers to the fees, tariffs and fines, as determined by the Municipalities in conjunction with the LBRCT's budget proposal, to be paid for licensing, registration and operating of boats in the designated area of the Lower Breede River and Breede River Estuary.

Signature date refers to the date of the signing of this agreement by the last party signing it.

APPENDIX 111

RULES OF INTERPRETATION

1. Unless inconsistent with the context in which it is used in this agreement, a word or expression which denotes:
    1.1 Any gender includes the other gender;
    1.2 A natural person includes a corporate body, all forms of firms or associations and vice versa;
    1.3 Singular includes the plural and vice versa;
    1.4 Time shall be reference to South Africa time;
    1.5 A day shall be reference to a calendar day.
2. Derivatives of any word or expression shall have corresponding meanings, unless inconsistent with the context in which they are used in this agreement.
3. Headings of paragraphs and / or clauses shall not be used in the interpretation thereof.
4. Any number of days prescribed in this agreement, shall be considered exclusively of the first day and inclusively of the last day.
5. When figures are referred in numerals and in words, the words shall prevail if there is any conflict between the two.
6. All reference to a statutory provision or enactment shall include references to any amendment, modification or re-enactment of any such provision or enactment, whether before or after the date of signature, to any previous enactment which has been replaced or amended and to any regulation or order made under such provision or enactment.
7. All appendices are and shall remain an integral part of this agreement.

JH.

SWELLENDAM MUNICIPALITY

DIRECTORATE: FINANCIAL SERVICES

SUPPLY CHAIN MANAGEMENT

1st QUARTER IMPLEMENTATION REPORT FOR THE 2023/2024 FINANCIAL YEAR

30 September 2023

INDEX

The scope of the implementation review will include the following:

1. INTRODUCTION

This report is a summary of the implementation of the Supply Chain Management Policy as adopted by Council and highlights the implementation of Supply Chain Management in Swellendam Municipality. It is required by regulation 6(3) of the Supply Chain Management Regulations that the Accounting Officer submits a quarterly report on the implementation of Supply Chain Management to the Mayor to give effect to his oversight role. Following is a summary of the Supply Chain Management Implementation Report for the 1st quarter in terms of the 2023/2024 financial year of Swellendam Municipality:

2. POLICY

The new SCM policy was reviewed and adopted by Council on 31 May 2023 and incorporates the latest SCM prescripts, as required by paragraph 3 of the SCM Regulations.

3. DELEGATIONS

SCM delegations are in place. The purpose of such delegations is to maximise administrative and operational efficiency and also provide adequate checks and balances in the municipality's Supply Chain Management function. The delegations were reviewed and approved by the MM on 30 June 2023.

4. ORGANISATIONAL STRUCTURE

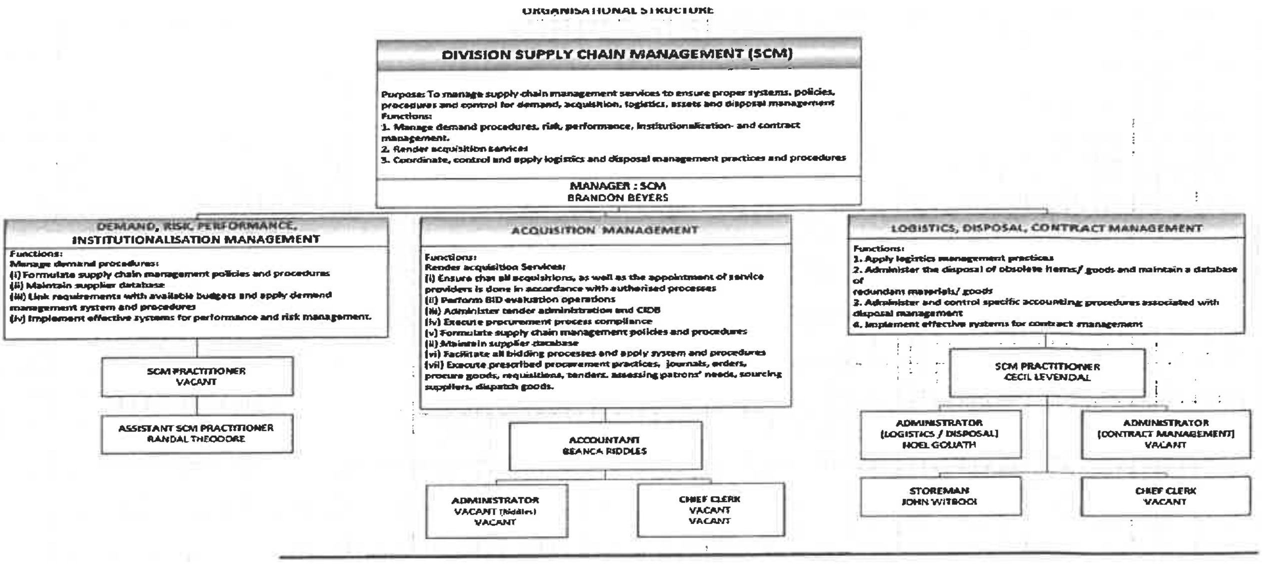
In terms of Paragraph 7 of the Municipal Supply Chain Management Regulations (MSCMR), the municipality must establish a Supply Chain Management Unit (SCMU) to implement its supply chain management policy. The SCMU must operate under the direct supervision of the Chief Financial Officer (CFO) or may be delegated to an official in terms of Section 82 of the MFMA.

A new organisational structure was approved as follows by Council:

Seven posts were vacant during the financial year of which four new appointments were made during June 2023.

The following new appointments were made:

Name	Position	Start date
Keanan Juries	Chief Clerk Acquisition	01 July 2023
Lee-Zay Michaels	Administrator: Contracts	01 July 2023
Jason Scholtz	Administrator: Acquisition	01 July 2023
Lusanda Siyeka	Administrator: Acquisition	01 August 2023



ORGANISATIONAL STRUCTURE

DIVISION SUPPLY CHAIN MANAGEMENT (SCM)

Purpose: To manage supply-chain management services to ensure proper systems, policies, procedures and control for demand, acquisition, logistics, assets and disposal management
Functions:
1. Manage demand procedures, risk, performance, institutionalization- and contract management.
2. Render acquisition services
3. Coordinate, control and apply logistics and disposal management practices and procedures

MANAGER : SCM
BRANDON BEYERS

DEMAND, RISK, PERFORMANCE, INSTITUTIONALISATION MANAGEMENT

Functions:
Manage demand procedures:
(i) Formulate supply chain management policies and procedures
(ii) Maintain supplier database
(iii) Link requirements with available budgets and apply demand management system and procedures
(iv) Implement effective systems for performance and risk management.

SCM PRACTITIONER
VACANT

ASSISTANT SCM PRACTITIONER
RANDAL THEODORE

ACQUISITION MANAGEMENT

Functions:
Render acquisition Services:
(i) Ensure that all acquisitions, as well as the appointment of service providers is done in accordance with autherised processes
(ii) Perform BID evaluation operations
(iii) Administer tender administration and CIDB
(iv) Execute procurement process compliance
(v) Formulate supply chain management policies and procedures
(ii) Maintain supplier database
(vi) Facilitate all bidding processes and apply system and procedures
(vii) Execute prescribed procurement practices, journals, orders, procure goods, requisitions, tenders, assessing patrons' needs, sourcing suppliers, dispatch goods.

ACCOUNTANT
BEANCA RIDDLES

ADMINISTRATOR
VACANT (Riddles)
VACANT

CHIEF CLERK
VACANT
VACANT

LOGISTICS, DISPOSAL, CONTRACT MANAGEMENT

Functions:
1. Apply logistics management practices
2. Administer the disposal of obsolete items/ goods and maintain a database of
redundant materials/ goods
3. Administer and control specific accounting procedures associated with disposal management
4. Implement effective systems for contract management

SCM PRACTITIONER
CECIL LEVENDAL

ADMINISTRATOR
(LOGISTICS / DISPOSAL)
NOEL GOLIATH

ADMINISTRATOR
(CONTRACT MANAGEMENT)
VACANT

STOREMAN
JOHN WITBOOI

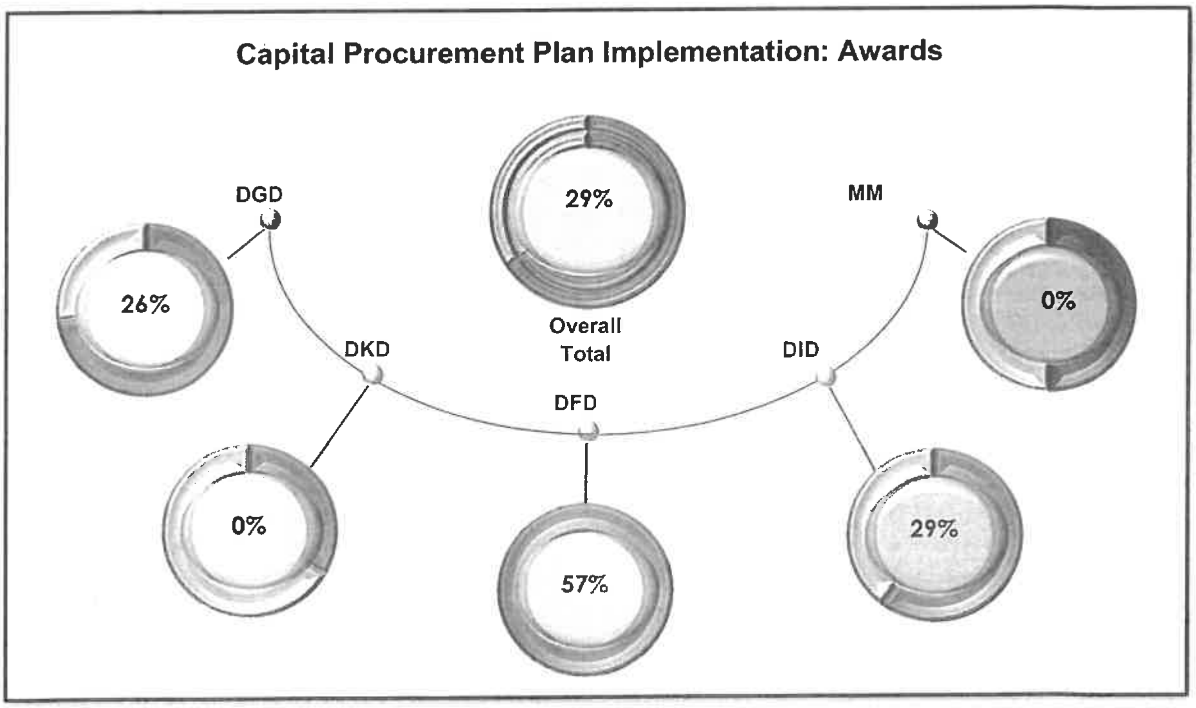
CHIEF CLERK
VACANT

5. DEMAND MANAGEMENT

Preferred Suppliers Database

The Municipality is required by legislation to have and maintain a Database of Accredited Prospective Suppliers in order to ensure that all the procurement of goods and services for the Municipality is made through this Database. The Database has been developed from a manual one to a functional electronic Database of Prospective Suppliers maintained by the SCMU. Currently, there are 1740 suppliers registered on this Database which represent an increase of 30 suppliers from previous quarter. Service providers are also encouraged to register on the Central Supplier Database.

Procurement Planning Implementation: Capital



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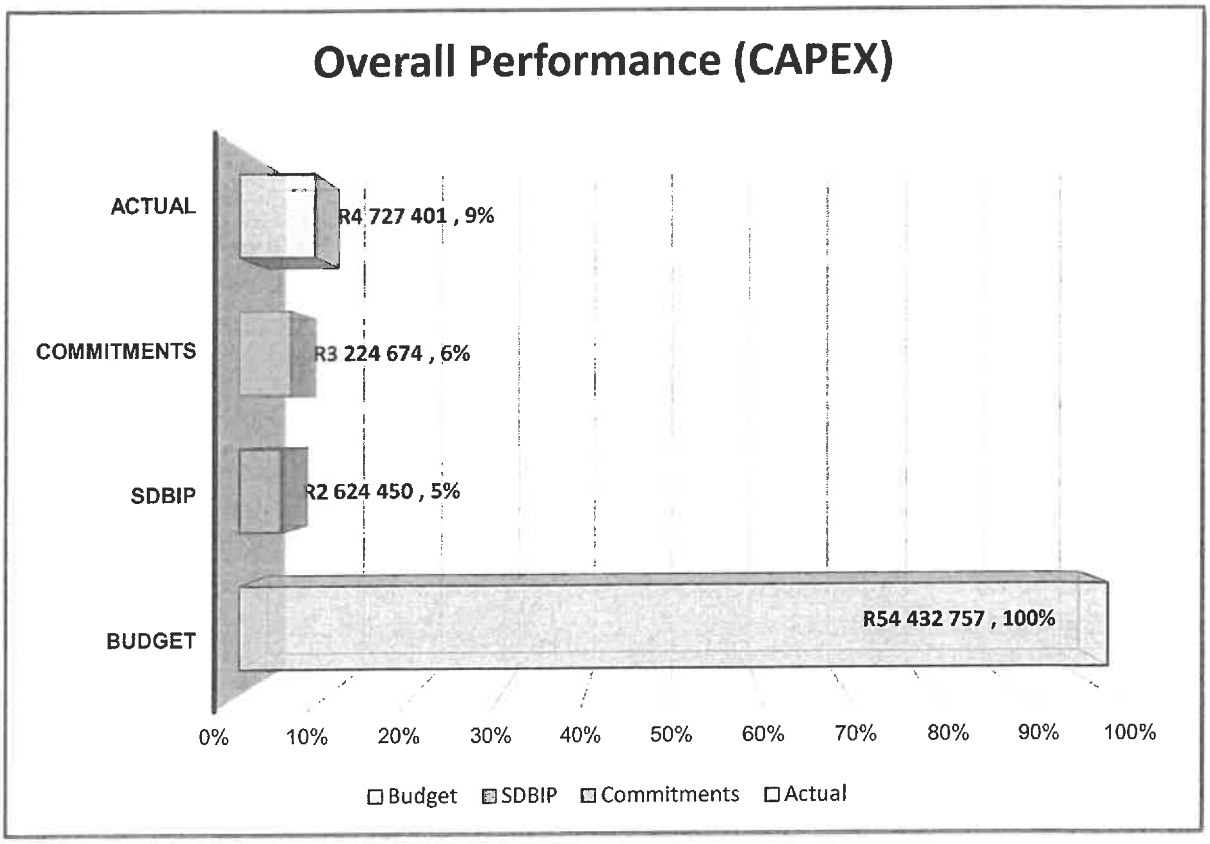
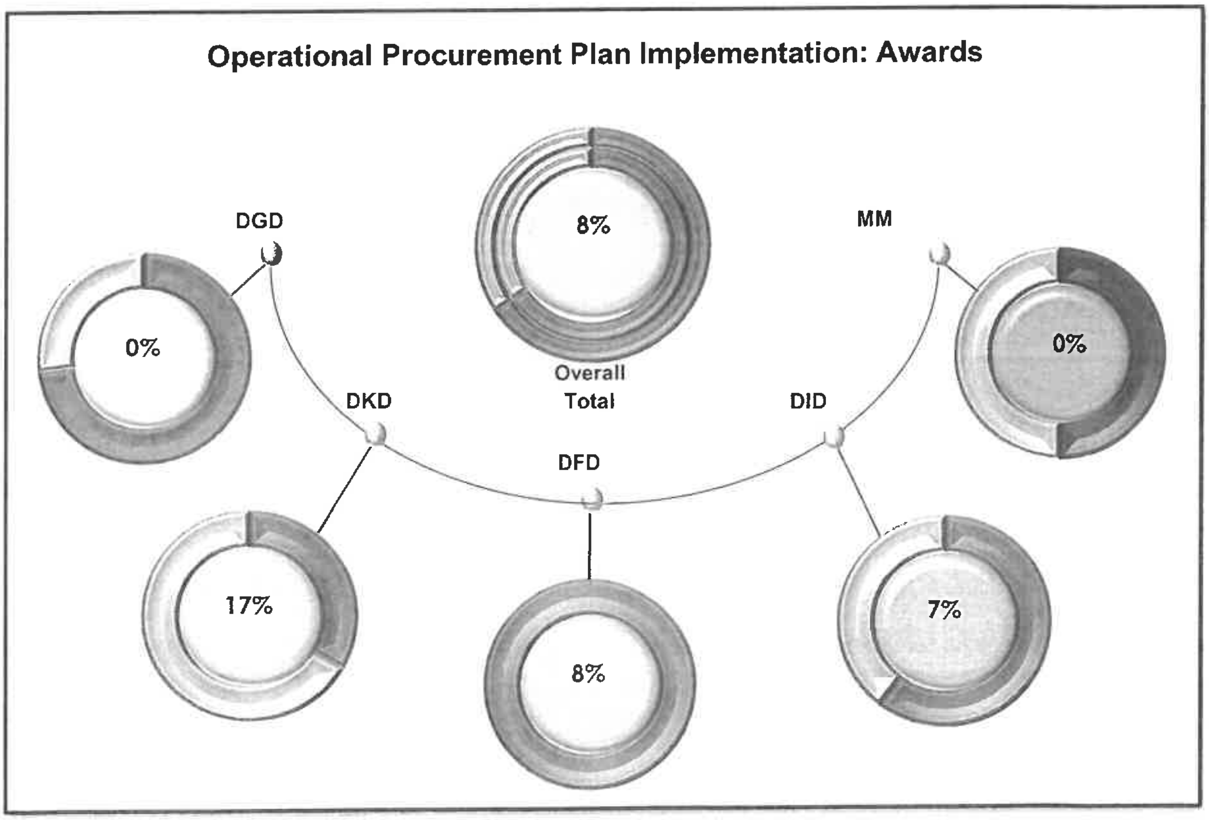


Operational



6. ACQUISITION MANAGEMENT

Procurement Statistics

Nr.	Process description	Total	Monthly average	Daily average	Value
1	No of BSC meetings	15	5,00	0,25	n/a
2	No of BEC meetings	13	4,33	0,22	n/a
3	No of BAC meetings	6	2,00	0,10	n/a
4	No of orders processed/placed	1052	350,67	17,53	R28 667 363
5	No of formal quotations awarded (R30 000 to R200 000)	13	4,33	0,22	R689 536
6	No of tenders awarded above R200 000	13	4,33	0,22	R13 189 998
7	No of awards above R30 000 (CIDB)	0	0,00	0,00	R0
8	No of contract price increases approved	3	1,00	0,05	n/a
9	No of contracts extended i.t.o MFMA circular 62	3	1,00	0,05	R393 435
10	No of contracts extended i.t.o s.116(3) of MFMA	2	0,67	0,03	-
11	No of Deviations	21	6,67	0,33	R1 127 498
12	No of minor breaches	0	0,00	0,00	R0
13	No of stock receipts	262	87,33	4,37	R1 138 326
14	No of stock issued	2748	916,00	45,80	-R1 903 680
15	No of stock disposal	0	0,00	0,00	R0
16	No of stock take	3	1,00	0,05	R4 832 524
17	No of requests received for disposal	0	0,00	0,00	R0

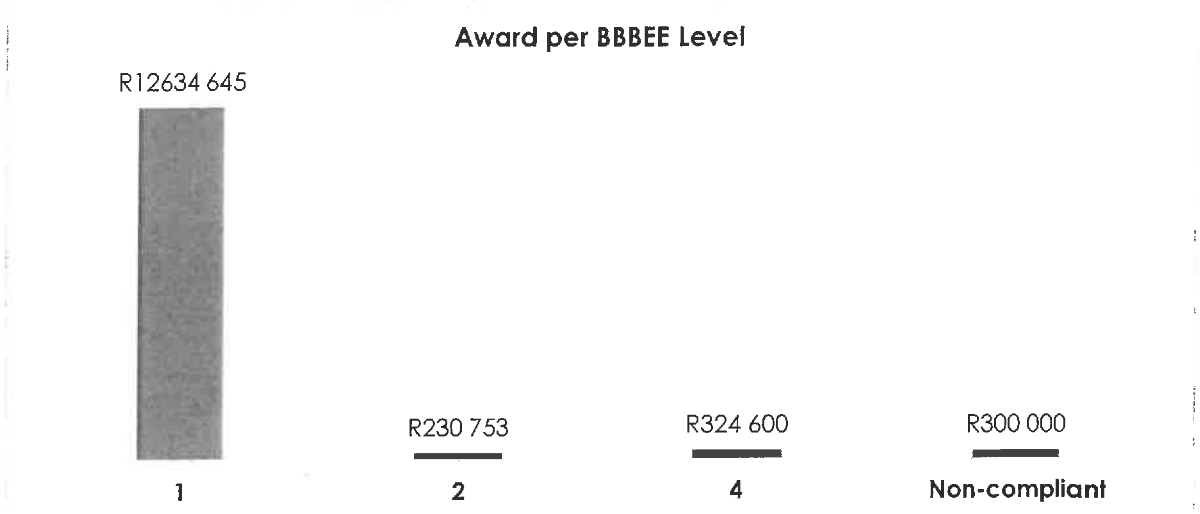
7. BID COMMITTEE SYSTEM

The Accounting Officer has appointed permanent members of the committees as well as secundis. Letters of Appointment, the Code of Conduct and Declaration of Interest have already been signed by the members and secundis of the committees.

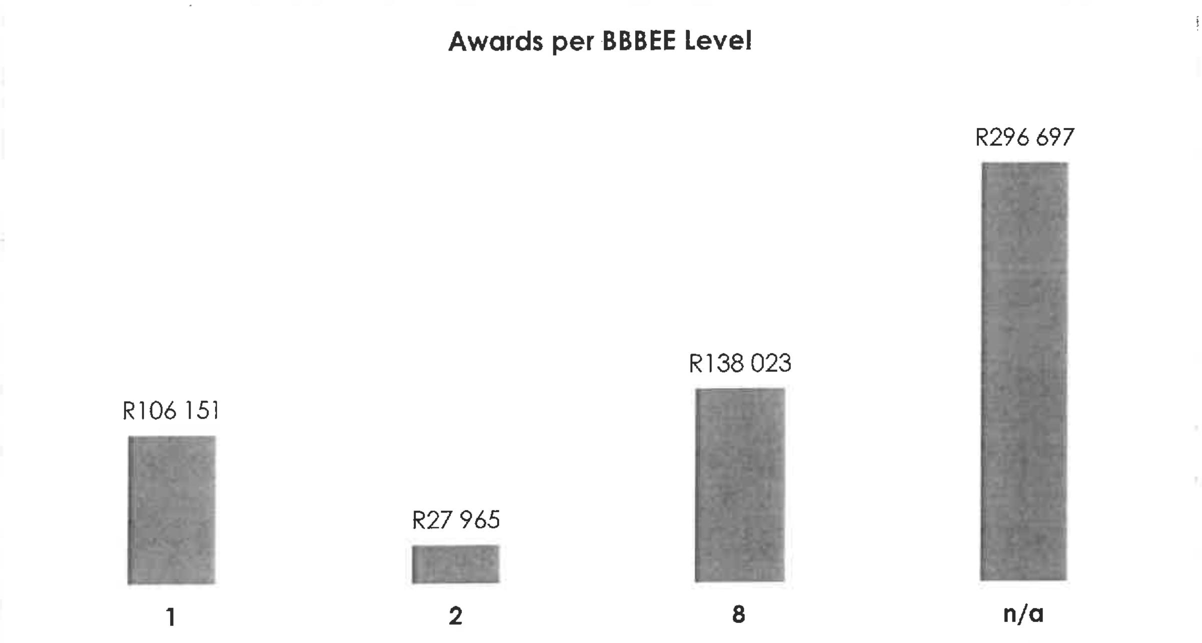
Bids awarded

77.

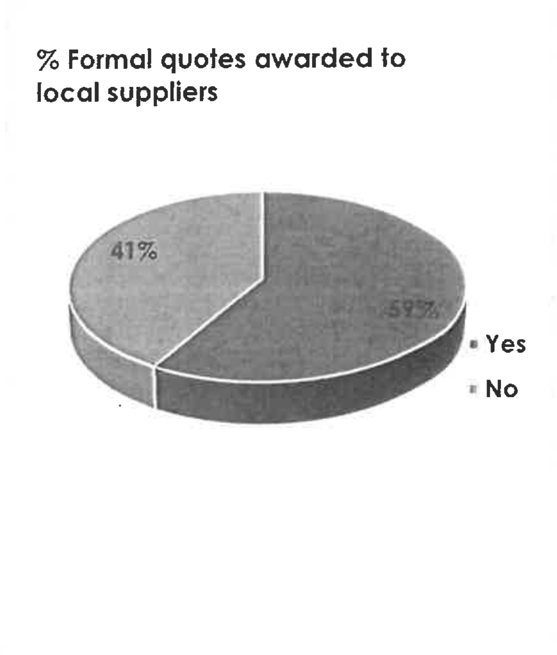
202.



Formal Quotes >R30k awarded



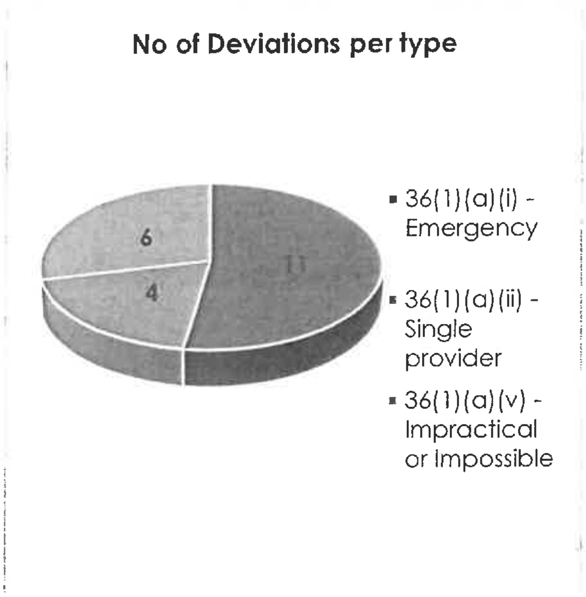
Awards to local suppliers

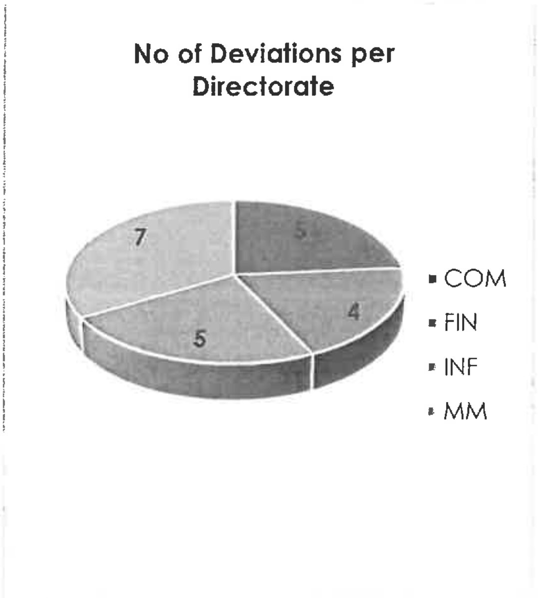


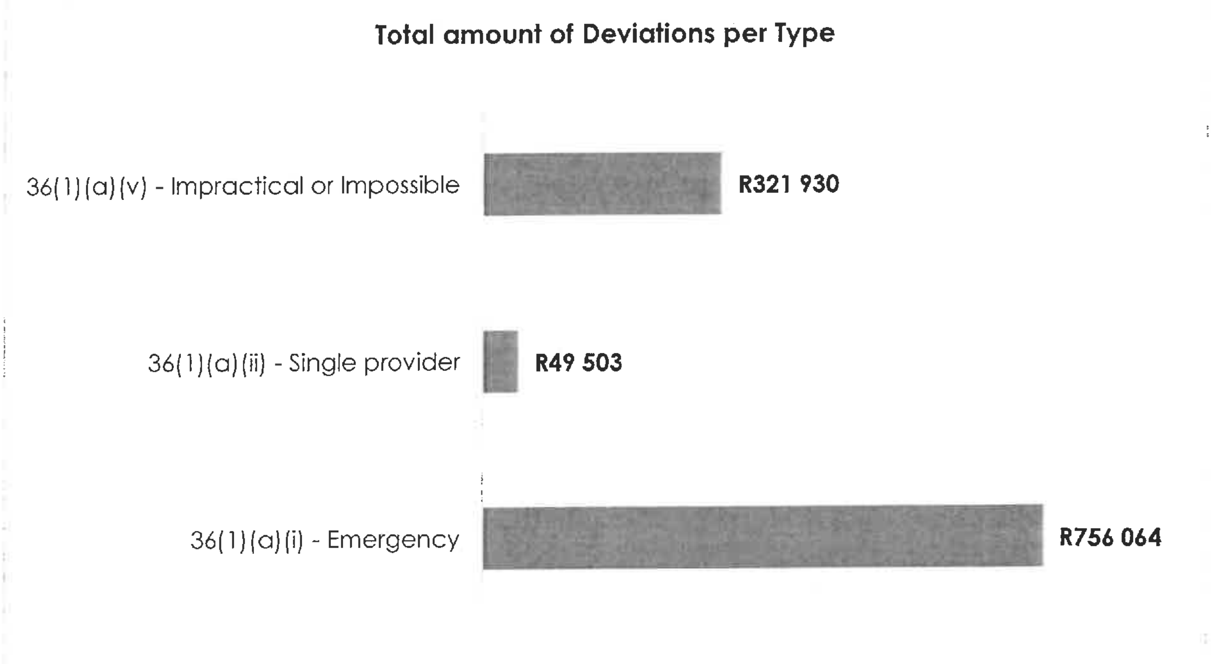
% Formal quotes awarded to local suppliers

8. DEVIATIONS FROM PROCUREMENT PROCESSES

Please find statistics as well as a schedule of the deviations approved by the Accounting Officer during the 1st quarter of the 2023/24 financial year:







9. AWARDS TO CLOSE FAMILY MEMBERS OF PERSONS IN THE SERVICE OF THE STATE

In terms of paragraph 45 of the Supply Chain Management Policy of Council, awards to close family members of persons in the service of the state must disclose particulars of awards of more than R 2000 in the Annual Financial Statements. The following bids were awarded to a person who is a family member of a person in the service of the state:

Nr	Supplier	Family member	Relationship	Institution	Jul	Aug	Sep	Total
1.	AH Windvogel	MPL R. Windvogel	Mother	Provincial Legislature	-	R3 840	-	R3 840
2.	Andre Pieterse	C. Pietersen	Wife	Swellendam Municipality	-	-	-	-
3.	Bazil Koopman	B. Koopman	Son	Dept of Education	-	-	-	-
4.	Gert Coetzee	L. Coetzee	Wife	Swellendam Municipality	-	-	-	-
5.	Hein's Auto Electrical	J. de Jager	Brother	Swellendam Municipality	R10 922	-	-	R10 922
6.	Jonathan Oktober	M Oktober	Wife	Swellendam Municipality	R3 450	R1 275	-	R4 725
7.	Kemanzi (Pty) Ltd	J. du Toit	Wife	Dept of Education	R83 340	-	-	R83 340
8.	Khoisan Cave Holdings (Pty) Ltd	G. Jansen	Son	Swellendam Municipality	-	-	-	-
9.	Masakane Trading (Pty) Ltd	Q. Martin	Husband	SAPS	-	-	-	-
10.	Molatuseli (Pty) Ltd	A Sidloyi	Son	Swellendam Municipality	-	-	-	-
11.	Desmond Prins	J. Francis	Daughter	Dept of Health	-	-	-	-
12.	Hermanus Jacobus Swart	F. Swart	Brother	Swellendam Municipality	-	-	-	-
13.	Jacobus Cornelius Kouter	J. Kouter	Brother	Swellendam Municipality	-	-	-	-
14.	RD Beukes	D. Beukes	Mother	Swellendam Municipality	-	-	-	-
15.	Swellendam Bestuurskool (Pty) Ltd	R. Blauw	Son	Dept. of Education	-	-	-	-
16.	LSL Enterprises	G. Lebazi	Sister	Swellendam Municipality	-	-	R1 920	R1 920
17.	Agritech CC T/A Autozone	L. Baransky	Wife	Swellendam Municipality	R5 044	R6 985	-	R12 029
18.	Phillip Crafford T/A Crafford Blinds	J. Crafford	Wife	Swellendam Municipality	-	-	R6 706	R6 706
19.	Red Ant Security	N. Lesiela	Wife	Mogale City Mun	-	R579 600	-	R579 600
20.	Jarsiem Carelse	W. Carelse	Son	Swellendam Municipality	R3 900	R2 883	-	R6 783
21.	Durcharme Consulting	L.Mbekeni	Wife	Dept of Rural Development and Land Reform	R811 457	R143 750	-	R955 207
Total								**R1 665 072**

10. AWARDS TO PERSONS IN THE SERVICE OF THE STATE

In terms of the Council's Supply Chain Management Policy, paragraph 44, the municipality is prohibited from doing business with any person in the service of the state.

None

11. REPORTING OF AWARDS ABOVE R100, 000

In terms of MFMA circular 34, all awards above R100 000.00 must be reported to the Provincial and National Treasury on a monthly basis. The following awards were reported for the 1st quarter of the 2023/24 financial year:

Contract details			**Total value of contracts**		**Premium Value Paid**		**B-BBEE Status Level of Contributor**	**Method of procurement**
Contract reference	*Service provider/ Supplier*	*Contract Description*	*Total value of contract*	*Lowest Acceptable Bid Value*	*Premium Value Paid*	*Premium % Paid*	*Level*	*Quotation/ Competitive Bidding/ Deviation*
SMT39/22/23	Parkerson Thomas Technologies Cc t/a Officetech	Supply and Delivery of Office Supplies, Stationery and Paper Products for a 3 year period	R2 060 326,60	R2 060 326,60	0,00	0,00	1	Tender
SMT43/22/23	Kader Technologies (Pty) Ltd	Supply & Delivery of Switchgear, Industrial Lamps, Splicing Kits and Distribution Boards for a 3 year period	R2 264 349,34	R2 264 349,34	0,00	0,00	1	Tender
SMT43/22/23	Take Note Trading 245 CC t/a Universal Trading,	Supply & Delivery of Switchgear, Industrial Lamps, Splicing Kits and Distribution Boards for a 3 year period	R1 079 806,25	R1 079 806,25	0,00	0,00	1	Tender
SMT43/22/23	Actom (Pty) Ltd t/a Actom Electrical Products	Supply & Delivery of Switchgear, Industrial Lamps, Splicing Kits and Distribution Boards for a 3 year period	R88 628,85	R88 628,85	0,00	0,00	1	Tender
SMT50-22-23	Nolada 8 (Pty) Ltd	Supply, Delivery & Offload of Valves and Manholes for a 3-year period	R1 258 516,75	R1 258 516,75	0,00	0,00	1	Tender
SMT50-22-23	Take Note Trading 245 Cc t/a Universal Trading	Supply, Delivery & Offload of Valves and Manholes for a 3-year period	R4 083 309,50	R4 083 309,50	0,00	0,00	1	Tender
SMT50-22-23	Elite Investhold Pty (Ltd)	Supply, Delivery & Offload of Valves and Manholes for a 3-year period	R230 753,49	R230 753,49	0,00	0,00	2	Tender
SMT50-22-23	Last Samurai Properrty Holdings 2 Cc t/a Ithuba IndustrieS	Supply, Delivery & Offload of Valves and Manholes for a 3-year period	R249 245,00	R249 245,00	0,00	0,00	1	Tender
SMT50-22-23	NRB Piping Systems (Pty) Ltd	Supply, Delivery & Offload of Valves and Manholes for a 3-year period	R357 367,71	R357 367,71	0,00	0,00	1	Tender
SMT54-22-23	Southey Contracting (Pty) Ltd	Renting of Pre-Fabricated Building for the Utilisation of Office Space for a 5 year period	R1 211 263,95	R1 211 263,95	0,00	0,00	1	Tender

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SMT40/22/23	Bidvest Services (Pty) Ltd t/a Steiner George	Provision of Pest Control and Fumigation Services for 3 year period	R158 998,00	R158 998,00	0,00	0,00	1	Tender
SMT42/22/23	Maboneng Electrical Distribution (Pty) Ltd	Supply, Delivery & Offload of Copper Covered Steel Earth Conductor Cable for a 3 year period	R389 570,55	R389 570,55	0,00	0,00	1	Tender
SMT49/22/23	Take Note Trading 245 Cc t/a Universal Trading	Supply, Delivery and Offload of Water and Sewerage Pipes & Fittings for a 3-year period	R546 985,90	R546 985,90	0,00	0,00	1	Tender
SMT49/22/23	Last Samurai Properrty Holdings 2 Cc t/a Ithuba Industries	Supply, Delivery and Offload of Water and Sewerage Pipes & Fittings for a 3-year period	R235 523,00	R235 523,00	0,00	0,00	1	Tender
SMT49/22/23	Nolada 8 (Pty) Ltd	Supply, Delivery and Offload of Water and Sewerage Pipes & Fittings for a 3-year period	R1 742 184,00	R1 742 184,00	0,00	0,00	1	Tender
SMT49/22/23	NRB Piping Systems (Pty) Ltd	Supply, Delivery and Offload of Water and Sewerage Pipes & Fittings for a 3-year period	R417 191,95	R417 191,95	0,00	0,00	1	Tender
SMT49/22/23	KFC Pipes and Fittings (Pty) Ltd t/a KFC Engineering & Industrial Supplies	Supply, Delivery and Offload of Water and Sewerage Pipes & Fittings for a 3-year period	R67 711,10	R67 711,10	0,00	0,00	1	Tender
SMT59/22/23	J.C. Badenhorst	Facilitation of Medical Surveillance of Employees exposed to Hazardous and Biological Chemicals and Agents (OHSA Act)	R324 600,00	R324 600,00	0,00	0,00	4	Tender
SCMD011	Red Ant Security Relocation and Eviction Services (Pty) Ltd	Provision of Tactical response team with inyala and LDV for day and night shifts from 16 August 2023 to 20 August 2023	R579 600,00	R579 600,00	0,00	0,00	1	Deviation
SMT25/22/23	Trautmann Trading (Pty) Ltd	Repair of Two Cornel Pumps and Electrical Motors	R371 569,72	R371 569,72	0,00	0,00	1	Tender
SMT47/22/23	Keineli Investments t/a Megaflow	Upgrading of Mechanical and Electrical Works for Swellendam Waste Water Pump Stations and Water Treatment Works	R1 545 207,95	R1 545 207,95	0,00	0,00	1	Tender

SMQ08-23-24	Sentraal-Suid Kooperasie Beperk	Supply and Delivery of Lubricating & Hydraulic Oils for a One (1) Year Period	R110 275,62	R110 275,62	0,00	0,00	8	Quotation
SCMD023	Lezmin 1712 Cc	Management and Operation of Bontebok Landfill Site (amend agreement from 1 October 2023 until new tender process is finalised)	R276 645,03	R276 645,03	0,00	0,00	1	Deviation

12. LOGISTICS, DISPOSAL AND RISK MANAGEMENT

The SCM unit must provide an effective system to ensure the setting of inventory levels, placing of orders, receiving and distribution of goods, stores and warehouse management, expediting orders, vendor performance, maintenance and contract administration as well as provide for an effective method of disposal and letting of assets which are inclusive of redundant and obsolete stock. Such systems must also have in place mechanisms to identify, consider and avoid potential risks in the SCM system.

12.1 Inventory Control

The value of the stock at the end of the 1st quarter was recorded at R4 690 634. Regular ad hoc inspections and scheduled stock-takes are conducted.

12.2 Placing of orders

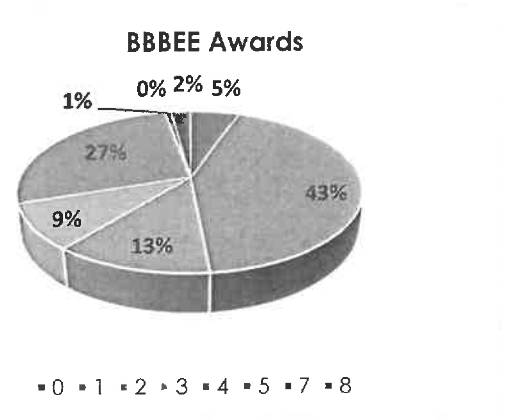
The sourcing of quotations for purchases below R30 000 is currently handled by the relevant departments but is processed centrally at the SCM unit which ensures some type of control. It should be noted that purchasing is a specialised function whilst technical staff is currently doing purchasing whereas they should concentrate on their core function, namely service delivery. It is recommended that procurement be centralised.

Below statistics of all orders (excluding statutory service providers) placed for the 1st quarter

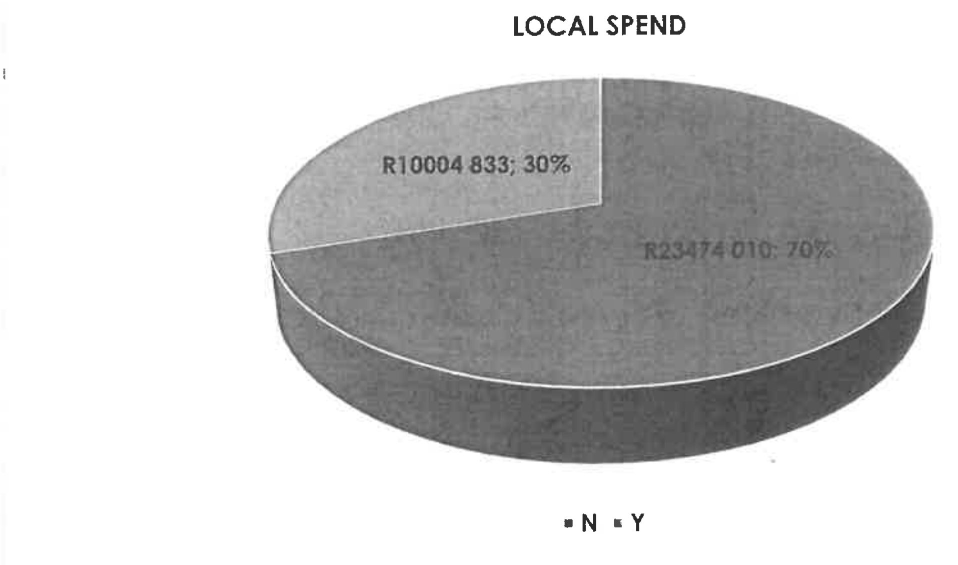
AWARDS PER BBBEE LEVEL

BBBEE LEVEL	VALUE	%
0	R1 779 825	5,32%

1	R14 443 064	43,12%
2	R4 159 407	12,42%
3	R3 084 550	9,21%
4	R9 092 193	27,14%
5	R211 049	0,63%
7	R2 577	0,01%
8	R706 179	2,11%
Grand Total	**R33 478 843**	**100,00%**



LOCAL SPEND



12.3 Receiving and distribution of goods

The receipt and issuing of goods are recorded timeously at the stores department. The way goods are currently distributed should however be reconsidered taking into account the cost involved. It is recommended that where practical a central point be used for the receiving and distribution of specified goods.

12.4 Vendor performance, maintenance and contract administration

Vendor performance is continuously monitored and problems are promptly addressed by this office as they become known. Vendor records are updated regularly however the management and administration of contracts are not on the standard. This needs to receive the necessary attention and resources for improvement.

Out of the 111 contracts, nine (9) unsatisfactory performance reports were registered during this quarter.

Disposal of assets

None.

13. RECOMMENDATION:

1. That cognisance is taken of the report.
2. That the report is made public in accordance with section 21A of the Municipal Systems Act.

REPORT SUBMITTED BY:	RECOMMENDED BY:
B. BEYERS **MANAGER SCM** **12 OCTOBER 2023**	**E. WASSERMAN** **CHIEF FINANCIAL OFFICER**
APPROVED BY:	
A VORSTER **MUNICIPAL MANAGER**	**HF DU RAND** **EXECUTIVE MAYOR**

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