



**RAYMOND
MHLABA**
MUNICIPALITY

UMANYANO KUPHHLISO

AGENDA

ORDINARY FINANCE STANDING COMMITTEE

DATE: 01 MARCH 2022

TIME: 14H00

VENUE: ALICE COUNCIL CHAMBER



NOTICE OF THE MEETING

NOTICE IS HEREBY GIVEN THAT AN ORDINARY FINANCE STANDING COMMITTEE MEETING OF RAYMOND MHLABA LOCAL MUNICIPALITY WILL BE HELD ON TUESDAY, 01 MARCH 2022, AT 14H00 IN THE ALICE COUNCIL CHAMBER.

A handwritten signature in black ink, appearing to read 'A. W. Ntsangani', is written over a horizontal line.

CLLR A. W NTSANGANI
CHAIRPERSON:
FINANCE STANDING COMMITTEE

A handwritten date '25/02/22' is written over a horizontal line.

DATE

1. ADOPTION OF THE AGENDA

2. NOTICE OF THE MEETING

3. CONSIDERATION OF APPLICATION OF LEAVE FOR LEAVE OF ABSENCE

4. ADOPTION OF THE AGENDA

5. COMMUNICATION BY THE CHAIRPERSON

6. CONFIRMATION OF PREVIOUS MINUTES

7. REPORTS

8. CLOSURE

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ITEM 01/2022

CONFIRMATION OF PREVIOUS MINUTES WHICH WAS HELD ON 10th SEPTEMBER 2021

1. PURPOSE

To table before the Standing Committee minutes of the meeting that was held on the 10TH September 2021 to be confirmed as a true reflection of what was discussed in the previous meeting.

2. BACKGROUND

The Standing Committee meetings sit monthly to discuss the items tabled in the agenda and recommend accordingly. Such meetings are recorded and the minutes are tabled in the next meeting of committee to be confirmed.

3. LEGAL IMPLICATIONS

Standing Rules of the Council
Local Government: Municipal Structures Act NO. 117 of 1998

4. FINANCIAL IMPLICATIONS

None

5. RECOMMENDATIONS

It is **RECOMMENDED** that:

- 1) The Standing Committee considers the minutes tabled for the meeting held on 10th September 2021 and confirm them as the true reflection of what was discussed in the previous meeting.

**MINUTES
VIRTUAL ORDINARY FINANCE STANDING COMMITTEE MEETING**

Held on the 10th September 2021 at 09h00

PRESENT:

Cllr M . J Makeleni - Chairperson
Cllr M .N Qawu
Cllr N. Geza
Cllr B.E Mfondini
Cllr Z Mpendu
Cllr T Ngaye
Cllr L.L. Kiswa

ALSO PRESENT:

Ms N. Smith - Acting Chief Financial Officer
Ms X. Pantsi - Manager: Supply Chain Management
Ms B. Piliso - Council Support Officer

1. OPENING

A moment of silence, prayer and meditation was observed.

2. NOTICE OF THE MEETING

The Acting Chief Financial Officer read the notice convening the meeting.

3. CONSIDERATION OF APPLICATIONS FOR LEAVE OF ABSENCE

None

4. ADOPTION OF AGENDA

Cllr Qawu moved for the adoption of the Agenda seconded by Cllr Ngaye

The standing committee **RESOLVED** to adopt the agenda.

5. COMMUNICATION BY CHAIRPERSON

The chairperson welcomed everybody to the meeting.

6. CONFIRMATION OF THE PREVIOUS MINUTES WHICH WAS HELD ON 21 MAY 2021.

The purpose of the report was to table before the Standing Committee minutes of the meeting that was held in 21 May 2021 to be confirmed as true reflection of what was discussed.

The Committee Resolved;

- 1) To confirm and adopt the minutes tabled for the meeting held on 21 May 2021 as the true reflection of what was discussed.

ITEM 22/2021

MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED 01 APRIL TO 30 JUNE 2021

The purpose of the report was to comply with section 71 of the MFMA and the requirements as promulgated in the Government Gazette No 32141 of 17 April 2009.

The Committee **RESOLVED** to **RECOMMEND** that;

- 1) The tabled report be accepted as a true reflection of financial events during the period reported by the Chief Financial Officer.

ITEM 23/2021

OPERATING CREDITORS REPORT MONTH ENDING 30 APRIL 2021 TO 30 JUNE 2021

The purpose of the report was to inform committee about the amounts committed by the municipality to creditors.

The committee **RESOLVED** to **RECOMMEND** that;

- 1) The tabled report be accepted as a true reflection of financial events during the period reported by the Chief Financial Officer.

ITEM 24/2021

DEBT MANAGEMENT

The purpose of the report was to inform the Standing Committee about the status of consumer debtors for the period 30 April 2021 to 30 June 2021

The **RESOLVED** to **RECOMMEND** that;

- 1) The report be accepted as a true reflection of financial events during the period reported by the Chief Financial Officer.

ITEM 25/2021

REVENUE MANAGEMENT

The purpose of the report was to inform the Standing Committee about the revenue management activities undertaken for the period 30 April 2021 to 30 June 2021

The committee **RESOLVED** to **RECOMMEND** that:

- 1) The tabled report be accepted as a true reflection of financial events during the period reported by the Chief Financial Officer.

ITEM 26/2021

CASH MANAGEMENT AND INVESTMENTS

The purpose of the report was to inform the Standing Committee about the status of cash and investments for the period April 2021 to June 2021.

The committee **RESOLVED** to **RECOMMEND** that;

- 1) The tabled report be accepted as a true reflection of financial events during the period reported by the Chief Financial Officer.

ITEM 27/2021

FREE BASIC SERVICES

The purpose of the report was to inform the standing committee about the status of free basic services for the period of April 2021 to June 2021 for noting

The committee **RESOLVED** to **RECOMMEND** that;

- 1) To accept the report on free basic services as tabled by the Chief financial Officer

ITEM 28/2021

DEVIATIONS

To inform the council about deviations approved in the Fourth quarter 20/21 for noting

The committee **RESOLVED** to **RECOMMEND** that;

- 1) The tabled report be accepted as a true reflection of financial events during the period reported by the Chief Financial Officer.

ITEM 29/2021

BID AWARDS

To inform the standing committee about bid awards made in the Fourth quarter 20/21 for noting.

The committee **RESOLVED** to **RECOMMEND** that:

- 1) The tabled report be accepted as a true reflection of financial events during the period reported by the Chief Financial Officer.

CLOSURE

The chairperson thanked all members for the attendance
(The meeting adjourned at 11:55)

CLLR MJ MAKELENI

ITEM 02/2022

DIRECTOR: N HILL – ACTING CFO

MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED 01 JULY 2021 TO 31 DECEMBER 2021

1. PURPOSE

The purpose of this report is to comply with section 71 of the MFMA and the requirements as promulgated in the Government Gazette No 32141 of 17 April 2009.

To inform the Standing committee on the status of the Operating and Capital Budget with reference to the 2021/2022 financial year for the period ended 01 January to 31 December 2021 for noting.

2. BACKGROUND

Section 52 (d) and 71 of the Municipal Finance Management Act, 56 of 2003 and in terms of Section 28 of the Government Notice 32141 dated 17 April 2009, regarding the Local Government: Municipal Finance Management Act 2003 Municipal Budget and Reporting Regulations” necessitates that specific financial matters be reported on and in the format prescribed, hence this report to meet legislative compliance.

“The mayor of a municipality-

52(d)(MFMA) must, **within 30 days of the end of each quarter**, submit a report to council on the implementation of the budget and the financial state of the municipality,”

“The mayor of a municipality-

MFMA Section 71(1)- states that the accounting officer of a municipality must by no later than **10 working days after the end of each month** submit to the mayor of the municipality and relevant treasury a statement in the prescribed format on the state of the municipality’s budget reflecting the following particulars for the relevant month:”

- Actual revenue per revenue source
- Actual expenditure per vote
- Actual capital expenditure per vote
- Amount of any allocations received
- Actual expenditure on allocations received

3. LEGAL IMPLICATIONS

Local Government: Municipal Finance Management Act No. 56 of 2003

4. FINANCIAL IMPLICATIONS

SUMMARY: STATEMENT OF FINANCIAL PERFORMANCE AS AT 30 JULY 2021

	Budget	July Expenditure	Year to Date Expenditure	Projections	Balance	YTD % Spent
EMPLOYEE RELATED COST	196.703.048.00	16.429.308.00	16.429.308.00	16.391.920.67	180.273.740.00	8%
REMUNERATION OF COUNCILLORS	19.997.252.00	1.603.256.00	1.603.256.00	1.666.437.67	18.393.996.00	8%
DEBT IMPAIRMENT	25.000.000.00	-	-	2.083.333.33	25.000.000.00	0%
DEPRECIATION AND ASSET IMPAIRMENT	30.855.871.00	-	-	2.571.322.58	30.855.871.00	0%
FINANCE CHARGES	18.695.000.00	-	-	1.557.916.67	18.695.000.00	0%
BULK PUCHASES	45.600.000.00	-	-	3.800.000.00	45.600.000.00	0%
GRANTS AND SUBSIDY PAID AND OTHER EXPENDITURE	77.888.821.00	242.398.00	242.398.00	6.490.735.08	77.646.423.00	0%
TOTAL	414.739.992.00	18.274.962.00	18.274.962.00	34.561.666.00	396.465.030.00	4%

SUMMARY: STATEMENT OF FINANCIAL PERFORMANCE AS AT 31 AUGUST 2021

	Budget	August Expenditure	Year to Date Expenditure	Projections	Balance	YTD % Spent
EMPLOYEE RELATED COST	196.703.048.00	15.793.243.00	32.222.551.00	32.783.841.33	164.480.497.00	16%
REMUNERATION OF COUNCILLORS	19.997.252.00	1.618.005.00	3.221.261.00	3.332.875.33	16.775.991.00	16%
DEBT IMPAIRMENT	25.000.000.00	-	-	4.166.666.67	25.000.000.00	0%
DEPRECIATION AND ASSET IMPAIRMENT	30.855.871.00	-	-	5.142.645.17	30.855.871.00	0%
FINANCE CHARGES	18.695.000.00	-	-	3.115.833.33	18.695.000.00	0%
BULK PUCHASES	45.600.000.00	-	-	7.600.000.00	45.600.000.00	0%
GRANTS AND SUBSIDY PAID AND OTHER EXPENDITURE	77.888.821.00	1.918.648.00	2.161.046.00	12.981.470.17	75.727.775.00	3%
TOTAL	414.739.992.00	19.329.896.00	37.604.858.00	69.123.332.00	377.135.134.00	9%

SUMMARY: STATEMENT OF FINANCIAL PERFORMANCE AS AT 30 SEPTEMBER 2021

	Budget	September Expenditure	Year to Date Expenditure	Projections	Balance	YTD % Spent
EMPLOYEE RELATED COST	196.703.048.00	16.594.680.00	48.817.231.00	49.175.762.00	147.885.817.00	25%
REMUNERATION OF COUNCILLORS	19.997.252.00	1.609.205.00	4.830.466.00	4.999.313.00	15.166.786.00	24%
DEBT IMPAIRMENT	25.000.000.00	-	-	6.250.000.00	25.000.000.00	0%
DEPRECIATION AND ASSET IMPAIRMENT	30.855.871.00	-	-	7.713.967.75	30.855.871.00	0%
FINANCE CHARGES	18.695.000.00	-	-	4.673.750.00	18.695.000.00	0%
BULK PUCHASES	45.600.000.00	-	-	11.400.000.00	45.600.000.00	0%
GRANTS AND SUBSIDY PAID AND OTHER EXPENDITURE	77.888.821.00	3.615.845.00	5.776.891.00	19.472.205.25	72.111.930.00	7%
TOTAL	414.739.992.00	21.819.730.00	59.424.588.00	103.684.998.00	355.315.404.00	14%

SUMMARY: STATEMENT OF FINANCIAL PERFORMANCE AS AT 30 OCTOBER 2021

	Budget	October Expenditure	Year to Date Expenditure	Projections	Balance	YTD % Spent
EMPLOYEE RELATED COST	196.703.048.00	16.625.863.00	65.443.094.00	65.567.682.67	131.259.954.00	33%
REMUNERATION OF COUNCILLORS	19.997.252.00	1.609.237.00	6.439.703.00	6.665.750.67	13.557.549.00	32%
DEBT IMPAIRMENT	25.000.000.00	-	-	8.333.333.33	25.000.000.00	0%
DEPRECIATION AND ASSET IMPAIRMENT	30.855.871.00	-	-	10.285.290.33	30.855.871.00	0%
FINANCE CHARGES	18.695.000.00	-	-	6.231.666.67	18.695.000.00	0%
BULK PUCHASES	45.600.000.00	-	-	15.200.000.00	45.600.000.00	0%
GRANTS AND SUBSIDY PAID AND OTHER EXPENDITURE	77.888.821.00	19.928.201.00	25.705.092.00	25.962.940.33	52.183.729.00	33%
TOTAL	414.739.992.00	38.163.301.00	97.587.889.00	138.246.664.00	317.152.103.00	24%

SUMMARY: STATEMENT OF FINANCIAL PERFORMANCE AS AT 30 NOVEMBER 2021

	Budget	November Expenditure	Year to Date Expenditure	Projections	Balance	YTD % Spent
EMPLOYEE RELATED COST	196.703.048.00	16.558.681.00	82.001.775.00	81.959.603.33	114.701.273.00	42%
REMUNERATION OF COUNCILLORS	19.997.252.00	1.402.541.00	7.842.244.00	8.332.188.33	12.155.008.00	39%
DEBT IMPAIRMENT	25.000.000.00	-	-	10.416.666.67	25.000.000.00	0%
DEPRECIATION AND ASSET IMPAIRMENT	30.855.871.00	-	-	12.856.612.92	30.855.871.00	0%
FINANCE CHARGES	18.695.000.00	-	-	7.789.583.33	18.695.000.00	0%
BULK PUCHASES	45.600.000.00	2.256.000.00	2.256.000.00	19.000.000.00	43.344.000.00	5%
GRANTS AND SUBSIDY PAID AND OTHER EXPENDITURE	77.888.821.00	7.945.034.00	33.650.126.00	32.453.675.42	44.238.695.00	43%
TOTAL	414.739.992.00	28.162.256.00	125.750.145.00	172.808.330.00	288.989.847.00	30%

SUMMARY: STATEMENT OF FINANCIAL PERFORMANCE AS AT 31 DECEMBER 2021

	Budget	December Expenditure	Year to Date Expenditure	Projections	Balance	YTD % Spent
EMPLOYEE RELATED COST	196.703.048.00	18.287.176.00	100.288.951.00	98.351.524.00	96.414.097.00	51%
REMUNERATION OF COUNCILLORS	19.997.252.00	1.544.421.00	9.386.665.00	9.998.626.00	10.610.587.00	47%
DEBT IMPAIRMENT	25.000.000.00	-	-	12.500.000.00	25.000.000.00	0%
DEPRECIATION AND ASSET IMPAIRMENT	30.855.871.00	-	-	15.427.935.50	30.855.871.00	0%
FINANCE CHARGES	18.695.000.00	-	-	9.347.500.00	18.695.000.00	0%
BULK PUCHASES	45.600.000.00	6.144.392.47	8.400.392.47	22.800.000.00	37.199.607.53	18%
GRANTS AND SUBSIDY PAID AND OTHER EXPENDITURE	77.888.821.00	22.012.598.53	55.662.724.53	38.944.410.50	22.226.096.47	71%
TOTAL	414.739.992.00	47.988.588.00	173.738.733.00	207.369.996.00	241.001.259.00	42%

Statement of Financial Performance

The actual expenditure to date amounts to R 173 738 million as at end of December 2021. The overall expenditure actual to date against the budget amounts to 42%, this excludes Depreciation and Debt impairments as these items are calculated and recognized at year end. Employee cost year to date actual is more than year to date projection by 1%, this is the indication that the municipality is spending more on employee cost. The contributing factors on employee cost - overtime.

SUMMARY ON GRANTS SPENDING AS AT 30 JULY 2021

	Budget	Received to Date	July Expenditure	Year to date Expenditure	Projections	Balance	YTD % Spent (Against Original)	YTD % Spent (Against Receipt)
FINANCE MANAGEMENT GRANT	2.600.000.00	-	27.567.96	27.567.96	216.666.67	2.572.432.04	1%	1%
MUNICIPAL INFRASTRUCTURE GRANT	41.333.000.00	5.391.000.00	157.969.05	157.969.05	3.444.416.67	41.175.030.95	0%	3%
EXTENDED PUBLIC WORKS	2.900.000.00	-	49.904.20	49.904.20	241.666.67	2.850.095.80	2%	#DIV/0!
EPWP ALLIEN PLANT PROJECT	358.059.00	-	281.619.32	281.619.32	29.838.25	76.439.68	79%	#DIV/0!
DEPT OF ROADS	14.743.590.00	-	-	-	1.228.632.50	14.743.590.00	0%	#DIV/0!
TOTAL	61.934.649.00	5.391.000.00	517.060.53	517.060.53	5.161.220.75	61.417.588.47	1%	10%

SUMMARY ON GRANTS SPENDING AS AT 31 AUGUST 2021

	Budget	Received to Date	Aug Expenditure	Year to date Expenditure	Projections	Balance	YTD % Spent (Against Original)	YTD % Spent (Against Receipt)
FINANCE MANAGEMENT GRANT	2.600.000.00	2.600.000.00	27.567.96	55.135.92	433.333.33	2.544.664.06	2%	2%
MUNICIPAL INFRASTRUCTURE GRANT	41.333.000.00	5.391.000.00	3.835.795.57	3.993.764.62	6.888.833.33	37.339.235.38	10%	74%
EXTENDED PUBLIC WORKS	2.900.000.00	-	102.781.00	152.685.20	483.333.33	2.747.314.80	5%	#DIV/0!
EPWP ALLIEN PLANT PROJECT	358.059.00	-	76.439.68	358.059.00	59.676.50	-	100%	#DIV/0!
DEPT OF ROADS	14.743.590.00	14.743.590.00	2.683.374.52	2.683.374.52	2.457.265.00	12.060.215.48	18%	18%
TOTAL	61.934.649.00	22.734.590.00	6.725.958.73	7.243.019.26	10.322.441.80	54.691.629.74	12%	32%

SUMMARY ON GRANTS SPENDING AS AT 30 SEPTEMBER 2021

	Budget	Received to Date	Sept Expenditure	Year to date Expenditure	Projections	Balance	YTD % Spent (Against Original)	YTD % Spent (Against Receipt)
FINANCE MANAGEMENT GRANT	2.600.000.00	2.600.000.00	30.459.66	85.595.58	650.000.00	2.514.404.42	3%	3%
MUNICIPAL INFRASTRUCTURE GRANT	41.333.000.00	5.391.000.00	169.723.20	4.163.487.82	10.333.250.00	37.169.512.18	10%	77%
EXTENDED PUBLIC WORKS	2.900.000.00	725.000.00	679.773.97	832.459.17	725.000.00	2.067.540.83	29%	115%
EPWP ALLIEN PLANT PROJECT	358.059.00	-	-	358.059.00	89.514.75	-	100%	#DIV/0!
DEPT OF ROADS	14.743.590.00	14.743.590.00	3.773.126.45	6.456.500.97	3.685.897.50	8.287.089.03	44%	44%
TOTAL	61.934.649.00	23.459.590.00	4.653.083.28	11.896.102.54	15.483.662.25	50.038.546.46	19%	51%

SUMMARY ON GRANTS SPENDING AS AT 30 OCTOBER 2021

	Budget	Received to Date	Oct Expenditure	Year to date Expenditure	Projections	Balance	YTD % Spent (Against Original)	YTD % Spent (Against Receipt)
FINANCE MANAGEMENT GRANT	2.600.000.00	2.600.000.00	1.151.254.91	1.236.850.49	866.666.67	1.363.149.51	48%	#DIV/0!
MUNICIPAL INFRASTRUCTURE GRANT	41.333.000.00	5.391.000.00	2.201.517.90	6.365.005.72	13.777.666.67	34.967.994.28	15%	118%
EXTENDED PUBLIC WORKS	2.900.000.00	725.000.00	656.031.47	1.488.490.64	966.666.67	1.411.509.36	51%	205%
EPWP ALLIEN PLANT PROJECT	358.059.00	-	-	358.059.00	119.353.00	-	100%	#DIV/0!
DEPT OF ROADS	14.743.590.00	14.743.590.00	2.532.108.55	8.988.609.52	4.914.530.00	5.754.980.48	61%	61%
TOTAL	61.934.649.00	23.459.590.00	6.540.912.83	18.437.015.37	20.644.883.00	43.497.633.63	30%	79%

SUMMARY ON GRANTS SPENDING AS AT 30 NOVEMBER 2021

	Budget	Received to Date	Nov Expenditure	Year to date Expenditure	Projections	Balance	YTD % Spent (Against Original)	YTD % Spent (Against Receipt)
FINANCE MANAGEMENT GRANT	2.600.000.00	2.600.000.00	47.558.00	1.284.408.49	1.083.333.33	1.315.591.51	49%	#DIV/0!
MUNICIPAL INFRASTRUCTURE GRANT	41.333.000.00	5.391.000.00	3.170.377.53	9.535.383.25	17.222.083.33	31.797.616.75	23%	177%
EXTENDED PUBLIC WORKS	2.900.000.00	725.000.00	625.534.56	2.114.025.20	1.208.333.33	785.974.80	73%	292%
EPWP ALLIEN PLANT PROJECT	358.059.00	-	-	358.059.00	149.191.25	-	100%	#DIV/0!
DEPT OF ROADS	14.743.590.00	30.743.590.00	-	8.988.609.52	6.143.162.50	5.754.980.48	61%	29%
TOTAL	61.934.649.00	39.459.590.00	3.843.470.09	22.280.485.46	25.806.103.75	39.654.163.54	36%	56%

SUMMARY ON GRANTS SPENDING AS AT 31 DECEMBER 2021

	Budget	Received to Date	Dec Expenditure	Year to date Expenditure	Projections	Balance	YTD % Spent (Against Original)	YTD % Spent (Against Receipt)
FINANCE MANAGEMENT GRANT	2.600.000.00	2.600.000.00	47.537.40	1.331.945.89	1.300.000.00	1.268.054.11	51%	#DIV/0!
MUNICIPAL INFRASTRUCTURE GRANT	41.333.000.00	14.721.000.00	10.929.010.62	20.464.393.87	20.666.500.00	20.868.606.13	50%	139%
EXTENDED PUBLIC WORKS	2.900.000.00	2.030.000.00	675.866.96	2.789.892.16	1.450.000.00	110.107.84	96%	137%
EPWP ALLIEN PLANT PROJECT	358.059.00	-	-	358.059.00	179.029.50	-	100%	#DIV/0!
DEPT OF ROADS	14.743.590.00	30.743.590.00	12.535.345.08	21.523.954.60	7.371.795.00	9.219.635.40	146%	70%
TOTAL	61.934.649.00	50.094.590.00	24.187.760.06	46.468.246.52	30.967.324.50	31.466.403.48	75%	93%

Capital and operational Grants

The municipality has spent an amount of R42 million on conditional grants as at end of December 2021. However, an adjustment was done on grants due to revised allocation by Department of Roads. An additional amount of R16 million was received in November 2021. The actual to date against receipt to date amounts to 75%, and against original budget is 93%. The municipality has received a letter of intention to withhold MIG Grant of R 16 million from COGTA. However, there is an allocation of R9,3 million for MIG that was not transferred in September 2021.

5. RECOMMENDATIONS

It is RECOMMENDED that:

- 1) The standing committee notes the report on the monthly budget statement.

ITEM 03/2022

AUTHOR: MR K.KOIKOI

OPERATING CREDITORS REPORT MONTH ENDING 01 JULY 2021 TO 30 DECEMBER 2021

1. PURPOSE

The purpose of the report is to inform the standing committee on Finance about the amounts committed by the municipality to creditors and the level of compliance with the relevant legislation for the period July 2021 to December 2021 for noting

2. LEGAL FRAMEWORK

Section 65 of the Municipal Finance Management Act, Act 56 of 2003 refers to step for Expenditure Management to be undertaken by the Accounting Officer.

3. AUTHORITY

Section 65 of the Municipal Finance Management Act No 56 of 2003 instructs the Accounting Officer to take all necessary steps to ensure that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorization, withdrawal and payments of funds.

4. BACKGROUND

The Creditors Report forms an integral part of indicating the level of compliance by the Municipality in applying the relevant section 65 in practise within the Municipality's daily operations. The MFMA's Chapter 8, section 65 states that all creditors should be paid within 30 days.

5. STRATEGIC IMPLICATIONS

Ensuring the Municipality is financially sustainable and meets its financial obligations

6. FINANCIAL IMPLICATIONS

31 July 2021

Current	30 days	60 Days	90 Days	120 Days
-	-	-	-	-

31 August 2021

Current	30 days	60 Days	90 Days	120 Days
21 950,25				

30 September 2021 is categorized as follows:

Current	30 days	60 Days	90 Days	120 Days
2 902 051,23	21 950,25			

31 October 2021

120 Days	90 Days	60 Days	30 Days	Current	Balance
226 037,56	738 318,17	450 946,44	772 892,03	551 586,20	2 739 780,40

30 November 2021

150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance
226 037,56	738 318,17	450 946,44	772 892,03	551 586,20	312 922,69	3 052 703,09

31 December 2021

180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance
226 037,56	738 318,17	450 946,44	772 892,03	551 586,20	577 838,44	314 314,68	3 631 933,52

7. RECOMMENDATIONS

It is **RECOMMENDED** that:

- 1) The Standing Committee notes the report on the operating creditors.

ITEM 04/2022

AUTHOR: REVENUE MANGER/N CEBU-VENA

DEBT MANAGEMENT

1. PURPOSE

To report to the Standing Committee about the status of consumer debtors for the period 31 July 2021 to 31 December 2021 for noting.

2. LEGAL FRAMEWORK

- MSA Chapter 9, Credit Control & Debt Management
- MFMA 56 OF 2003, Section 64 Revenue Management

3. AUTHORITY

Municipal Finance Management Act 64 mandates the Municipal Manager to raise and collect all monies due to the municipality and must ensure that there is a system of internal controls in place for management and reporting of these monies.

4. BACKGROUND

The main aim of the municipality is to ensure that all relevant properties as per the valuation roll, customers, services and financial transactions are accurately recorded in the Venus Financial System.

The use of the table below is the reflection of the balances as per the Billing system.

AGE ANALYSIS ON SERVICE CATERGORY AS AT 01 JULY TO SEPTEMBER 2021

Service Type	July	August	September
Refuse	217 583 194.85	219 376 103.68	221 753 946.44
Electricity	41 301 110.03	42 251 305.61	40 854 697.71
Rates	302,648 064.70	305 504 853.60	308 995 942.21
TOTAL	561 532 369.58	567 132 262.89	571 604 586.36

AGE ANALYSIS ON SERVICE CATERGORY AS AT 01 OCTOBER TO DECEMBER 2021

Service Type	October	November	December
Refuse	224,445 968.80	225,732 975.81	225,355 461.61
Electricity	43,079 432.78	41,279 559.06	42,695 570.76
Rates	297 059 505.91	297,318 097.48	300,477 165.38
TOTAL	564 584 907.49	564 330 632.35	568 528 197.75

DEBTORS: AGEING AS PER CUSTOMER GROUP AS AT 01 JULY TO 30 SEPTEMBER 2021

TYPE	Current	30 days	60 days	90+ days	Total
BUSINESS	1 175 539.70	785 115.34	1 225 728.33	21 593 866.26	24 780 249.63
RESIDENTIAL	3 893 009.40	3 698 028.97	5 927 344.86	212 396 879.59	225 915 262.82
GOVERNMENT	3 269 389.18	4 004 865.91	34 491 952.31	185 140 594.72	226 906 802.12
FARMERS	675 588.15	464 069.61	4 167 121.92	24 720 826.01	30 027 605.69
UNKNOWN	-207 016.20	-339 997.70	1 583 320.01	62 938 359.99	63 974 666.10
TOTALS	8 806 510.23	8 612 082.13	47 395 467.43	506 790 526.57	571 604 586.36

DEBTORS: AGEING AS PER CUSTOMER GROUP AS AT 01 OCTOBER TO 30 DECEMBER 2021

TYPE	Current	30 days	60 days	90+ days	Total
BUSINESS	2,633 817.56	1,143 428.05	1,227 805.01	37,607 444.53	42,612 495.15
RESIDENTIAL	3,772 384.74	3,663 350.73	3,621 475.23	222,094 993.74	233,152 204.44
GOVERNMENT	-1,417 685.53	2,688 305.70	2,561 579.00	190,714 541.11	194, 546 740.28
FARMS	606,453.62	598,871.11	479,999.20	28,619 941.41	30,305 265.34
UNKNOWN	1,390 411.55	1,363 125.55	1,330 976.49	63,826 978.95	67, 911 492.54
TOTALS	6,985 381.94	9,457 081.14	9,221 834.93	542,863 899.74	568 528 197.75

OUTSTANDING DEBTORS PER TOWN AT 01 JULY TO 30 SEPTEMBER 2021

Town	July	August	September
Hogsback	38 879 571.66	45 352 668.85	45 925 591.29
Alice	84 719 355.81	90 707 788.80	88 710 294.11
Middledrift	20 757 044.14	43 711 873.06	45 008 569.63
Seymour	16 202 283.85	18 124 660.67	18 365 490.50
Fort Beaufort	275 259 145.16	228 987 708.14	225 010 007.36
Katberg	620 426.39	490 221.40	497 790.21
Adelaide	70 961 282.12	72 205 786.74	72 102 416.72
Bedford	54 133 260.45	54 851 718.50	54 923 177.03
Total	561 532 369.58	567 132 262.89	571 604 586.36

OUTSTANDING DEBTORS PER TOWN AT 01 OCTOBER TO 31 DECEMBER 2021

Town	October	November	December
Hogsback	40 818 019.30	41 363 685.66	41 383 956.25
Alice	98 594 419.06	100 291 333.79	101 961 394.35
Middledrift	46 009 183.40	45 580 812.74	45 799 225.70

Seymour	18 070 434.05	18 302 960.19	18 541 784.00
Fort Beaufort	234 122 883.74	231 942 540.94	231 936 662.01
Katberg	518 675.04	537 536.65	573 326.04
Adelaide	71 756 572.03	72 113 032.10	73 544 172.45
Bedford	54 694 720.87	54 198 730.28	54 787 676.95
Total	564,584 907.49	564,330 632.35	568, 528 197.75

5. HUMAN RESOURCE IMPLICATIONS

Revenue section will have to allocate more people to the credit control initiative in order to enhance collection efforts as the debt book grows.

6. STRATEGIC IMPLICATIONS

Revenue management (revenue) is key to funding the objectives of the SDBIP, therefore being an enabler for the implementation of municipal objectives.

7. FINANCIAL IMPLICATIONS

8. RECOMMENDATIONS

It is RECOMMENDED that:

- 1) The standing committee notes the report on the Debt Management

ITEM 05/2022

AUTHOR: REVENUE MANGER

REVENUE MANAGEMENT

1. PURPOSE

To report to the Standing Committee about the revenue management activities undertaken for the period 31 July 2021 to 31 December 2021.

2. LEGAL FRAMEWORK

- MSA Chapter 9, Credit Control & Debt Management
- MFMA 56 OF 2003, Section 64 Revenue Management

3. AUTHORITY

Municipal Finance Management Act mandates the Municipal Manager to raise and collect all monies due to the municipality and must ensure that there is a system of internal controls in place for management and reporting of these monies.

4. BACKGROUND

In terms of Section 96 (a) of the Local Government Municipality Systems act 32 of 2000, the municipality must collect all money that is due and payable to it subject to this act and any related applicable legislation. A considerable amount of municipal revenue is obtained from levying services in order for the municipality to determine its stability, effectiveness and ability to finance municipal services into the future. In collecting the outstanding revenue, the credit control team of the BTO office strives to ensure sound internal controls and adherence to the municipal credit control and debt management policy.

The Actual Revenue –collected for July 2021 is R 5 299 419.36

The Actual Revenue –collected for August 2021 is R 7 676 245.46

The Actual Revenue –collected for September 2021 is R 4 112 381.53

The Actual Revenue –collected for October 2021 is R21 649 205.55

The Actual Revenue –collected for November 2021 is R8 379 416.98

The Actual Revenue –collected for December 2021 is R10 119 469.98

Efforts and Action Plan for the month of July 2021

Department of Roads and Public Works (Provincial)	No payment received	The department is delaying payments due to valuation certificates that we need to print every time we submit a claim.	Credit Control Continues
University of Fort Hare	The account is up to date.	None	None
Department of Public Works (National)	No payment received.	None	Credit Control Continues
Department of Education 25 accounts	No payment received.	Accounts are within 30 days	Credit Control Continues
Department of Health 7 accounts	The department paid	Health is having budget problems hence there is a delay in payments.	Credit Control Continues
All Businesses and Eskom Area	Implementation of credit control- letters of demand issued to ALice and Middledrift, subsequent recovery steps to follow based on response to the letter of demand.	Eskom Area: Inability to exercise cut-off measure due to electricity not being supplied by RMLM Municipality,	Implementation of credit control
Pre-paid Electricity	Blocking of consumers is still continuing and arrangements to pay are being made on a daily basis		Implement credit control
Dept of Social Development	No payment received.	Credit Control Continues	Credit Control Continues

Department of Rural development EC	No payment	Slow process of making payments due to small budget, however request for additional funding has been made to National DRDLR. Letter of demand was emailed to DRDLR amounting to R 9,9 million.	
Amathole District Municipality(ADM)	No payment received.	ADM still delaying payments with no valid reason.	Credit Control Continues

Efforts and Action Plan for the month of August 2021

Department of Roads and Public Works (Provincial)	The department paid	The department is delaying payments due to valuation certificates that we need to print every time we submit a claim.	Credit Control Continues
University of Fort Hare	The account is up to date.	None	None
Department of Public Works (National)	No payment received.	None	Credit Control Continues
Department of Education 25 accounts	No payment received.	Accounts are within 30 days	Credit Control Continues
Department of Health 7 accounts	The department paid	Health is having budget problems hence there is a delay in payments.	Credit Control Continues
All Businesses and Eskom Area	Implementation of credit control- letters of demand issued to ALice and Middledrift, subsequent recovery steps to follow based on response to the letter of demand.	Eskom Area: Inability to exercise cut-off measure due to electricity not being supplied by RMLM Municipality,	Implementation of credit control

Pre-paid Electricity	Blocking of consumers is still continuing and arrangements to pay are being made on a daily basis		Implement credit control
Dept of Social Development	No payment received.	Credit Control Continues	Credit Control Continues
Department of Rural development EC	The department paid	Slow process of making payments due to small budget, however request for additional funding has been made to National DRDLR. Letter of demand was emailed to DRDLR amounting to R 9,9 million.	
Amathole District Municipality(ADM)	No payment received.	ADM still delaying payments with no valid reason.	Credit Control Continues

Efforts and Action Plan for the month of September 2021

Department of Roads and Public Works (Provincial)	No payment received	The department is delaying payments due to valuation certificates that we need to print every time we submit a claim.	Credit Control Continues
University of Fort Hare	The account is up to date.	None	None
Department of Public Works (National)	No payment received.	None	Credit Control Continues
Department of Education 25 accounts	No payment received.	Accounts are within 30 days	Credit Control Continues
Department of Health 7 accounts	No payment received	Health is having budget problems hence there is a delay in payments.	Credit Control Continues
All Businesses and Eskom Area	Implementation of credit control- letters of	Eskom Area: Inability to exercise cut-off measure	Implementation of credit control

	demand issued to ALice and Middledrift, subsequent recovery steps to follow based on response to the letter of demand.	due to electricity not being supplied by RMLM Municipality,	
Pre-paid Electricity	Blocking of consumers is still continuing and arrangements to pay are being made on a daily basis		Implement credit control
Dept of Social Development	No payment received.	Credit Control Continues	Credit Control Continues
Department of Rural development EC	No payment received	Slow process of making payments due to small budget, however request for additional funding has been made to National DRDLR. Letter of demand was emailed to DRDLR amounting to R 9,9 million.	
Amathole District Municipality(ADM)	No payment received.	ADM still delaying payments with no valid reason.	Credit Control Continues

Efforts and Action Plan for the month of October 2021

Department	Achievements/efforts for October	Challenges	Action Plan For November 2021
Department of Roads and Public Works (Provincial)	RMLM engaged PDPW and the department promised to request budget to the C.F.O	PDPW is requesting RMLM to verify properties before making a payment	RMLM to engage the department on Rates & services owing.
University of Fort Hare	Up to date	U.F.H accounts with are those years which the municipality never promulgated the tariffs.	Up to date
Department of Public Works (National)	NDPW paid R 154 030.28	Police station in Adelaide has unallocated old payment .	RMLM to engage the department on Rates & services

Department of Education 25 accounts	Letter of demand was served.	Department claims to be given very little budget for the year.	RMLM to engage the schools & the department.
Department of Health 7 accounts	None	Department cannot settle due to RMLM CSD non-compliance.	RMLM to engage the department for electricity owing.
All Businesses and Eskom Area	Some businesses came to pay and make arrangements , also to pay deposits.	Some are selling electricity without licence. Cannot block Eskom areas for rates in arrears.	To block all businesses with arrears & no deposit paid.
Pre-paid Electricity		Some clients do not have their account numbers linked to prepaid system.	To block consumers in arrears
Dept of Social Development			
Department of Rural development EC	DRDLR paid R 6 540 876.44	DRDLR is requesting reconciliation on all opening balances.	RMLM to engage the department.
Amathole District Municipality(ADM)	No payment	RMLM & ADM to reconcile the age analysis.	RMLM management to engage with ADM management.

Efforts and Action Plan for the month of November 2021

Department	Achievements/efforts for November	Challenges	Action Plan For December 2021
Department of Roads and Public Works Provincial)	PDPW paid R 463 560.29	PDPW is waiting for Treasury to provide funds.	RMLM to engage the department
University of Fort Hare	No payment	No promulgation on accounts with balances.	N/A
Department of Public Works National)	No payment but the department has requested payments section to process.	Prison accounts with unallocated payments.	RMLM to engage with department
Department of Education 25 accounts	No payments received but letter of demand served.	No budget as claimed by the schools.	RMLM to engage the department & schools
Department of Health 7 accounts	No payments received.	RMLM CSD non-compliance.	RMLM to engage the department.
All Businesses and Eskom Area	Some businesses made arrangements and payments.	RMLM is having very old accounts for previous tenants.	RMLM to visit businesses .

Pre-paid Electricity	RMLM is continuing blocking the debtors with arrears.	Insufficient debtor information on the Contour system.	RMLM to block accounts in arrears
Dept of Social Development			
Department of Rural development EC	DRDLR paid R 1 274 341.75	DRDLR is requesting the reconciliations for payment.	RMLM to engage the department.

Efforts and Action Plan for the month of December 2021

<u>Department</u>	<u>Achievements/efforts for December</u>	<u>Challenges</u>	<u>Action Plan For January 2022</u>
Department of Roads and Public Works (Provincial)	PDPW paid R 4,5 million	PDPW is requesting RMLM to verify with them the properties before making the payments.	RMLM to engage the department.
University of Fort Hare	No payment received	No promulgation on accounts with balances	Up to date
Department of Public Works (National)	NDPW paid R 44 617.88	Unallocated payments on Adelaide police station.	RMLM to engage the department
Department of Education 25 accounts	No payment received. Letter of demand served but there was an arrangement with RMLM management.	To little budget provided by department as claimed by schools.	RMLM to engage schools & department
Department of Health 7 accounts	No payment received	CSD non-compliance	RMLM to engage the department
All Businesses and Eskom Area	Some businesses made payments and the other businesses were blocked.	Cannot block eskom areas for rates in arrears	RMLM to visit businesses in RMLM areas.
Pre-paid Electricity	Blocking is continuing	Consumers are complaining about poor service delivery.	RMLM to block consumers with arrears.
Dept of Social Development			
Department of Rural Development EC	DRDLR paid R 393 715.35	DRDLR is requesting the Remittance Advice.	RMLM to engage the department.
Mathole District Municipality(ADM)			

5. HUMAN RESOURCE IMPLICATIONS

In order to enhance collection levels the section will have to allocate more credit controllers to the credit control system.

6. STRATEGIC IMPLICATIONS

Revenue management (revenue) is key to funding the objectives of the SDBIP, therefore being an enabler for the implementation of and achieving municipal objectives.

7. FINANCIAL IMPLICATIONS

None

8. RECOMMENDATIONS

It is **RECOMMENDED** that:

- 1) The Standing Committee notes the report on the Revenue management.

ITEM 06/2022

AUTHOR: DIRECTOR: N HILL- ACTING CFO

CASH MANAGEMENT AND INVESTMENTS

1. PURPOSE

To report to the Standing Committee on the status of cash and investments for the period July 2021 to 31 December 2021 for noting.

2. LEGAL FRAMEWORK

- MFMA 56 OF 2003, Section 64 Revenue Management

3. AUTHORITY

Municipal Finance Management Act mandates the Municipal Manager to raise and collect all monies due to the municipality and must ensure that there is a system of internal controls in place for management and reporting of these monies.

4. BACKGROUND

The MFMA requires a municipality must have and maintain one primary or main bank account for all money received and transaction of payment to be paid into this account for control purposes, The municipality should be in position to investment for the purpose to promote robust revenue collections The primary goal of investing is to obtain a market return on investment.

5. HUMAN RESOURCE IMPLICATIONS

There are no direct human resource implications

6. STRATEGIC IMPLICATIONS

Revenue management (revenue) is key to funding the objectives of the SDBIP, therefore being an enabler for the implementation of and achieving municipal objectives.

7. FINANCIAL IMPLICATIONS

There were no investments made on the month of July 2021 to December 2021

8. RECOMMENDATIONS

It is **RECOMMENDED** that:

- 1) The Standing Committee notes the report on the cash management

ITEM 07/2022

AUTHOR : REVENUE MANAGER

FREE BASIC SERVICES

1. PURPOSE

To report to the standing committee the status of free basic services for the period of July 2021 to December 2021 for noting.

2. LEGAL FRAMEWORK

- MFMA 56 OF 2003, Section 64 Revenue Management
- Constitution of the Republic of South Africa

3. AUTHORITY

Municipal Finance Management Act mandates the Municipal Manager to raise and collect all monies due to the municipality and must ensure that there is a system of internal controls in place for management and reporting of these monies.

4. BACKGROUND

The municipality is having responsibility to ensure that all households within Raymond Mhlaba Municipality jurisdiction access free basic services. The indigent support policy must be applied consistently and the policy should be seen as a revenue management. Currently FBS is offered into two categories that is free basic refuse removal and free prepaid electricity. For 2021/2022 financial year FBS is budgeted at R15 million as follows.

BUDGET BREAKDOWN PER CATEGORY OF SERVICE

Description	No of beneficiaries	total budget for the year	Budget allocation/service
Electricity	17596	R14 900 000	R8 500 000
Refuse	5625		R6 200 000
alternative energy	242		R 200 000
Total	23463		R14 900 000

FBS BUDGET MOVEMENT FOR THE PERIOD JULY 2021 TO DECEMBER 2021

Description	July expenditure	August expenditure	September expenditure
Electricity	1 594 838.16	1 545 612.71	1 489 538.56
Refuse	696 123.42	696 123.42	696 123.42
Alternative energy	-	-	-
Total	2 290 961.53	2 241 736.13	2 185 661.98

Description	October expenditure	November expenditure	December expenditure
Electricity	1 434 682.35	1 377 097.97	1 482 433.94
Refuse	333 494.82	333 494.82	334 097.34
Alternative energy	-	-	-
Total	1 768 177.17	1 710 592.79	1 816 531.28

5. HUMAN RESOURCE IMPLICATIONS

The increasing number of indigent beneficiaries warrants allocation of more free basic services data capturers for Alice area.

6. STRATEGIC IMPLICATIONS

Revenue management (revenue) is key to funding the objectives of the SDBIP, therefore being an enabler for the implementation of and achieving municipal objectives.

7. FINANCIAL IMPLICATIONS

R 2 290 961.84 - JULY 2021

R 2 241 736.13 - AUGUST 2021

R 2 185 661.98 - SEPTEMBER 2021

R 1 768 177.17- OCTOBER 2021

R 1 710 592.79- NOVEMBER 2021

R 1 816 531.28- DECEMBER 2021

8. RECOMMENDATIONS

It is **RECOMMENDED** that:

- 1) The Standing Committee notes the report on the free basic services.

ITEM 08 /2022

AUTHOR: MANAGER SUPPLY CHAIN MR X PHANTSI

DEVIATIONS

1. PURPOSE

To inform the council about deviations approved in the First and second quarter 21/22 for noting.

2. LEGAL FRAMEWORK

Constitution of the Republic of South Africa, Act No. 108 of 1996
Local Government: Municipal Finance Management Regulations (Published in terms of Act No. 56 of 2003).
Municipal Supply Chain Management Regulations 2005

3. AUTHORITY

Section 36 stipulates that the Accounting Officer may dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process under certain conditions and report such to council.

4. BACKGROUND

The municipality has procured goods and services through Supply Chain Regulations section 36. The Accounting Officer must report all deviations from the normal Supply Chain Regulations to the next council meeting.

5. HUMAN RESOURCE IMPLICATIONS

N/A

6. STRATEGIC IMPLICATIONS

SCM Regulation 36

7. FINANCIAL IMPLICATIONS

R104 399.74 – July 2021 to September 2021
R225,407.88 - October 2021 to December 2021

8. RECOMMENDATION

It is **RECOMMENDED** that:

- 1) The Standing Committee notes the report on deviations.

DEVIATIONS

Reference	Account	Name	Description	Amount
RFQ0000230	MAAA0446830	THAHLA NONGWADLA SERVICES	Hiring Lowbed truck by Engineering	R 15,599.74
RFQ0000180	MAAA1103102	SITANDILE	Hire TLB for 4days & Lowbed for 3days	R 88,800.00
				<u>R 104,399.74</u>

DEVIATIONS

30 Dec 21

Reference	Account	Name	Description	Amount	Address	Contact details
RFQ0000349	MAAA0095925	CFAO MOTORS	Toyota Landcruiser was sent for service. It is still under warranty that is why it must only be sent to Toyota for service	12,899.69	32 Eales Street King Williams Town	
RFQ0000351	MAAA0242482	CASHBUILD (SOUTH AFRICA)	Purchase of building materials for the renovations of voting stations. The procurement was urgent as there was not enough time to go on the normal procurement processes	182,797.50	50 Campbell Street Fort Beaufort	083 427 3874
RFQ0000446	MAAA0009417	RONNIES MOTORS TRUST t/a TRACTOR WORLD	FUSO TRUCK skip truck was sent to Ronnies Motors for service. They are the only agents that have the parts for the Fuso Truck	29,710.69	P.O. BOX 5482 Greenfields East London	082 696 9996
				225,407.88		083 598 0411

ITEM 09/2022

AUTHOR: MANAGER SUPPLY CHAIN MR X PHANTSI

BID AWARDS

1. PURPOSE

To inform the standing committee about bid awards made in the First and second quarter 21/22 for noting.

1. LEGAL FRAMEWORK

Constitution of the Republic of South Africa, Act No. 108 of 1996

Local Government: Municipal Finance Management Regulations (Published in terms of Act No. 56 of 2003).

Municipal Supply Chain Management Regulations 2005

2. AUTHORITY

The Supply Chain Regulations section 6 subsection (3) requires that the Accounting Officer must within 10 days of the end of each quarter submit a report on the implementation of Supply Chain Management policy to the Mayor of the municipality.

3. BACKGROUND

The Supply Chain Regulations section 6 subsection (3) requires that the Accounting Officer must within 10 days of the end of each quarter submit a report on the implementation of Supply Chain Management policy to the Mayor of the municipality.

4. STRATEGIC IMPLICATIONS

SCM policy

5. FINANCIAL IMPLICATIONS

R3 785 109.84

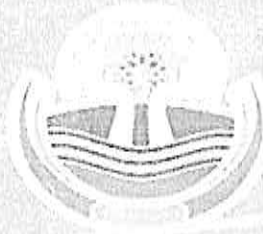
6. ANNEXURES

ATTACHMENTS

7. RECOMMENDATION

It is **RECOMMENDED** that:

- 1) The Standing Committee notes the report on the bid awards.



**RAYMOND
MHLABA**
MUNICIPALITY
MANANGANG MUPHUBUNG

Tel: 046 645 7400/7451 Fax: 046 645 2562
8 Somerset Street Fort Beaufort, 5720 P.O.Box 36, Fort Beaufort, 5720

BID REPORT

COMPLIED BY:


.....
X. PANTSU
MANAGER: SUPPLY CHAIN MANAGEMENT


.....

APPROVED/ NOT APPROVED

U T MALINZI
MUNICIPAL MANAGER

JANUARY 2022



**SCMU02/AUCT/21/22: PROVISION OF AUCTION SERVICES FOR RAYMOND
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Panel of Environment Consultants for a Period of 3 Years: Bid No.7/2020-2021

Panel of Building Sport and Recreational Facilities Consultants for a Period of 3 Years: Bid No.66/2020-2021

Civil Engineering Services: Panel of Professional and Consulting Engineering Services for a Period of 3 Years: Bid No. 64/2020-2021

Provision of Auction Services for Raymond Mhlaba Municipality: Bid No. 7/2020-2021

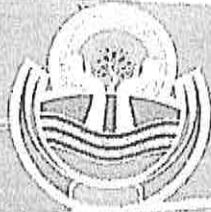
Provision of Auction Services for Raymond Mhlaba Municipality: Bid No. 7/2020-2021

Provision of Auction Services for Raymond Mhlaba Municipality: Bid No. 7/2020-2021

Provision of Auction Services for Raymond Mhlaba Municipality: Bid No. 7/2020-2021

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**RAYMOND
MHLABA
MUNICIPALITY**
EMANYANGI KUPHULIYO

Tel: 046 645 7400/7451 | Fax: 046 645 2562
8 Somerset Street | Fort Beaufort, 5720 | P.O.Box 36, Fort Beaufort, 5720

13 October 2021

Riley Auctioneers Pty Ltd
28 Magnolia Road
Braelyn
East London
5201

Attention: Kwanele Boltina
Cell No: 082 532 8896
Email: kwanele@rileyauctions.co.za

PROJECT NAME: PROVISION OF AUCTIONEERING SERVICES: SCMU02/AUCT/21/22

We are pleased to inform you that Messrs Riley Auctioneers Pty (Ltd) has been appointed for the provision of auctioneering services as and when required from date of appointment until 13 October 2024 at a buyers commission of 3% (VAT inclusive). Please take note of the following:


1. That the percentage commission must be firm and fixed for the duration of contract and payable by the buyer
2. That all proceeds from the auction must be paid into Raymond Mhlaba Municipality bank account with 30 working days from date of auction by the auctioneer
3. That a report must be submitted after each auction on the proceeds of sale as well as the breakdown of advertising fees.

ACCEPTANCE OF APPOINTMENT

Kindly formalise our agreement by confirming your acceptance of the conditions contained in this appointment in writing within seven (7) calendar days of the date of this letter. Your acceptance must be submitted to the Supply Chain Manager: Corner of Campbel and Market Street, Fort Beaufort 5720.

We look forward to your participation in the project and to its successful completion.

Yours Faithfully



U. T. MALINZI
MUNICIPAL MANAGER

RAYMOND MHLABA MUNICIPALITY

CB

ACCEPTANCE OF APPOINTMENT

PROJECT NAME: PROVISION OF AUCTIONEERING SERVICES; SCMU02/AUCT/21/22

I, Lutho Boko, the authorised representative of Riley Auctioneers hereby accept the appointment for the above project in accordance with the terms and conditions detailed in the Letter of Appointment.

Our representative on the project team responsible for the implementation of the project is Lutho Boko.....(NAME AND SURNAME)

Signed: [Signature]

Date: 03/11/21

Witness: [Signature]

Date: 03/11/2021

[Faint stamp or text, possibly a seal or official mark]

RAYMOND MHLABA MUNICIPALITY

CB



**RAYMOND
MHLABA
MUNICIPALITY**
1996

Tel: 046 645 7400/7451 | Fax: 046 645 2562
8 Somerset Street | Fort Beaufort, 5720 | P.O.Box 36, Fort Beaufort, 5720

Manxiwa Group
Unit 1 Portion 062 of 66
Farm 817 R6
Stutterheim Rd

PROJECT NAME: SUPPLY AND INSTALLATION OF HIGH MAST LIGHTS ON TURNKEY FOR RAYMOND MHLABA MUNICIPALITY - BID NO: SCMU01/HIGH/21/22.

We are pleased to inform you that Messrs **Manxiwa Group** has been appointed for the above mentioned project for an amount of R3 785 109.84.

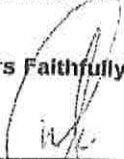
ACCEPTANCE OF APPOINTMENT

Kindly formalise our agreement by confirming your acceptance of the conditions contained in this appointment in writing within seven (7) calendar days of the date of this letter. Your acceptance must be submitted to the Chief Financial Officer: Corner of Campbell and Market Street, Fort Beaufort 5720.

Your acceptance of this appointment will render this letter a formal instruction to commence work on the project.

We look forward to your participation in the project and to its successful completion.

Yours Faithfully



U.T. MALINZI
MUNICIPAL MANAGER

DATE: 05/11/21.....

RAYMOND MHLABA MUNICIPALITY



RAYMOND MHLABA MUNICIPALITY

Bids are hereby invited for the following Projects:

Project No.	Project Name	CIDB Grading	Closing Date	Closing time
1.	Supply and Installation of Highmast lights on turney basis for Raymond Mhlaba Municipality SCMU01/HIGH/21/22	4CE or higher	04-10-2021	12:00 pm
2.	Panel of Consultants for engineering projects SCMU02/CONS/21/22	N/A	04-10-2021	12:00 pm
3.	Panel of service providers for supply and delivery of paving material SCMU03/PAVE/21/22	N/A	04-10-2021	12:00 pm
4.	Panel of service providers to assist with revenue enhancement for Raymond Mhlaba SCMU01/REV/21/22	N/A	04-10-2021	12:00 pm

The minimum specifications are detailed in the Bid document.

Bid documents will be available from the Budget & Treasury Department upon payment of a **non-refundable** fee of R300 (Three Hundred Rand) for each document (either in cash or by means of a bank guaranteed cheque) made payable to Raymond Mhlaba Municipality. The deposit is to be paid at the **Budget and Treasury Office, Corner of Campbell and Market Street, Fort Beaufort, between 09h30 and 15h00** prior to the collection of the bid documents. The documents will be available on **Friday, 10 September 2021**.

Enquiries should be addressed to Mr D Mlenzana at 046 645 7411 or email: dmlenzana@raymondmhlaba.gov.za or alternatively Mr A. Tunce 046 645 7411 or email: atunce@raymondmhlaba.gov.za

Completed bid documents are to be placed in a sealed envelope endorsed the relevant bid and must be deposited in the 'Bid Box' at the Budget and Treasury Office: **Corner of Campbell and Market Street, Fort Beaufort Town Hall, 5720**, not later than **12h00pm** at the dates indicated above.

PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT (PPPFA) POINTS WILL BE AWARDED AS FOLLOWS:

Price	80 points
BBBEE status	20 points
TOTAL	100 points

BIDDERS SHALL TAKE NOTE OF THE FOLLOWING BID CONDITIONS:

- The Raymond Mhlaba Municipality Supply Chain Management Policy will apply;
- The Raymond Mhlaba Municipality does not bind itself to accept the lowest bid or any other bid and reserves the right to accept the whole or part of the bid;
- Bids which are late, incomplete, not completed in black ink, unsigned or submitted by facsimile or electronically, will not be accepted;
- Bids submitted are to hold good for a period of 90 days;
- Bids that do not meet a minimum of 70 points will not be considered further;
- Bidders must submit their municipal rates and services accounts or lease agreements (failure to submit will lead to disqualification);
- CIDB Proof of registration.

Ms U T Mallnzi
Municipal Manager



ACCEPTANCE OF APPOINTMENT

PROJECT NAME: SUPPLY AND INSTALLATION OF HIGH MAST LIGHTS ON TURNKEY FOR RAYMOND MHLABA MUNICIPALITY - BID NO:SCMU01/HIGH/21/22.

I, M. M. Moxim, the authorised representative of M. Moxim Group, hereby accept the appointment for the above project in accordance with the terms and conditions detailed in the Letter of Appointment.

Our representative on the project team responsible for the implementation of the project is

Simyile Msi.....(NAME AND SURNAME)

Signed: [Signature]

Date: 09 November 2021

Witness: [Signature]

Date: 09/11/2021



**SCMU01/REV/21/22: PANEL OF SERVICE PROVIDERS TO ASSIST WITH
REVENUE ENHANCEMENT FOR RAYMOND MHLABA**



RAYMOND MHLABA MUNICIPALITY

Bids are hereby invited for the following Projects:

Project No.	Project Name	CIDB Grading	Closing Date	Closing time
1.	Supply and installation of Highmast lights on turney basls for Raymond Mhlaba Municipality. SCMU01/HIGH/21/22.	4CE or higher	04-10-2021	12:00 pm
2.	Panel of Consultants for engineering projects SCMU02/CONS/21/22.	N/A	04-10-2021	12:00 pm
3.	Panel of service providers for supply and delivery of paving material. SCMU03/PAVE/21/22.	N/A	04-10-2021	12:00 pm
4.	Panel of service providers to assist with revenue enhancement for Raymond Mhlaba. SCMU01/REV/21/22.	N/A	04-10-2021	12:00 pm

The minimum specifications are detailed in the Bid document.

Bid documents will be available from the Budget & Treasury Department upon payment of a **non-refundable** fee of R300 (Three Hundred Rand) for each document (either in cash or by means of a bank guaranteed cheque) made payable to Raymond Mhlaba Municipality. The deposit is to be paid at the Budget and Treasury Office, Corner of Campbell and Market Street, Fort Beaufort, between 09h30 and 15h00 prior to the collection of the bid documents. The documents will be available on Friday, 10 September 2021.

Enquiries should be addressed to Mr D Mlenzana at 046 645 7411 or email: dmlenzana@raymondmhlaba.gov.za or alternatively Mr A. Tunce 046 645 7411 or email: atunce@raymondmhlaba.gov.za

Completed bid documents are to be placed in a sealed envelope endorsed the relevant bid and must be deposited in the Bid Box at the Budget and Treasury Office: Corner of Campbell and Market Street, Fort Beaufort Town Hall, 5720, not later than 12h00pm at the dates indicated above.

PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT (PPPFA) POINTS WILL BE AWARDED AS FOLLOWS:

Price	80 points
BBBEE status	20 points
TOTAL	100 points

BIDDERS SHALL TAKE NOTE OF THE FOLLOWING BID CONDITIONS:

- The Raymond Mhlaba Municipality Supply Chain Management Policy will apply;
- The Raymond Mhlaba Municipality does not bind itself to accept the lowest bid or any other bid and reserves the right to accept the whole or part of the bid;
- Bids which are late, incomplete, not completed in black ink, unsigned or submitted by facsimile or electronically, will not be accepted;
- Bids submitted are to hold good for a period of 90 days;
- Bids that do not meet a minimum of 70 points will not be considered further.
- Bidders must submit their municipal rates and services accounts or lease agreements (failure to submit will lead to disqualification).
- CIDB Proof of registration.

Ms U.T. Malinzi
Municipal Manager



**RAYMOND
MHLABA
MUNICIPALITY**
EVANSDALE STREET, FORT BEAUFORT

Tel: 046 645 7400/7451 | Fax: 046 645 2562
8 Somerset Street | Fort Beaufort, 5720 | P.O.Box 36, Fort Beaufort, 5720

29th November 2021

Brandrive Trading (Pty) Ltd
P. O Box 47
Tsono
5400

Sir / Madam

Cell No: 072 088 0164
Email: brandrive045@gmail.com

**PROJECT NAME: PANEL OF SERVICE PROVIDERS TO ASSIST WITH REVENUE ENHANCEMENT
FOR RAMOND MHLABA
BID NO(SCMU01/REV/21/22).**

We are pleased to inform you that Brandrive Trading (PTY) LTD has been appointed to form part of the panel to assist with revenue enhancement for Raymond Mhlaba municipality ,for a period of 24 months at 15% commission.

ACCEPTANCE OF APPOINTMENT

Kindly formalise our agreement by confirming your acceptance of the conditions contained in this appointment in writing within seven (7) calendar days of the date of this letter. Your acceptance must be submitted to the Chief Financial Officer: Corner of Campbell and Market Street, Fort Beaufort 5720.

Your acceptance of this appointment will render this letter a formal instruction to commence work on the project.

We look forward to your participation in the project and to its successful completion.

Yours faithfully

U.T.MALINZI
MUNICIPAL MANAGER

RAYMOND MHLABA MUNICIPALITY

TPM

ACCEPTANCE OF APPOINTMENT

PROJECT NAME: PANEL OF SERVICE PROVIDERS TO ASSIST WITH REVENUE ENHANCEMENT
FOR RAMOND MHLABA
BID NO(SCMU01/REV/21/22).


I, TOZAMA NJOTINA the authorised representative of BRANDRIVE hereby accept the appointment for the above project in accordance with the terms and conditions detailed in the Letter of Appointment.

Our representative on the project team responsible for the implementation of the project is

TOZAMA NJOTINA.....(NAME AND SURNAME)

Signed: 

Date: 14 DEC. 2021

Witness: 

Date: 14 DEC. 2021

RAYMOND MHLABA MUNICIPALITY



Tel: 046 645 7400/7451 Fax: 046 645 2562

8 Somerset Street Fort Beaufort, 5720 | P.O.Box 36, Fort Beaufort, 5720

29th November 2021

Upsurge Construction and Projects (Pty) Ltd
P. O Box 12158
Brandhof
Bloemfontein
Free State
9301

Sir / Madam

Cell No: 078 803 1781
Email: upsurgecon@gmail.com

PROJECT NAME: PANEL OF SERVICE PROVIDERS TO ASSIST WITH REVENUE ENHANCEMENT FOR RAYMOND MHLABA :BID NO(SCMU01/REV/21/22).

We are pleased to inform you that Upsurge Construction and Projects (PTY) LTD has been appointed to form part of the panel to assist with revenue enhancement for Raymond Mhlaba municipality ,for a period of 24 months at 18% commission.

ACCEPTANCE OF APPOINTMENT

Kindly formalise our agreement by confirming your acceptance of the conditions contained in this appointment in writing within seven (7) calendar days of the date of this letter. Your acceptance must be submitted to the Chief Financial Officer: Corner of Campbel and Market Street, Fort Beaufort 5720.

Your acceptance of this appointment will render this letter a formal instruction to commence work on the project.

We look forward to your participation in the project and to its successful completion.

Yours faithfully



U.T.MALINZI
MUNICIPAL MANAGER

RAYMOND MHLABA MUNICIPALITY



**RAYMOND
MHLABA**
MUNICIPALITY
UMANYANO SIFUMELILE

Tel: 046 645 7400/7451 | Fax: 046 645 2562
8 Somerset Street | Fort Beaufort, 5720 | P.O.Box 36, Fort Beaufort, 5720

BID REPORT

COMPLIED BY:



X. PANTZI
MANAGER: SUPPLY CHAIN MANAGEMENT

RECOMMENDED BY:



U.T. MALINZI
MUNICIPAL MANAGER

DATE: SEPTEMBER 2021

RAYMOND MHLABA MUNICIPALITY



PANEL OF SERVICE PROVIDERS FOR PLANT HIRING

SCMU25/PAN/20/21

No.	Date	Name of Project	Name of Service Provider	Amount	Address
1	03 August 2021	Panel of Service Providers for Plant Hiring	Soyama Construction Services	R 4 107.80 p/h	13 Beacon Park 21 Pell Street Beacon Bay 5241
2	03 August 2021	Panel of Service Providers for Plant Hiring	Alomna Construction and Plant hire	R 4 318.25 p/h	16 Nimrod Street Amalinda East London 5252
3	03 August 2021	Panel of Service Providers for Plant Hiring	Mldmar Plan Hire cc	R 5 657.86 p/h	38 Alexandar Road Watmead 3610
4	03 August 2021	Panel of Service Providers for Plant Hiring	Ekene Investments cc	R 4 662.10 p/h	11 Fan610 Place Westmead 3610
5	03 August 2021	Panel of Service Providers for Plant Hiring	Mane Tane Pty Ltd	R 4 45.50 p/h	20 Bert Kipling Road Wilsonia East London 5247

Email: classified@dailydispatch.co.za
Call us: 043 743 4343
Fax: 043 743 5159

Classified

Advertisement for VUVISWA LETTICIA SIVEROO, a funeral director for the late NODUMALISA LUCRETTA SIBIDASE.

Advertisement for NODUMALISA LUCRETTA SIBIDASE, a funeral director for the late VUVISWA LETTICIA SIVEROO.

Advertisement for NODUMALISA LUCRETTA SIBIDASE, a funeral director for the late VUVISWA LETTICIA SIVEROO.

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Advertisement for NODUMALISA LUCRETTA SIBIDASE, a funeral director for the late VUVISWA LETTICIA SIVEROO.

Advertisement for NODUMALISA LUCRETTA SIBIDASE, a funeral director for the late VUVISWA LETTICIA SIVEROO.

The BusinessHub advertisement featuring various services like MAX, ACADEMY OF TRAINING AND DEVELOPMENT, TITI FUNERALS, MAQOLO, and INVESTIGATIVE SERVICES.



MHLABA

046 645 7400/7451 : 046 645 2562
8 Somerset Street Fort Beaufort, 5720 P.O.Box 36, Fort Beaufort, 5720

Mane Tane (Pty) Ltd
20 Bert Kipling road
Wilsonia
East London
5247

Sir/Madam

Cell No: 060 525 7197
Email: info@manetane.com

PROJECT NAME: PANEL OF SERVICE PROVIDERS FOR PLANT HIRING.
BID NO(SCMU25/PAN/20/21).

This letter serves to inform you that, Messrs Mane Tane (Pty) Ltd has been appointed to form part of the panel to render plant hiring services for the period of 3 years from the date of this letter. As per your proposal, the total appointment amount value is R 4 496.50 per year. In addition, the municipality offers 10% of the markup as it was a requirement for items other than those set out in the pricing schedule.

ACCEPTANCE OF APPOINTMENT

Kindly formalise our agreement by confirming your acceptance of the conditions contained in this appointment in writing within seven (7) calendar days of the date of this letter. Your acceptance must be submitted to the Chief Financial Officer: Corner of Campbell and Market Street, Fort Beaufort 5720.

Your acceptance of this appointment will render this letter a formal instruction to commence work on the project.

We look forward to your participation in the project and to its successful completion.

Yours Faithfully


MS. U. T. MALINZI
MUNICIPAL MANAGER

DATE.....03/08/2021.....

RAYMOND AHLABA MUNICIPALITY

ACCEPTANCE OF APPOINTMENT

PROJECT NAME: PANEL OF SERVICE PROVIDERS FOR PLANT HIRING.
BID NO(SCMU25/PAN/20/21).

I, LERATO TAMAKLOE, the authorised representative of MANE TANE (Pty) Ltd hereby accept the appointment for the above project in accordance with the terms and conditions detailed in the Letter of Appointment.

Our representative on the project team responsible for the implementation of the project is

JANINE ESBEND.....(NAME AND SURNAME)

Signed: [Signature]

Date: 29/09/2021

Witness: [Signature]

Date: 29/09/2021

RAYMOND MBLABA MUNICIPALITY



MHLABA

046 645 7400/7451 046 645 2562
8 Somerset Street Fort Beaufort, 5720 · P.O.Box 36, Fort Beaufort, 5720

Ekene Investment cc
11 Fan610 Place
Westmead
3610

Sir/Madam

Cell No: 0664846157
Email: tenders@ekeneinvestment.co.za

**PROJECT NAME: PANEL OF SERVICE PROVIDERS FOR PLANT HIRING,
BID NO(SCMU25/PAN/20/21).**

This letter serves to inform you that, Messrs Ekene Investment cc has been appointed to form part of the panel to render plant hiring services for the period of 3 years from the date of this letter. As per your proposal, the total appointment amount value is R 4662.10 per hour.

ACCEPTANCE OF APPOINTMENT

Kindly formalise our agreement by confirming your acceptance of the conditions contained in this appointment in writing within seven (7) calendar days of the date of this letter. Your acceptance must be submitted to the Chief Financial Officer: Corner of Campbell and Market Street, Fort Beaufort 5720.

Your acceptance of this appointment will render this letter a formal instruction to commence work on the project.

We look forward to your participation in the project and to its successful completion.

Yours Faithfully



MS. U. T. MALINZI
MUNICIPAL MANAGER

DATE 03/08/2021

RECEIVED BY: [Signature]

ACCEPTANCE OF APPOINTMENT

PROJECT NAME: PANEL OF SERVICE PROVIDERS FOR PLANT HIRING.
BID NO(SCMU25/PAN/20/21).

I, AQUIN NAICKER, the authorised representative of GIENE INVESTMENTS CC, hereby accept the appointment for the above project in accordance with the terms and conditions detailed in the Letter of Appointment.

Our representative on the project team responsible for the implementation of the project is

DESMOND MUNSAMY.....(NAME AND SURNAME)

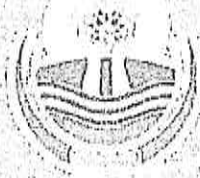
Signed: [Signature]

Date: 30-09-2021

Witness: [Signature]

Date: 30-09-2021

PARAFRESDA 6/11/2021 (Sudhakar)



RAYMOND MHLABA
MHLABA

RAYMOND MHLABA MUNICIPALITY

Tel: 046 645 7400/7451 Fax: 046 645 2562

8 Somerset Street Fort Beaufort, 5720 : P.O.Box 36, Fort Beaufort, 5720

Midmar Plan hire cc
39 Alexander Road
Weatmead
3610

Sir/Madam

Cell No: 0825017494
Email: infor@midmarplant.co.za

PROJECT NAME: PANEL OF SERVICE PROVIDERS FOR PLANT HIRING.
BID NO(SCMU25/PAN/20/21).

This letter serves to inform you that, Messrs Midmar Plan Hire cc has been appointed to form part of the panel to render plant hiring services for the period of 3 years from the date of this letter. As per your proposal, the total appointment amount value is R 5 657.86 per hour. In addition, the municipality offers 10% of the markup as it was a requirement for Items other than those set out in the pricing schedule.

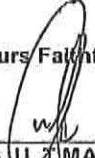
ACCEPTANCE OF APPOINTMENT

Kindly formalise our agreement by confirming your acceptance of the conditions contained in this appointment in writing within seven (7) calendar days of the date of this letter. Your acceptance must be submitted to the Chief Financial Officer: Corner of Campbell and Market Street, Fort Beaufort 5720.

Your acceptance of this appointment will render this letter a formal instruction to commence work on the project.

We look forward to your participation in the project and to its successful completion.

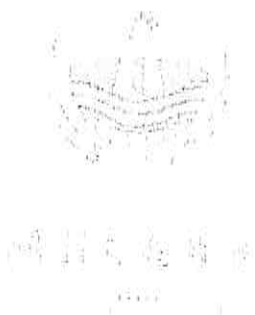
Yours Faithfully



MS. U. TIMALINZI
MUNICIPAL MANAGER

DATE.....03/08/2021.....

RAYMOND MHLABA MUNICIPALITY



046 645 7403/7451 046 645 2562
8 Somerset Street Fort Beaufort, 5720 P.O.Box 36, Fort Beaufort, 5720

Alomna Construction and Plant hire
16 Nimrod Street
Amalinda
East London
5252

Sir/Madam

Cell No: 0728163598
Email: infor@alomna.co.za

PROJECT NAME: PANEL OF SERVICE PROVIDERS FOR PLANT HIRING.
BID NO(SCMU25/PAN/20/21).

This letter serves to inform you that, Messrs Alomna Construction and Plant hire has been appointed to form part of the panel to render plant hiring services for the period of 3 years from the date of this letter. As per your proposal, the total appointment amount value is R 4 318.25 per hour. In addition, the municipality offers 10% of the markup as it was a requirement for items other than those set out in the pricing schedule.

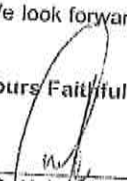
ACCEPTANCE OF APPOINTMENT

Kindly formalise our agreement by confirming your acceptance of the conditions contained in this appointment in writing within seven (7) calendar days of the date of this letter. Your acceptance must be submitted to the Chief Financial Officer: Corner of Campbell and Market Street, Fort Beaufort 5720.

Your acceptance of this appointment will render this letter a formal instruction to commence work on the project.

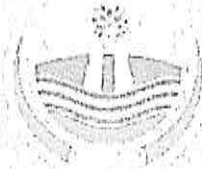
We look forward to your participation in the project and to its successful completion.

Yours Faithfully



MS. U. T. MALINZI
MUNICIPAL MANAGER

DATE 03/08/2021



MHLABA

Municipal Housing and Land Use Administration

046 645 7400/7451 046 645 2562

8 Somerset Street Fort Beaufort, 5720 P.O.Box 36, Fort Beaufort, 5720

Soyama Construction Services cc
13 Beacon Park
21 Pell Street
Beacon Bay
5241

Sir/Madam

Cell No: 0833173833
Email: soyamagroup26@gmail.com

PROJECT NAME: PANEL OF SERVICE PROVIDERS FOR PLANT HIRING.
BID NO(SCMU25/PAN/20/21).

This letter serves to inform you that, Messrs **Soyama Construction Services cc** has been appointed to form part of the panel to render plant hiring services for the period of 3 years from the date of this letter. As per your proposal, the total appointment amount value is R 4 107.80 per hour. In addition, the municipality offers 10% of the markup as it was a requirement for items other than those set out in the pricing schedule.

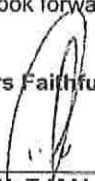
ACCEPTANCE OF APPOINTMENT

Kindly formalise our agreement by confirming your acceptance of the conditions contained in this appointment in writing within seven (7) calendar days of the date of this letter. Your acceptance must be submitted to the Chief Financial Officer: Corner of Campbel and Market Street, Fort Beaufort 5720.

Your acceptance of this appointment will render this letter a formal instruction to commence work on the project.

We look forward to your participation in the project and to its successful completion.

Yours Faithfully



MS. U. T. MALINZI
MUNICIPAL MANAGER

DATE.....03/08/2021.....

Municipal Housing and Land Use Administration

ACCEPTANCE OF APPOINTMENT

PROJECT NAME: PANEL OF SERVICE PROVIDERS FOR PLANT HIRING.
BID NO(SCMU25/PAN/20/21).

I, WS Malusi, the authorised representative of Sigma Construction Services, hereby accept the appointment for the above project in accordance with the terms and conditions detailed in the Letter of Appointment.

Our representative on the project team responsible for the implementation of the project is

Nonga Smtembile Malusi (NAME AND SURNAME)

Signed: [Signature]

Date: 30 Sept 2021

Witness: [Signature]

Date: 30/09/2021

RAYMOND SEHLABA MUNICIPALITY

ITEM 10/2022

AUTHOR: ACTING CFO – N HILL

UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE PREVENTION AND REDUCTION STRATEGY

1. PURPOSE

The purpose of the report is to inform the standing committee on Finance about the Prevention and Reduction strategy in place for unauthorised, irregular, fruitless and wasteful expenditure for noting.

2. LEGAL FRAMEWORK

Section 62 of the Municipal Finance Management Act, Act 56 of 2003

AUTHORITY

Section 62 of the Municipal Finance Management Act No 56 of 2003 instructs the Accounting Officer to take all necessary steps to ensure that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorization, withdrawal and payments of funds to avoid UIFW expenditure.

3. BACKGROUND

In terms of section 62 of the Municipal Finance Management Act No. 56 of 2003 (herein referred to as “MFMA”), the accounting officer is responsible for managing the financial affairs of Raymond Mhlaba Municipality and must, for this purpose, inter alia:

- Take all reasonable steps to ensure that unauthorised, irregular, or fruitless and wasteful expenditure and other losses are prevented; and
- Ensure that disciplinary or, when appropriate, criminal proceedings are instituted against any official or councillor who has allegedly committed an act of financial misconduct or an offence in terms of Chapter 15 of the MFMA.
 - This is to ensure the effective, efficient, and transparent systems of financial, risk management and internal control.

4. STRATEGIC IMPLICATIONS

Ensuring the Municipality is financially sustainable and meets its financial obligations

5. FINANCIAL IMPLICATIONS

None

6. RECOMMENDATIONS

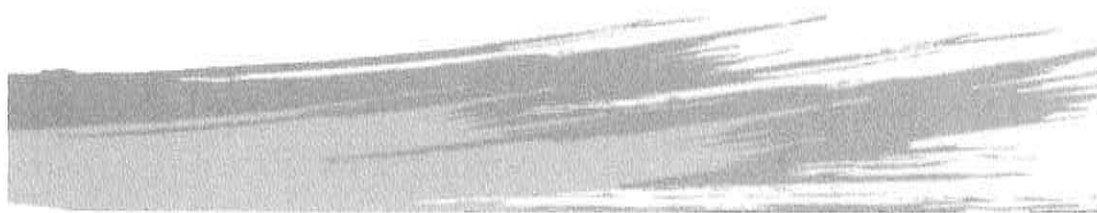
It is **RECOMMENDED** that:

- 1) The Standing Committee notes the report on the unauthorised, irregular, fruitless and Wasteful expenditure prevention and reduction strategy.



**RAYMOND
MHLABA**
MUNICIPALITY

UMANYANO KUPHUKHULO



RAYMOND MHLABA EC129

**UNAUTHORISED, IRREGULAR, FRUITLESS AND
WASTEFUL EXPENDITURE PREVENTION AND
REDUCTION POLICY**

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1. Acronyms

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9.2.6 Could the expenditure have been avoided had reasonable care been taken?

9.2.6.1 Was all the available information at the time considered?

9.2.6.2 Were correct policies and proper procedures followed?

9.2.6.3 Were the necessary approvals obtained?

9.2.6.4 Were the principles as outlined in point 4 above followed?

This will address the issue of fruitless and wasteful expenditure.

9.3 Expenditure can be found to be fruitless and wasteful even if it was made within a given delegation of authority. This would be the result of a poor decision to spend (a decision causing a loss but that was made rationally, having regard to all the relevant information at hand at the time the decision was taken, would not be classified as fruitless and wasteful).

9.4 Potential losses or losses that are not quantifiable should only be reported on once actually incurred. In such instances, active steps must be taken where possible to reduce or eliminate the potential loss.

9.5 If reasonable care was indeed exercised, but the expenditure turns out to be fruitless and wasteful, then it would not be reportable in terms of this procedure.

9.6 As long as a person acted reasonably in the light of all the relevant available information at the time that the decision to incur the costs was made, then such expenditure would not subsequently be regarded as reportable if it turns out to be fruitless and wasteful.

9.7 However, acting reasonably presumes that, where possible, steps are taken to stop or minimise any further losses once it becomes apparent that the expenditure is likely to be fruitless and wasteful. If not, the further losses arising because of a failure to take corrective action will consequently become reportable.

10. REPORTING ON UNAUTHORISED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE

10.1 Reporting of unauthorised, irregular or fruitless and wasteful expenditure must be done at the appropriate level, as follows:

10.1.1 A Councillor of the RMLM, must be reported to the Speaker of the Council;

10.1.2 the MM and Speaker, must be reported to the Mayor;

10.1.3 all other municipal officials, must be reported to the MM;

10.2 All reports made by officials and councillors must be treated with the utmost confidentiality.

10.3 The MM must promptly inform the Mayor, the Provincial Minister for Local Government and the Auditor-General, in writing:

10.3.1 of any unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality;

10.3.2 whether any person is responsible or under investigation for such unauthorised, irregular or fruitless and wasteful expenditure; and

10.3.3 the steps that have been taken to:

10.3.3.1 recover or rectify such expenditure; and

10.3.3.2 prevent a recurrence of such expenditure.

10.4 All expenditure classified as unauthorised, irregular or fruitless and wasteful expenditure must be reported to:

10.4.1 The MM as AO on a quarterly basis;

10.4.2 The Council on a quarterly basis; and

10.5 In accounting for unauthorised, irregular or fruitless and wasteful expenditure, the MM or delegated officials must ensure that all such expenditure is disclosed in the annual financial statements as required by the MFMA.

