

9.

PROPOSED AMENDMENT OF CONTRACT SC 1892/2018: OPERATION OF THE GANSBAAI LANDFILL SITE, STANFORD PUBLIC DROP-OFF FACILITY AND PEARLY BEACH DROP-OFF FACILITY FOR A CONTRACT PERIOD ENDING 30 NOVEMBER 2032

8/2/1

C Mitchell

14 August 2019

(028) 313 5045

Corporate Head Office

1. Executive Summary

The purpose of this report is to provide the necessary information and motivation for the proposed amendment of Contract Number SC1892/2018: Operation of the Gansbaai Landfill Site, Stanford Public Drop-off Facility and Gansbaai Drop-off Facility for a contract period ending 30 November 2032, in terms of the enabling provisions of Section 116(3) and 33 of the Local Government: Municipal Finance Management Act 2003 (Act No. 56 of 2003) (MFMA), to enable Council to make an informed decision whether to consent to the amendment of the contract.

2. Service Delivery and Budget Implementation Plan - IGNITE

Directorate: Infrastructure & Planning

Department: Engineering Planning, Solid Waste Planning section

3. Compliance with Strategic Priorities

Provision of democratic, accountable and ethical governance

Provision and maintenance of municipal services

Creation and maintenance of a safe and healthy environment

4. Delegated Authority

None

5. Legal Requirements

Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA)

National Environmental Management: Waste Act, 2008 (Act 59 of 2008)

Overstrand Municipality Supply Chain Management Policy as amended

Overstrand Municipality Contract Management Policy as amended

National Treasury MFMA Circular 73

6. Background/Evaluation/Conclusion**Background**

Contract SC1892/2018 for the Operation of the Gansbaai Landfill Site, Stanford Public Drop-off Facility and Gansbaai Drop-off Facility for a contract period ending 30 November 2032 was awarded to Enviroserv Waste Management (Pty) Ltd on 04 December 2018, and approved by Council in terms of section 33 of the MFMA on 27 February 2019 (refer to Annexure B), and will terminate on 30 November 2032. Due to the unforeseen consequences of the new national minimum wage Gazetted in November 2018 Enviroserv have approached the Overstrand Municipality to amend certain of the rates affected.

MFMA Section 116(3) process

Section 116(3) of the MFMA provides as follows:

“116(3) A contract or agreement procured through the supply chain management policy of a municipality or municipal entity may be amended by the parties, but only after-

- (a) the reasons for the proposed amendment have been tabled in the council of the municipality; and*
- (b) the local community -*
 - (i) has been given reasonable notice of the intention to amend the contract or agreement; and*
 - (ii) has been invited to submit representations to the municipality or municipal entity.”*

The proposed amendment of contract SC1892/2018 was advertised for public comment as follows (refer to Annexure F):

Date of Advertising:	05 June 2019
Method of Advertising:	Gansbaai Courant, Overstrand Herald, The Village News and Overstrand Website
Closing Date for Comments:	05 July 2019

No comments were received by the closing date.

Section 116 (3) of the MFMA should be read together with MFMA Circular No. 73, issued by National Treasury, in May 2013. In terms of the said circular, the following power/duty was conferred to Council, which is cited as follows (emphasis added):

“Considering the reasons for the proposed amendment of a contract or agreement and any representations that may have been received regarding the proposed amendment of a contract or an agreement procured through the supply chain management policy of the municipality and deciding

whether to consent to the amendment of the contract or agreement
(emphasis added).

Section 33 of the MFMA provides as follows:

33. (1) A municipality may enter into a contract which will impose financial obligations on the municipality beyond a financial year, but if the contract will impose financial obligations on the municipality beyond the three years covered in the annual budget for that financial year, it may do so only if—

- (a) the municipal manager, at least 60 days before the meeting of the municipal council at which the contract is to be approved—
 - (i) has, in accordance with section 21A of the Municipal Systems Act—
 - (aa) made public the draft contract and an information statement summarising the municipality's obligations in terms of the proposed contract; and
 - (bb) invited the local community and other interested persons to submit to the municipality comments or representations in respect of the proposed contract; and
 - (ii) has solicited the views and recommendations of—
 - (aa) the National Treasury and the relevant provincial treasury;
 - (bb) the national department responsible for local government; and
 - (cc) if the contract involves the provision of water, sanitation, electricity, or any other service as may be prescribed, the responsible national department;
- (b) the municipal council has taken into account—
 - (i) the municipality's projected financial obligations in terms of the proposed contract for each financial year covered by the contract;
 - (ii) the impact of those financial obligations on the municipality's future municipal tariffs and revenue;
 - (iii) any comments or representations on the proposed contract received from the local community and other interested persons; and
 - (iv) any written views and recommendations on the proposed contract by the National Treasury, the relevant provincial treasury, the national department responsible for local government and any national department referred to in paragraph (a)(ii)(cc); and
- (c) the municipal council has adopted a resolution in which—
 - (i) it determines that the municipality will secure a significant capital investment or will derive a significant financial economic or financial benefit from the contract;
 - (ii) it approves the entire contract exactly as it is to be executed; and
 - (iii) it authorises the municipal manager to sign the contract on behalf of the municipality.

(2) The process set out in subsection (1) does not apply to—

- (a) contracts for long-term debt regulated in terms of section 46(3);
- (b) employment contracts; or
- (c) contracts—
 - (i) for categories of goods as may be prescribed; or
 - (ii) in terms of which the financial obligation on the municipality is below—
 - (aa) a prescribed value; or
 - (bb) a prescribed percentage of the municipality's approved budget for the year in which the contract is concluded.

(3) (a) All contracts referred to in subsection (1) and all other contracts that impose a financial obligation on a municipality—

- (i) must be made available in their entirety to the municipal council; and
- (ii) may not be withheld from public scrutiny except as provided for in terms of the Promotion of Access to Information Act, 2000 (Act No. 2 of 2000).

(b) Paragraph (a)(i) does not apply to contracts in respect of which the financial obligation on the municipality is below a prescribed value.

(4) This section may not be read as exempting the municipality from the provisions of Chapter 11 to the extent that those provisions are applicable in a particular case.

The procedures prescribed by section 33 of the MFMA have been duly followed. This report to Council concludes the section 33 process, and includes the projected financial obligations for each financial year and the impact of those financial obligations on Overstrand Municipality.

The following activities were completed, in accordance with section 33 of the MFMA:

- A public notice (refer to Annexure F) inviting comments from the local community and other interested persons was published in the local media and on the municipal web site on 05 June 2019 (i.e. more than 60 days before the Council meeting of 28 August 2019). No comment, input or inquiry was received before the closing date of 05 July 2019.
- An Information Statement (refer to Annexure E) discussing the proposed long term contract was made available to the public from 05 June 2019 on Overstrand Municipality's web site.
- The views and recommendations of the following stakeholders have been solicited from 28 June 2019 (refer to Annexure D): National Treasury, Provincial Treasury, the Department of Co-operative Governance and Traditional Affairs, the Department of Environmental Affairs & Development Planning and the Department of Environmental Affairs. No comment was received from any of the stakeholders by the closing date of 12 July 2019.

It is envisaged that the amendment to the long term contract will have the following financial and economic impact on the Overstrand Municipality as illustrated in the table below:

Item No.	Original Tender Tariff	Adjusted Tender Tariff	Estimated Monthly Additional Cost	Comments on Additional Cost Calculation
1	R221,137.99	R248,884.94	R27,716.95	Fixed cost item
5.1 & 5.2	R95.53	R101.49	R2,682.00	Rate difference x 450m3 = 5.96 x 450
7	R32,764.84	R36,890.45	R687.60	Only occurs twice a year ie monthly effect = 4,125.61 / 6
			R31,086.55	Total estimated monthly effect at start if approved.

This contract amendment would result in an estimated 8% increase to the overall budgeted contract cost.

Evaluation

The proposed amendment of Contract SC1892/2018 is for the following reasons:

- (a) The gazetted National Minimum Wage Act, Act 9 of 2018 which was Gazetted 27th November 2018, which specified a new minimum of R20.00 that came into effect on the 1st January 2019, had an unforeseen financial impact on the Enviroserv tendered rates which were calculated at tender stage in July 2018 prior to the announcement of the new minimum wage.
- (b) It was a condition of the tender that no employee may be remunerated at a rate less than the minimum wage.
- (c) The new minimum wage is more than 60% above the tendered wages of the lowest level employees and the escalation clause in the contract did not make provision for this.

The contract is tariff based. The service provider has signed an Intent to Amend (refer to Annexure A), confirming his acceptance of the proposed amendment of the contract escalation clause. The remainder of the terms and conditions remain as per original tender.

Conclusion

As mentioned above the request is to amend the current escalation clause in the current contract, Part C.3.2 Contract Data, clause 17 as follows:

"In addition to the provisions of Part C 3.2 Contract Data clause 17: Price, should the minimum wage rate applicable and payable to affected staff members of the Contractor be statutorily increased during the subsistence of the contract, the difference between the increased minimum wage rate and the tendered rate or the rate in operation prior to the increase, will be paid to the Contractor in order to compensate it for said increase.

The Contractor accepts and agrees that in future it shall notify the Employer in writing at least 3 months in advance of any increase in the minimum wage rate, failing which no increase shall be considered and therefore paid"

All other terms and conditions of the contract remaining the same.

7. Financial Implications

Source of Funding: Operating Budget Provision

	2019/20	2020/21	2021/22
mSCOA Description	Outsourced Services: Mini Dumping sites	Operation of Hermanus Material Recovery Facility	Operation of Hermanus Material Recovery Facility
mSCOA Cost Account	13640200440000	13640200440000	13640200440000
mSCOA Business Key	20170525078506	20170525078506	20170525078506
Budget Provision (excl VAT)	R 13 306 540	R 14 131 790	R 15 015 310
Balance Available (excl VAT)	R 306 540	R 14 131 790	R 15 015 310
Total Estimated Expenditure (excl VAT)	R 397 906	R 422 024	R 447 759
Escalation (if any)	New escalation clause	New escalation clause	New escalation clause
Escalation Date	Monthly	Monthly	Monthly

Based on the previously approved tender tariffs and the anticipated waste volumes to be chipped, or transported, and/or disposed, the following estimations were made of the annual costs to be incurred for every year of this long term Service Level Agreement and are illustrated in the table below.

Financial Year	Original approved estimate of Work to be Done plus Escalation	Updated estimate including the 8% labour increase	Estimated additional cost over contract life
1/3/2019 -30/06/2019	1,563,312.15	1,688,377.12	125,064.97
2019 -2020	4,976,198.53	5,374,104.37	397,905.84
2020 -2021	5,277,847.84	5,699,874.10	422,026.26
2021 -2022	5,599,634.38	6,047,391.28	447,756.90
2022 -2023	5,942,946.71	6,418,155.48	475,208.77
2023 -2024	6,324,098.84	6,829,785.23	505,686.39
2024 -2025	6,703,034.69	7,239,021.47	535,986.78
2025 -2026	7,126,620.90	7,696,478.40	569,857.50
2026 -2027	7,588,047.35	8,194,801.35	606,754.00
2027 -2028	8,065,856.50	8,710,816.98	644,960.48
2028 -2029	8,576,106.14	9,261,867.11	685,760.97
2029 -2030	9,034,744.02	9,757,178.50	722,434.48
2030 -2031	9,453,809.05	10,209,752.73	755,943.68
2031 -2032	9,929,873.41	10,723,884.06	797,010.65
1/6/2032 -30/11/2032	4,203,571.16	4,546,926.84	343,355.68

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

Supply Chain Management

SCM compliance checks on the service provider were done and all verifications in terms of the SCM Policy were found to be in order, hence we are satisfied that the bidder comply in all respects.

The user department must ensure that the proposed amendment of the contract is in line with the fair, cost-effective, transparent, competitive and equitable principles of the Supply Chain Management system. Further, it is imperative that the amendment result to more efficient and effective systems in order to promote excellent service delivery to the community by the municipality. SCM supports the proposed amendment of the contract in terms of Section 116(3) and Section 33 of the Local Government: Municipal Finance Act no 56 of 2003.

Contract Management

It is confirmed that the content of this submission is in full compliance with the regulatory requirements of Section 116 (3) and Section 33 (MFMA, 2003)

and the Overstrand Supply Chain – and Contract Management Policy Frameworks. Since the contract is of a tariff nature, and the contract value could not be determined from the beginning of the contract, Circular 62 of National Treasury recommends that the public participation process be followed to amend the contract (section 116 (3) of the MFMA).

The period advertised for public comments and recommendations ended on 05 July 2019 for the community and 12 July 2019 for Department of Environmental Affairs, National Treasury, Department of Local Government. Cognisance should be taken that no recommendations or representations were received from local community or mentioned state departments by 05 July 2019 and 12 July 2019 respectively.

10. Annexures

- Annexure A: Signed Intent to Amend
- Annexure B: Council Resolution 5.11 of 27 February 2019
- Annexure C: Original Bid Adjudication Committee Minutes of November 2018
- Annexure D: MFMA Section 116(3) and 33 Letter to Stakeholders
- Annexure E: MFMA Section 116(3) and 33 Information Statement
- Annexure F: MFMA Section 116(3) and 33 Public Notice

RECOMMENDATION TO THE COUNCIL:

1. that **cognisance be taken** of the reasons for the proposed amendment of Contract SC1892/2018 for the Operation of the Gansbaai Landfill Site, Stanford Public Drop-off Facility and Gansbaai Drop-off Facility for a contract period ending 30 November 2032, in terms of the enabling provisions of Section 116(3) and 33 of the Local Government: Municipal Finance Management Act 2003 (Act 56 of 2003), and that the amendment be **consented to**;
2. that **cognisance be taken** that no recommendations or representations were received from the local community or any other stakeholders by the closing date; and
3. that the Municipal Manager **be authorised** to sign the amendment to the long term contract on behalf of Overstrand Municipality

RESPONSIBLE OFFICIAL :

C MITCHELL

TARGET DATE FOR IMPLEMENTATION :

1 SEPTEMBER 2019

TARGET DATE TO INFORM APPLICANT :

2 SEPTEMBER 2019

TARGET DATE TO INFORM OBJECTOR :

N/A



OFFICE OF THE DIRECTOR:
INFRASTRUCTURE & PLANNING

Enquiries: Craig Mitchell
Date: 21 August 2019

ADDENDUM – INTENT TO AMEND A CONTRACT

The parties agree to the following intention to amend the existing contract SC1892/2018 with Enviroserv Waste Management (Pty) Ltd for the Operation of the Gansbaai Landfill, Stanford Public Drop-off and Pearly Beach drop-off for a contract period ending 30 November 2032, which was signed between them on 04th February 2019, and record this was done freely and willingly, without any coercion whatsoever from any one party:

The parties agree to the amendment of the escalation clause in the current contract, Part C 3.2 Contract Data, clause 17, as follows:

"In addition to the provisions of Part C 3.2 Contract Data clause 17: Price, should the minimum wage rate applicable and payable to affected staff members of the Contractor be statutorily increased during the subsistence of the contract, the difference between the increased minimum wage rate and the tendered rate or the rate in operation prior to the increase, will be paid to the Contractor in order to compensate it for said increase.

The Contractor accepts and agrees that in future it shall notify the Employer in writing at least 3 months in advance of any increase in the minimum wage rate, failing which no increase shall be considered and therefore paid"

All other terms and conditions of the contract remaining the same.

The supplier acknowledges that they do have the capacity to fulfil the obligation as set out in the terms and conditions.

The parties agree that the amendment of the contract is subject to the completion of a Supply Chain Management process, including completing processes as prescribed by sections 116(3) and 33 of the Municipal Finance Management Act.

The parties further agree to commit to this amendment of contract after the date of completion of the prescribed Supply Chain Management processes.

Thus done and signed at Hermanus this 21st day of August 2019 in the presence of the undersigned witnesses

WITNESSES:


1.*[Signature]*.....
2.*[Signature]*.....

.....*[Signature]*.....
for and on behalf of Enviroserv Waste Management (Pty) Ltd:
Alan Oosthuizen, General Manager Coastal & Francois du Plessis, Regional Manager Western Cape

Thus done and signed at Hermanus this 21st day of August 2019 in the presence of the undersigned witnesses:

WITNESSES:

- 1. W. J. J. J.
- 2. A. J. J. J.


.....
for and on behalf of Overstrand Municipality: Stephen Müller
Director: Infrastructure & Planning

5.11

LONG TERM CONTRACT FOR THE OPERATION OF THE GANSBAAI LANDFILL SITE AND THE STANFORD AND PEARLY BEACH PUBLIC DROP OFF FACILITIES FOR A CONTRACT PERIOD ENDING 30 NOVEMBER 2032

(ITEM 7, PAGE 21 : MAYORAL COMMITTEE MEETING : 27 FEBRUARY 2019)

RESOLVED (SUPPORTED BY 23 COUNCILLORS):

1. that Council **take cognisance** of the fact that no response was received from the public or any other stakeholder following the invitation for comments, representations, views and recommendations in respect of the proposed long term contract between Overstrand Municipality and Enviroserv Waste Management (Pty) Ltd for the operation of the Gansbaai Landfill Site, in terms of the enabling provisions of Section 33 of the Local Government: Municipal Finance Management Act 2003 (Act 56 of 2003);
2. that the significant economic financial benefit from the long term contract for the municipality **be noted**;
3. that the long term contract for the Operation of the Gansbaai Landfill Site and Public Drop-Off Facilities at Stanford and Pearly Beach **be approved**; and
4. that the Municipal Manager be authorised to sign the long term contract on behalf of Overstrand Municipality.

RESPONSIBLE OFFICIALS :**H BLIGNAUT
J VAN TAAK****TARGET DATE FOR IMPLEMENTATION :****1 MARCH 2019**



BID ADJUDICATION COMMITTEE MEETING

ATTENDANCE REGISTER & UNDERTAKING OF CONFIDENTIALITY AND IMPARTIALITY

Date: 2018.11.30

I, the undersigned, hereby declare:

- that all information, documentation and decisions regarding any matter before the committee are confidential and undertake not to make known anything in this regard
- that I will treat all providers and potential providers equitably and will not purposefully favour or prejudice anybody
- that I will make known details of any private or business interest which I, or any close family member, partner or associate may have in any proposed procurement or disposal process of, or in any award or contract and that I will immediately withdraw from participating in any manner whatsoever

NAME	DEPARTMENT / SECTION MUNICIPALITY	SIGNATURE
S Reynolds-Nawole	Finance	
R. Williams	Comm Serv	
N.A. Michaels	Prod. Dev.	
DSARRISON	Man Serv	
S. Mülle	Intra & Plan	
MANRE BLIGNAUT	ENG PLANNING	
Ron van Jaal	Intal Waste	
Vivian WITBOOI	SCM	
Xolile Kosi	LED	
Clint Le Roux	SCM	
S. Immelman	SCM	

ck

Office of the
Director: Economic, Social
and Tourism Development

MEMORANDUM

Kantoor van die
Director: Economic, Social
and Tourism Development

e-mail: smadikane@overstrand.gov.za

Tel: 028 – 313 8066

Fax: 086 568 9726

The Executive Mayor

APPOINTMENT OF ACTING DIRECTOR : MR XOLILE KOSI

Section 56(1)(a)(ii) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended by section 3 of the Local Government: Municipal Systems Amendment Act, 2011 (Act 7 of 2011) with effect from 5 July 2011, provides as follows:

"A municipal council, after consultation with the municipal manager, must appoint-

- (i)
- (ii) an acting manager directly accountable to the municipal manager under circumstances and for a period as prescribed."

Council resolved on 1 June 2011 *inter alia* as follows:

"Item 7: DELEGATED POWERS TO EXECUTIVE MAYOR

RESOLVED (UNANIMOUSLY)

1. that the Principles and Conditions of Delegation, pages 30-36 to item 7 which served before Council on 1 June 2011, be re-confirmed; and
2. that all powers not reserved by law for full council, be delegated to the executive mayor."

The Director: Economic, Social and Tourism Development will be out of the office from 19 November 2018 till 30 November 2018. It is recommended that you appoint Mr Xolile Kosi Manager - LED as Acting Director: Economic, Social and Tourism Development for this period, in terms of your Delegated Powers referred to above.



15 / 11 / 2018

Solomzi Madikane
Director: Economic, Social and Tourism Development


Recommendation approved / ~~not approved~~ / approved with the following amendments



C. GREENWALD
MUNICIPAL MANAGER

16 / 11 / 2018

Recommendation approved / ~~not approved~~ / approved with the following amendments:



ALD DUDLEY COETZEE
EXECUTIVE MAYOR

16 / 11 / 2018

PO Box 20
HERMANUS
7200

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HERMANUS
7200

cd

Minutes of the Proceedings of a meeting of the Bid Adjudication Committee held in the SCM Committee Room, Hermanus, on Friday, 30 November 2018 at 08:00.



Minutes of the Proceedings of a meeting of the
Bid Adjudication Committee, held in the
SCM Committee Room, Hermanus
at 08:00 on Friday, 30 November 2018.

OFFICIALS PRESENT:

Committee Members:

Ms. S G Reyneke-Naude	Director: Finance (Chairperson)
Ms. D Arrison	Director: Management Services
Mr. S Müller	Director: Infrastructure and Planning
Mr. R Williams	Director: Community Services
Mr. X Kosi	Acting Director: Economic Development & Tourism
Mr. N Michaels	Director: Protection Services
Mr. C Le Roux	Deputy Director: Finance & SCM

Technical Advisors:

Mr. I Witbooi	Manager: Demand & Procurement
Ms. S Immelman	Principal Clerk: SCM
Mr. H Blignaut	Deputy Director: Engineering Services
Mr. J van Taak	Manager: Solid Waste Planning

Minutes of the Proceedings of a meeting of the Bid Adjudication Committee held in the SCM Committee Room, Hermanus, on Friday, 30 November 2018 at 08:00.

6. ADJUDICATION OF TENDERS:

6.1 TENDER NO. SC 1892/2018: OPERATION OF GANSBAAI LANDFILL SITE, STANFORD PUBLIC DROP-OFF FACILITY AND PEARLY BEACH PUBLIC DROP-OFF FACILITY FOR A CONTRACT PERIOD ENDING 30 NOVEMBER 2032

The Director: Infrastructure & Planning, Mr S Müller vacated his chair as committee member of the Bid Adjudication Committee for the duration of the adjudication of this item.

That as the Deputy Director: Finance & SCM, Mr. C Le Roux was actively involved in the evaluation of this tender he vacated his chair as a member of the Bid Adjudication Committee.

Upon a proposal by the Director: Community Services, Mr. R Williams duly seconded by the Director: Management Services, Ms. D Arrison it was

RESOLVED TO RECOMMEND TO ACCOUNTING OFFICER:

- 1.1 That, as they submitted the only responsive bid, and whereas their rates are deemed to be market related and realistically priced, Tender no. **SC1892/2018: OPERATION OF GANSBAAI LANDFILL SITE, STANFORD PUBLIC DROP-OFF FACILITY AND PEARLY BEACH PUBLIC DROP-OFF FACILITY FOR A CONTRACT PERIOD ENDING 30 NOVEMBER 2032**, be awarded to:

Service provider / supplier:	Enviroserv Waste Management (Pty) Ltd	SCM supplier #	846
Service / goods provided:	Operation of the Gansbaai Landfill Site, the Stanford Waste Drop-Off Facility, and the Pearly Beach Waste Drop-Off Facility		
Vote:	Item description	Outsourced Serv: Mini Dumping Sites	
	Cost account	13640200440000	Business key 20170525078506
Amount (Excl. VAT):	Rates: refer to schedule below	Contingency:	Not applicable
Amount in words:	Rates: refer to schedule below		
Escalation percentage:	CPA Formula as specified under Sub-Clause 17 in the Contract Data	Escalation date:	Monthly
Contract owner:	S Müller	Contract champion:	J van Taak
CONTRACT PERIOD:			
Implementation date:	1 March 2019	End date:	30 November 2032
		Period:	14 Years or part thereof

- 1.2 That the award is subject to the successful completion of the process as required in terms of Section 33 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) for contracts exceeding the 3 year budget cycle and only be signed thereafter.

Minutes of the Proceedings of a meeting of the Bid Adjudication Committee held in the SCM Committee Room, Hermanus, on Friday, 30 November 2018 at 08:00.

ENVIROSERV WASTE MANAGEMENT LTD. SC1892/2018: OPERATION OF GANSBAAI LANDFILL SITE, STANFORD PUBLIC DROP-OFF FACILITY AND PEARLY BEACH DROP-OFF FACILITY FOR A CONTRACT PERIOD ENDING 30 NOVEMBER 2032 Schedule of Rates for 2018/19 at commencement of contract:			
ITEM	DESCRIPTION	UNIT	BASE RATE (Rand, excl. VAT)
SECTION A : PRELIMINARY AND GENERAL			
1	Lump sum per month based on providing the resources required for the operation and maintenance of the specified service and other contractual requirements.	Month	221 167.99
SECTION B: DISPOSAL OF GENERAL WASTE			
2	Receiving and handling of General Waste based on the total units of waste disposed per month, excluding suitable cover material, green waste and uncontaminated builder's rubble in accordance with the specifications and as measured over the weighbridge.		
2.1	Up to 1000 tonnes	Tonnes	29.31
2.2	More than 1000 and up to 1250 tonnes	Tonnes	29.31
2.3	More than 1250 and up to 1500 tonnes	Tonnes	22.68
2.4	More than 1500 and up to 1750 tonnes	Tonnes	19.19
2.5	More than 1750 tonnes	Tonnes	17.82
2.6	Extra over items 2.1 to 2.5 for operating the site after normal operating hours due to municipal trucks delivering waste after hours. Notice will be given by Municipality's Solid Waste Manager.	Tonnes	1 904.79
SECTION C: INCENTIVE AMOUNT FOR THE RECOVERY OF RECYCLING MATERIALS FROM SOURCE SEPARATED WASTE			
3	A variable payment based on the corresponding landfill airspace saving through the recovery of specific materials.		
3.1	Glass	Tonnes	31.00
3.2	Cardboard	Tonnes	96.00
3.3	Paper	Tonnes	54.00
3.4	PET	Tonnes	893.00
3.5	HDPE	Tonnes	658.00
3.6	Other Plastic	Tonnes	63.00
3.7	Beverage Cans	Tonnes	55.00
SECTION D: TRANSPORT OF CONTAINERS			
4	Transport of Waste-filled Hook-lift Open top Containers to the work face of Gansbaai Landfill from Public-drop-offs at:		
4.1	Pearly Beach	No	933.64
4.2	Stanford	No	987.26
4.3	Gansbaai Landfill	No	386.67
SECTION E: CHIPPING OF GARDEN WASTE			
5	Chipping of garden waste		
5.1	Stanford Drop-off	m ³	95.53
5.2	Gansbaai Landfill	m ³	95.53
SECTION F: PRIME COST ITEMS			
6	Prime cost amount for maintenance of landfill or Drop-off infrastructure Actual cost, as and when required, will be approved by the Municipality's Solid Waste Manager after submission of quotations	Sum	Actual Cost
SECTION G: WASTE CHARACTERISATION			
7	Conducting of a waste characterisation exercise at the Gansbaai Landfill when instructed by the municipality's Solid Waste Manager	No	32 764.84

Minutes of the Proceedings of a meeting of the Bid Adjudication Committee held in the SCM Committee Room, Hermanus, on Friday, 30 November 2018 at 08:00.

6.1 TENDER NO. SC 1892/2018:

OPERATION OF GANSBAAI LANDFILL SITE, STANFORD PUBLIC DROP-OFF FACILITY AND PEARLY BEACH PUBLIC DROP-OFF FACILITY FOR A CONTRACT PERIOD ENDING 30 NOVEMBER 2032

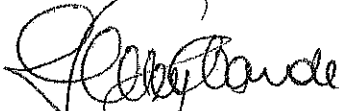
Certified as correct by:



Mr. C Le Roux
Deputy Director: Finance & SCM

04 December 2018

Date



Ms. SG Reyneke-Naude
Director: Finance (Chairperson)

4/12/2018

Date

RECOMMENDATION APPROVED / ~~NOT APPROVED~~



Mr. C Groenewald
Accounting Officer

4.12.2018

Date

CONFIDENTIAL

Navrae:
Enquiries: C Mitchell

Tel. No: 028 313 5045

Verwysing:
Reference: SC 1892/2018A



Datum:
Date: 11 June 2019

KANTOOR VAN DIE MUNISIPALE BESTUURDER
OFFICE OF THE MUNICIPAL MANAGER

To: National Treasury – Mr S Mkhwanazi (GTAC) & Mr W McComans (MFMA Implementation)
Provincial Treasury Western Cape – Ms J Gantana
Department of Co-operative Governance and Traditional Affairs (COGTA) – Mr T Lebohang
Department of Environmental Affairs & Development Planning – Mr E Hanekom
Department of Environmental Affairs – Mr M Mogotsi & Mr O Baloyi

PROPOSED AMENDMENT TO LONG TERM CONTRACT FOR THE OPERATION OF THE GANSBAAI LANDFILL SITE, THE STANFORD PUBLIC WASTE DROP-OFF FACILITY, AND THE PEARLY BEACH PUBLIC WASTE DROP-OFF FACILITY: NOTICE IN TERMS OF SECTION 33 OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003 (ACT NO. 56 OF 2003)

In terms of Section 33(1)(a)(ii) of the Local Government: Municipal Finance Management Act, 2003 (Act no. 56 of 2003) (MFMA), you are hereby notified of the Overstrand Municipality's intention to amend contract SC 1892/2018, which will impose a financial obligation beyond the three years covered in the budgets for the 2019/2020 to 2021/22 financial years.

As is required in terms of the MFMA, we hereby solicit your views and recommendations on the proposed long term contract amendment between Overstrand Local Municipality and Enviroserv Waste Management (Pty) Ltd, with regard to the operation of the Gansbaai Landfill and Public Waste Drop-Off Facilities at Stanford and Pearly Beach. The contract came into effect on 1 March 2019, for a contract period of nearly 14 years, until 30 November 2032. Please find attached the following information pertaining to the proposed amendment of the contract:

1. Annexure A: Information Statement
2. Annexure B: Signed Contract
3. Annexure C: Advertisement inviting the local community and interested stakeholders to submit representations on the proposed amendment of the long term contract.

Please express your views and recommendation(s), if any, to the undersigned on or before 05 July 2019, in order for my Council to take all representations into account for decision making, thereby giving effect to the provision of Section 33(1)(b)(i-iv) of the MFMA.

Yours sincerely



CC GROENEWALD
MUNICIPAL MANAGER



MFMA INFORMATION STATEMENT

AMENDMENT OF LONG TERM CONTRACT W.R.T. THE OPERATION OF THE GANSBAAI LANDFILL, PEARLY BEACH AND STANFORD PUBLIC DROP-OFFS, THE CHIPPING OF GARDEN WASTE, AND THE TRANSPORT OF CONTAINERISED WASTE FROM THE PUBLIC DROP-OFFS TO THE GANSBAAI LANDFILL

1. OBJECTIVE

Overstrand Municipality has made public its proposed Amendment to the long term contract with Enviroserv Waste Management Ltd, to whom the tender has been awarded following a competitive bidding process, with respect to the operation of the Gansbaai Landfill and Material Recovery Facility, the Pearly Beach and Stanford Public Drop-offs, the chipping of garden waste, and the transport of containerized waste from these Drop-offs to the Gansbaai Landfill. The amendment is subject to approval by the Municipal Council in terms of Section 33 of the Municipal Finance Management Act, Act no 56 of 2003 (MFMA).

Because the actual period of the proposed amendment of the long term Service Level Agreement is the estimated remaining lifespan of the landfill, currently being estimated to be fourteen (14) years, which is more than three (3) years, the Municipality has to comply with Section 33 of the MFMA.

The objective of this Information Statement is to inform the community and other interested parties of the amendment to the long term Service Level Agreement.

2. INVITATION

The local community and other interested parties are invited to submit comments or representations in respect of the proposed amendment of the long term contract to the Municipality.

3. PROCEDURE FOR SUBMISSION OF COMMENTS

Members of the local community and other interested parties are invited to submit comments or representations in respect of the amendment of the long term Service Level Agreement to:

Overstrand Municipality before 12:00 on Friday, 12 July 2019, in a sealed envelope clearly endorsed "Proposed amendment of Contract SC 1892/2018: For The Operation of the Gansbaai Landfill Site, Stanford Public Drop-off Facility and Pearly Beach Drop-off Facility for a Contract Period Ending 30 November 2032" and be deposited in Tender Box no. 7.

Written enquiries for clarification can be directed to Mr Craig Mitchell at e-mail address: cmitchell@overstrand.gov.za.

Any person who wishes to submit comments or representations in respect of the long term Service Level Agreement amendment, and who cannot write will be assisted by the

Director: Infrastructure and Planning or a person designated by him at the Overstrand Civic Centre, Hermanus, up to 12:00 on Friday, 12 July 2019.

4. PROJECT BACKGROUND

The Overstrand Municipality obtained an operating permit in terms of the Environment Conservation Act (Act 73 of 1989) and developed the Gansbaai Landfill site to serve as a waste disposal facility for the municipal solid waste generated in the Greater Gansbaai area. The site has a long term capacity up to approximately 2032, and the disposal area has been fully developed. The Municipality has also developed a Material Recovery Facility (MRF) near the entrance of the landfill to further separate the source separated recyclables collected by the Municipality in the Greater Gansbaai area. Chipping of bush waste off-loaded at the landfill also takes place in order to divert this material from landfilling.

The Overstrand Municipality has also developed Public Drop-offs at Stanford and Pearly Beach, where the public can off-load their ad hoc wastes, over and above the waste that is being collected weekly by the Municipality from door-to-door. These ad hoc wastes include garden waste, recyclables, small loads of builder's rubble, and other general waste. Chipping of bush waste takes place at Stanford drop-off and not at Pearly Beach Drop-off. All off-loaded waste, including the chipped bush waste at Stanford, are placed in containers and transported to the Gansbaai Landfill.

The duration of the amendment to the long term contract, once implemented, will be from the commencement date 1 March 2019, until 30 November 2032, which is currently estimated to be the last day of the useful life of the Gansbaai Landfill, given current waste volumes disposed there.

The reason for the proposed amendment is to allow the contract to make provision for the new national minimum wage which was Gazetted, and had an unforeseen effect on the operating costs of the successful tenderer.

5. LONG TERM SERVICE LEVEL AGREEMENT

The long term contract which is proposed to be amended is similar in nature to the previous Public-Private-Partnership between these same parties since December 2010.

This long term contract however makes provision for the duration to be linked to the estimated remaining useful life of the facility, an incentive for increased recycling, and the six-monthly waste characterization as required by Province.

6. NEXT STEPS

Members of the local community and other interested persons are invited to submit to the Municipality their comments or representations in respect of the proposed amendment of the long term contract as set out above.

The Municipality will also solicit the views and recommendations of stakeholders, including the National and Provincial Treasuries and the national department responsible for Local Government.

The amendment to the long term contract and all comments and views received will be presented to the Municipal Council for final approval on 28 August 2019.



NOTICE/KENNISGEWING/ISAZISO

Proposed amendment of long term contract SC1892/2018 For The Operation Of Gansbaai Landfill Site, Stanford Public Drop-Off Facility and Pearly Beach Drop-Off Facility for a Contract Period Ending 30 November 2032, giving effect to the Local Government: Municipal Finance Management Act, Act No. 56 of 2003: Section 116 (3) (a) and (b) and Section 33.

The Overstrand Local Municipality, in terms of the provisions of Section 116 (3) (a) and (b) and Section 33 of the Local Government: Municipal Finance Management Act, No. 56 of 2003, hereby makes it public that Overstrand Municipality intends to amend existing escalation clause for the Operation Of Gansbaai Landfill Site, Stanford Public Drop-Off Facility and Pearly Beach Drop-Off Facility for a Contract Period Ending 30 November 2032.

The proposed contract and an information statement summarising the Municipality's obligations in terms of the proposed contract can be inspected at the Municipality's head and satellite offices and libraries during the official office hours or accessed on the Municipality's official web-site www.overstrand.gov.za, from 05 June 2019.

The proposed contract will be considered by the Municipal Council of the Overstrand Local Municipality at its Council meeting to be held on 28 August 2019 at the Municipal Offices in Hermanus.

Notice is hereby further given in terms of Section 21 and 21A of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) that the local community and affected parties are invited to submit comments or representations on the proposed amendment of the long term contract for the operation of the Gansbaai Landfill Site. Such comments or representations must be submitted by not later than Friday, 05 July 2019 at 12h00.

Comments or representations must be submitted in a sealed envelope clearly endorsed "Proposed amendment of Contract SC1892/2018: For The Operation Of Gansbaai Landfill Site, Stanford Public Drop-Off Facility and Pearly Beach Drop-Off Facility for a Contract Period Ending 30 November 2032" and be deposited in Tender box no.7.

All submissions must be addressed to:

- The Municipal Manager
Tender box no. 7
Overstrand Municipality
Magnolia Avenue
Hermanus
7200

Enquiries can be directed to Mr C Mitchell, Tel: 028 313 5045 and e-mail: cmitchell@overstrand.gov.za.

Persons who are physically disabled or who cannot read or write but wish to participate in the process, may come during office hours to the Municipal Offices, Magnolia Avenue, Hermanus where that person will be assisted by the Director: Finance or a person designated by her to transcribe that person's comments or representations.

C.Groenewald
Municipal Manager

Voorgenome wysiging van langtermyn kontrak SC1892/2018 vir die Bedryf van Gansbaai Stortingsterrein, Stanford publieke affaaisafliteit en Pearly Beach affaaisafliteit vir 'n kontrakperiode eindigend 30 November 2032, in nakoming van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, Wet Nr. 56 van 2003: Artikel 116 (3) (a) en (b) en Artikel 33.

Overstrand Munisipaliteit, ooreenkomstig die bepaling van artikel 116 (3) (a) en (b) en Artikel 33 van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, Nr. 56 van 2003, gee Overstrand Munisipaliteit hiermee kennis van hul bestaande eskalasië klousule aan te pas vir die Bedryf van Gansbaai Stortingsterrein, Stanford publieke affaaisafliteit en Pearly Beach affaaisafliteit vir 'n kontrakperiode eindigend 30 November 2032.

Die voorgename kontrak en die inligtingstuk wat die Munisipaliteit se verpligtinge ten opsigte van die voorgenome kontrak vervat kan by die Munisipaliteit se hoof-en-satellietkantore en bibliotekes gedurende amptelike kantoorure geïnspekteer word of die kontrak en inligtingstuk is ook verkrygbaar op die amptelike webblad van die Munisipaliteit by www.overstrand.gov.za vanaf 05 Junie 2019.

Die voorgenome kontrak sal vir ooreweging voor die Munisipale Raad van die Overstrand Plaaslike Munisipaliteit dien tydens die Raadsvergadering gestudeer vir 28 Augustus 2019 by die Munisipale Kantore in Hermanus.

Kennis geskied verder ingevolge artikel 21 en 21A van die Wet op Plaaslike Regering: Munisipale Stelsels, 2000 (Wet 32 van 2000), dat die plaaslike gemeenskap en geaffekteerde partye genooi word om kommentaar of vertoë oor die voorgenome wysiging van die langtermyn kontrak vir die Bedryf van die Gansbaai Stortingsterrein. Hierdie kommentaar of vertoë moet teen nie later nie as Vrydag, 05 Julie 2019 om 12h00 ingedien word.

Kommentare of vertoë moet ingedien word in 'n verseëide koevert, duidelik gemerk "Voorgestelde wysiging van Kontrak SC1892/2018 vir die Bedryf van Gansbaai Stortingsterrein, Stanford publieke affaaisafliteit en Pearly Beach affaaisafliteit vir 'n kontrakperiode eindigend 30 November 2032" en geplaas word in Tenderbus nr.7.

Alle voorleggings moet geadresseer word aan:

- Die Munisipale Bestuurder
Tenderbus nr.7
Overstrand Munisipaliteit
Magnolia Avenue
Hermanus
7200

Navrae kan gerig word aan Mnr. C Mitchell, Tel: 028 313 5045 en e-pos: cmitchell@overstrand.gov.za

Personne wat liggaamlik gestrem is of nie kan lees of skryf nie, maar aan die proses wil deelneem, kan gedurende kantoorure na die Munisipale Kantore, Magnolielaan, Hermanus kom, waar die Direkteur: Finansies of 'n persoon soos deur haar aangewys daardie persoon sal help om die kommentaar of vertoë neer te skryf.

C.Groenewald
Munisipale Bestuurder

Isiphakamiso sesivumelwano sexesha elide SC1892/2018 Sokusetyenziswa kwendawo yokulahlala inkunkuma eGansbaai, indawo yokulahlala yoluntu eStanford nendawo yokulahlala ePearly Beach kangangexesha lesivumelwano eliphela nge30 Novemba 2032, ngokwemimiselo kaMasipala weNgingqi: Umthetho woKuLawula ezemali kaMasipala onguNombo 56 ka2003: ngokweCandelo-116(3) (a) no (b) iCandelo 33.

Isigqibo esisesikweni esigumyaziswe libhunga likaMasipala wase-Overstrand, ngemimiselo yemibandela ngokweCandelo-116(3) (a) no (b) yeCandelo 33 kaMasipala weNgingqi. Umthetho woKuLawula ezemali kaMasipala onguNombo 56 ka2003, ipapasha ukuba uMasipala wase-Overstrand Sokusetyenziswa kwendawo yokulahlala inkunkuma eGansbaai, indawo yokulahlala yoluntu eStanford nendawo yokulahlala ePearly Beach kangangexesha lesivumelwano eliphela nge30 Novemba 2032.

Esi sivumelwano siphakanyiswayo kunye nenkcukacha ezishwankathela izibophelelo zikaMasipala ngokwesi sivumelwano esiphakanyiswayo singahlolwa kwi-ofisi eyintoko kaMasipala nakwi lofisi ezingamasetyena kwakunye namathala eencwadi ngeeyure zokusebenza zezi ofisi nala mathala eencwadi. Esi sivumelwano siphakanyiswayo kunye nenkcukacha siyatumaneka kwi website esemthethweni yakwa Masipala engu- www.overstrand.gov.za ukususela nge 05 ka-Julayi 2019 kofuna ukusiqwalasela.

Esi sivumelwano siphakanyiswayo siya kuqwalasela libhunga likaMasipala elikuMasipala weNgingqi iOverstrand ngexesha lentlanganiso yebhunga eya kube ibanjelwe eHerрманus 28 Augusta 2019 kwiiOfisi zikaMasipala eHerрманus.

Isaziso sinikwa ngokwemimiselo ye Candelo 21 no 21A kaMasipala weNgingqi: Umthetho woKuZiphatha kaMasipala, 2000 (uMthetho 32 ka2000) ukuba abantu abasuka ekuhlaleni nabanye abantu abachaphazelekileyo bayamenywa ukuba bathumele izimvo zabo okanye izinto ezibhalhalileyo kuMunisipala mayelana nesivumelwano sexesha elongezelelelweyo esiphakanyiswayo sokunikeza sokusetyenziswa kwendawo yokulahlala inkunkuma e Gansbaai. Izimvo okanye izinto ezibhalileyo mazingeniswe engalunganga lweSine, 05 Julayi 2019 ngo 12h00.

Izimvo ezibhalileyo mazifakwe kwimvulophu ebhalwe ngokucacileyo, etywiniweyo kubhalwe "SC1892/2018: Ukusetyenziswa kwendawo yokulahlala inkunkuma eGansbaai, indawo yokulahlala yoluntu eStanford nendawo yokulahlala ePearly Beach kangangexesha lesivumelwano eliphela nge30 Novemba 2032," zifakwe kwi Bhokisi ye Zinkiki-maxabiso no.7.

Zonke iziphakamiso mazithunyelwe ku:

- Umphathi kaMasipala
Bhokisi yeZinkiki-maxabiso no. 7
UMasipala weNgingqi yase-Overstrand
Magnolia Avenue
Hermanus
7200

Imibuzo ingathunyelwa ku Mnu. Nkzn. C Mitchell, Umnxeba: 028 313 5045 ne-imejili: cmitchell@overstrand.gov.za

Navuphi na unntu onqwenela ukuthumela izimvo zakre okanye izinto abazibhalileyo, abangalwaziyo ukubhala baya kuncedwa nguMawuli wezoLawulo okanye ngumntu omiselwe nguye kwi-ofisi zikaMasipala eMagnolia Avenue, eHerрманus.

C.Groenewald
UManjala kaMasipala