

**AGENDA of the
Portfolio Committee : Infrastructure & Planning
16 February 2016
(Also the agenda for the Mayoral Committee Meeting : 24 February 2016)**

13.

**WATER AND WASTE WATER TREATMENT OPERATIONS MANAGEMENT
CONTRACT: SC1508/2014 – AMENDMENT TO SALARY CONTRIBUTION**

8/2/2

Hanré Blignaut
22 January 2016

(028) 313 5047

Corporate Head Office

1. Executive Summary

On 29 July 2015 Council approved the contract for the management of the operation and maintenance of the water and waste water treatment works in the jurisdiction of Overstrand Municipality (the Contract) and authorised the Municipal Manager to sign the contract with Veolia Water Solutions & Technologies (Pty) Ltd (the Operator).

On 30 September 2015 Council approved specific amendments to the contract, which were mainly required to protect Council from excessive claims in the unlikely case of the review application submitted to the High Court by the second preferred bidder at the time being successful.

The purpose of this report is to obtain Council's approval for the amendment of the Salary Contribution portion of the contract, due to: (1) a dispute between specific staff members and the municipality being resolved after approval of the contract, but before the effective date (implementation date), and (2) adjustments to costs pertaining to acting employees as included in the original schedule. Council also to take cognisance of the amendment to the Salary Contribution in accordance with the contract due to the SALGBC salary increase of 7%, which was finalized only after Council approval of the contract.

2. Service Delivery and Budget Implementation Plan - IGNITE

Infrastructure and Planning
Engineering Planning: Water Services

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
The encouragement of structured community participation in the matters of the municipality
Promotion of tourism, economic and social development

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4. Delegated Authority

None

5. Legal Requirements

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

Local Government: Municipal Systems Act, 32 of 2000 (MSA)

Labour Relations Act, 66 of 1995 (LRA)

6. Background/Discussion/Evaluation/Conclusion

Background

Following an MSA section 78(1) assessment, Council resolved on 22 January 2014 in terms of MSA section 78(2) to continue to deliver water and sanitation services by way of an internal mechanism, but that a competently skilled and experienced Operator be contracted to operate and maintain the water and waste water treatment works.

The feasibility of such a contract was confirmed through a competitive bidding process in compliance with the Supply Chain Management Framework. The Municipal Manager awarded the contract (Contract SC 1508/2014) to the Operator (Veolia Water Solutions & Technologies SA (Pty) Ltd) on 22 July 2015.

Following the prescribed process in terms of the MFMA and its regulations, including section 33 regarding future budgetary implications, the proposed long term contract was approved by Council on 29 July 2015, and Council authorised the Municipal Manager to sign the contract. Specific amendments to clauses regarding termination (clause 42) and effective date (clauses 2.2.9 and 3.2), and the practical issues arising in regard to the accrued leave liability were approved by Council on 30 September 2015.

The contract was subsequently signed by both the Municipal Manager and the authorized signatory of the Operator, and the contract commenced on 1 November 2015, and the staff transferred to the Operator on this date.

The remuneration of the Operator is structured to include: (1) a fixed rate per treatment plant, (2) a variable rate per plant based on volumes of water or waste water treated, and (3) a Salary Contribution, aimed at covering the cost of the staff whom transferred to Veolia in such a way that they will not be in a less favourable position after the transfer.

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The Salary Contribution was approved by Council as part of the contract on 29 July 2015. Since this approval, several amendments to the Salary Contribution became necessary, as discussed in the following paragraph.

Discussion

The Salary Contribution as approved by Council as part of the contract on 29 July 2015 amounted to R 13 283 247 for Year 1 (refer to Annexure C). The required amendments to the Salary Contribution are discussed below (refer to Annexure D):

1. SALGBC salary increase 2015/16:

The wage negotiations at the SALGBC were not concluded before the Council meeting of 29 July 2015. Therefore an increase of 6.1% in the Salary Contribution from 2014/15 to 2015/16 was assumed, similar to the municipality's own salary budget for 2015/16. Since then the nationally negotiated SALGBC salary increases have been confirmed at 7%, effective 1 July 2015. The Salary Contribution therefore has to be adjusted from the assumption of 6.1% used, to the actual of 7%. The Salary Contribution will be automatically adjusted annually, based on future SALGBC wage agreements, in accordance with the approved contract, clause 19.2 and Schedule: Salary Contribution Base 2015.

2. Ad Hoc Salary Notch increases:

Salary notches will be adjusted automatically in future in accordance with clause 19.2 of the contract. However, two of the staff members who transferred to Veolia were involved in a lengthy dispute with the municipality about their salaries in comparison with other process controllers in similar posts. The dispute was resolved only after approval of the contract by Council, but before the effective date of the contract. The Municipal Manager approved that their salaries be increased from Task level T9 notch 1 to Task level T9 notch 5, thereby requiring an increase in the Salary Contribution.

3. Permanent appointment of acting staff:

It was agreed during consultation with the unions during the feasibility study phases of the project that staff members who have been acting for long periods will on transfer to the Operator be permanently appointed by the Operator in the positions they were acting in. Provision was made in the originally approved Salary Contribution schedule only for the respective acting allowances to continue. The permanent appointments

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also affect benefits, and an adjustment to the Salary Contribution is also required in this regard.

Evaluation

The total of the Salary Contribution for 2015/16 as a result of the amendments as proposed above increases to R 13 672 861, i.e. an increase of R 389 614.

The implementation of the 7% SALGBC agreed salary increase is only for Council's information, and has to be done in terms of the approved contract, clause 19.2. The salary increase would have been implemented irrespective of the staff transferring to the operator or not.

The other amendments to the Salary Contribution as discussed above would also have no effect on the MSA section 78(1) investigation, and Council's MSA section 78(2) resolution of January 2014. The dispute about salaries had to be resolved, irrespective of staff transferring, and the permanent appointment of staff acting for prolonged periods had to be done.

Asset Implications

The proposed amendments to the Salary Contribution do not change the asset implications as presented to and considered by Council on 29 July 2015.

Conclusion

The proposed amendments to the Salary Contribution of the contract will not negatively affect the feasibility and affordability of the contract, or the future financial position of Council, as it would also apply to the municipality's own salary budget had the staff not transferred to the operator. The proposed amendments to the Salary Contribution of the contract would also not affect the tender process for appointing the operator, as it would have applied to any other successful bidder.

7. Financial Implications

The increase in the Salary Contribution as a result of the above discussion is R 389 614, and will be funded from the approved contingencies on the contract for Year 1 of R 965 234.06, excluding VAT (refer to abstract from BAC minutes of 17 July 2015, Annexure E). The proposed amendments to the Salary Contribution of the Contract do not change the financial implications of the Contract as presented to and considered by Council on 29 July 2015, as it would also apply to the municipality's own salary budget, had the staff not been transferred to the operator. The net effect on the 2015/2016 budget will thus be zero.

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8. Staff Implications

The proposed amendments to the Salary Contribution do not change the employee implications as presented to and considered by Council on 29 July 2015, but further ensure that all the transferred staff are being treated fairly and remain in a position on the whole no less favourable after transfer, in accordance with the Labour Relations Act, section 197(3).

10. Comments from other Departments, Divisions and Administrations

None

11. Annexures

Annexure A: Council resolution of 29 July 2015
 Annexure B: Council resolution of 30 September 2015
 Annexure C: Schedule: Salary Contribution as approved 29 July 2015
 Annexure D: Schedule: Salary Contribution with proposed amendments
 Annexure E: Abstract from BAC Minutes of 17 July 2015

RECOMMENDATION TO THE COUNCIL:

1. that the proposed amendments to the Salary Contribution of the contract for the management of the operation and maintenance of the water and waste water treatment works in the jurisdiction of Overstrand Municipality, be approved, to be retrospective effective from 1 November 2015; and
2. that the Municipal Manager be delegated to approve future administrative adjustments to the Salary Contribution as and when required in terms of the approved contract.

RESPONSIBLE OFFICIAL :

**S MULLER
H BLIGNAUT**

TARGET DATE FOR IMPLEMENTATION :

**1 NOVEMBER 2015
(BACKDATED)**

TARGET DATE TO INFORM APPLICANT:

1 MARCH 2016

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**13.
WATER AND WASTE WATER TREATMENT OPERATIONS MANAGEMENT
CONTRACT: SC1508/2014 – AMENDMENT TO SALARY CONTRIBUTION**

8/2/2

**Hanré Blignaut
22 January 2016**

(028) 313 5047

Corporate Head Office

**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON
16 FEBRUARY 2016, WHICH COMMITTEE RECOMMENDED AS FOLLOWS:**

RECOMMENDATION TO THE COUNCIL:

1. that the proposed amendments to the Salary Contribution of the contract for the management of the operation and maintenance of the water and waste water treatment works in the jurisdiction of Overstrand Municipality, be approved, to be retrospective effective from 1 November 2015; and
2. that the Municipal Manager be delegated to approve future administrative adjustments to the Salary Contribution as and when required in terms of the approved contract.

RESPONSIBLE OFFICIAL :

**S MULLER
H BLIGNAUT**

TARGET DATE FOR IMPLEMENTATION :

**1 NOVEMBER 2015
(BACKDATED)**

TARGET DATE TO INFORM APPLICANT:

1 MARCH 2016

4.9

WATER AND WASTE WATER TREATMENT OPERATIONS MANAGEMENT
CONTRACT: SC1508/2014

(ITEM 12, PAGE 169 : SPECIAL MAYORAL COMMITTEE MEETING :
29 JULY 2015)

MEMBERS OF THE ANC INDICATED THAT THEY ARE AGAINST THE
RECOMMENDATION AND CLLR V MACOTHA MADE A COUNTER PROPOSAL
TO THE EFFECT THAT THE MATTER STAND OVER UNTIL PROPER
CONSULTATION WAS DONE

CLLR V MACOTHA, ON BEHALF OF THE ANC, REQUESTED THE MEETING TO
ADJOURN FOR A CAUCUS AT 11:33

THE MEETING RECONVENED AT 11:47

WHEN PUT TO THE VOTE, 8 MEMBERS VOTED AGAINST THE
RECOMMENDATION OF THE EXECUTIVE MAYOR AND 13 MEMBERS VOTED IN
FAVOUR OF THE RECOMMENDATION OF THE EXECUTIVE MAYOR. THE
RECOMMENDATION OF THE EXECUTIVE MAYOR WAS THUS CARRIED.

CLLR J JANUARY FROM NICO ABSTAINED FROM TAKING PART IN THE
CONSIDERATION OF THIS ITEM

RESOLVED:

1. that **cognisance be taken** of the responses received to the request for comments, representations, views and recommendations in respect of the contract and granting of the right to use the water and waste water treatment works;
2. that the right to use, control and manage the water and waste water treatment works for the contract period of 15 years to Veolia Water Solutions & Technologies (Pty) Ltd, **be granted**;
3. that the significant economic financial benefit from the contract for the Municipality, **be noted**;
4. that the Contract for the Management of the Operation and Maintenance of the Water and Waste Water Treatment Works in the jurisdiction of Overstrand Municipality, **be approved**; and
5. that the Municipal Manager be authorised to sign the contract on behalf of Overstrand Municipality.

RESPONSIBLE OFFICIAL :**S MÜLLER
H BLIGNAUT
M BARTMAN****TARGET DATE FOR IMPLEMENTATION :****1 SEPTEMBER 2015****TARGET DATE TO INFORM APPLICANT :****29 JULY 2015**

5.7

**WATER AND WASTE WATER TREATMENT OPERATIONS MANAGEMENT
CONTRACT: SC1508/2014 – PROPOSED AMENDMENTS**

**(ITEM 8, PAGE 19 : - MAYORAL COMMITTEE MEETING :
30 SEPTEMBER 2015)**

**ALL MEMBERS OF THE ANC NOTED THEIR VOTE AGAINST THE
RECOMMENDATION AND STOOD BY THEIR PREVIOUS COUNTER PROPOSAL
MADE DURING THE SPECIAL COUNCIL MEETING OF 29 JULY 2015 TO THE
EFFECT THAT THE MATTER STAND OVER UNTIL PROPER CONSULTATION
WAS DONE**

RESOLVED:

1. that the proposed amendments to the approved contract, as contained in the report, for the management of the operation and maintenance of the water and waste water treatment works in the jurisdiction of Overstrand Municipality, be approved;
2. that the Municipal Manager be authorised to forthwith sign the contract, as amended herein, on behalf of the Overstrand Municipality.

RESPONSIBLE OFFICIALS :

**STEPHEN MÜLLER
HANRÉ BLIGNAUT
MIKE BARTMAN**

TARGET DATE FOR IMPLEMENTATION :

1 NOVEMBER 2015

TARGET DATE TO INFORM APPLICANT:

30 SEPTEMBER 2015

Sl. No.	Post	Position level	Salary	Overline	Bonus allowance	Housing Subsidy allowance	Blindly allowance	Night Shift allowance	ACT allowance	Capitation allowance	ESS allowance	U/F	Medical allowance	Retension allowance	Group Insurance	Prov Fund	Bargaining Council	Skills levy	ORIGINAL SCHEDULE FILLED POSITIONS	
73001	1010456	WCO52024	229189	231381	38872	0	0	3552	0	5160	0	1785	47758	41254	1694	0	81	2362	510909	
21013	1010456	WCO324780	179909	92590	34541	0	0	22802	0	0	0	1745	37274	32286	1285	0	81	1755	37724	
73003	1010456	WCO520218	372492	60399	14159	0	0	37559	717	0	0	1753	26762	31040	1593	0	81	1742	38258	
73005	1010456	WCO322326	171417	64977	14199	0	0	39739	511	2047	0	1721	30855	1207	0	81	1729	300564		
73007	1010456	WCO322086	87230	29197	7312	3000	0	9177	600	11695	0	1106	15026	15701	645	0	81	2063	182234	
73004	1010456	WCO324772	239643	99732	18872	0	0	42322	0	5160	56528	1785	81282	2122	0	81	3092	531125		
2076	1010456	WCO325164	214234	57713	21759	0	0	57120	0	5160	56538	1785	37374	47562	1953	0	81	3708	555116	
3086	1010456	WCO325164	214234	57713	21759	0	0	57120	0	5160	56538	1785	37374	47562	1953	0	81	2081	389722	
2038	1010459	WCO321714	151846	88928	15997	0	0	47769	0	2263	0	1785	29850	50165	2068	0	81	1959	411443	
0356	1010459	WCO322424	154974	96987	12914	0	0	18089	0	7869	1613	0	1146	0	1146	27895	81	1022	327109	
1528	1010459	WCO322824	171417	64977	14159	0	0	19759	511	0	18411	1721	0	30855	1267	0	81	1729	326675	
0590	1010459	WCO321722	134974	86156	12914	0	0	17064	0	0	17315	1722	18311	0	27895	81	1741	331919		
0256	1010462	WCO322322	172101	94966	14159	0	0	19433	0	0	20828	1728	0	30978	1272	0	81	1735	356021	
0850	1010459	WCO521724	112532	68933	9287	0	0	12098	0	0	0	1181	0	20256	827	0	81	1917	212715	
0854	1010458	WCO321678	113640	69651	9489	0	0	12432	0	0	23897	1190	0	26455	840	0	81	1126	253323	
0364	1010407	WCO321678	113640	69651	9287	0	0	12592	0	0	23897	1190	0	26455	840	0	81	1126	228018	
2048	1010407	WCO321682	110285	55400	9297	0	0	11416	0	0	9772	1173	0	20096	820	0	81	1120	216990	
4457	1010462	WCO324978	231459	8319	19326	0	0	32275	0	5160	86518	1785	42290	61043	1731	0	81	5194	483230	
4458	1010462	WCO324978	172101	40267	14159	0	0	24864	0	0	1785	17315	96978	1272	0	81	1893	309593		
4553	1010462	WCO320880	172101	40267	14159	0	0	24864	0	0	1785	17315	96978	1272	0	81	1893	309593		
4426	1010462	WCO320880	172101	40267	14159	0	0	24864	0	0	1785	17315	96978	1272	0	81	1893	309593		
4514	1010462	WCO320880	172101	40267	14159	0	0	24864	0	0	1785	17315	96978	1272	0	81	1893	309593		
00029	1010462	WCO321214	74517	0	6103	0	0	12647	0	0	0	902	0	14972	615	0	81	640	96072	
4297	1010462	WCO321222	120839	45467	9351	0	0	25263	0	374	0	1254	26762	21751	993	0	81	1218	253658	
4480	1010462	WCO322556	84500	15677	6972	0	0	13019	0	0	0	911	13019	15310	625	0	81	1006	157244	
4401	1010462	WCO320768	84165	76232	6972	0	0	16161	0	45479	0	1113	0	18903	776	0	81	1058	242210	
4498	1010462	WCO322250	171798	55217	14299	0	0	26724	0	2268	0	1774	13369	30917	1270	0	81	1802	325644	
4360	1010469	WCO322014	91989	48498	7656	0	0	0	0	0	0	992	0	680	16538	0	81	984	167398	
4433	1010469	WCO321110	96711	42687	7199	0	0	0	0	0	0	933	0	15008	641	0	81	984	167398	
4486	1010469	WCO320696	89341	0	7296	0	0	0	0	0	0	1033	0	17365	713	0	81	963	172664	
4433	1010469	WCO320772	89341	0	7296	0	0	0	0	0	0	965	0	16045	659	0	81	900	153778	
0231	1010466	WCO321274	185523	55345	13246	0	0	43952	0	22299	0	1785	0	16045	659	0	81	900	153778	
0888	1010407	WCO321696	80731	38099	7330	0	0	19970	0	0	0	951	0	15795	649	0	81	885	134272	
0245	1010407	WCO321650	87743	15443	7312	0	0	0	0	0	0	951	0	15795	649	0	81	885	134272	
0249	1010407	WCO321650	87743	15443	7312	0	0	0	0	0	0	951	0	15795	649	0	81	885	134272	
0266	1010407	WCO322036	108604	46133	9050	0	0	13571	0	0	0	1144	0	19549	203	0	81	1096	200043	
0561	1010481	WCO322034	85338	12010	7139	0	0	0	0	0	0	925	0	15361	631	0	81	867	122367	
0244	1010467	WCO324814	108392	48712	9050	0	0	11521	0	0	0	1142	0	19511	801	0	81	1894	200305	
0243	1010467	WCO324814	168722	66496	13866	0	0	35444	0	93884	0	56528	1807	0	1247	30371	81	1712	450064	
0893	1010467	WCO322032	87749	42900	7312	0	0	8993	0	0	0	951	0	0	649	15795	81	891	164721	
3044	1010466	WCO320674	87749	17654	7312	0	0	4978	437	0	0	855	89779	14273	584	0	81	985	133009	
3106	1010406	WCO321680	79919	19971	6993	0	0	253	0	0	0	826	0	13729	564	0	81	796	161066	
0982	1010407	WCO321694	87749	17654	7312	0	0	615	0	29513	0	951	0	15795	649	0	81	885	161066	
0069	1010459	WCO322026	65171	31665	7330	0	0	22770	0	0	0	923	0	15331	630	0	81	840	154748	
56010	1010465	WCO320822	95715	45474	8059	0	0	12509	0	0	0	1025	0	884	17229	0	81	975	181991	
21014	1010985	WCO322028	87749	39125	7312	0	0	12903	0	606	0	951	0	15795	649	0	81	885	166258	
3054	1010051	WCO325166	283707	73961	0	0	0	0	0	25000	12996	565	785	42681	5197	2077	81	3149	502151	
			213680							38840	39555	67405	496474	1101462	51723	135743	4312	74196	213680	
			7086487	2231119	570083	3000	31081	628676	142178	233007	38840	39555	67405	496474	1101462	51723	135743	4312	74196	R.13.283.267

6 workers for 6 weeks pa

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ID	Salary		Bonus	Items allowance	Housing subsidy	Standby allowance	Night Shift	ACT allowance	Cellphone allowance	ESS allowance	UIF	Medical allowance	Pension allowance	Group Insurance	Prov Fund	Bargaining Council	Sales levy	ORIGINAL SCHEDULE FILLED POSITIONS
	Overtime																	
7301	231133	132445	19263	0	0	35823	0	5160	0	1785	47756	41604	1708	0	87	2362	519126	
7103	175283	93285	14607	0	0	23096	0	0	0	1743	37374	31553	1295	0	87	1755	300075	
7103	173905	60911	14492	0	0	17702	723	0	0	1731	26762	31303	1285	0	87	1742	310643	
7106	172871	65427	14406	0	0	19927	314	2064	0	1721	0	31117	1278	0	87	1729	310941	
7307	159608	29293	12719	3000	0	9255	606	0	0	1785	15626	27473	1128	0	87	1063	254653	
7104	231591	99570	19299	0	0	42883	0	5160	56528	1785	31252	41686	1711	0	87	3092	534645	
7106	266475	58202	22706	0	0	57746	0	5160	56528	1785	37374	47965	1969	0	87	3708	559006	
7106	281061	23422	0	0	0	0	0	12233	1785	10359	50591	2077	0	87	2981	392595		
7108	193473	89682	16123	0	0	43151	0	2168	0	1785	29850	34825	1430	0	87	1959	414633	
0558	167808	59602	15964	0	8400	18242	314	0	7863	1785	0	0	1240	30205	87	1622	340339	
1579	172871	65427	14406	0	0	19927	314	2064	0	18411	1721	0	31117	0	87	1729	329352	
0590	167808	86887	13984	0	0	17209	0	0	17315	1785	18311	0	1240	30205	87	1741	386572	
1291	173560	95670	14463	0	0	18589	0	20628	1728	0	0	31241	1283	0	87	1735	358984	
0579	113486	69518	9457	0	0	13108	0	0	1181	0	20428	839	0	87	1134	229239		
0884	114604	70544	9550	0	0	23097	1190	0	0	1181	0	20629	847	0	87	1147	252420	
0984	112592	61962	9383	0	0	12699	0	9772	1173	0	20267	832	0	87	1126	229802		
4467	111926	55931	9327	0	0	6597	11513	0	5160	56528	1785	32290	1725	0	87	1120	218641	
4497	233423	8389	19452	0	0	32549	0	0	0	1785	17313	31241	1283	0	87	1893	307097	
4435	173560	44971	14463	0	0	24977	0	0	0	1785	17313	31241	1283	0	87	1893	311973	
4653	76618	6033	6385	0	0	4145	0	0	823	0	13791	566	0	87	767	109216		
4537	79531	19760	6628	0	8400	26951	0	2268	0	1774	13369	31179	1280	0	87	1802	330445	
4426	87098	13445	7258	0	0	10791	0	0	992	0	16046	14316	588	0	87	941	151781	
4614	83881	23086	6990	0	0	12755	0	0	1085	0	17313	15678	644	0	87	1028	154427	
0029	74947	6246	6246	0	0	0	0	377	0	902	0	15098	620	0	87	840	144328	
4297	121864	45852	10155	0	0	25478	0	0	805	0	13490	554	0	87	750	96879		
4480	85217	15831	7101	0	0	15275	0	0	1258	26762	21936	901	0	87	1218	255888		
4517	84879	26454	7073	0	0	33130	0	0	1065	18941	15339	630	0	87	1006	158482		
4401	152628	45423	12719	0	0	16298	0	0	911	0	15278	627	0	87	833	149273		
4608	173216	56685	14435	0	8400	26951	0	0	1785	0	27473	1128	0	87	1058	258899		
4300	92769	48910	7731	0	0	44325	0	2268	0	1774	13369	31179	1280	0	87	1802	330445	
4363	87447	43049	7287	0	0	938	0	0	928	0	15740	646	0	87	934	168807		
4235	97289	48407	8107	0	0	1033	0	0	951	0	15929	654	0	87	805	129652		
4571	89897	7491	7491	0	0	12755	0	0	951	0	15929	654	0	87	805	114373		
4479	89897	39946	7491	0	0	12755	0	0	965	0	16181	664	0	87	900	116187		
0050	136576	14711	11298	0	0	0	0	2268	0	1785	0	24404	1002	0	87	913	192044	
0231	187097	59853	15591	0	0	44325	0	0	1785	0	33677	1383	0	87	2012	349810		
0245	88493	15579	7374	0	0	10156	0	0	938	0	15740	646	0	87	874	161598		
0248	88493	15579	7374	0	0	10156	0	0	931	0	15929	654	0	87	805	129652		
0056	109525	46134	9127	0	0	13686	0	0	951	0	15929	654	0	87	805	114373		
0251	86062	12112	7172	0	0	11619	0	0	1142	0	19676	808	0	87	861	123346		
0244	109311	49126	9109	0	0	35745	0	5160	56528	1785	0	0	19676	808	0	1094	201972	
0243	269628	46891	22469	0	0	8464	0	0	951	0	15929	654	0	87	1712	490531		
0681	89493	43264	7374	0	0	8464	0	0	951	0	15929	654	0	87	891	166107		
0683	89493	17803	7374	0	0	1944	0	0	951	0	15929	654	0	87	805	134120		
3044	120492	20141	10086	0	0	4867	441	0	1289	33779	21678	850	0	87	796	214435		
3105	76521	6930	6410	0	0	215	0	0	826	0	13946	568	0	87	769	106613		
0082	88493	11293	7374	0	0	22963	620	0	951	0	15929	654	0	87	805	123346		
0335	85893	32942	7158	0	0	22963	0	0	923	0	15461	635	0	87	815	126286		
45010	96527	45859	8044	0	0	12615	0	0	1025	0	713	17375	0	87	860	166921		
21005	152628	44703	12719	0	6264	12168	0	0	1785	0	798	27473	0	87	941	259568		
3054	286114	23843	23843	0	0	0	0	12396	56528	1785	42661	51500	2114	0	87	3448	400486	
215493	2263357	609702	3000	23064	633166	4805	143385	45000	496474	398555	71176	1130538	186419	4631	74252	215493	R 13 672 861	

Minutes of the Proceedings of a Bid Adjudication Committee Meeting held in the
SCM Committee Room, Hermanus Administration, on Friday, 17 July 2015 at 08:00.

TENDER NO. SC 1508/2014 Phase 2 RFP: WATER & WASTE WATER TREATMENT OPERATION
MANAGEMENT CONTRACT

D.1	PROVISIONAL SUMS		Veolia: Provi- sional Sum (ex- cluding VAT)
D.1.1	Provisional capital sum for equipment or major repairs (In excess of R50 000 per incident) as may be required by the Employer	Sum	R 350 000.00
D.1.2	Provisional sum for upgrading of facilities	Sum	R 200 000.00
	SUBTOTAL (OM chemicals)		R 19 304 681.20
	Contingencies (5%)		R 965 234.06
	SUBTOTAL 1		R 20 269 915.26
E.	SALARY CONTRIBUTION (OM STAFF COSTS)	Sum	R 13 283 247
	SUB TOTAL 2 (Estimated value of contract for 2015/2016, excluding VAT)		R 33 553 162.26
	14% VAT ON SUBTOTAL 1		R 2 837 788.14
	TOTAL TENDER SUM FOR YEAR 1 (Estimated value of contract for 2015/2016, including VAT, for 12 months)		R 38 390 950.40

F. VEOLIA: TENDERED IMPLEMENTING AGENT FEE	
Veolia % Implementing Agent Fee on all projects which maybe requested by the municipality in terms of the agreement	6 %

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[Signature]