

Draft Budget 2026 -2027

Policy Changes

31 March 2026

Rates Policy

Draft Section 4: Definitions

The following was inserted:

Land reform beneficiary“**Land Reform Beneficiary** (as defined in the MPRA) in relation to a property, means a person who -

- (a) acquired the property through the Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993) or the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994).
- (b) holds the property subject to the Communal Property Associations Act, 1996 (Act No. 28 of 1996).
- (c) holds or acquires the property in terms of such other land tenure reform legislation as may pursuant to section 25 (6) and (7) of the Constitution be enacted after this Act has taken effect.

Section 11: OBJECTIONS AND APPEALS

The following was inserted:

- (e) Payment to members of the Valuation Appeal Board will be made in accordance with the annually revised Remuneration of Non-Official Members: Commissions & Committees of Inquiry, and Audit Committees.

For remuneration purposes, a Valuation Appeal Board is regarded as a Commission of Inquiry. In terms of the Treasury Regulation 20.2.2, the National Minister of Finance has approved the following maximum daily remuneration rates for non-official members of Commissions and Committees of Inquiry, effective 1 April 2025:

	Commission of Inquiry	
	Per day	Per hour
Chairperson	R5 607	R701
Member	R4 169	R521

Section 11: OBJECTIONS AND APPEALS

Revised annual fees will be implemented once formally published.

The above rates apply to sitting fees only and exclude compensation for preparation, research, and travel time (to and from meeting venues).

- Travel costs will be reimbursed in accordance with the Department of Transport's published tariffs.
- Preparation, research, and travel time will be remunerated at the rates specified above.

Credit and Debt Collection Policy

Chapter 2: Clause 16.1 was amended and should read as follow

16. Issuing of Rates Clearance Certificates – Amended to:

16.1 The following fees must be paid before a rates clearance certificate is issued:

16.1.1 Valuation certificate.

16.1.2 Clearance certificate.

16.1.3 Municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties for a minimum of three (3) months or as determined in the application request from the Attorneys.

The following Rates Clearances applications to be waived from the three (3) months in advance payments:

- **Applications from approved indigents**
- **Subdivision applications where change of ownership is not applicable to the mother erf.**
- **All low-cost housing projects (first transfer) and rectification projects transfer be exempt from section 16.1.3 in line of the Local Government Municipal System Act 32 of 2000.**

In terms of section 118 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) it is hereby certified that all amount that became due to Theewaterskloof Municipality in connection with the under mentioned property situated within the municipality for municipal service fees, surcharges on fees, property rates and other

municipal taxes, levies and duties during the 2 (two) years preceding the date of application for this certificate, have been fully paid.

Write-off Policy

Section 6. was amended and reads as follows:

6. DELEGATIONS

6.1 Chief Financial Officer

The Chief Financial Officer will, after thorough review of any applications In terms of this policy, have the delegated powers to **recommend to council** the write-off of any irrecoverable debt to the maximum amount of R10,000.00 per consumer (current, suspended and handed over amounts consolidated) per submission or the amount determined by Council from time to time during the budget approval process.

6.2 Accounting Officer

Any amount in excess of the delegation provided for in paragraph 6.1 above must be submitted together with a recommendation to the Accounting Officer for consideration. The Accounting Officer will, after thorough review of any recommendation by the Chief Financial Officer and in terms of this policy, have the delegated powers to **recommend to council** write-off of any irrecoverable debt to the maximum amount of R20,000.00 per consumer (current, suspended and handed over amounts consolidated) per submission or the amount determined by Council from time to time during the budget approval process.

Establishment of a Committee to monitor any Debt to be Written off

6.3.1 Council will establish and appoint a **Debt Write-Off Committee** in terms of Section 79 of the Municipal Structures Act 117 of 1998, to monitor the implementation of this Policy.

6.3.2 The **Debt Write- off Committee** must consist of the following persons:

(a) **Executive Mayor**

(b) **Deputy Mayor**

- (c) Chairperson of the Finance Portfolio Committee
- (d) Accounting Officer
- (h) Manager Revenue
- (i) Members of the Financial Portfolio Committee.
- ~~(j) One member of the Governing body serving on the Financial Services Committee~~
- (k) Head: Financial Operations
- (l) Head: Legal Debt Collections

The Executive Mayor will be serving as the Chairperson of this committee. When the Executive Mayor is unavailable it will be the Deputy Mayor.

6.3.6 Any amount in excess of the delegation provided for in paragraph 6.2 above must be submitted together with a recommendation to the Debt Write-Off Committee for consideration. The Debt Write-Off Committee will, after thorough review of any recommendation by the Chief Financial Officer and Accounting Officer in terms of this policy, have the delegated powers to recommend to council the write-off of any irrecoverable debt in excess of R 20,000 per consumer (current, suspended and handed over amounts consolidated) per submission or the amount determined by Council from time to time during the budget approval process.

Indigent Policy

The following new headings and paragraphs was inserted:

6. STAKEHOLDERS

Stakeholders to this Indigent Policy include the Municipal Council, Executive Mayor and Mayoral Committee, Municipal Manager, Chief Financial Officer, Revenue and Credit Control Units, Internal Audit, MPAC, Ward Committees, registered indigent households, community organisations, Provincial and National Treasury, COGTA, and other organs of state with an interest in indigent support and municipal revenue sustainability.

7. COMMUNICATIONS

The Municipality shall ensure effective and timeous communication with indigent households and the broader community by utilising multiple communication platforms, including SMS and email notifications to registered beneficiaries, particularly to inform households well in advance of the expiry or revalidation of indigent subsidies. In addition, the Municipality shall use its official social media platforms to disseminate information

through digital pamphlets, while printed informational material shall be distributed within communities and made available at municipal town offices and customer care centres. Public engagement initiatives such as Government Imbizos, Municipal Roadshows, and other community outreach programmes shall further be utilised to promote awareness, understanding, and compliance with the Indigent Policy.

The following new headings and paragraphs was inserted:

10. POLICY REVIEW

The Indigent Policy is reviewed annually in accordance with the budget process. The monetary threshold for qualification set at R5000 or twice the monthly SASSA old age pension grant whichever amount is greater before any deductions.

11. CONTACT DETAILS

6 Plein Street, Caledon, 7230, 028 214 3300

The following paragraphs was amended:

1. QUALIFYING AS AN INDIGENT

CATEGORY 1: HOUSEHOLD INCOME (MEANS APPROACH)

To qualify for 100% subsidy applicants should meet all the following criteria:

1.1 A household where the combined gross sum of all monthly income from all occupants/residents/dependents, including wages, salaries, profits, dividends, pensions, rentals, board & lodging, and interest received is less/equal to R5 000 or twice the monthly SASSA old age pension grant whichever amount is greater before any deductions, and can no longer afford to pay for the services. Ward councilors will be provided the opportunity to peruse the list of applications received monthly to confirm that the applicant meets the requirements. If the applicant does not meet the requirement his / her subsidy will be cancelled automatically.

The following paragraphs was amended:

1. QUALIFYING AS AN INDIGENT

~~CATEGORY 2: DEEMED INDIGENTS (TARGETING APPROACH)~~

~~2.1 The property is a low-cost housing property.~~

~~2.2 The property is used for residential purposes only as reflected in General Valuation roll.~~

- ~~2.3 — Staff members, government employees and councillors will not qualify as deemed indigents.~~
- ~~2.4 — No application is required. (Council will determine process from time to time).~~
- ~~2.5 — A list of potential indigents in registered low cost housing developments will be generated and securitised by means of combination targeting.~~
- ~~2.6 — The final approved list per low cost housing development will be registered as deemed indigents.~~
- ~~2.7 — The list of deemed indigents will be under continuous review to establish accuracy and correctness.~~
- ~~2.8 — The subsidy will be reversed and deregistered and all charges placed back on the account if investigations reveal the beneficiary do not qualify as a deemed indigent.~~

CATEGORY 2: DEEMED INDIGENTS (TARGETING APPROACH)

Deemed indigent support is limited to households residing in government-subsidised low-cost housing units that:

- were developed through a National and/or Provincial Human Settlements programme in terms of the applicable National Housing Code; and
- were allocated to beneficiaries who qualified in terms of the housing subsidy income threshold at the time of approval; and
- are recorded in the municipal General Valuation Roll as residential properties.
- This approach recognises that these housing programmes are means-tested and therefore constitute a credible proxy for identifying poor households. (Combination targeting in line with the National Framework)

Staff members, government employees and councillors will not qualify as deemed indigents.

- The deemed indigent register shall be subject to ongoing and systematic review to ensure its accuracy, credibility and financial integrity.
- Where an investigation confirms that a household does not meet or no longer meets the qualifying criteria, the Municipality shall:
 - immediately deregister the household from the deemed indigent register.
 - terminate the indigent subsidy; and
 - reverse all benefits incorrectly granted and reinstate the full municipal charges to the account with effect from the date of disqualification.

CATEGORY 3: RELIEF FOR OLD AGE HOMES

The qualification criteria for old age homes to receive indigent assistance on water, refuse and sewerage services are as follows:

3.1 A 50% indigent assistance when more than 50% of the residence within an old age home receives less than R5 000 **or twice the monthly SASSA old age pension grant whichever amount is greater**: and

3.2 A 40% indigent assistance when between 40% and 50% of the residence within the old age home receives less than R5 000 **or twice the monthly SASSA old age pension grant whichever amount is greater**: and

3.3 A 30% indigent assistance when between 30% and 40% of the residence within the old age home receives less than R5 000 **or twice the monthly SASSA old age pension grant whichever amount is greater**: and

3.4 A 20% indigent assistance when between 20% and 30% of the residence within the old age home receives less than R5 000 **or twice the monthly SASSA old age pension grant whichever amount is greater**: and

3.5 A 10% indigent assistance when between 10% and 20% of the residence within the old age home receives less than R5 000 **or twice the monthly SASSA old age pension grant whichever amount is greater**: and

3.6 A 5% indigent assistance when between 0% and 10% of the residence within the old age home receives less than R5 000 **or twice the monthly SASSA old age pension grant whichever amount is greater**: and

3.7 An application on the prescribed form, fully completed with the required information and signed, must be provided.

Supply Chain Management (SCM)

DEFINITIONS / ABBREVIATIONS

- (1) B-BBEE: means broad-based black economic empowerment as defined in section 1 of the Broad – Based Black Economic Empowerment Act.
- (2) Contract of a Long-Term Nature: means a contract that exceeds the duration of three years covered in the annual budget for that financial year and Section 33 of the MFMA is applicable.
- (3) South African Revenue Services: Hereafter known as SARS
- (4) Validity Period: means the period for which a bid is to remain valid, and binding as stipulated in the relevant tender document
- (5) Written Quotations: means quotations referred to in paragraph 12(1) & 12(2) of this Policy

2. SUPPLY CHAIN MANAGEMENT POLICY

(3) This Policy, except where provided otherwise, does not apply in respect of the procurement of goods and services contemplated in section 110 (2) of the Act, including –

- a) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity;
- b) electricity from Eskom or another public entity, another municipality or a municipal entity; and
- c) the acquisition of medical practitioners for fitness examinations

3. AMENDMENT OF THE SUPPLY CHAIN MANAGEMENT POLICY

4) The Accounting Officer must in terms of section 62(1)(f)(iv) of the Act, take all reasonable steps to ensure that the municipality implements the Supply Chain Management Policy.

7. SUPPLY CHAIN MANAGEMENT UNIT

(3) The Supply Chain Management Unit operates under the direct supervision of the Chief Financial Officer of an official to whom this duty has been delegated in terms of Section 82 of the Act.

8. TRAINING OF SUPPLY CHAIN OFFICIALS

(1) The training of officials involved in implementing this Policy should be in accordance with any Treasury guidelines on supply chain management training as well as the Municipal Regulations on Minimum Competency Levels, 2007.

10. SYSTEM OF DEMAND MANAGEMENT

f) take requirements set for the appointment of consultant in consideration, (for example, submission of GAP analysis / needs assessment and compliance with Cost Containment Policy).

11. SYSTEM OF ACQUISITION MANAGEMENT

The Manager: Supply Chain Management may extend the bid closing date, if circumstances justify the action, provided that the closing date may not be extended unless a notice is published by the Manager: Supply Chain Management in the same newspapers as the original advertisement as well as the website, seven working days prior to the original bid closing date. In the event where a site / clarification meeting was applicable, the notice to extend the closing date can only be issued to the bidders that attended the meeting. All prospective bidders must also be informed in writing by the Manager: Supply Chain Management of the extension of the bid closing date.

12. RANGE OF PROCUREMENT PROCESSES

Reference	Value of purchase (VAT inclusive)	Range of Procurement Processes
12(1)(i)	R0 – R2 000	One price quotation.
	R2 001 – R30 000	Three formal written price quotations.
12(1)(ii)	R30 001 – R300 000	Formal written price quotations: (i) Advertisement for 7 (seven) days on the Council's website and all official notice boards.
12(1)(iii)	R 300 001 - R10 million	A competitive bidding process: (i) advertised for 14 (fourteen) days on Council's website and notice boards; and (ii) advertised for 14 (fourteen) days on the ePortal and in newspapers commonly circulating locally, but not limited there to depending on the circumstances for example targeted sourcing.
12(1)(iv)	Above R10 million – R50 million	A competitive bidding process; (i) advertised for 30 (thirty) days on Council's website and notice boards; and (ii) advertised for 30 (thirty) days on the ePortal and in newspapers commonly circulating locally, but not limited there to depending on the circumstances for example targeted sourcing. If the responsible official or members of the Bid Specification Committee is of the opinion that a tender might exceed R10 million notwithstanding the fact that the cost estimate is below R10 million, the prescribed process for bids above R10 million must be followed.
12(1)(v)	Above R50 million	Supply Chain Management Policy for Infrastructure Procurement and Delivery Management.
12(1)(vi)	Term contracts	A competitive bidding process will be followed for the supply of goods and services or construction works that is of an ad-hoc or repetitive nature for a predetermined period of time not exceeding 3 years. Section 33 of the MFMA will be applicable if the duration exceeds 3 years.

16. WRITTEN OR VERBAL QUOTATIONS

[Deleted by amendment dated 25 January 2024]

17. FORMAL WRITTEN PRICE QUOTATIONS – R2 000.01 TO R30 000 (Threshold removed from Heading)

- b) quotations may be obtained in writing from providers who are not listed, provided that such providers meet the listing criteria set out in paragraph 14(1)(c), 14(4) and (4) of this Policy;
 - c) where no suitable providers are available from the list of accredited prospective providers, quotations may be obtained from other possible providers not registered on the municipal supplier database;
- (2) A designated official referred to in subparagraph 16(1)(c) must within three days of the end of each month report to the chief financial officer on any approvals given during that month by that official in terms of that subparagraph.

18. PROCEDURES FOR PROCURING GOODS OR SERVICES THROUGH FORMAL WRITTEN PRICE QUOTATIONS – R30 000.01 to R300 000 (Threshold removed from Heading)

19. COMPETITIVENESS BIDS

- (1) Goods or services, above a transaction value above R300 000 (VAT included) and any contract exceeding one year (long term contracts) may only be procured through a competitive bidding process, subject to paragraph 11(2) of this policy; and

21. BID DOCUMENTATION FOR COMPETITIVE BIDS

1 (d)

- (ii) a certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 calendar days;

- g) Bid document must state that Theewaterskloof Municipality shall not be obliged to accept the lowest bid, any alternative or any bid. In other words, Council reserves the right not to award any tender or quotation.

Bids to be evaluated on functionality:

- h) The Municipality must indicate in the tender documents if the tender will be evaluated on functionality
- i) The evaluation criteria for measuring functionality must be objective
- j) The bid documents must specify-
- (i) Evaluation criteria for measuring functionality;
 - (ii) The points for each criteria and, if any each sub-criterion; and
 - (iii) Minimum qualifying score for functionality
- k) The minimum qualifying score for functionality for a tender to be considered further
- (i) Must be determined separately for each tender; and
 - (ii) May not be too Low that it may jeopardise the quality of the required goods or
 - (iii) May not be too high that it unreasonably restrictive

- l) Points scored for functionality must be rounded off to the nearest two decimal places.
- m) Each tender that obtained the minimum qualifying score for functionality must be evaluated further in terms of price and the preference point system and any objective criteria envisaged.

22. PUBLIC INVITATION FOR COMPETITIVE BIDS

- 1) The procedure for the invitation of competitive bids, is as follows:
 - a) Any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website and notice boards of the Theewaterskloof Municipality or any other appropriate ways (which may include an advertisement in the Government Tender Bulletin, or e-Tender Publication Portal or on the i-Tender website of CIDB for construction related transactions); and
 - b) the information contained in a public advertisement, must include –
 - (iii) a statement that bids will only be considered if it was deposited into the bid box indicated in the bid invitation

22. PUBLIC INVITATION FOR COMPETITIVE BIDS (CONTINUED)

- (4) Where bids are requested in electronic format, such bids must be submitted by sealed hard copies.
- (5) Amendments before closing date
 - (i) The contract owner must approach the chairperson of the Bid Specification Committee, if necessary, to consider request in writing of communication with bidders prior to bids closing;
 - (ii) The municipality is entitled to amend any bid condition, validity period, specification or plan, or extend the closing date of such a bid or quotation before the closing date, provided that such amendments or extensions are advertised on e-Portal and website and/or where possible, that all bidders to whom bid documents have been issued, are advised in writing per e-mail or by fax of such amendments or of the extension clearly reflecting the new closing date and time
 - (iii) It is the responsibility of the bidder to check the e-Portal and website of Theewaterskloof Municipality for amendments (addendums) till closing date of the bid and to ensure that the correct information is provided; and

- (iv) All amendments must be approved by the Accounting Officer or the delegated director prior to the closing date of the bid invitation. The communication of the minutes of site meetings is not subject to this requirement.

23(B). PROCEDURE FOR HANDLING, OPENING AND RECORDING OF COMPETITIVE BIDS PROCESS

e) Opening of Bids, –

- (iii) Bids received after the closing time shall not be considered.
- (ix) The responsible officials who opened the bidding documentation received shall forthwith place their signatures on the bid opening record (register) and shall ensure that the bid opening record, indicating at least the bid price of each bidder and the BBBEE status level contribution of each bidder are made available for public inspection and are published on the municipality's website.

f) Site inspections (site meeting) or clarification meeting –

- (i) Site inspections or clarification meetings must be compulsory.
- (ii) If site inspections or clarification meetings are to be held, full details must be included in the bid notice (including time when meeting will commence – if bidder arrives after the grace period their bid will not be considered). A grace period of 15 min will be allowed.

CANCELLATION OF TENDER

REMOVED

- (3) An organ of state may only with prior approval of the relevant treasury cancel a tender invitation for a second time.
- (4) Bid validity periods, –
 - i) A minimum bid validity period will apply to all bids and will be calculated from the bid closure date. Bids shall remain in force and binding for a period of six (6) months after the expiry of the original validity period, as indicated in the invitation to bid and the bid documents, subject to any other applicable legislation and instructions from the National Treasury for specific types of procurement.
 - iii) Any such extension shall be agreed to by the bidder in writing. Bidders who failed to respond to such a request before the validity of their bid

expires, or who decline such a request shall not be considered further in the evaluation process.

- (iv) Second extensions will be limited to those bidders that responded the first time. When validity lapses the contractual obligation that the bidder accepted on signing the relevant bid documentation falls away, therefore, when a bid expires there is nothing to extend. It cannot be evaluated further, and it must be cancelled and re-advertised.

(7) Bid sum

- (i) A bid will not be invalidated if the amount in words and the amount in figures do not correspond, in which case the amount in words shall be read out at the bid opening.

24. NEGOTIATIONS WITH PREFERRED BIDDERS

2) The Accounting Officer may -

- (i) negotiate a market-related price with the tenderer scoring the highest points or cancel the tender;
- (ii) if the tenderer does not agree to a market-related price, negotiate a market-related price with the tenderer scoring the second highest points or cancel the tender;
- (iii) if the tenderer scoring the second highest points does not agree to a market related price, negotiate a market-related price with the tenderer scoring the third highest points or cancel the tender.

(3) If a market-related price is not agreed as envisaged in paragraph (2), Theewaterskloof Municipality must cancel the tender.

(4) Minutes of such negotiations must be kept for record purposes, and a member of Supply Chain Management Unit must be present at such negotiations.

28. BID EVALUATION COMMITTEES

(1) A Bid Evaluation Committee must –

- c) check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears for more than three months, and

4) In the cases where functionality is deemed necessary and is included in the bidding document, the Accounting Officer or delegated director must appoint the

three independent evaluators for the technical evaluation (test for functionality) in writing and the appointment letters must be provided to the Supply Chain Management Unit for audit purposes.

29. BID ADJUDICATION COMMITTEE

General

- (1) Theewaterskloof municipality shall not be obliged to accept any bid.
- (2) For goods and service bids, Theewaterskloof Municipality shall have the right to accept the whole bid or part of the bid or any item or part of an item or accept more than one bid

Bid Adjudication Committee

- (7) The Accounting Officer must comply with section 114 of the Act within 10 working days –
 - (i) If a tender other than the one recommended in the normal course of implementing the supply management policy is adjudicated, the Accounting Officer must, in writing, notify the Auditor-General South Africa, the Provincial Treasury and the National Treasury of the reasons for deviating from such recommendation.
 - (ii) Subsection (i) does not apply if a different tender was approved in order to rectify an irregularity.

35. APPOINTMENT OF CONSULTANTS

- (5) Where the estimated value of fees is less than R300 000 and the duration of the appointment is less than one year, any National Treasury and, where applicable, Construction Industry Development Board guidelines in respect of consultancy services and Council's Containment Policy are taken into account.

36. DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSES

- (1) The Accounting Officer may –

The prevailing situation, or imminent danger, should be of such a scale and nature that it could not readily be alleviated by interim measures, in order to allow time for the formal tender process.

Procurement in the case of emergency must be approved by the Accounting Officer or delegated authority prior to processing of the expenditure (before issuing an instruction to the supplier)

(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and

(vi) strip and quote

42. PROHIBITION ON AWARDS TO PERSONS WHOSE TAX MATTERS ARE NOT IN ORDER

(3) Where the recommended bidder is not tax compliant, the bidder should be notified of the non-compliant status and be requested to submit written proof of tax compliance from SARS within 7 working days from notification. The proof of tax compliance submitted by the bidder must be verified by the municipality. The municipality will reject a bid submitted by the bidder if such bidder fails to provide proof of tax compliance within the timeframe as set out in this subparagraph.

43. PROHIBITION ON AWARDS TO PERSONS IN THE SERVICE OF THE STATE

(2) As no award may be given to a person who is in the service of the state, it is expected of all prospective bidders to declare their interest in the prescribed forms in the bidding documents

(3) Theewaterskloof Municipality may use the Central Supplier Database of National Treasury as a compliance tool in line with clause 14 of this policy and for awards above R30 000. The municipality may utilize mechanisms at its disposal to determine whether a person is in the service of the state.

45. ETHICAL STANDARDS

(1) A code of ethical standards as set out in [subparagraph (2) / the “National Treasury’s code of conduct for Supply Chain Management practitioners and other role players involved in Supply Chain Management” is hereby established for officials and other role players in the Supply Chain Management system of the Theewaterskloof Municipality in order to promote –

a) mutual trust and respect; and

(3) Declarations in terms of subparagraph (2)(d) and (e) -

(4) The National Treasury’s code of conduct and Schedule 2 of the Systems Act must be adhered to by Supply Chain Management practitioners and other role players involved in supply chain management. (Annexed to this Policy)

49. RESOLUTION OF DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES

(3) The person appointed **must**, if appointed –

52. RIGHT OF APPEAL

(4) No bid shall be formally accepted until either the expiry of the 21 day appeal period, or confirmation in writing before the expiry of the 21 day appeal period that none of the affected parties intended to appeal, or confirmation of the satisfactory resolution of any appeals.

53. CONTRACT ADMINISTRATION AND MANAGEMENT

- 1) Line departments are fully responsible for contract administration and management.
- 2) Contract administration includes all administrative duties associated with a contract that has arisen through one of the acquisition/procurement processes described in this policy or an Act.
- 3) All contracts must be monitored, managed and administered by the contract owner and/or contract manager.
- 4) The contract manager will typically be the internal project manager assigned to the project as a whole but may also be a cost centre owner or other responsible official.
- 5) A contract owner and manager must be assigned to each contract and, where possible, should be involved from the earliest stages of the acquisition process.
- 6) The contract manager's duties and powers shall be governed by the conditions of contract and the general law.
- 7) In administering a contract, the contract manager will be required to form opinions and make decisions which, while in the Municipality's best interests, must be fair to all parties concerned.
- 8) Directors shall be responsible for ensuring that contract owners and managers-
 - a) are assigned to all contracts within the Department Head's area of responsibility; and
 - b) are adequately trained so that they can exercise the necessary level of responsibility in the performance of their duties.
- 9) The contract owner and/or manager must:
 - a) ensure that all the necessary formalities in signing up of legally sound contracts and/or issuing the purchase order(s) are adhered to related to goods and services, excluding CIDB tenders;

- b) ensure that legally sound contracts for goods, services and CIDB related procurement are provided to Supply Chain Management Unit who will obtain the signature of the accounting officer;
- c) ensure that all original contract documentation is lodged with the Supply Chain Management Unit for record purposes;
- d) monitor the performance of the contractor in order to ensure that all of the terms and conditions of the contract are met;
- e) where necessary, take appropriate action where a contractor is underperforming or is in default or breach of the contract;
- f) present proof of information in paragraph (e) or submit a report with relevant proof of the breaches of the contract to the Senior Manager: Legal Services and Manager: Supply Chain Management for initiating appropriate action if remedies addressed in agreement with the contractor or service provider cannot be resolved;
- g) where appropriate, authorise payments due in terms of the contract by processing payment certificates (if applicable),
- h) manage contract variations or change procedures;
- i) administer disputes where necessary, in terms of this policy and the applicable Conditions of Contract;
- j) conduct, if necessary, post contract reviews;
- k) maintain adequate records (paper and/or electronic) in sufficient detail on an appropriate contract file to provide an audit trail;
- l) act with care and diligence and observe all accounting and legal requirements;
- m) complete and update the contracts registered on the i-Tender systems as required;
- n) report non-performance and non-compliance of contractors to the CIDB as per the CIDB guidelines;
- o) maintain all aspects required, if applicable, in terms of the CIDB regulations and guidelines; and
- p) periodically review contracts or agreements once every three years in the case of a contract or agreement awarded for longer than three years and

provide a report to SCM in compliance with Section 116(1)(b)(iii) of the MFMA.

- 10) The Supply Chain Management officials must:
 - a) provide all contracts for tenders awarded to the accounting officer for signature;
 - b) register the award or cancellation of all CIDB related contracts within 21 days of the signing of the contract in terms of Regulation 18 of the CIDB Regulations on the website of the CIDB and ePortal (if applicable);
 - c) register the award or cancellation of all contracts for goods and service within 21 days of the signing of the contract on the ePortal;
 - d) file proof of registration on CIDB for audit purposes; and
 - e) file proof of registration on ePortal for audit purposes

54. PERFORMANCE MANAGEMENT

- 1) The Accounting Officer must establish and implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Policy were achieved. The retrospective analysis will link to the regulatory reports and submissions on the implementation of the Supply Chain Management Policy to the delegated authorities as prescribed in terms of supply chain management regulations and the delegation system of council, as amended from time to time.
- 2) In the case of goods and services supplied in response to a quotation or deviation invited by the section of the Municipality which requested the goods or service must certify on the supplier's invoice that the goods or service had been supplied in accordance with the Municipality's requirements before payment is made.
- 3) The appointed contract manager which required the goods or a service in terms of a competitive bidding process must ensure that the goods had been delivered or the service completed according to the Municipality's quality and other requirements as specified in the relevant bid documentation.
- 4) In the case of goods or services procured through a tender process as specified in terms of paragraph 18 of this Policy, the Director must provide a written report on a monthly basis on all bids awarded, whether it is a progress report or a report of completion per supplier per tender before the 10th working day of each month.

- 5) The monthly report must include items listed in paragraph 49(9) in terms of-
 - a) whether or not the performance of the supplier was satisfactory in terms of adherence to specifications and delivery or completion schedules,
 - b) level of product or service quality and/or quality of workmanship;
 - c) details, supported by copies of any written notifications regarding service delivery given to the supplier;
 - d) a recommendation, if applicable, on any further action to be taken against the supplier in terms of paragraph 37 of this Policy.

55. CONTRACTS HAVING BUDGETARY IMPLICATIONS BEYOND THREE FINANCIAL YEARS

Theewaterskloof Municipality may not enter into any contract that will impose financial obligations beyond the three years covered in the annual budget for that financial year, unless the requirements of section 33 of the Municipal Finance Management Act have been fully complied with.

AMENDMENTS TO PREFERENTIAL PROCUREMENT REGULATIONS OF 2022

10. POINTS FOR SPECIFIC GOALS TO PROMOTE ECOCNOMIC DEVELOPMENT

5. A tenderer failing to submit proof of B-BBEE status level of contributor or is a non-compliant contributor to B- BBEE may not be disqualified, but-
 - a) may only score in terms of the 80/90 points formula for price
7. Any specific goal for which a point may be awarded must be clearly specified in the invitation to submit a tender.
8. A tenderer failing to submit proof of required evidence to claim preferences for other specified goals, which is in line with section 2(1) (d) (ii) of the Act.
 - (a) may only score in terms of the 80/90 points formula for price;and
 - (b) scores 0 points for the relevant specific goals where the supplier or service provider did not stipulate locality.

10. POINTS FOR SPECIFIC GOALS TO PROMOTE ECOCNOMIC DEVELOPMENT (CONTINUED)

9. A tenderer may not be awarded points for B-BBEE status level of contributor if the tender documents indicate that the tenderer intends subcontracting more than 25% of the value of the contract to any other person not qualifying for at least the points that the tenderer qualifies for, unless the intended subcontractor is an EME that has the capability to execute the subcontract. (Removed)
9. The preference points scored by a tenderer must be added to the points scored for price.
12. If the price offered by a tenderer scoring the highest points is not market related, the organ of state may not award the contract to that tenderer.

Removed:

- (a) If the price offered by a tenderer scoring the highest points is not market related, the organ of state may not award the contract to that tenderer.
- (b) The organs of state may-
 - (i) negotiate a market-related price with the tenderer scoring the highest points or cancel the tender;
 - (ii) if the tenderer does not agree to a market-related price, negotiate a market-related price with the tenderer scoring the second highest points or cancel the tender;
 - (iii) if the tenderer scoring the second highest points does not agree to a market related price, negotiate a market-related price with the tenderer scoring the third highest points or cancel the tender.
- (c) If a market-related price is not agreed as envisaged in paragraph (b)(iii), the organ of state must cancel the tender.

IDENTIFICATION OF PREFERENCE POINT SYSTEM

Removed:

(1) An organ of state must, in the tender documents, stipulate—

- a) *the applicable preference point system as envisaged in regulations 4, 5, 6 or 7;*

- b) the specific goal in the invitation to submit the tender for which a point may be awarded, and the number of points that will be awarded to each goal, and proof of the claim for such goal.*
- (2) If it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—*
 - (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or*
 - (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system.*

13. REMEDIES

- (1) If an organ of state is of the view that a tenderer submitted false information regarding a specific goal, it must—*
 - (a) inform the tenderer accordingly; and*
 - (b) give the tenderer an opportunity to make representations within 14 days as to why the tender may not be disqualified or, if the tender has already been awarded to the tenderer, the contract should not be terminated in whole or in part.*
 - (2) After considering the representations referred to in subregulation (1)(b), the organ of state may, if it concludes that such information is false—*
 - (a) disqualify the tenderer or terminate the contract in whole or in part; and*
 - (b) if applicable, claim damages from the tenderer.*
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Short-Term Insurance

Point 6 Property excluded from external insurance 6.1 was amended:

Old version

- 6.1. All property owned by or leased to the Council, property held by the Council in trust and/or commission and/or custody and/or under Council's control and/or for which the Council is responsible must be insured except for the following which are specifically excluded as stipulated in the conditions of contract of the insurer:

New version

- 6.1. All property owned by or leased to the Council, property held by the Council in trust and/or commission and/or custody and/or under Council's control and/or for which the Council is responsible must be insured except for the following **property which are excluded unless specifically insured and stated in the schedule:**

Point 6 Property excluded from external insurance list was amended:

- 6.1.1. Dam Walls, Dam Contents, Canals, Viaducts, **Reservoirs and Reservoir Contents**
- 6.1.2. **Pavilions, Sports Stadiums, Spectator Stands**, Outdoor Sports Playing or Recreational Surfaces (Other Than Tennis Courts) Tartan Tracks (Unless Specifically Declared To Insurers)

Point 6 Property excluded from external insurance list was amended: (cont)

- 6.1.9. **Driveways**, pavements, **outdoor parking surfaces**
- 6.1.10. **Roads, Road and Rail Bridges, Road and Rail Tunnels**, Manhole Covers

Point 6.2 was added:

- 6.2. The following items are excluded from external insurance
- 6.2.1. Boundary and other walls and fencing which are not erected around the insured buildings, structures or public work premises.
- 6.2.2. Directors' liability cover

Point 7.2 was amended and should read as follow:

- 7.2. On the occurrence of any unknown event likely to give rise to a claim against the Council, the Director of the Department concerned **must register the claim immediately on the collaborator Insurance claims model**. The Insurance Unit shall notify the Council's insurer thereof.

Point 7.3 was amended and should read as follow:

- 7.3. The Director of the Department **will receive a task requesting claims information to be completed. Included must be an estimate of the cost to repair or replace such damage or loss**. Where applicable i.e. loss, theft, vehicle accident etc. the matter must be reported to the South African Police Service and a case number obtained.
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Asset Management Policy

Definition 3.9 was amended and should read as follow:

- 3.9. “Coordinator” is someone which has the responsibility for handling the administration of assets in a specific location.

Definition 3.12 was inserted:

- 3.12. “Custodian” is the responsible person for managing the assigned assets in a specific location.