MUNISIPALITEIT THEEWATERSKLOOF MUNICIPALITY

[06 AUGUSTUS / AUGUST 2026]

# KENNISGEWING / NOTICE

# SPESIALE RAADSVERGADERING / SPECIAL COUNCIL MEETING

# A G E N D A

**DATUM / DATE** : **13 AUGUSTUS / AUGUST 2026**

**PLEK / VENUE** : **RAADSAAL, MUNISIPALE KANTORE, CALEDON / COUNCIL CHAMBERS, MUNICIPAL OFFICES, CALEDON**

**TYD / TIME** : **09:30**

# MUNISIPALITEIT THEEWATERSKLOOF

**Kantoor van die Munisipale Bestuurder**
**Munisipale Kantore**
**CALEDON**

06 Augustus 2026

KENNISGEWING AAN ALLE RAADSLEDE

SPESIALE RAADSVERGADERING VAN DIE THEEWATERSKLOOF MUNISIPALE RAAD

**Kennis geskied hiermee dat 'n Spesiale Raadsvergadering geskeduleer is vir Donderdag, 13 Augustus 2026 om 09:30 in die Raadsaal: Caledon om die onderstaande agenda te bespreek.**

*Raadslede se aandag word gevestig op die Gedragskode vir Raadslede, Skedule 7 van die Wysigingswet op Plaaslike Regering: Munisipale Strukture, 2021 (Wet 3 van 2021) en Munisipale Beamptes, Skedule 2 van die Wet op Plaaslike Regering: Munisipale Stelsels, 2000 (Wet 32 van 2000).*

Rdsh WH Wells
SPEAKER

---

# THEEWATERSKLOOF MUNICIPALITY

**Office of the Municipal Manager**
**Municipal Offices**
**CALEDON**

06 August 2026

NOTICE TO ALL COUNCILLORS

SPECIAL COUNCIL MEETING OF THE THEEWATERSKLOOF MUNICIPAL COUNCIL

**Notice is hereby given that a Special Council Meeting is scheduled for Thursday, 13 August 2026 at 09:30 in the Council Chambers: Caledon, to discuss the undermentioned agenda.**

*The attention of Councillors is directed to the Code of Conduct for Councillors, Schedule 7 of the Local Government: Municipal Structures Amendment Act, 2021 (Act 3 of 2021) and Municipal Officials, Schedule 2 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).*

Aldm WH Wells
SPEAKER

| NAAM EN VAN / NAME AND SURNAME |
| --- |
| **Raadslede / Councillors :** |
| Raadsheer/Alderman LM de Bruyn |
| Raadsheer/Aderman CC Clayton |
| Raadsheer/Alderman WH Wells |
| Raadslid/Councillor CA Benjamin |
| Raadslid/Councillor CT Cloete |
| Raadsheer/Alderman S Fredericks |
| Raadslid/Councillor M Gana |
| Raadslid/Councillor DA Jacobs |
| Raadslid/Councillor D Jooste |
| Raadslid/Councillor H Linnerts |
| Raadslid/Councillor JD Lekhori |
| Raadslid/Councillor TP Lemina |
| Raadsheer/Alderman BB Mkhwibiso |
| Raadslid/Councillor M Mpambani |
| Raadslid/Councillor MA Nomkoko |
| Raadslid/Councillor FO Ntantiso |
| Raadslid/Councillor V Papier |
| Raadsheer/Alderman M Plato-Mentoor |
| Raadslid/Councillor MS Shale |
| Raadslid/Councillor J Smit |
| Raadslid/Councillor C Smith |
| Raadslid/Councillor PJ Stander |
| Raadslid/Councillor YM van Tonder |
| Raadslid/Councillor MH Witbooi |
| Raadsheer/Councillor C Wood |
| Raadslid/Councillor TB Zimmermann |

# MUNISIPALITEIT THEEWATERSKLOOF MUNICIPALITY

# SPESIALE RAADSVERGADERING / SPECIAL COUNCIL MEETING

## AGENDA

## [13 AUGUSTUS / AUGUST 2026]


| ITEM NR | ITEM BESKRYWING / DESCRIPTION | BLADSY / PAGE NR |
|---|---|---|
| A. | **OPENING: VERWELKOMING / OPENING: WELCOME** | |
| B. | **VERKIESING VAN SPEAKER** *(indien nodig)* **ELECTION OF SPEAKER** *(if necessary)* | |
| C. | **BYWONINGSREGISTER ATTENDANCE REGISTER** | |
| C.1 | Teenwoordig / Present | |
| C.2 | Aansoek(e) om verlof tot afwesigheid / Application(s) for leave of absence | |
| D. | **MKOOR AGENDA-ITEMS VAN 2023/2024 FINANSIëLE JAAR / MPAC AGENDA-ITEMS OF 2023/2024 FINANCIAL YEAR** | |
| SC71/2026 | Finance: Irregular Expenditure – Incorrectly classified [6/3/1/5/1] | 1-12 |
| SC72/2026 | Finance: Reported on Unauthorised Expenditure for 2022/2023 and 2023/2024 Financial Year [6/3/1/5/1] | 13-46 |
| SC73/2026 | Finance: Irregular Expenditure – Deviation from SCM Process: Provision of Bill Payment Services – Municipal Bills and Water and Electricity Payments to Theewaterskloof Municipality [6/3/1/5/1] | 47-65 |
| SC74/2026 | Community Services - Operations: Procurement of fuel for fleet [6/3/1/5/1] | 66-81 |

| ITEM NR | ITEM BESKRYWING / DESCRIPTION | BLADSY / PAGE NR |
|---|---|---|
| SC75/2026 | Community Services: Irregular Expenditure – No procurement process followed for maintenance, safeguarding and security and wet fuel (for generators) services [6/3/1/5/1] | 82-101 |
| SC76/2026 | Community Services – Operations: Irregular Expenditure – Procurement of goods and services without competitive bidding process resulting in Irregular Expenditure – WB Tipper Truck and Plant Hire [6/3/1/5/1] | 102-155 |
| SC77/2026 | Community Services – Operations: Irregular Expenditure – COMM11/2023/24 Restoration of road infrastructure in the Rooidakke Development, Grabouw Exeo Khokhela [6/3/1/5/1] | 156-169 |
| SC78/2026 | Community Services – Operations: Irregular Expenditure – Quotation to attend to defects on compactor CAM25570 – Trans Manufacturing (Pty) Ltd T/A TFM Transtech [6/3/1/5/1] | 170-184 |
| SC79/2026 | Corporate Services – HR: Irregular Expenditure – Purchasing of Emergency PPE 2023/2024 [6/3/1/5/1] | 185-215 |
| SC80/2026 | Community Services: Irregular Expenditure with regards to the Supply and Fit New H/P Hoses with Fittings - Kai-Ma Services (Pty) Ltd for CAM 34735 [6/3/1/5/1] | 216-242 |
| SC81/2026 | Finance: Unauthorised Expenditure for 2022/23 and 2023/24 financial years [6/3/1/5/1] | 243-276 |
| | **E. MKOOR AGENDA-ITEMS VAN 2024/2025 FINANSIëLE JAAR / MPAC AGENDA-ITEMS OF 2024/2025 FINANCIAL YEAR** | |
| SC82/2026 | Office of the Municipal Manager: Payment & Tax Non-Compliance of Brink Thomas Cassiem Incorporated [6/3/1/5/1] | 277-361 |
| SC83/2026 | Office of the Municipal Manager: Mayco salaries for December 2024 [6/3/1/5/1] | 362-369 |
| SC84/2026 | Corporate Services: HR: Payment for occupational therapist services [6/3/1/5/1] | 370-382 |

| ITEM NR | ITEM BESKRYWING / DESCRIPTION | BLADSY / PAGE NR |
|---|---|---|
| SC85/2026 | Finance: Irregular Expenditure – Deviation from SCM process: provision of bill payments services municipal bills and water and electricity payments to Theewaterskloof Municipality [6/3/1/5/1] | 383-402 |
| SC86/2026 | Finance: Irregular Expenditure – Deviation from SCM process: provision of security services for the collection, transportation and depositing of cash [6/3/1/5/1] | 403-422 |
| SC87/2026 | Economic Development and Planning - Human Settlements: Irregular Expenditure – ASLA Construction (Pty) Ltd [6/3/1/5/1] | 423-435 |
| SC88/2026 | Economic Development and Planning – Human Settlements: Irregular Expenditure Sibakulu Security Services [6/3/1/5/1] | 436-459 |
| SC89/2026 | Economic Development and Planning - Town Planning: Irregular Expenditure – Esri South Africa (Pty) Ltd [6/3/1/5/1] | 460-492 |
| SC90/2026 | Corporate Services - ICT: Non-Compliance - Procurement for services from Telkom SA [6/3/1/5/1] | 493-506 |
| SC91/2026 | Economic Development and Planning - LED: Irregular Expenditure: Urban-Econ Economists (Pty) Ltd [6/3/1/5/1] | 507-583 |
| SC92/2026 | Finance: 2024/2025: Non – Compliance with SCM Regulation 22 (1)(b)(i) – Advertising of long – term contracts for less than 30 days [6/3/1/5/1] | 584-598 |
| SC93/2026 | Technical- and Infrastructure Implementation Services: Irregular Expenditure – Not Justifiable Deviation (Enviroserv Waste Management (Pty) Ltd) [6/3/1/5/1] | 599-646 |
| SC94/2026 | Technical- and Infrastructure Implementation Services: Irregular Expenditure - Not Justifiable Deviation (WB Tipper Truck and Plant Hire) [6/3/1/5/1] | 647-714 |
| SC95/2026 | Technical- and Infrastructure Implementation Services: Irregular Expenditure – Expenditure incurred is above the contract value (Enviroserv Waste Management (Pty) Ltd) [6/3/1/5/1] | 715-734 |

| ITEM NR | ITEM BESKRYWING / DESCRIPTION | BLADSY / PAGE NR |
|---|---|---|
| SC96/2026 | Economic Development and Planning: Human Settlements: Irregular Expenditure – Randzo Projects [6/3/1/5/1] | 735-755 |
| SC 97/2026 | Finance: Repair of Tyre [6/3/1/5/1] | 756-766 |
| SC98/2026 | Finance: Towing of vehicle to the Grabouw Office CAM 30014 - 2024/2025 [6/3/1/5/1] | 767-786 |
| SC99/2026 | Finance: Reported on Unauthorised Expenditure for 2024/25 financial year [6/3/1/5/1] | 787-795 |
| SC100/2026 | Corporate Services: Human Resources: Payment for University of Stellenbosch – Minimum Competency Training [6/3/1/5/1] | 796-799 |


**F. VERDAGING / ADJOURNMENT**

**ITEM TITLE**

**SC71/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE FINANCE: IRREGULAR EXPENDITURE - INCORRECTLY CLASSIFIED**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE OF REPORT**

The purpose of this report is to inform the Municipal Public Accounts Committee of the irregular expenditure Irregular expenditure incorrectly classified.

**BACKGROUND**

During the audit of irregular expenditure, the following matters were noted on irregular expenditure note 56.3 to the financial statements, under the heading "*Details of irregular expenditure incurred*", where these items were incorrectly classified:

| **Current classification in the financial statements** | **Correct classification** | **Amount** |
|---|---|---|
| SCM processes started but not successfully completed | Deviations not considered to be impractical or exceptional circumstances | R778 800 |
| SCM processes started but not successfully completed | Deviations not considered to be an emergency | R15 563 675 |
| SCM processes not followed only instruction given to deliver services | Non-compliance with section 112(1)(a) to (g) of the MFMA | R39 228 466 |
| **TOTAL** | | **R55 570 941** |

**DISCUSSION**

In terms of section 122(1)(a) of MFMA No. 56 of 2003;

*"Every municipality and every municipal entity must for each financial year prepare annual financial statements which fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year."*

In terms of paragraph 17 of the Generally Recognized Accounting Principles 1 (GRAP 1);

*"Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses set out in the Framework for the Preparation and Presentation of Financial Statements. The application of Standards of GRAP with additional disclosures when necessary is presumed to result in financial statements that achieve a fair presentation."*
This was a matter of interpretation and mutual consensus were reached.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The irregular expenditure of R 55 570 941.16 has been recorded in 2023/2024 financial statements. Management should ensure that recurrence is prevented.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of MFMA

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result in Council Losing money and not receiving value for money. However, in this case Council did not suffer any losses or damages and received value for money.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 55 570 941.16 be written off for the financial year 2023/2024.**

**RECOMMENDATION BY MANAGEMENT TO FINANCE COMMITTEE: 02 APRIL 2025**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 55 570 941.16 be written off for the financial year 2023/2024.**

**RECOMMENDATION BY THE FINANCE COMMITTEE TO MPAC: 15 APRIL 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, it was unanimously recommended as follows:

**That, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, it is recommended that the irregular expenditure in the amount of R 55 570 941.16 be written off for the financial year 2023/2024.**

**RECOMMENDATION FROM MPAC TO COUNCIL: 16 MAY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor J Smit it was recommended as follows:

**That, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, it is recommended that the irregular expenditure in the amount of R 55 570 941.16 be written off for the financial year 2023/2024.**

**RECOMMENDATION TO COUNCIL:**

**It is recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 55 570 941.16 be written off for the financial year 2023/2024.**

**RESOLVED BY COUNCIL: 29 MAY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor M Gana, it was resolved as follows:

**Council refers the agenda-item for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

*For finalization by the Municipal Manager, Mr W Hendricks.*

**RESOLVED BY COUNCIL: 24 NOVEMBER 2025**

**During a Special Council In-Committee Meeting held on 24 November 2025, Council resolved to rescind Council Resolution C156/2025 of 29 May 2025 and that the item be referred back to the Municipal Public Accounts Committee for a Section 32 investigation.**

*Agenda-item referred back to the Municipal Public Accounts Committee for consideration.*

**RECOMMENDATION FROM MPAC TO COUNCIL: 04 DECEMBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor C Smith it was recommended as follows:

**In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 55 570 941.16 be written off for the financial year 2023/2024.**

**RESOLVED BY COUNCIL: 12 DECEMBER 2025**

**Council approves the recommendation of the Municipal Public Accounts Committee dated 04 December 2025 as per Council resolution SC14/2025 of the Special Council Meeting of 12 December 2025.**

*For finalization by the Director: Finance, Mr P Mabhena.*

**RECOMMENDATION TO COUNCIL:**

**Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.**

ANNEXURE A

## Status Report– Irregular expenditure incorrectly classified

## In terms of SCM and MFMA requirements and remedial action required if necessary

1

| What was the initial Purpose |
|---|
| **Irregular expenditure incorrectly classified** |

2

| Initial Scope of Contract and if uncertain please explain |
|---|
| Accounting entry |

3

| Initial Contract Value and if uncertain please explain |
|---|
| R 55 570 941.16 |

4

| Initial Expiry Date and if uncertain please explain |
|---|
| N/A |

5

| Was normal SCM Process followed and complied with | | |
|---|---|---|
| Yes | no | Uncertain |
| **Explain of motivate your response** | | |
| Accounting entry | | |

6

| Has the purpose, scope or contract period been extended or expanded since the initial appointment of the service provider | | |
|---|---|---|
| Yes | No x | Uncertain |
| **Explain or motivate your response** | | |
| N/A | | |

7

| **Was a formal contract or SLA initially entered into in terms of SCM and MFMA Requirements** | | |
|---|---|---|
| Yes | No **x** | Uncertain |
| **Explain or motivate your response** | | |
| | | |

8

| **Should a contract not have existed has it since been entered into and has all compliance requirements like as it applies in respect of the SCM process and or for purposes of deviations been complied with** | | |
|---|---|---|
| Yes | No x | Uncertain |
| **Motivate or explain your response** | | |
| | | |

9

| **Did Council because of this transaction received best value for money i.e. in spite of non-compliance, if any with SCM or MFMA requirements** | | |
|---|---|---|
| Yes | No | Uncertain |
| **Please explain or motivate your response above** | | |
| Accounting entry | | |

10

| **Has the Municipality suffered any losses or damages as a result of non-compliance with any of the MFMA or SCM requirements** | | |
|---|---|---|
| Yes | No | Uncertain |
| **Please explain or motivate your response above** | | |
| Accounting entry | | |

11

| Are you satisfied with the performance of the current service providers | | |
|---|---|---|
| Yes | No | Uncertain |
| **Please explain or motivate your response above** | | |
| N/A | | |

12

| Has the director investigated and established whether or not there is not at this point a better service provider, price or product which would justify a new procurement process and a reconsideration of the current service provider, product or price | | |
|---|---|---|
| Yes | No | Uncertain |
| **Please explain or motivate your response above** | | |
| N/A | | |

14

| Could any form of non-compliance have been prevented | | |
|---|---|---|
| Yes | No | Uncertain |
| **Explain or motivate your response above** | | |
| N/A | | |

15

| What remedies have been put in place to prevent any non-compliance being repeated | | |
|---|---|---|
| Yes | No | Uncertain |
| **Explain or motivate your response above** | | |
| N/A | | |

16

| General or additional Comments of the Director Concerned | |
|---|---|
| ..... | 13/03/2025 |
| Signature of Director Concerned | Date |

ANNEXURE A

17

| General Comments/Findings and recommendations of the CFO | |
|---|---|
| | |
| Signature of CFO | Date 18/03/2025 |

18

| General Comments/Findings and or recommendations of the Chief Audit Executive | |
|---|---|
| None details to be provided to understand differences with AG view please. Management agree with findings of AG. | |
| Signature of Chief Audit Executive | Date 14/3/2025 |

19

| Final response of the Director Concerned for consideration by the Municipal Manager | |
|---|---|
| | |
| Signature of the Director concerned | Date |

20

| General Comments and findings of the Municipal Manager | |
|---|---|
| 1. | |
| Signature of the Municipal Manager | Date 14/3/2025 |

AUDITOR-GENERAL
SOUTH AFRICA

The Accounting Officer
Theewaterskloof Municipality
PO Box 24
Caledon
7230

11 October 2024

Reference: Communication No. 11 of 2024

Dear Mr. R Stevens

**COMMUNICATION OF FINDINGS IDENTIFIED DURING THE AUDIT OF THE FINANCIAL STATEMENTS OF THEEWATERSKLOOF MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2024**

**Background**

1. In performing the audit of the financial statements, we identified misstatements as described in the annexure. We have recorded the internal control deficiency that gave rise to the misstatements and our recommendation for correcting the misstatements for your consideration. The effect of these misstatements could potentially be material.
2. The finding will be included in the management report including your comments and our final response.

**Required**

3. You are requested to indicate whether you agree with the facts stated in the annexure including whether you agree with the identified internal control deficiency. Should you disagree, please provide us with documentary evidence to the contrary within 5 days from the date of this communication, as agreed in the engagement letter.
4. Should you agree, you are hereby requested to make the necessary corrections.
5. Should you choose not to make the necessary corrections, kindly communicate your reasons for this within 5 days from the date of this communication, as agreed in the engagement letter. The instances of non-compliance will then be evaluated for reporting purposes based on materiality.
6. Should you choose to make the necessary corrections, kindly refer to point 7, described below and provide us with the necessary information within 5 days from the date of this communication, as agreed in the engagement letter:
7. Please provide us with copies of the proposed adjustments and the supporting documentation.
8. Once we have received this information, we will perform additional audit procedures to determine whether there are remaining uncorrected misstatements.
9. If the results of these procedures are satisfactory, we will accept the proposed adjustments and you may make the adjustments.
10. If the results of these procedures are not satisfactory or there are remaining uncorrected misstatements, we will evaluate these for reporting purposes based on materiality.

## DETAILED AUDIT FINDING

### Irregular expenditure incorrectly classified

In terms of section 122(1)(a) of the MFMA No. 56 of 2003;

*"Every municipality and every municipal entity must for each financial year prepare annual financial statements which fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year."*

In terms of paragraph 17 of the Generally Recognized Accounting Principles 1 (GRAP 1);

*"Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses set out in the Framework for the Preparation and Presentation of Financial Statements. The application of Standards of GRAP with additional disclosures when necessary is presumed to result in financial statements that achieve a fair presentation."*

During the audit of irregular expenditure, the following matters were noted on irregular expenditure note 56.3 to the financial statements, under the heading "*Details of irregular expenditure incurred*", where these items were incorrectly classified:

| Current classification in the financial statements | Correct classification | Amount |
|---|---|---|
| SCM processes started but not successfully completed | Deviations not considered to be impractical or exceptional circumstances | R778 800 |
| SCM processes started but not successfully completed | Deviations not considered to be an emergency | R15 563 675 |
| SCM processes not followed only instruction given to deliver services | Non-compliance with section 112(1)(a) to (g) of the MFMA | R39 228 466 |
| **TOTAL** | | **R55 570 941** |

In the prior year the deviations found not to be justifiable were identified by the auditors. In the current year, the process was initiated, but before final approval, management found the deviations not to be justifiable and therefor did not approve them, resulting in the irregular expenditure. Despite the differing circumstances, the nature of the non-compliance remained the same as the prior year.

Additionally, in the prior year, the non-compliance with section 112 was related to emergency procurement for disaster management. In the current year, the accounting officer instructed payment to suppliers for goods and/or services rendered. Despite the differing circumstances, the nature of the non-compliance remained the same.

### Impact

The misclassification of irregular expenditure result in the misstatement of the line items as indicated above in note 56.3 of the financial statements.

### Internal control deficiency

***Financial and Performance Management***

*Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.*

- Misinterpretation by management of the classification in the current year.

- Inadequate review and oversight processes for ensuring the accurate classification of irregular expenditure in the financial statements.

**Recommendation**

- Management should strengthen their review processes of irregular expenditure to ensure that it is correctly classified in the financial statements.
- Management should implement a detailed checklist for the review of irregular expenditure to validate the justifiability of deviations and whether they meet the requirements for exceptional circumstances or emergencies, preventing future misclassifications.
- Provide training sessions and workshops for management and relevant staff to improve their understanding of the correct classification of irregular expenditure.

**Management response**

| DESCRIPTION | RESPONSE |
|---|---|
| Does management agree with the finding (Yes/ No) | Yes |
| Detail reason for agreeing/ disagree with finding | Management agrees with Finding. |
| Management comment on internal control deficiencies and root cause indicated and detail reason for agreeing/ disagree with finding. | Management agrees with Internal control deficiencies. |
| Detail corrective action to be taken and date. | AFS will be adjusted accordingly. |
| Does the finding affect an amount disclosed in the financial statements (Yes/ No) | No |
| If yes, what corrections will be made to the population | N/A |
| If **yes** and no corrections will be made the reason, why such a conclusion has been reached should be indicated. | N/A |
| Position of official responsible to take corrective actions | Deputy Director Finance |

Name: A. Riddles
Position: Deputy Director Finance
Date: 18 October 2024

**Auditor's conclusion:**

Management acceptance of the findings is acknowledged. It is imperative that the municipality implements robust review processes to ensure accurate classification in the future.

Recommendations for the establishment of a detailed checklist for the review of irregular expenditure, along with training sessions for relevant staff, should be prioritised. These measures will enhance the municipality's compliance with applicable laws and regulations, improve the accuracy of financial reporting, and reduce the risk of recurrence of similar issues.

**ITEM HEADING**

**SC72/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE FINANCE: REPORTED ON UNAUTHORISED EXPENDITURE FOR 2022/2023 AND 2023/2024 FINANCIAL YEAR**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE / AIM OF REPORT**

The purpose of this report is to inform the MPAC committee of Unauthorised Expenditure for 2022/23 and 2023/24 financial years.

**BACKGROUND**

Unauthorised Expenditure in the amount of R 104 357 068.00 (2022/2023) and R 49 370 445.00 (2023/2024) as disclosed per note 57.1 of the audited Annual Financial Statements.

**DISCUSSION**

Unauthorised expenditure is defined in section 1 of the MFMA as follows:

"unauthorised expenditure", in relation to a municipality, means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3), and includes—

(a) overspending of the total amount appropriated in the municipality's approved budget;

(b) overspending of the total amount appropriated for a vote in the approved budget;

(c) expenditure from a vote unrelated to the department or functional area covered by the vote;

(d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;

(e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or

(f) a grant by the municipality otherwise than in accordance with this Act.

Section 32 of the Municipal Finance Management Act (MFMA), No. 56 of 2003 states the following:

*"(1) Without limiting liability in terms of the common law or other legislation*

1. *a political office-bearer of a municipality is liable for unauthorised expenditure if that office-bearer knowingly or after having been advised by the accounting officer of the municipality that the expenditure is likely to result in unauthorised expenditure, instructed an official of the municipality to incur the expenditure;*
2. *the accounting officer is liable for unauthorised expenditure deliberately or negligently incurred by the accounting officer, subject to subsection (3);*
3. *any political office-bearer or official of a municipality who deliberately or negligently committed, made or authorised an irregular expenditure, is liable for that expenditure; or*
4. *any political office-bearer or official of a municipality who deliberately or negligently made or authorised a fruitless and wasteful expenditure is liable for that expenditure.*

*(2) A municipality must recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for that expenditure unless the expenditure—*

1. *in the case of unauthorised expenditure, is—*

   *(i) authorised in an adjustments budget; or*

   *(ii) certified by the municipal council, after investigation by a council committee, as irrecoverable and written off by the council;*

**COMMENTS FROM DIRECTORATE**

Breakdown of expenditure was attached.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The unuauthorised expenditure of R 104 357 068.00 (2022/2023) and R 49 370 445.00 (2023/2024) has been recorded in the financial statements. Management should ensure that reoccurrence is prevented

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage unauthorised expenses in accordance with the MFMA could result in Council Losing money and not receiving value for money. However, in this case Council did not suffer any losses or damages and received value for money.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the unauthorised expenditure in the amount of R104 357 068 be written off for the financial year 2022/2023 and the amount of R49 370 445.00 be written off for the financial year 2023/2024.**

**RECOMMENDATION BY MANAGEMENT TO THE FINANCE COMMITTEE: 08 MAY 2025**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the unauthorised expenditure in the amount of R104 357 068 be written off for the financial year 2022/2023 and the amount of R49 370 445.00 be written off for the financial year 2023/2024.**

**RECOMMENDATION FROM MPAC TO COUNCIL: 11 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor M Botes it was recommended as follows:

**That the agenda-item be referred to Council for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**RESOLVED BY COUNCIL: 27 JUNE 2025**

**Council noted that the agenda-item has been withdrawn and will not be discussed during the meeting.**

*Agenda-item be referred to MPAC for consideration.*

**RESOLVED BY MPAC: 26 AUGUST 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor M Botes, and seconded by Councillor T Zimmermann it was resolved as follows:

1. **That the agenda item be referred back.**

2. **That the Department Finance must submit a complete list of all the unauthorized expenditure for the financial year 2022/2023 and 2023/2024 at the next MPAC Meeting.**

*1. Agenda-item referred back.*
*2. For finalization by the Director: Finance, Mr P Mabhena.*

**COMMENTS BY ITEM AUTHOR:**

Complete list of all the unauthorized expenditure for the financial year 2022/2023 and 2023/2024 is attached.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the unauthorised expenditure in the amount of R104 357 068 be written off for the financial year 2022/2023 and the amount of R49 370 445.00 be written off for the financial year 2023/2024.**

**RECOMMENDATION BY MPAC TO COUNCIL: 05 FEBRUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander, and seconded by Councillor D Jacobs it was recommended as follows:

**That, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the unauthorised expenditure in the amount of R104 357 068 be written off for the financial year 2022/2023 and the amount of R49 370 445.00 be written off for the financial year 2023/2024.**

**RECOMMENDATION TO COUNCIL:**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the unauthorised expenditure in the amount of R104 357 068 be written off for the financial year 2022/2023 and the amount of R49 370 445.00 be written off for the financial year 2023/2024.**

**DISCUSSION DURING THE MEETING: 27 FEBRUARY 2026**

*The Municipal Manager, Mr W Hendricks, requested that the agenda-item be withdrawn and indicated that it will be resubmitted in the correct format, as the wording of the current item was incorrect.*

*Councillor PJ Stander - The agenda-item will just go back for the wording. They use a standard recommendation. Only the wording must change, then the agenda-item will come back to Council. It is a budget related item. Will not go back to MPAC. Just administration to correct the wording.*

*Mr W Hendricks - I have requested the Legal Department and Provincial Treasury to guide me on this. This is not a legal opinion. Mr R Jongh from Provincial Treasury advised that it is clear the recommendation is not sound in law or judgement. This matter is referred back to MPAC and Council and also Provincial Treasury to make any decisions in this regard. Council must be careful not to condone financial misconduct. This recommendation puts you in a harmful way.*

*Alderman DA Appel - This agenda-item was at MPAC on the 05th of February 2026 and MPAC made a recommendation to Council. Don't agree that the agenda-item be referred back. We as council can approve this agenda-item and only change the wording. We are entitled to fix the wording. MPAC is an oversight committee of Council. There were senior managers at the MPAC meeting, and the recommendation is like all the previous ones. We must be honest here with each other about why we want to refer this agenda-item back.*

*Mr W Hendricks – If you receive value for money for everything what must you write off? This is contradicted and that's why I want to refer it back. This is a general standard recommendation. I was not at the meeting so I couldn't give guidance. I must advise that this is a contradictory recommendation.*

*Alderman MR Nongxaza requested a 10 minutes caucus break which were granted by the Speaker.*

*After the caucus break, Alderman DA Appel is still of the view that the Council can correct the agenda-item.*

*Councillor H Linnerts proposed the recommendation as is in the agenda-item.*

*The proposal was seconded by Alderman MR Nongxaza.*

*Alderman LM de Bruyn proposed the following counter-proposal:*

1. *That the agenda item be referred back to MPAC.*
2. *That our names be recorded.*
3. *That, in case the vote is against my proposal, we retain the right to approach the court to reverse the decision.*
4. *That the Councillors who voted in favour of the item be held accountable jointly or separately in their personal capacity for any costs.*

The counter-proposal was seconded by Councillor CA Benjamin.

*The voting process started, and each councillor indicated whether they vote for 1. Proposal by Councillor H Linnerts and seconded by Alderman MR Nongxaza or 2. Counter-proposal by Alderman LM de Bruyn seconded by Councillor CA Benjamin.*

*The result of the voting process is as follows:*

*Proposal by Councillor H Linnerts and seconded by Alderman MR Nongxaza = 14 votes.*

*Counter-proposal by Alderman LM de Bruyn and seconded by Councillor CA Benjamin= 13 votes.*

**RESOLVED BY COUNCIL: 27 FEBRUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor H Linnerts and seconded by Alderman MR Nongxaza it was resolved as follows:

**In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the unauthorised expenditure in the amount of R104 357 068 be written off for the financial year 2022/2023 and the amount of R49 370 445.00 be written off for the financial year 2023/2024.**

***The following Councillors requested that their names be minuted in terms of Rule 19(c) of the By-law on Rules of order for meetings of Council and Committees of Theewaterskloof Municipality – applicable to agenda-item C74/2026***

**Alderman LM de Bruyn**
**Councillor CA Benjamin**
**Councillor M Botes**
**Councillor CT Cloete**
**Alderman S Fredericks**
**Councillor M Gana**
**Councillor D Jacobs**
**Councillor D Jooste**
**Alderman M Plato-Mentoor**
**Councillor J Smit**
**Councillor PJ Stander**
**Councillor YM van Tonder**
**Councillor TB Zimmermann**

*For finalization by the Acting Director: Finance, Mr A Riddles.*

**RECOMMENDATION TO COUNCIL:**

**Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.**

AUDITOR-GENERAL
SOUTH AFRICA

The Accounting Officer
Theewaterskloof Municipality
PO Box 24
Caledon
7230

20 September 2024

Reference: Communication No.3 of 2024

Dear Mr. R Stevens

**COMMUNICATION OF FINDINGS IDENTIFIED DURING THE AUDIT OF COMPLIANCE WITH LEGISLATION FOR THE YEAR ENDED 30 JUNE 2024**

**Background**

1. In performing the audit of compliance with legislation we identified non-compliance with legislation as described in the annexure. We have recorded the internal control deficiency that gave rise to the non-compliance and our recommendation for correcting the non-compliance for your consideration.
2. The finding will be included in the management report including your comments and our final response.

**Required**

3. You are requested to indicate whether you agree with the facts stated in the annexure including whether you agree with the identified internal control deficiency. Should you disagree, please provide us with documentary evidence to the contrary within 5 days from the date of this communication, as agreed in the engagement letter.
4. Should you agree, you are hereby requested to make the necessary corrections.
5. Should you choose not to make the necessary corrections, kindly communicate your reasons for this within 5 days from the date of this communication, as agreed in the engagement letter. The instances of non-compliance will then be evaluated for reporting purposes based on materiality.
6. Should you choose to make the necessary corrections, kindly refer the point(s) described below and provide us with the necessary information within 5 days from the date of this communication, as agreed in the engagement letter:
7. Please provide us with the reasons for the instances of non-compliance and the steps that will be taken to rectify the matter in future.

Yours sincerely

Sithembile Ngubane
Manager: Western Cape

Enquiries: Henno Pretorius
Cell phone: 064 907 4146
Telephone: (021) 528 4100

Email: hennop@agsa.co.za

**Acknowledgement of receipt by management:**

Received by _____ Date _____

## DETAILED AUDIT FINDING

### Consequence management not initiated for prior year unauthorised and irregular expenditure

Section 32 of the Municipal Finance Management Act (MFMA), No. 56 of 2003 states the following:

*"(1) Without limiting liability in terms of the common law or other legislation*

*a) a political office-bearer of a municipality is liable for unauthorised expenditure if that office-bearer knowingly or after having been advised by the accounting officer of the municipality that the expenditure is likely to result in unauthorised expenditure, instructed an official of the municipality to incur the expenditure;*
*b) the accounting officer is liable for unauthorised expenditure deliberately or negligently incurred by the accounting officer, subject to subsection (3);*
*c) any political office-bearer or official of a municipality who deliberately or negligently committed, made or authorised an irregular expenditure, is liable for that expenditure; or*
*d) any political office-bearer or official of a municipality who deliberately or negligently made or authorised a fruitless and wasteful expenditure is liable for that expenditure.*

*(2) A municipality must recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for that expenditure unless the expenditure—*

*a) in the case of unauthorised expenditure, is—*
*(i) authorised in an adjustments budget; or*
*(ii) certified by the municipal council, after investigation by a council committee, as irrecoverable and written off by the council; and*
*b) in the case of irregular or fruitless and wasteful expenditure, is, after investigation by a council committee, certified by the council as irrecoverable and written off by the council.*

During the 2022/23 financial year, the municipality incurred:

- Unauthorised expenditure of R104 357 068,
- Irregular expenditure of R90 979 117,
- Fruitless and wasteful expenditure amounting to R18 386.

At the time of audit (20 September 2024), 14 months after the financial year-end (30 June 2023), the Municipal Public Accounts Committee (MPAC) had not yet investigated the unauthorised and irregular expenditure, as required by Section 32 of the MFMA and Circular No. 68.

Furthermore, note 56.2 of the financial statements disclosed fruitless and wasteful expenditure of R4 432, which related to an overpayment to a supplier. Although the overpayment was recovered on 17 November 2023, it remained listed in the fruitless and wasteful expenditure register and had not been updated in the financial records.

**Impact**

- Failure to investigate and take corrective actions regarding unauthorised, irregular, and fruitless and wasteful expenditure undermines accountability and effective governance, leading to potential financial losses.
- Lack of accountability by the process owners who have caused the unauthorised, irregular, and fruitless and wasteful expenditure
- Non-compliance with the Municipal Finance management Act.
- This is a material non-compliance which will result in a reportable matter in the audit report.

**Internal control deficiency**

**Leadership**

*Exercise oversight responsibility regarding financial and performance reporting and compliance as well as related internal controls*

Insufficient oversight and monitoring of the consequence management process, leading to a failure to investigate and act on prior-year unauthorised and irregular expenditure.

**Finance and performance management**

*Review and monitor compliance with applicable legislation*

Management did not adequately enforce appropriate consequence management procedures concerning the unauthorised and irregular expenditure from the previous year. This lapse was attributed to the absence of a permanent Chief Financial Officer (CFO) and the unavailability of key personnel to oversee the process.

**Recommendation**

Management should promptly implement proper consequence management in line with Section 32 of the MFMA. This ensures that individuals responsible for unauthorised and irregular expenditure are held liable where appropriate, promoting accountability and compliance with financial regulations.

Strengthening oversight in this regard will help to foster accountability and prevent recurrence.

Progress on addressing unauthorised, irregular, and fruitless and wasteful expenditure should be a standing agenda item at oversight meetings. This will facilitate ongoing monitoring and ensure that the council is actively involved in rectifying non-compliance.

The municipality should prioritise filling the vacant CFO position to ensure that the finance department has the necessary capacity to enforce compliance and strengthen internal controls over financial management.

**Management response**

| DESCRIPTION | RESPONSE |
|---|---|
| Does management agree with the finding (Yes/ No) | No |
| Detail reason for agreeing/ disagree with finding | Management acknowledges that the UIFW has not been investigated by the MPAC as to date. Management further agrees that although the amount is considered trivial, the AFS should be amended to disclose the R4 432 as being recovered. The afore-mentioned adjustment will be made to the final AFS.<br><br>However, Management is in disagreement that this finding constitutes to a material non-compliance of the MFMA. Management is not aware that Section 32 of the MFMA is subject to timeframes in which the UIFW needs to be investigated. The finding itself also fails to make reference to any such legislative timeframes. Therefore, the fact that the UIFW has not been investigated by the MPAC as to date, is not directly a contravention of the MFMA. |

| DESCRIPTION | RESPONSE |
|---|---|
| | It should further be noted that Management had every intention for the UIFW to be presented to the MPAC. However, the year under review was very disruptive, mainly due to the National and Provincial elections which resulted in Council going into recess for almost 2 months. Subsequent to the elections, elected appointments also resulted in the MPAC chair post being vacant. Therefore, Management was ready to table its items as per the 2022/23 audit outcomes, however this process was hampered due to said political anomalies. Detail of the afore-mentioned sequence of events can be supplied to the AGSA upon request.<br><br>Due to the fact that the 2022/23 UIFW was not going to be investigated prior to 30 June 2024, Management took a decision to rather table both the 2022/23 and 2023/24 UIFW based on the audited outcomes which will only be concluded by 30 November 2024. |
| Management comment on internal control deficiencies and root cause indicated and detail reason for agreeing/ disagreeing. | Management is in agreement with the "Leadership" control deficiency. However, Management is not in agreement with the "Finance and performance management" control deficiency, as the delay was not caused by Management as already discussed above. |
| Detail corrective action to be taken and date. | Will submit timeously to oversight structures and follow through on consequence management actions upon resolution by MPAC and Council.At this stage it is estimated that the items will be tabled to Council before 31 March 2025, given that no unforeseen disruptive events take place as experienced during the year under review. |
| Does the finding affect an amount disclosed in the financial statements (Yes/ No) | Yes |
| If yes, what corrections will be made to the population | The AFS will be adjusted to disclose the R4 432 as being recovered. |
| If **yes** and no corrections will be made the reason, why such a conclusion has been reached should be indicated. | N/A |
| Position of official responsible to take corrective actions | A Riddles (Deputy Director: Finance) |

Name: A Riddles
Position: Deputy Director: Finance
Date: 02 October 2024

**Auditor's conclusion:**

In-terms of the principles enshrined in the Constitution, 1996, the accountability to deal with municipal matters rests with council. It is for this purpose that section 32 of the MFMA put the primary responsibility to deal with irregular expenditure on council. That is council must:

(a) investigate all instances of irregular expenditure and determine if any person is liable for the irregular expenditure – MFMA section 32(2)(a)(ii);
(b) based on the result of the investigation, recover the irregular expenditure from the liable person or certify the irregular expenditure as irrecoverable – MFMA section 32(2);
(c) institute disciplinary proceedings against the liable person – MFMA section 32(5); and
(d) report all cases that constitute a criminal offence to the SAPS – MFMA section 32(6)(a).

The failure to investigate unauthorised and irregular expenditure within a reasonable time constitutes non-compliance with Section 32 of the MFMA.

While the MFMA does not prescribe specific timeframes for such investigations, case law suggests that action must be taken within a reasonable period, taking into account all relevant factors. In this case, 14 months have lapsed since the financial year-end without any action by the Municipal Public Accounts Committee (MPAC). Additionally, the commitment to submit the cases to MPAC by March 2025 further extends the delay to 21 months, which cannot be considered reasonable under the circumstances.

We acknowledge management's efforts to submit the identified cases to MPAC. However, due to the committee's non-functionality, no investigations were conducted.

Management's response, which cites political disruptions as the primary reason for the delay, is noted. However, governance and accountability structures must remain functional despite external events to ensure compliance with legislation and the safeguarding of public resources. The absence of consequence management for prior-year unauthorised and irregular expenditure undermines transparency and financial discipline, leading to prolonged non-compliance.

As a result, **this constitutes a material non-compliance** that will be reported as such in the audit report. The non-investigation and delayed action reflect deficiencies in both leadership oversight and financial management processes, emphasising the need for strengthened governance and monitoring mechanisms to prevent future recurrences.

The commitment to adjust the Annual Financial Statements (AFS) for the recovery of R4,432 in fruitless and wasteful expenditure is acknowledged, but it does not address the broader issue of unresolved unauthorised and irregular expenditure. The municipality must expedite investigations and apply appropriate consequence management to align with legislative requirements and ensure accountability.

# Unauthorised Expenditure 2022/2023

| Unauthorised Expenditure | Type | As per note 55.1 of AFS | Working Paper | Variance | |
|---|---|---|---|---|---|
| Depreciation and Amortisation | Non-cash | 1 787 886 | 1 787 886 | - | |
| Debt Impairment | Non-cash | 7 643 122 | 7 643 122 | - | |
| Contracted Services - Security Services | Cash | 44 566 923 | 44 634 312 | (67 389) | |
| Other Expenditure - Hire Charges | Cash | 50 359 137 | 50 435 284 | (75 147) | |
| | | 104 357 068 | 104 500 603 | (143 535) | *Variance is due to savings an other expenditure line-items within "Vote 14 - Water"* |

| mSCOA Costing | Description | Vote | Short Name | Notes Classification | 2025/26 | Used (Actual) | Difference | Budget | Over/(Under) Spending |
|---|---|---|---|---|---|---|---|---|---|
| 17110052313 | Depreciation and Asset Impairment - Depreciati | Vote 14 - Water | Depreciation and Amortisation | | 126 165,08 | 126 165,08 | | 105 681,00 | 20 564,08 |
| 17110052314 | Depreciation and Asset Impairment - Depreciati | Vote 14 - Water | Depreciation and Amortisation | | 907 214,86 | 907 214,86 | | 466 590,00 | 440 624,86 |
| 17110052315 | Depreciation and Asset Impairment - Depreciati | Vote 14 - Water | Depreciation and Amortisation | | 3 625 518,69 | 3 625 518,69 | - | 3 206 365,00 | 419 153,69 |
| 17110052321 | Depreciation and Asset Impairment - Depreciati | Vote 14 - Water | Depreciation and Amortisation | | 666 206,09 | 666 206,09 | | 341 852,00 | 324 354,09 |
| 17110052341 | Depreciation and Asset Impairment - Depreciati | Vote 14 - Water | Depreciation and Amortisation | | 268 362,42 | 268 362,42 | | 176 932,00 | 91 430,42 |
| 17110052316 | Depreciation and Asset Impairment - Depreciati | Vote 14 - Water | Depreciation and Amortisation | | 1 323 808,76 | 1 323 808,76 | | 838 754,00 | 485 054,76 |
| 17111052300 | Depreciation and Asset Impairment - Depreciati | Vote 14 - Water | Depreciation and Amortisation | | 36 244,93 | 36 244,93 | | 29 541,00 | 6 703,93 |
| | | | | | 6 953 520,83 | 6 953 520,83 | - | 5 165 635,00 | 1 787 885,83 |

*Refer to FAR for detail*

| Financial Asset | Description | Vote | LAAP Item | Water Classification | 2023/24 | Expenditure | Variance | Budget | Carry Under (Over) Spending |
|---|---|---|---|---|---|---|---|---|---|
| 17110050700 | Debt Impairment - Water | Vote 14 - Water | Debt Impairment | Water | 19 846 756,70 | 19 846 756,70 | - | 12 203 635,00 | 7 643 121,70 |
| | | | | | 19 846 756,70 | 19 846 756,70 | - | 12 203 635,00 | 7 643 121,70 |

*Refer to Debt Impairment calculation for detail*

| Financial Code | Description | Vote | GFS Item | Further Classification | SAP YTD | Total Actual | Difference | Budget | Over/(Under) Spend (R) |
|---|---|---|---|---|---|---|---|---|---|
| 17010075890 | Contracted Services - Security Services | Vote 14 - Water | Contracted Services | Security Services | 9 078 103,88 | 9 078 103,88 | | 2 123 802,00 | 6 954 301,88 |
| 17010175890 | Contracted Services - Security Services | Vote 14 - Water | Contracted Services | Security Services | 14 887 772,16 | 14 887 772,16 | 0,00 | 3 264 237,00 | 11 623 535,16 |
| 17010275890 | Contracted Services - Security Services | Vote 14 - Water | Contracted Services | Security Services | 32 308 449,86 | 32 308 449,86 | - | 6 251 975,00 | 26 056 474,86 |
| | | | | | 56 274 325,90 | 56 274 325,90 | 0,00 | 11 640 014,00 | 44 634 311,90 |

| Summarised per Supplier | |
|---|---|
| BLUE FALCON PTY LTD | 18 486 133,48 |
| UNITRADE 1047 (PTY) LTD | 5 296 478,29 |
| SISWA TRADING AND PROJECTS | 420 280,00 |
| SECURITY CONSORTIUM S.A. C.C. | 10 598 966,89 |
| SIBAKHULU SECURITY (PTY) LTD | 13 622 218,02 |
| MACHAIRA PROJECTS (PTY) LTD. | 209 231,14 |
| RHULA NATIONAL SECURITY | 1 134 000,00 |
| SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 35 782,60 |
| LUBAMBO SITOLE GEZANA TRADING | 859 592,44 |
| GAP MANAGEMENT(PTY)LTD. | 538 443,04 |
| TOMLUKA AGRI (PTY) LTD t/a TOMLUKA RISK MANAGMENT | 353 600,00 |
| K2021814282 (SOUTH AFRICA ) (PTY) LTD | 136 100,00 |
| ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 4 609 500,00 |
| | 56 274 325,90 |

| mSCOA Costing Code | mSCOA Costing Description | Number | Supplier Name | Amount |
|---|---|---|---|---|
| 17010075890 | Contracted Services - Security Services | 23114 | BLUE FALCON PTY LTD | 656 750,00 |
| 17010075890 | Contracted Services - Security Services | 23142 | UNITRADE 1047 (PTY) LTD | (27 291,02) |
| 17010075890 | Contracted Services - Security Services | R0011709 | UNITRADE 1047 (PTY) LTD | 16 756,00 |
| 17010075890 | Contracted Services - Security Services | R0011708 | UNITRADE 1047 (PTY) LTD | 170 805,02 |
| 17010075890 | Contracted Services - Security Services | R0017183 | BLUE FALCON PTY LTD | 1 125 051,19 |
| 17010075890 | Contracted Services - Security Services | R0010126 | SISWA TRADING AND PROJECTS | 161 480,00 |
| 17010075890 | Contracted Services - Security Services | R0012907 | SISWA TRADING AND PROJECTS | 258 800,00 |
| 17010075890 | Contracted Services - Security Services | R0020029 | SECURITY CONSORTIUM S.A. C.C. | 100 000,00 |
| 17010075890 | Contracted Services - Security Services | R0020029 | SECURITY CONSORTIUM S.A. C.C. | 548 400,00 |
| 17010075890 | Contracted Services - Security Services | R0020030 | SECURITY CONSORTIUM S.A. C.C. | 1 129 066,00 |
| 17010075890 | Contracted Services - Security Services | R0020030 | SECURITY CONSORTIUM S.A. C.C. | 585 934,00 |
| 17010075890 | Contracted Services - Security Services | R0020024 | UNITRADE 1047 (PTY) LTD | 188 727,69 |
| 17010075890 | Contracted Services - Security Services | R0020062 | BLUE FALCON PTY LTD | 58 373,00 |
| 17010075890 | Contracted Services - Security Services | R0020062 | BLUE FALCON PTY LTD | 29 380,00 |
| 17010075890 | Contracted Services - Security Services | R0020062 | BLUE FALCON PTY LTD | 41 195,00 |
| 17010075890 | Contracted Services - Security Services | R0020062 | BLUE FALCON PTY LTD | 39 068,00 |
| 17010075890 | Contracted Services - Security Services | R0020062 | BLUE FALCON PTY LTD | 300 000,00 |
| 17010075890 | Contracted Services - Security Services | R0020062 | BLUE FALCON PTY LTD | 165 000,00 |
| 17010075890 | Contracted Services - Security Services | R0020062 | BLUE FALCON PTY LTD | 32 850,00 |
| 17010075890 | Contracted Services - Security Services | R0020062 | BLUE FALCON PTY LTD | 23 549,00 |
| 17010075890 | Contracted Services - Security Services | R0020062 | BLUE FALCON PTY LTD | 40 146,00 |
| 17010075890 | Contracted Services - Security Services | R0020062 | BLUE FALCON PTY LTD | 140 946,00 |
| 17010075890 | Contracted Services - Security Services | R0020062 | BLUE FALCON PTY LTD | 36 656,00 |
| 17010075890 | Contracted Services - Security Services | R0020062 | BLUE FALCON PTY LTD | 79 167,00 |
| 17010075890 | Contracted Services - Security Services | R0020062 | BLUE FALCON PTY LTD | 115 926,00 |
| 17010075890 | Contracted Services - Security Services | R0020062 | BLUE FALCON PTY LTD | 23 680,00 |
| 17010075890 | Contracted Services - Security Services | R0020062 | BLUE FALCON PTY LTD | 29 035,43 |
| 17010075890 | Contracted Services - Security Services | R0020062 | BLUE FALCON PTY LTD | 2 928,22 |
| 17010075890 | Contracted Services - Security Services | R0020062 | BLUE FALCON PTY LTD | 20 174,69 |
| 17010075890 | Contracted Services - Security Services | R0020062 | BLUE FALCON PTY LTD | 135 878,46 |
| 17010075890 | Contracted Services - Security Services | R0020062 | BLUE FALCON PTY LTD | 172 594,52 |
| 17010075890 | Contracted Services - Security Services | R0020062 | BLUE FALCON PTY LTD | 88 222,72 |
| 17010075890 | Contracted Services - Security Services | R0020062 | BLUE FALCON PTY LTD | 60 184,12 |
| 17010075890 | Contracted Services - Security Services | R0020062 | BLUE FALCON PTY LTD | 59 916,35 |
| 17010075890 | Contracted Services - Security Services | R0020062 | BLUE FALCON PTY LTD | 44 259,92 |
| 17010075890 | Contracted Services - Security Services | 23620 | BLUE FALCON PTY LTD | 2 424 494,57 |
| 17010175890 | Contracted Services - Security Services | 23114 | UNITRADE 1047 (PTY) LTD | 686 400,00 |
| 17010175890 | Contracted Services - Security Services | R0008884 | SIBAKULU SECURITY (PTY) LTD | 168 268,00 |
| 17010175890 | Contracted Services - Security Services | R0009740 | MACHAIRA PROJECTS (PTY) LTD. | 209 231,14 |
| 17010175890 | Contracted Services - Security Services | R0009830 | RHULA NATIONAL SECURITY | 144 900,00 |
| 17010175890 | Contracted Services - Security Services | 23143 | RHULA NATIONAL SECURITY | (18 900,00) |
| 17010175890 | Contracted Services - Security Services | R0011709 | UNITRADE 1047 (PTY) LTD | 41 897,27 |
| 17010175890 | Contracted Services - Security Services | 23195 | UNITRADE 1047 (PTY) LTD | (2 185,57) |
| 17010175890 | Contracted Services - Security Services | 23195 | UNITRADE 1047 (PTY) LTD | (5 464,86) |
| 17010175890 | Contracted Services - Security Services | 23195 | UNITRADE 1047 (PTY) LTD | (22 278,92) |
| 17010175890 | Contracted Services - Security Services | R0015640 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 3 156,52 |
| 17010175890 | Contracted Services - Security Services | R0015641 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 3 156,52 |
| 17010175890 | Contracted Services - Security Services | R0015642 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 3 156,52 |
| 17010175890 | Contracted Services - Security Services | R0016949 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 3 156,52 |
| 17010175890 | Contracted Services - Security Services | R0017183 | BLUE FALCON PTY LTD | 1 479 869,26 |
| 17010175890 | Contracted Services - Security Services | R0018225 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 3 156,52 |
| 17010175890 | Contracted Services - Security Services | R0010835 | RHULA NATIONAL SECURITY | 144 900,00 |
| 17010175890 | Contracted Services - Security Services | 23172 | RHULA NATIONAL SECURITY | (18 900,00) |
| 17010175890 | Contracted Services - Security Services | R0012915 | RHULA NATIONAL SECURITY | 126 000,00 |
| 17010175890 | Contracted Services - Security Services | R0013575 | RHULA NATIONAL SECURITY | 252 000,00 |
| 17010175890 | Contracted Services - Security Services | R0015206 | RHULA NATIONAL SECURITY | 252 000,00 |
| 17010175890 | Contracted Services - Security Services | R0010838 | SECURITY CONSORTIUM S.A. C.C. | 1 518 000,00 |
| 17010175890 | Contracted Services - Security Services | 23169 | SECURITY CONSORTIUM S.A. C.C. | (198 000,00) |
| 17010175890 | Contracted Services - Security Services | R0015000 | SECURITY CONSORTIUM S.A. C.C. | 1 715 000,00 |
| 17010175890 | Contracted Services - Security Services | R0012912 | SECURITY CONSORTIUM S.A. C.C. | 1 374 000,00 |
| 17010175890 | Contracted Services - Security Services | R0013610 | SECURITY CONSORTIUM S.A. C.C. | 181 500,00 |
| 17010175890 | Contracted Services - Security Services | R0013571 | SECURITY CONSORTIUM S.A. C.C. | 549 000,00 |
| 17010175890 | Contracted Services - Security Services | R0011708 | UNITRADE 1047 (PTY) LTD | 24 871,54 |
| 17010175890 | Contracted Services - Security Services | R0011708 | UNITRADE 1047 (PTY) LTD | 16 347,83 |
| 17010175890 | Contracted Services - Security Services | R0011708 | UNITRADE 1047 (PTY) LTD | 36 077,58 |

| | | | | |
|---|---|---|---|---|
| 17010175890 | Contracted Services - Security Services | R0011708 | UNITRADE 1047 (PTY) LTD | 10 812,85 |
| 17010175890 | Contracted Services - Security Services | R0011708 | UNITRADE 1047 (PTY) LTD | 30 476,10 |
| 17010175890 | Contracted Services - Security Services | R0011708 | UNITRADE 1047 (PTY) LTD | 20 302,61 |
| 17010175890 | Contracted Services - Security Services | R0011708 | UNITRADE 1047 (PTY) LTD | 25 043,48 |
| 17010175890 | Contracted Services - Security Services | R0011708 | UNITRADE 1047 (PTY) LTD | 72 024,90 |
| 17010175890 | Contracted Services - Security Services | R0011708 | UNITRADE 1047 (PTY) LTD | 73 232,39 |
| 17010175890 | Contracted Services - Security Services | R0011708 | UNITRADE 1047 (PTY) LTD | 16 338,04 |
| 17010175890 | Contracted Services - Security Services | R0011708 | UNITRADE 1047 (PTY) LTD | 2 553,18 |
| 17010175890 | Contracted Services - Security Services | R0011708 | UNITRADE 1047 (PTY) LTD | 3 000,00 |
| 17010175890 | Contracted Services - Security Services | R0011708 | UNITRADE 1047 (PTY) LTD | 3 664,04 |
| 17010175890 | Contracted Services - Security Services | R0011708 | UNITRADE 1047 (PTY) LTD | 2 758,97 |
| 17010175890 | Contracted Services - Security Services | R0011708 | UNITRADE 1047 (PTY) LTD | 11 894,87 |
| 17010175890 | Contracted Services - Security Services | R0011708 | UNITRADE 1047 (PTY) LTD | 1 062,31 |
| 17010175890 | Contracted Services - Security Services | R0011708 | UNITRADE 1047 (PTY) LTD | 1 826,09 |
| 17010175890 | Contracted Services - Security Services | R0011708 | UNITRADE 1047 (PTY) LTD | 40 384,63 |
| 17010175890 | Contracted Services - Security Services | R0011708 | UNITRADE 1047 (PTY) LTD | 7 831,78 |
| 17010175890 | Contracted Services - Security Services | 23170 | UNITRADE 1047 (PTY) LTD | (102 960,00) |
| 17010175890 | Contracted Services - Security Services | R0010836 | UNITRADE 1047 (PTY) LTD | 789 360,00 |
| 17010175890 | Contracted Services - Security Services | R0015022 | UNITRADE 1047 (PTY) LTD | 686 400,00 |
| 17010175890 | Contracted Services - Security Services | R0015025 | UNITRADE 1047 (PTY) LTD | 305 800,00 |
| 17010175890 | Contracted Services - Security Services | R0011708 | UNITRADE 1047 (PTY) LTD | 82 625,55 |
| 17010175890 | Contracted Services - Security Services | R0011708 | UNITRADE 1047 (PTY) LTD | 54 745,16 |
| 17010175890 | Contracted Services - Security Services | R0013022 | UNITRADE 1047 (PTY) LTD | 686 400,00 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 2 352,82 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 7 826,09 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 3 000,00 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | (391,30) |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 1 176,00 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | (153,39) |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 1 051,00 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | (137,09) |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 2 250,00 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | (293,48) |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 2 050,00 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | (267,39) |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 16 543,98 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 30 152,17 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 17 391,30 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 50 560,25 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 1 903,99 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 1 002,00 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | (130,70) |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 1 899,99 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | (247,82) |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 17 816,75 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | (2 323,92) |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 2 000,00 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | (260,87) |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 2 000,00 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | (260,87) |
| 17010175890 | Contracted Services - Security Services | R0017183 | BLUE FALCON PTY LTD | 1 558 704,55 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 10 001,00 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | (1 304,48) |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 2 430,96 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 10 347,83 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 67 306,05 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 39 114,73 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 40 972,17 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 2 551,95 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 96 991,00 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | (12 651,00) |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 1 000,00 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | (130,43) |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 3 913,04 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 2 191,30 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 1 375,00 |

| | | | | |
|---|---|---|---|---|
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | (179,35) |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 3 695,65 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 4 095,65 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 10 347,83 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 10 347,83 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 3 728,28 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | (486,30) |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 38 456,37 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 191 042,84 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | 1 250,00 |
| 17010175890 | Contracted Services - Security Services | R0017190 | UNITRADE 1047 (PTY) LTD | (163,04) |
| 17010175890 | Contracted Services - Security Services | R0008884 | SIBAKULU SECURITY (PTY) LTD | (168 268,00) |
| 17010175890 | Contracted Services - Security Services | R0011709 | UNITRADE 1047 (PTY) LTD | (41 897,27) |
| 17010175890 | Contracted Services - Security Services | R0017193 | SECURITY CONSORTIUM S.A. C.C. | 189 498,11 |
| 17010175890 | Contracted Services - Security Services | R0007125 | SECURITY CONSORTIUM S.A. C.C. | 305 182,00 |
| 17010175890 | Contracted Services - Security Services | 23528 | UNITRADE 1047 (PTY) LTD | 6 313,12 |
| 17010175890 | Contracted Services - Security Services | 23620 | LUBAMBO SITOLE GEZANA TRADING | 859 592,44 |
| 17010275890 | Contracted Services - Security Services | 23114 | SECURITY CONSORTIUM S.A. C.C. | 1 242 000,00 |
| 17010275890 | Contracted Services - Security Services | 23114 | BLUE FALCON PTY LTD | 1 330 000,00 |
| 17010275890 | Contracted Services - Security Services | R0005719 | GAP MANAGEMENT(PTY)LTD. | 312 000,00 |
| 17010275890 | Contracted Services - Security Services | R0005718 | GAP MANAGEMENT(PTY)LTD. | 312 000,00 |
| 17010275890 | Contracted Services - Security Services | 23064 | GAP MANAGEMENT(PTY)LTD. | (81 391,30) |
| 17010275890 | Contracted Services - Security Services | 23072 | GAP MANAGEMENT(PTY)LTD. | (4 165,66) |
| 17010275890 | Contracted Services - Security Services | 23075 | SIBAKULU SECURITY (PTY) LTD | (99 756,00) |
| 17010275890 | Contracted Services - Security Services | R0005723 | TOMLUKA AGRI (PTY) LTD t/a TOMLUKA RISK MANAGME | 312 800,00 |
| 17010275890 | Contracted Services - Security Services | 23061 | SIBAKULU SECURITY (PTY) LTD | 257 703,00 |
| 17010275890 | Contracted Services - Security Services | 23062 | BLUE FALCON PTY LTD | (187 813,50) |
| 17010275890 | Contracted Services - Security Services | 23063 | TOMLUKA AGRI (PTY) LTD t/a TOMLUKA RISK MANAGME | 40 800,00 |
| 17010275890 | Contracted Services - Security Services | 23380 | SIBAKULU SECURITY (PTY) LTD | (21 948,00) |
| 17010275890 | Contracted Services - Security Services | R0005720 | BLUE FALCON PTY LTD | 282 325,00 |
| 17010275890 | Contracted Services - Security Services | R0005721 | BLUE FALCON PTY LTD | 282 325,00 |
| 17010275890 | Contracted Services - Security Services | R0005722 | BLUE FALCON PTY LTD | 112 930,00 |
| 17010275890 | Contracted Services - Security Services | R0005726 | BLUE FALCON PTY LTD | 150 063,50 |
| 17010275890 | Contracted Services - Security Services | R0005727 | BLUE FALCON PTY LTD | 266 200,00 |
| 17010275890 | Contracted Services - Security Services | R0005774 | BLUE FALCON PTY LTD | 612 260,00 |
| 17010275890 | Contracted Services - Security Services | R0005727 | BLUE FALCON PTY LTD | (266 200,00) |
| 17010275890 | Contracted Services - Security Services | R0015013 | BLUE FALCON PTY LTD | 720 000,00 |
| 17010275890 | Contracted Services - Security Services | R0015016 | BLUE FALCON PTY LTD | 75 000,00 |
| 17010275890 | Contracted Services - Security Services | R0012112 | BLUE FALCON PTY LTD | 2 052 000,00 |
| 17010275890 | Contracted Services - Security Services | R0012905 | BLUE FALCON PTY LTD | 560 000,00 |
| 17010275890 | Contracted Services - Security Services | R0012906 | BLUE FALCON PTY LTD | 1 325 000,00 |
| 17010275890 | Contracted Services - Security Services | R0013400 | BLUE FALCON PTY LTD | 855 000,00 |
| 17010275890 | Contracted Services - Security Services | R0013401 | BLUE FALCON PTY LTD | 1 260 000,00 |
| 17010275890 | Contracted Services - Security Services | R0013402 | BLUE FALCON PTY LTD | 560 000,00 |
| 17010275890 | Contracted Services - Security Services | R0003483 | SIBAKULU SECURITY (PTY) LTD | 326 000,00 |
| 17010275890 | Contracted Services - Security Services | R0003484 | SIBAKULU SECURITY (PTY) LTD | 73 350,00 |
| 17010275890 | Contracted Services - Security Services | R0003485 | SIBAKULU SECURITY (PTY) LTD | 286 880,00 |
| 17010275890 | Contracted Services - Security Services | R0003486 | SIBAKULU SECURITY (PTY) LTD | 78 240,00 |
| 17010275890 | Contracted Services - Security Services | R0003487 | SIBAKULU SECURITY (PTY) LTD | 293 400,00 |
| 17010275890 | Contracted Services - Security Services | R0003488 | SIBAKULU SECURITY (PTY) LTD | 317 850,00 |
| 17010275890 | Contracted Services - Security Services | R0006753 | SIBAKULU SECURITY (PTY) LTD | 44 988,00 |
| 17010275890 | Contracted Services - Security Services | R0006754 | SIBAKULU SECURITY (PTY) LTD | 224 940,00 |
| 17010275890 | Contracted Services - Security Services | R0006756 | SIBAKULU SECURITY (PTY) LTD | 67 482,00 |
| 17010275890 | Contracted Services - Security Services | R0006758 | SIBAKULU SECURITY (PTY) LTD | 224 940,00 |
| 17010275890 | Contracted Services - Security Services | R0006759 | SIBAKULU SECURITY (PTY) LTD | 89 976,00 |
| 17010275890 | Contracted Services - Security Services | R0006757 | SIBAKULU SECURITY (PTY) LTD | 112 470,00 |
| 17010275890 | Contracted Services - Security Services | R0005724 | SIBAKULU SECURITY (PTY) LTD | 232 438,00 |
| 17010275890 | Contracted Services - Security Services | R0005725 | SIBAKULU SECURITY (PTY) LTD | 581 095,00 |
| 17010275890 | Contracted Services - Security Services | R0005728 | SIBAKULU SECURITY (PTY) LTD | 290 547,50 |
| 17010275890 | Contracted Services - Security Services | R0005729 | SIBAKULU SECURITY (PTY) LTD | 174 328,50 |
| 17010275890 | Contracted Services - Security Services | R0005730 | SIBAKULU SECURITY (PTY) LTD | 116 219,00 |
| 17010275890 | Contracted Services - Security Services | R0005731 | SIBAKULU SECURITY (PTY) LTD | 581 095,00 |
| 17010275890 | Contracted Services - Security Services | R0010834 | SIBAKULU SECURITY (PTY) LTD | 162 840,00 |
| 17010275890 | Contracted Services - Security Services | 23171 | SIBAKULU SECURITY (PTY) LTD | (21 240,00) |
| 17010275890 | Contracted Services - Security Services | R0015002 | SIBAKULU SECURITY (PTY) LTD | 164 020,00 |
| 17010275890 | Contracted Services - Security Services | R0015003 | SIBAKULU SECURITY (PTY) LTD | 1 680 400,00 |

| | | | | |
|---|---|---|---|---|
| 17010275890 | Contracted Services - Security Services | R0008884 | SIBAKULU SECURITY (PTY) LTD | 168 268,00 |
| 17010275890 | Contracted Services - Security Services | R0007326 | SIBAKULU SECURITY (PTY) LTD | 1 046,37 |
| 17010275890 | Contracted Services - Security Services | R0012908 | SIBAKULU SECURITY (PTY) LTD | 146 320,00 |
| 17010275890 | Contracted Services - Security Services | R0011709 | UNITRADE 1047 (PTY) LTD | 24 028,93 |
| 17010275890 | Contracted Services - Security Services | R0011709 | UNITRADE 1047 (PTY) LTD | (439,71) |
| 17010275890 | Contracted Services - Security Services | R0015020 | UNITRADE 1047 (PTY) LTD | 177 043,53 |
| 17010275890 | Contracted Services - Security Services | R0011709 | UNITRADE 1047 (PTY) LTD | 41 897,27 |
| 17010275890 | Contracted Services - Security Services | R0011709 | UNITRADE 1047 (PTY) LTD | 20 642,72 |
| 17010275890 | Contracted Services - Security Services | R0011709 | UNITRADE 1047 (PTY) LTD | 1 945,31 |
| 17010275890 | Contracted Services - Security Services | R0011709 | UNITRADE 1047 (PTY) LTD | 20 768,26 |
| 17010275890 | Contracted Services - Security Services | R0011709 | UNITRADE 1047 (PTY) LTD | 6 817,39 |
| 17010275890 | Contracted Services - Security Services | R0011709 | UNITRADE 1047 (PTY) LTD | 16 250,60 |
| 17010275890 | Contracted Services - Security Services | R0011709 | UNITRADE 1047 (PTY) LTD | 36 027,18 |
| 17010275890 | Contracted Services - Security Services | R0012904 | UNITRADE 1047 (PTY) LTD | 177 043,53 |
| 17010275890 | Contracted Services - Security Services | R0013021 | UNITRADE 1047 (PTY) LTD | 177 043,53 |
| 17010275890 | Contracted Services - Security Services | R0010127 | K2021814262 (SOUTH AFRICA ) (PTY) LTD | 79 890,00 |
| 17010275890 | Contracted Services - Security Services | R0010128 | K2021814262 (SOUTH AFRICA ) (PTY) LTD | 52 325,00 |
| 17010275890 | Contracted Services - Security Services | R0010129 | K2021814262 (SOUTH AFRICA ) (PTY) LTD | 12 075,00 |
| 17010275890 | Contracted Services - Security Services | R0010130 | K2021814262 (SOUTH AFRICA ) (PTY) LTD | 8 855,00 |
| 17010275890 | Contracted Services - Security Services | R0010131 | K2021814262 (SOUTH AFRICA ) (PTY) LTD | 3 220,00 |
| 17010275890 | Contracted Services - Security Services | 23147 | K2021814262 (SOUTH AFRICA ) (PTY) LTD | (20 265,00) |
| 17010275890 | Contracted Services - Security Services | R0017184 | RHULA NATIONAL SECURITY | 158 026,79 |
| 17010275890 | Contracted Services - Security Services | R0017184 | RHULA NATIONAL SECURITY | 93 973,21 |
| 17010275890 | Contracted Services - Security Services | R0013402 | BLUE FALCON PTY LTD | (486 956,52) |
| 17010275890 | Contracted Services - Security Services | R0017193 | SECURITY CONSORTIUM S.A. C.C. | 18 039,65 |
| 17010275890 | Contracted Services - Security Services | R0017193 | SECURITY CONSORTIUM S.A. C.C. | 18 039,65 |
| 17010275890 | Contracted Services - Security Services | R0017193 | SECURITY CONSORTIUM S.A. C.C. | 3 933,10 |
| 17010275890 | Contracted Services - Security Services | R0017193 | SECURITY CONSORTIUM S.A. C.C. | 6 594,82 |
| 17010275890 | Contracted Services - Security Services | R0017193 | SECURITY CONSORTIUM S.A. C.C. | 260 869,57 |
| 17010275890 | Contracted Services - Security Services | R0017193 | SECURITY CONSORTIUM S.A. C.C. | 5 349,64 |
| 17010275890 | Contracted Services - Security Services | R0017193 | SECURITY CONSORTIUM S.A. C.C. | 19 637,05 |
| 17010275890 | Contracted Services - Security Services | R0017193 | SECURITY CONSORTIUM S.A. C.C. | 5 101,92 |
| 17010275890 | Contracted Services - Security Services | R0017193 | SECURITY CONSORTIUM S.A. C.C. | 5 344,20 |
| 17010275890 | Contracted Services - Security Services | R0017193 | SECURITY CONSORTIUM S.A. C.C. | 8 173,91 |
| 17010275890 | Contracted Services - Security Services | R0017193 | SECURITY CONSORTIUM S.A. C.C. | 510,40 |
| 17010275890 | Contracted Services - Security Services | R0017193 | SECURITY CONSORTIUM S.A. C.C. | 534,22 |
| 17010275890 | Contracted Services - Security Services | R0017193 | SECURITY CONSORTIUM S.A. C.C. | 38 185,11 |
| 17010275890 | Contracted Services - Security Services | R0017193 | SECURITY CONSORTIUM S.A. C.C. | 1 349,71 |
| 17010275890 | Contracted Services - Security Services | R0017193 | SECURITY CONSORTIUM S.A. C.C. | 1 349,71 |
| 17010275890 | Contracted Services - Security Services | R0017193 | SECURITY CONSORTIUM S.A. C.C. | 23 300,78 |
| 17010275890 | Contracted Services - Security Services | R0017193 | SECURITY CONSORTIUM S.A. C.C. | 294 832,19 |
| 17010275890 | Contracted Services - Security Services | R0017193 | SECURITY CONSORTIUM S.A. C.C. | 648 241,15 |
| 17010275890 | Contracted Services - Security Services | R0017188 | SIBAKULU SECURITY (PTY) LTD | 2 608 695,65 |
| 17010275890 | Contracted Services - Security Services | R0012084 | SIBAKULU SECURITY (PTY) LTD | 146 320,00 |
| 17010275890 | Contracted Services - Security Services | 23620 | SIBAKULU SECURITY (PTY) LTD | 4 313 310,00 |
| 17010275890 | Contracted Services - Security Services | 23620 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 4 603 500,00 |

| mSCOA Cost | Segmentation | Vote | GRAP Name | Notes Classification | Budget | Actuals to date | Difference | Invoices | Over/(Under) Spending | |
|---|---|---|---|---|---|---|---|---|---|---|
| 17010157600 | Other Expenditure - Operating Leases (Transpor | Vote 14 - Water | Other Expenditure | Hire Charges | 19 941 060,12 | 19 941 060,12 | - | 1 803 228,00 | 18 137 832,12 | |
| 17010159400 | Other Expenditure - Operating Leases (Machiner | Vote 14 - Water | Other Expenditure | Hire Charges | 24 150 788,02 | 24 150 788,02 | - | 1 897 382,00 | 22 253 406,02 | |
| 17010159400 | Other Expenditure - Operating Leases (Machines | Vote 14 - Water | Other Expenditure | Hire Charges | 13 391 764,50 | 13 391 764,50 | - | 3 347 719,00 | 10 044 045,50 | |
| | | | | | 57 483 612,64 | 57 483 612,64 | - | 7 048 329,00 | 50 435 283,64 | |

| Summarised per Supplier | |
|---|---|
| WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 11 931 079,37 |
| SISWA TRADING AND PROJECTS | 6 088 488,01 |
| ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 33 103 112,24 |
| TERM GROUP (PTY)LTD | 6 360 933,12 |
| | 57 483 612,64 |

| | | | | |
|---|---|---|---|---|
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23114 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 719 580,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23114 | SISWA TRADING AND PROJECTS | 678 640,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23306 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | (37 185,75) |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23380 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | (86 928,88) |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23380 | SISWA TRADING AND PROJECTS | (81 983,12) |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 1 035 880,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 285 090,75 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 1 307 380,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 1 396 030,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 573,89 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 108 695,65 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 928,89 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 3 478,26 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 1 648,64 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 1 107,22 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 41 953,05 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 19 748,70 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 1 449,47 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 1 029,77 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 330,73 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 283,97 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 4 574,67 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 4 574,67 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 36 956,52 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 611,38 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 357,04 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 626,14 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 151,80 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 1 831,26 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 8 586,20 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 24 946,06 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 3 697,82 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 1 718,09 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 43 478,26 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 7 826,09 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 726,89 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 29 179,36 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 1 212,19 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 1 195,76 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 2 720,15 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 15 401,93 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 10 773,61 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 12 000,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 616,33 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 90 974,71 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | (11 866,27) |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 78 873,74 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 2 436,10 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 418,19 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 3 205,39 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 62 915,32 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 2 699,43 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 1 464,49 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 16 231,57 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 505 920,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 390 268,71 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 10 777,24 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 904 723,29 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 10 513,50 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 2 692,53 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 7 140,59 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 22 399,65 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 2 708,90 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 15 444,49 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 505 920,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | SISWA TRADING AND PROJECTS | 1 335 100,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 220 995,44 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 590 600,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23324 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 276 549,57 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23352 | SISWA TRADING AND PROJECTS | 1 135 880,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23397 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 801 266,83 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23397 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 801 266,83 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23546 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 12 290,08 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23546 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 32 653,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23546 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 18 463,26 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23546 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 37 072,82 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23546 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 46 430,96 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23546 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 28 347,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23546 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 254 502,89 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23546 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 109 394,07 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23546 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 12 289,85 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 34 783,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 23 112,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 45 594,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 98 243,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 28 125,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 53 262,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 127 426,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 63 782,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 44 525,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 39 633,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 23 014,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 39 101,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 31 770,00 |

| | | | | |
|---|---|---|---|---|
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 48 478,06 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 23 249,62 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 31 488,77 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 34 755,39 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 54 173,28 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 43 857,87 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 46 352,47 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 41 909,07 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 323 657,97 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 8 454,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 116 118,04 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 43 300,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 49 078,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 91 199,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 55 007,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 55 007,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 57 349,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 37 276,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 44 998,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 49 807,39 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 35 312,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 84 953,62 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 29 706,85 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 104 316,52 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 49 643,70 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 44 745,57 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | | 23546 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 340 918,30 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | | 23620 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 2 722 860,00 |
| 17010157400 | Other Expenditure - Operating Leases (Transport Assets) | | 23620 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 670 260,00 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | | 23114 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 652 796,70 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0009739 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 221 855,59 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0010839 | | TERM GROUP (PTY)LTD | 1 069 996,43 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | | 23168 | TERM GROUP (PTY)LTD | (139 564,75) |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0015005 | | TERM GROUP (PTY)LTD | 951 431,69 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0012910 | | TERM GROUP (PTY)LTD | 930 431,68 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0010120 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 121 683,93 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0010121 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 161 309,00 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0010122 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 178 954,85 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0010123 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 632 460,55 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0010124 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 291 915,95 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0010125 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 198 704,00 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0015161 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 654 704,00 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0015164 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 577 954,85 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0015170 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 121 683,93 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0015173 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 262 699,00 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0015175 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 561 261,78 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0015178 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 566 252,78 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0015182 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 566 252,78 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0012911 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 557 302,50 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0013389 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 433 887,78 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0013390 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 549 987,78 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0013391 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 427 887,78 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0013392 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 756 002,78 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0013393 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 599 877,78 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0013394 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 574 761,78 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0013395 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 262 699,00 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0013396 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 121 683,93 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0013397 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 577 954,85 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0013398 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 654 704,00 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0013399 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 632 460,55 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0015191 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 492 237,78 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0015188 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 364 137,78 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0015195 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 408 387,78 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0015199 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 349 348,14 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0015201 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 97 115,00 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0015204 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 632 460,55 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0017178 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 329 502,44 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0017178 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 3 679 975,00 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0009739 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 107 089,66 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0007329 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 51 129,96 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0007329 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 51 129,96 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0007329 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 51 129,96 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0007329 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 51 129,96 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0007329 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 51 129,94 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0007329 | | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 51 129,96 |
| 17010159400 | Other Expenditure - Operating Leases (Machinery and Equipment) | | 23546 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 2 600 628,94 |
| 17010259400 | Other Expenditure - Operating Leases (Machinery and Equipment) | | 23114 | TERM GROUP (PTY)LTD | 1 445 773,71 |
| 17010259400 | Other Expenditure - Operating Leases (Machinery and Equipment) | | 23323 | TERM GROUP (PTY)LTD | 951 431,67 |
| 17010259400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0018708 | | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 365 350,00 |
| 17010259400 | Other Expenditure - Operating Leases (Machinery and Equipment) | R0018709 | | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 500 210,00 |
| 17010259400 | Other Expenditure - Operating Leases (Machinery and Equipment) | | 23620 | TERM GROUP (PTY)LTD | 173 913,04 |
| 17010259400 | Other Expenditure - Operating Leases (Machinery and Equipment) | | 23620 | TERM GROUP (PTY)LTD | 138 303,97 |
| 17010259400 | Other Expenditure - Operating Leases (Machinery and Equipment) | | 23620 | TERM GROUP (PTY)LTD | 114 322,23 |
| 17010259400 | Other Expenditure - Operating Leases (Machinery and Equipment) | | 23620 | TERM GROUP (PTY)LTD | 41 013,91 |
| 17010259400 | Other Expenditure - Operating Leases (Machinery and Equipment) | | 23620 | TERM GROUP (PTY)LTD | 12 486,70 |
| 17010259400 | Other Expenditure - Operating Leases (Machinery and Equipment) | | 23620 | TERM GROUP (PTY)LTD | 292 752,54 |
| 17010259400 | Other Expenditure - Operating Leases (Machinery and Equipment) | | 23620 | TERM GROUP (PTY)LTD | 178 639,30 |
| 17010259400 | Other Expenditure - Operating Leases (Machinery and Equipment) | | 23620 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 738 736,65 |
| 17010259400 | Other Expenditure - Operating Leases (Machinery and Equipment) | | 23620 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 6 961 357,48 |
| 17010259400 | Other Expenditure - Operating Leases (Machinery and Equipment) | | 23620 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 738 736,65 |
| 17010259400 | Other Expenditure - Operating Leases (Machinery and Equipment) | | 23620 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 738 736,65 |

# Unauthorised Expenditure 2023/2024

| Unauthorised Expenditure | Type | As per note 55.1 of AFS | Working Paper | Variance | |
|---|---|---|---|---|---|
| Hire charges | Cash | 19 400 253 | 21 092 200 | (1 691 947) | |
| Security Services | Cash | 29 970 192 | 32 619 473 | (2 649 280) | |
| | | 49 370 445 | 53 711 673 | (4 341 228) | *Variance is due to savings on other expenditure line-items within "Vote 2 - Community Services"* |

| mSCOA Config | Description | Vote | GRAP Items | Notes Classificiation | 2024 TB | Detail Listing | Difference | Budget | Over/(Under) Spending |
|---|---|---|---|---|---|---|---|---|---|
| 13110096600 | Other Expenditure - Sundry Hire Charges | Vote 2 - Community Services | Other Expenditure | Hire Charges | 24 496 931,98 | 24 496 931,98 | - | 19 185 318,00 | 5 311 613,98 |
| 13113096600 | Other Expenditure - Sundry Hire Charges | Vote 2 - Community Services | Other Expenditure | Hire Charges | 26 000,00 | 26 000,00 | - | 35 000,00 | (9 000,00) |
| 13116396600 | Other Expenditure - Sundry Hire Charges | Vote 2 - Community Services | Other Expenditure | Hire Charges | 16 586 599,51 | 16 586 599,51 | - | 210 000,00 | 16 376 599,51 |
| 13121396600 | Other Expenditure - Sundry Hire (Machinery and | Vote 2 - Community Services | Other Expenditure | Hire Charges | 283 236,85 | 283 236,85 | - | 369 000,00 | (85 763,15) |
| 13122296600 | Other Expenditure - Sundry Hire | Vote 2 - Community Services | Other Expenditure | Hire Charges | 11 500,00 | 11 500,00 | - | - | 11 500,00 |
| 13126096600 | Other Expenditure - Sundry Hire (Machinery and | Vote 2 - Community Services | Other Expenditure | Hire Charges | 62 250,00 | 62 250,00 | - | 575 000,00 | (512 750,00) |
| | | | | | **41 466 518,34** | **41 466 518,34** | - | **20 374 318,00** | **21 092 200,34** |

| **Summarised per Supplier** | |
|---|---|
| ALTRON NEXUS (PTY) LTD | 62 250,00 |
| BRENDALL FULLARD T/A BF TRANSPORT | 35 609,00 |
| CAPAX CONSULTING (PTY) LTD | 142 200,00 |
| D VAN VLAANDEREN T/A NIELS ENGINEERING | 500,00 |
| E EN E 2 DA LOO CONSTRUCTION AND HIRE (PTY) LTD. | 14 900,00 |
| FG JACOBS TRANSPORT CC | 162 000,00 |
| GLOBAL PACT TRADING 398 (PTY) LTD T/A GRABOUW TOOL HIRE | 1 455,65 |
| HEADWAY INDUSTRIES | 36 300,00 |
| IAN DICKIE AND COMPANY (PTY) LTD | (0,04) |
| J2J PROJECTS AND MAINTENANCE | 1 900,00 |
| JRC CONSTRUCTION (PTY) LTD | 919 836,85 |
| K2C CONSTRUCTION | 17 400,00 |
| LAZAR CIVIL ENGINEERING | 26 000,00 |
| NISSEN HOLDINGS (PTY) LTD | 11 500,00 |
| PRENDORE TRUST | 717,95 |
| QUICKSILVA RENTZ (PTY) LTD | 7 300,00 |
| SHYZAC 01 SECURITY SOLUTIONS & MAINTENANCE (PTY) LTD. | 4 980,00 |
| WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 30 354 808,12 |
| ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 9 666 860,81 |
| | **41 466 518,34** |

| MSCOA Segment | MSCOA Segment Description | Supplier | Supplier Name | Amount |
|---|---|---|---|---|
| 13110096600 | Other Expenditure - Sundry Hire Charges | R0033200 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 361 724,09 |
| 13110096600 | Other Expenditure - Sundry Hire Charges | R0033196 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 1 893 195,00 |
| 13110096600 | Other Expenditure - Sundry Hire Charges | R0032313 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 1 522 560,00 |
| 13110096600 | Other Expenditure - Sundry Hire Charges | R0033019 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 1 776 320,00 |
| 13110096600 | Other Expenditure - Sundry Hire Charges | R0034344 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 560 280,00 |
| 13110096600 | Other Expenditure - Sundry Hire Charges | R0034345 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 453 600,00 |
| 13110096600 | Other Expenditure - Sundry Hire Charges | R0035960 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 616 730,00 |
| 13110096600 | Other Expenditure - Sundry Hire Charges | R0036367 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 869 565,22 |
| 13110096600 | Other Expenditure - Sundry Hire Charges | 24429 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 1 730 250,00 |
| 13110096600 | Other Expenditure - Sundry Hire Charges | 24457 | BRENDALL FULLARD T/A BF TRANSPORT | 2 325,00 |
| 13110096600 | Other Expenditure - Sundry Hire Charges | 24457 | BRENDALL FULLARD T/A BF TRANSPORT | 2 325,00 |
| 13110096600 | Other Expenditure - Sundry Hire Charges | 24457 | BRENDALL FULLARD T/A BF TRANSPORT | 6 300,00 |
| 13110096600 | Other Expenditure - Sundry Hire Charges | 24457 | BRENDALL FULLARD T/A BF TRANSPORT | 20 159,00 |
| 13110096600 | Other Expenditure - Sundry Hire Charges | 24457 | BRENDALL FULLARD T/A BF TRANSPORT | 4 500,00 |
| 13110096600 | Other Expenditure - Sundry Hire Charges | 24457 | D VAN VLAANDEREN T/A NIELS ENGINEERING | 500,00 |
| 13110096600 | Other Expenditure - Sundry Hire Charges | 24457 | E EN E 2 DA LOO CONSTRUCTION AND HIRE (PTY) LTD. | 8 400,00 |
| 13110096600 | Other Expenditure - Sundry Hire Charges | 24457 | E EN E 2 DA LOO CONSTRUCTION AND HIRE (PTY) LTD. | 6 500,00 |
| 13110096600 | Other Expenditure - Sundry Hire Charges | 24457 | J2J PROJECTS AND MAINTENANCE | 1 900,00 |
| 13110096600 | Other Expenditure - Sundry Hire Charges | 24457 | K2C CONSTRUCTION | 3 400,00 |
| 13110096600 | Other Expenditure - Sundry Hire Charges | 24457 | K2C CONSTRUCTION | 800,00 |
| 13110096600 | Other Expenditure - Sundry Hire Charges | 24457 | K2C CONSTRUCTION | 2 700

| | | | | |
|---|---|---|---|---|
| 13116396600 | Other Expenditure - Sundry Hire Charges | | 24168 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 43 575,80 |
| 13116396600 | Other Expenditure - Sundry Hire Charges | | 24168 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 43 575,80 |
| 13116396600 | Other Expenditure - Sundry Hire Charges | | 24168 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 43 575,80 |
| 13116396600 | Other Expenditure - Sundry Hire Charges | | 24168 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 43 575,80 |
| 13116396600 | Other Expenditure - Sundry Hire Charges | | 24168 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 43 575,80 |
| 13116396600 | Other Expenditure - Sundry Hire Charges | | 24168 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 43 575,80 |
| 13116396600 | Other Expenditure - Sundry Hire Charges | | 24168 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 43 575,80 |
| 13116396600 | Other Expenditure - Sundry Hire Charges | R0031407 | | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 1 535 130,00 |
| 13116396600 | Other Expenditure - Sundry Hire Charges | R0030935 | | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 1 493 120,00 |
| 13116396600 | Other Expenditure - Sundry Hire Charges | R0031684 | | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 1 508 475,00 |
| 13116396600 | Other Expenditure - Sundry Hire Charges | | 24429 | JRC CONSTRUCTION (PTY) LTD | 778 800,00 |
| 13116396600 | Other Expenditure - Sundry Hire Charges | | 24432 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 1 672 320,00 |
| 13116396600 | Other Expenditure - Sundry Hire Charges | | 24432 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 2 411 370,00 |
| 13116396600 | Other Expenditure - Sundry Hire Charges | | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 2 167 734,00 |
| 13116396600 | Other Expenditure - Sundry Hire Charges | | 24457 | FG JACOBS TRANSPORT CC | 152 000,00 |
| 13116396600 | Other Expenditure - Sundry Hire Charges | | 24457 | FG JACOBS TRANSPORT CC | 10 000,00 |
| 13116396600 | Other Expenditure - Sundry Hire Charges | | 24457 | HEADWAY INDUSTRIES | 36 300,00 |
| 13116396600 | Other Expenditure - Sundry Hire Charges | | 24457 | QUICKSILVA RENTZ (PTY) LTD | 3 650,00 |
| 13116396600 | Other Expenditure - Sundry Hire Charges | | 24457 | QUICKSILVA RENTZ (PTY) LTD | 3 650,00 |
| 13121396600 | Other Expenditure - Sundry Hire (Machinery and | R0025266 | | CAPAX CONSULTING (PTY) LTD | 72 800,00 |
| 13121396600 | Other Expenditure - Sundry Hire (Machinery and | R0025266 | | CAPAX CONSULTING (PTY) LTD | 15 000,00 |
| 13121396600 | Other Expenditure - Sundry Hire (Machinery and | R0025266 | | CAPAX CONSULTING (PTY) LTD | 39 400,00 |
| 13121396600 | Other Expenditure - Sundry Hire (Machinery and | R0025266 | | CAPAX CONSULTING (PTY) LTD | 15 000,00 |
| 13121396600 | Other Expenditure - Sundry Hire (Machinery and | | 24432 | JRC CONSTRUCTION (PTY) LTD | 141 036,85 |
| 13122296600 | Other Expenditure - Sundry Hire | | 24457 | NISSEN HOLDINGS (PTY) LTD | 10 000,00 |
| 13122296600 | Other Expenditure - Sundry Hire | | 24457 | NISSEN HOLDINGS (PTY) LTD | 500,00 |
| 13122296600 | Other Expenditure - Sundry Hire | | 24457 | NISSEN HOLDINGS (PTY) LTD | 1 000,00 |
| 13126096600 | Other Expenditure - Sundry Hire (Machinery and Equipment) | R0031143 | | ALTRON NEXUS (PTY) LTD | 10 375,00 |
| 13126096600 | Other Expenditure - Sundry Hire (Machinery and Equipment) | R0032338 | | ALTRON NEXUS (PTY) LTD | 10 375,00 |
| 13126096600 | Other Expenditure - Sundry Hire (Machinery and Equipment) | R0033745 | | ALTRON NEXUS (PTY) LTD | 10 375,00 |
| 13126096600 | Other Expenditure - Sundry Hire (Machinery and Equipment) | R0035550 | | ALTRON NEXUS (PTY) LTD | 10 375,00 |
| 13126096600 | Other Expenditure - Sundry Hire (Machinery and Equipment) | R0037114 | | ALTRON NEXUS (PTY) LTD | 10 375,00 |
| 13126096600 | Other Expenditure - Sundry Hire (Machinery and Equipment) | R0037496 | | ALTRON NEXUS (PTY) LTD | 10 375,00 |
| 13110096600 | Other Expenditure - Sundry Hire Charges | | 24468 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 1 719 655,32 |
| 13110096600 | Other Expenditure - Sundry Hire Charges | | 24467 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 82 260,00 |
| 13110096600 | Other Expenditure - Sundry Hire Charges | | 24467 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 302 355,05 |
| 13110096600 | Other Expenditure - Sundry Hire Charges | | 24467 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 149 630,00 |
| 13110096600 | Other Expenditure - Sundry Hire Charges | | 24467 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 301 620,00 |
| 13110096600 | Other Expenditure - Sundry Hire Charges | | 24467 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 94 656,00 |
| 13110096600 | Other Expenditure - Sundry Hire Charges | | 24467 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 746 470,00 |
| 13110096600 | Other Expenditure - Sundry Hire Charges | | 24467 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 78 180,00 |
| 13110096600 | Other Expenditure - Sundry Hire Charges | | 24467 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 1 310 460,00 |
| 13110096600 | Other Expenditure - Sundry Hire Charges | | 24467 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 1 436 600,00 |
| 13110096600 | Other Expenditure - Sundry Hire Charges | | 24467 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 1 459 680,00 |
| 13110096600 | Other Expenditure - Sundry Hire Charges | | 24467 | WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD | 1 380 700,00 |

| mSCOA Config | Description | Vote | GRAP Items | Notes Classification | 2024 TB | Detail Listing | Difference | Budget | Over/(Under) Spending |
|---|---|---|---|---|---|---|---|---|---|
| 13110075890 | Contracted Services - Security Services | Vote 2 - Community Services | Contracted Services | Security Services | 18 653 920,00 | 18 653 920,00 | - | 11 525 530,00 | 7 128 390,00 |
| 13110175891 | Contracted Services - Security Services | Vote 2 - Community Services | Contracted Services | Security Services | 27 580 180,57 | 27 580 180,57 | - | 1 500 000,00 | 26 080 180,57 |
| 13111175890 | Contracted Services - Security Services | Vote 2 - Community Services | Contracted Services | Security Services | 45 183,19 | 45 183,19 | - | 60 000,00 | (14 816,81) |
| 13111275890 | Contracted Services - Security Services | Vote 2 - Community Services | Contracted Services | Security Services | 90 244,53 | 90 244,53 | - | 90 293,00 | (48,47) |
| 13111275891 | Contracted Services - Security Services | Vote 2 - Community Services | Contracted Services | Security Services | 867 300,00 | 867 300,00 | - | 1 400 723,00 | (533 423,00) |
| 13111375890 | Contracted Services - Security Services | Vote 2 - Community Services | Contracted Services | Security Services | 159 599,60 | 159 599,60 | - | 200 000,00 | (40 400,40) |
| 13111475890 | Contracted Services - Security Services | Vote 2 - Community Services | Contracted Services | Security Services | 14 400,00 | 14 400,00 | - | 20 000,00 | (5 600,00) |
| 13111575890 | Contracted Services - Security Services | Vote 2 - Community Services | Contracted Services | Security Services | 24 667,20 | 24 667,20 | - | 70 000,00 | (45 332,80) |
| 13111775890 | Contracted Services - Security Services | Vote 2 - Community Services | Contracted Services | Security Services | 79 356,53 | 79 356,53 | - | 8 400,00 | 70 956,53 |
| 13122275890 | Contracted Services - Security Services | Vote 2 - Community Services | Contracted Services | Security Services | 86 956,52 | 86 956,52 | - | 87 000,00 | (43,48) |
| 13125075894 | Contracted Services - Security Services | Vote 2 - Community Services | Contracted Services | Security Services | 118 897,79 | 118 897,79 | - | 160 000,00 | (41 102,21) |
| 13126175890 | Contracted Services - Security Services | Vote 2 - Community Services | Contracted Services | Security Services | 44 000,00 | 44 000,00 | - | 29 000,00 | 15 000,00 |
| 13126275890 | Contracted Services - Security Services | Vote 2 - Community Services | Contracted Services | Security Services | 44 000,00 | 44 000,00 | - | 29 000,00 | 15 000,00 |
| 13126375890 | Contracted Services - Security Services | Vote 2 - Community Services | Contracted Services | Security Services | 19 712,84 | 19 712,84 | - | 29 000,00 | (9 287,16) |
| | | | | | **47 828 418,77** | **47 828 418,77** | **-** | **15 208 946,00** | **32 619 472,77** |

**Summarised per Supplier**

| | |
|---|---|
| BLUE FALCON PTY LTD | 7 712 601,00 |
| SIBAKULU SECURITY (PTY) LTD | 9 230 922,85 |
| SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 282 694,92 |
| ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 30 602 200,00 |
| | **47 828 418,77** |

| GL Account | GL Account Description | Number | Supplier Name | Amount |
|---|---|---|---|---|
| 13110075890 | Contracted Services - Security Services | R0031820 | SIBAKULU SECURITY (PTY) LTD | 307 980,00 |
| 13110075890 | Contracted Services - Security Services | R0031821 | SIBAKULU SECURITY (PTY) LTD | 410 640,00 |
| 13110075890 | Contracted Services - Security Services | R0031843 | BLUE FALCON PTY LTD | 891 000,00 |
| 13110075890 | Contracted Services - Security Services | R0032379 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 219 300,00 |
| 13110075890 | Contracted Services - Security Services | R0032380 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 221 550,00 |
| 13110075890 | Contracted Services - Security Services | R0032376 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 226 550,00 |
| 13110075890 | Contracted Services - Security Services | R0032377 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 451 300,00 |
| 13110075890 | Contracted Services - Security Services | R0032378 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 900 800,00 |
| 13110075890 | Contracted Services - Security Services | R0032375 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 451 300,00 |
| 13110075890 | Contracted Services - Security Services | R0032990 | SIBAKULU SECURITY (PTY) LTD | 121 695,00 |
| 13110075890 | Contracted Services - Security Services | R0032990 | SIBAKULU SECURITY (PTY) LTD | 70 300,00 |
| 13110075890 | Contracted Services - Security Services | R0032990 | SIBAKULU SECURITY (PTY) LTD | 95 000,00 |
| 13110075890 | Contracted Services - Security Services | R0032990 | SIBAKULU SECURITY (PTY) LTD | 121 695,00 |
| 13110075890 | Contracted Services - Security Services | R0032990 | SIBAKULU SECURITY (PTY) LTD | 70 300,00 |
| 13110075890 | Contracted Services - Security Services | R0033193 | SIBAKULU SECURITY (PTY) LTD | 435 420,00 |
| 13110075890 | Contracted Services - Security Services | R0033192 | SIBAKULU SECURITY (PTY) LTD | 438 960,00 |
| 13110075890 | Contracted Services - Security Services | R0033194 | SIBAKULU SECURITY (PTY) LTD | 237 500,00 |
| 13110075890 | Contracted Services - Security Services | R0033191 | SIBAKULU SECURITY (PTY) LTD | 64 050,00 |
| 13110075890 | Contracted Services - Security Services | R0033191 | SIBAKULU SECURITY (PTY) LTD | 37 000,00 |
| 13110075890 | Contracted Services - Security Services | R0033191 | SIBAKULU SECURITY (PTY) LTD | 50 000,00 |
| 13110075890 | Contracted Services - Security Services | R0033191 | SIBAKULU SECURITY (PTY) LTD | 64 050,00 |
| 13110075890 | Contracted Services - Security Services | R0033191 | SIBAKULU SECURITY (PTY) LTD | 37 000,00 |
| 13110075890 | Contracted Services - Security Services | R0033195 | BLUE FALCON PTY LTD | 513 000,00 |
| 13110075890 | Contracted Services - Security Services | R0033195 | BLUE FALCON PTY LTD | 540 000,00 |
| 13110075890 | Contracted Services - Security Services | R0033199 | BLUE FALCON PTY LTD | 1 364 500,00 |
| 13110075890 | Contracted Services - Security Services | R0034863 | BLUE FALCON PTY LTD | 1 304 347,83 |
| 13110075890 | Contracted Services - Security Services | R0035963 | SIBAKULU SECURITY (PTY) LTD | 12 810,00 |
| 13110075890 | Contracted Services - Security Services | R0035963 | SIBAKULU SECURITY (PTY) LTD | 7 400,00 |
| 13110075890 | Contracted Services - Security Services | R0035963 | SIBAKULU SECURITY (PTY) LTD | 10 000,00 |
| 13110075890 | Contracted Services - Security Services | R0035963 | SIBAKULU SECURITY (PTY) LTD | 12 810,00 |
| 13110075890 | Contracted Services - Security Services | R0035963 | SIBAKULU SECURITY (PTY) LTD | 7 400,00 |
| 13110075890 | Contracted Services - Security Services | R0035963 | SIBAKULU SECURITY (PTY) LTD | 192 150,00 |
| 13110075890 | Contracted Services - Security Services | R0035963 | SIBAKULU SECURITY (PTY) LTD | 111 000,00 |
| 13110075890 | Contracted Services - Security Services | R0035963 | SIBAKULU SECURITY (PTY) LTD | 150 000,00 |
| 13110075890 | Contracted Services - Security Services | R0035963 | SIBAKULU SECURITY (PTY) LTD | 192 150,00 |
| 13110075890 | Contracted Services - Security Services | R0035963 | SIBAKULU SECURITY (PTY) LTD | 111 000,00 |
| 13110075890 | Contracted Services - Security Services | 24429 | BLUE FALCON PTY LTD | 907 173,91 |
| 13110075890 | Contracted Services - Security Services | 24457 | BLUE FALCON PTY LTD | 1 043 478,26 |
| 13110075890 | Contracted Services - Security Services | 24457 | SIBAKULU SECURITY (PTY) LTD | 294 500,00 |
| 13110075890 | Contracted Services - Security Services | 24457 | SIBAKULU SECURITY (PTY) LTD | 402 380,00 |
| 13110075890 | Contracted Services - Security Services | 24457 | SIBAKULU SECURITY (PTY) LTD | 438 960,00 |
| 13110075890 | Contracted Services - Security Services | 24457 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 226 550,00 |
| 13110075890 | Contracted Services - Security Services | 24457 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 226 550,00 |
| 13110075890 | Contracted Services - Security Services | 24457 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 453 550,00 |
| 13110075890 | Contracted Services - Security Services | 24457 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 226 550,00 |
| 13110075890 | Contracted Services - Security Services | 24457 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 453 550,00 |
| 13110075890 | Contracted Services - Security Services | 24457 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 226 550,00 |
| 13110075890 | Contracted Services - Security Services | 24457 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 226 550,00 |
| 13110175891 | Contracted Services - Security Services | R0023081 | BLUE FALCON PTY LTD | 1 149 101,00 |
| 13110175891 | Contracted Services - Security Services | R0029738 | SIBAKULU SECURITY (PTY) LTD | 305 129,57 |
| 13110175891 | Contracted Services - Security Services | R0035425 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 6 800,00 |
| 13110175891 | Contracted Services - Security Services | R0036634 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 5 100,00 |
| 13110175891 | Contracted Services - Security Services | R0036636 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 5 700,00 |
| 13110175891 | Contracted Services - Security Services | R0036637 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 3 000,00 |
| 13110175891 | Contracted Services - Security Services | R0037174 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 5 100,00 |
| 13110175891 | Contracted Services - Security Services | R0037176 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 5 700,00 |
| 13110175891 | Contracted Services - Security Services | R0037177 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 3 000,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 439 050,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 439 050,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 221 550,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 219 300,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 219 300,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 219 300,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 219 300,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 436 800,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 219 300,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 871 800,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 436 800,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 436 800,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 228 800,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 226 550,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 226 550,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 451 300,00 |

| | | | | |
|---|---|---|---|---|
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 226 550,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 900 800,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 451 300,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 226 550,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 451 300,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 212 050,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 212 050,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 424 550,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 424 550,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 214 300,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 212 050,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 212 050,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 212 050,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 212 050,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 422 300,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 212 050,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 842 800,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 212 050,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 422 300,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 226 550,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 453 550,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 453 550,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 228 800,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 226 550,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 226 550,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 226 550,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 226 550,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 451 300,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 226 550,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 900 800,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 226 550,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 451 300,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 219 300,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 219 300,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 439 050,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 439 050,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 221 550,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 219 300,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 219 300,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 219 300,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 219 300,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 436 800,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 219 300,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 871 800,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 219 300,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 436 800,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 226 550,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 226 550,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 453 550,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 453 550,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 228 800,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 226 550,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 226 550,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 226 550,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 226 550,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 451 300,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 226 550,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 900 800,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 226 550,00 |
| 13110175891 | Contracted Services - Security Services | 24432 | ZWH PROJECTS AND DEVELOPMENT (PTY) LTD | 451 300,00 |
| 13111175890 | Contracted Services - Security Services | R0022326 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 4 560,00 |
| 13111175890 | Contracted Services - Security Services | R0022327 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 2 400,00 |
| 13111175890 | Contracted Services - Security Services | R0022888 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 1 920,00 |
| 13111175890 | Contracted Services - Security Services | R0023600 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 1 920,00 |
| 13111175890 | Contracted Services - Security Services | R0023615 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 2 400,00 |
| 13111175890 | Contracted Services - Security Services | R0024968 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 4 560,00 |
| 13111175890 | Contracted Services - Security Services | R0024969 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 2 400,00 |
| 13111175890 | Contracted Services - Security Services | R0024971 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 1 920,00 |
| 13111175890 | Contracted Services - Security Services | R0027199 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 4 560,00 |
| 13111175890 | Contracted Services - Security Services | R0027201 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 2 400,00 |
| 13111175890 | Contracted Services - Security Services | R0027206 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 1 920,00 |
| 13111175890 | Contracted Services - Security Services | R0027640 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 2 400,00 |
| 13111175890 | Contracted Services - Security Services | R0027641 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 1 920,00 |
| 13111175890 | Contracted Services - Security Services | R0029841 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 1 920,00 |

| | | | | |
|---|---|---|---|---|
| 13111175890 | Contracted Services - Security Services | R0029933 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 2 160,00 |
| 13111175890 | Contracted Services - Security Services | R0029936 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 4 560,00 |
| 13111175890 | Contracted Services - Security Services | R0029937 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 1 263,19 |
| 13111275890 | Contracted Services - Security Services | R0022324 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 2 160,00 |
| 13111275890 | Contracted Services - Security Services | R0022329 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 4 800,00 |
| 13111275890 | Contracted Services - Security Services | R0022331 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 4 734,57 |
| 13111275890 | Contracted Services - Security Services | R0023611 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 4 456,07 |
| 13111275890 | Contracted Services - Security Services | R0023613 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 1 680,00 |
| 13111275890 | Contracted Services - Security Services | R0023617 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 4 560,00 |
| 13111275890 | Contracted Services - Security Services | R0023620 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 4 080,00 |
| 13111275890 | Contracted Services - Security Services | R0024966 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 1 680,00 |
| 13111275890 | Contracted Services - Security Services | R0024970 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 4 080,00 |
| 13111275890 | Contracted Services - Security Services | R0025188 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 4 456,07 |
| 13111275890 | Contracted Services - Security Services | R0027202 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 1 680,00 |
| 13111275890 | Contracted Services - Security Services | R0027203 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 4 456,07 |
| 13111275890 | Contracted Services - Security Services | R0027207 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 4 080,00 |
| 13111275890 | Contracted Services - Security Services | R0027637 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 4 560,00 |
| 13111275890 | Contracted Services - Security Services | R0027638 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 4 080,00 |
| 13111275890 | Contracted Services - Security Services | R0027639 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 1 680,00 |
| 13111275890 | Contracted Services - Security Services | R0027648 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 4 456,07 |
| 13111275890 | Contracted Services - Security Services | R0029933 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 240,00 |
| 13111275890 | Contracted Services - Security Services | R0029934 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 1 680,00 |
| 13111275890 | Contracted Services - Security Services | R0029937 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 284,08 |
| 13111275890 | Contracted Services - Security Services | R0029937 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 2 332,80 |
| 13111275890 | Contracted Services - Security Services | R0029938 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 3 628,80 |
| 13111275890 | Contracted Services - Security Services | R0031168 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 5 100,00 |
| 13111275890 | Contracted Services - Security Services | R0032077 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 5 100,00 |
| 13111275890 | Contracted Services - Security Services | R0033271 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 5 100,00 |
| 13111275890 | Contracted Services - Security Services | R0034484 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 5 100,00 |
| 13111275891 | Contracted Services - Security Services | R0023426 | SIBAKULU SECURITY (PTY) LTD | 5 900,00 |
| 13111275891 | Contracted Services - Security Services | R0023426 | SIBAKULU SECURITY (PTY) LTD | 236 000,00 |
| 13111275891 | Contracted Services - Security Services | R0025287 | SIBAKULU SECURITY (PTY) LTD | 354 000,00 |
| 13111275891 | Contracted Services - Security Services | R0025876 | SIBAKULU SECURITY (PTY) LTD | 271 400,00 |
| 13111375890 | Contracted Services - Security Services | R0029738 | SIBAKULU SECURITY (PTY) LTD | 94 199,60 |
| 13111375890 | Contracted Services - Security Services | R0031168 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 5 700,00 |
| 13111375890 | Contracted Services - Security Services | R0031168 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 3 000,00 |
| 13111375890 | Contracted Services - Security Services | R0031168 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 5 100,00 |
| 13111375890 | Contracted Services - Security Services | R0032079 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 5 700,00 |
| 13111375890 | Contracted Services - Security Services | R0032080 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 3 000,00 |
| 13111375890 | Contracted Services - Security Services | R0032081 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 5 100,00 |
| 13111375890 | Contracted Services - Security Services | R0033274 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 5 700,00 |
| 13111375890 | Contracted Services - Security Services | R0033276 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 3 000,00 |
| 13111375890 | Contracted Services - Security Services | R0033277 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 5 100,00 |
| 13111375890 | Contracted Services - Security Services | R0034480 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 5 100,00 |
| 13111375890 | Contracted Services - Security Services | R0034481 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 3 000,00 |
| 13111375890 | Contracted Services - Security Services | R0034482 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 5 700,00 |
| 13111375890 | Contracted Services - Security Services | R0036638 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 5 100,00 |
| 13111375890 | Contracted Services - Security Services | R0037178 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 5 100,00 |
| 13111475890 | Contracted Services - Security Services | R0031168 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 2 400,00 |
| 13111475890 | Contracted Services - Security Services | R0032076 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 2 400,00 |
| 13111475890 | Contracted Services - Security Services | R0033281 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 2 400,00 |
| 13111475890 | Contracted Services - Security Services | R0034478 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 2 400,00 |
| 13111475890 | Contracted Services - Security Services | R0036641 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 2 400,00 |
| 13111475890 | Contracted Services - Security Services | R0037180 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 2 400,00 |
| 13111575890 | Contracted Services - Security Services | R0023793 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 1 440,00 |
| 13111575890 | Contracted Services - Security Services | R0023608 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 1 440,00 |
| 13111575890 | Contracted Services - Security Services | R0024972 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 1 440,00 |
| 13111575890 | Contracted Services - Security Services | R0027205 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 1 440,00 |
| 13111575890 | Contracted Services - Security Services | R0027643 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 1 440,00 |
| 13111575890 | Contracted Services - Security Services | R0029842 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 1 440,00 |
| 13111575890 | Contracted Services - Security Services | R0029937 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 576,00 |
| 13111575890 | Contracted Services - Security Services | R0029938 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 451,20 |
| 13111575890 | Contracted Services - Security Services | R0031168 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 1 800,00 |
| 13111575890 | Contracted Services - Security Services | R0032082 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 1 800,00 |
| 13111575890 | Contracted Services - Security Services | R0033278 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 1 800,00 |
| 13111575890 | Contracted Services - Security Services | R0034479 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 1 800,00 |
| 13111575890 | Contracted Services - Security Services | R0036635 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 2 100,00 |
| 13111575890 | Contracted Services - Security Services | R0036640 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 1 800,00 |
| 13111575890 | Contracted Services - Security Services | R0037175 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 2 100,00 |
| 13111575890 | Contracted Services - Security Services | R0037179 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 1 800,00 |
| 13111775890 | Contracted Services - Security Services | R0029739 | SIBAKULU SECURITY (PTY) LTD | 45 485,69 |
| 13111775890 | Contracted Services - Security Services | R0029738 | SIBAKULU SECURITY (PTY) LTD | 25 470,84 |
| 13111775890 | Contracted Services - Security Services | R0031168 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 2 100,00 |
| 13111775890 | Contracted Services - Security Services | R0032078 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 2 100,00 |

| | | | | |
|---|---|---|---|---|
| 13111775890 | Contracted Services - Security Services | R0033273 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 2 100,00 |
| 13111775890 | Contracted Services - Security Services | R0034483 | SPECIALISED AGRI PROTECTION SERVICES PTY LTD | 2 100,00 |
| 13122275890 | Contracted Services - Security Services | R0029739 | SIBAKULU SECURITY (PTY) LTD | 86 956,52 |
| 13125075894 | Contracted Services - Security Services | R0029739 | SIBAKULU SECURITY (PTY) LTD | 118 897,79 |
| 13126175890 | Contracted Services - Security Services | R0029757 | SIBAKULU SECURITY (PTY) LTD | 44 000,00 |
| 13126275890 | Contracted Services - Security Services | R0029757 | SIBAKULU SECURITY (PTY) LTD | 44 000,00 |
| 13126375890 | Contracted Services - Security Services | R0029754 | SIBAKULU SECURITY (PTY) LTD | 19 712,84 |
| 13110075890 | Contracted Services - Security Services | 24471 | SIBAKULU SECURITY (PTY) LTD | 3 075 620,00 |

**ITEM TITLE**

**SC73/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE FINANCE: IRREGULAR EXPENDITURE - DEVIATION FROM SCM PROCESS: PROVISION OF BILL PAYMENT SERVICES - MUNICIPAL BILLS AND WATER AND ELECTRICITY PAYMENTS TO THEEWATERSKLOOF MUNICIPALITY**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE OF REPORT**

The purpose of this report is to inform the Municipal Public Accounts Committee of the irregular expenditure with regard to the deviations for the procurement of Provision of Printing, Sorting and Mailing of Municipal Accounts.

**BACKGROUND**

During the audit of Supply Chain Management, the AG found that the approved deviations by the accounting officer was unjustifiable, and a competitive process should have been followed.

**DISCUSSION**

The Theewaterskloof Municipality requires the provision of services for the following:

- Printing, sorting and mailing of accounts.
- Printing notices for insert in accounts to be mailed
- Printing notices and newsletters, sorting, and mailing.

The Municipality had a tender in place for the provision of above services until 30 June 2023. Prior to this end date documents were prepared to advertise for a new service provider, but this process was halted in April 2023. In order to be as cost effective as possible, the Municipality decided to explore alternative internal processes to distribute the municipal accounts. Due to the Post Office not functioning 100%, an attempt was also being made to phase out the Rates and services accounts sent out by the post office. Some of the post offices in the towns are also closed. Through notices in the media, the public was requested to contact the offices to provide the necessary information to receive rates and services accounts by e-mail.

Due to various constraints, the above initiative was unsuccessful. During the afore-mentioned period deviations were necessitated.

Deviations were entered into and approved into with CAB Holdings (Pty) Ltd with the actual contract values of R192 305.13 and R196 533.33. During 2023/24 a competitive process (FIN 01/2023/24) was followed which resulted in a successful award.

The findings for both the deviations are tabled below:

| Name of supplier and service provided | Category | Actual value of contract | Deviation date of approval | Auditor's comment |
|---|---|---|---|---|
| Provision of printing, sorting, and mailing of municipal accounts - CAB Holdings (Pty) Ltd | Any other exceptional case where it is impractical or impossible to follow the official procurement processes | R196 533,33 | 07 December 2023 | The municipality deviated from SCM processes to procure printing and mailing services for municipal accounts for two months, after the previous contract ended. While the tender process was underway, the municipality should have planned and initiated the procurement process six months before the contract expiry on 30 June 2023. This deviation, therefore, stems from poor planning.<br><br>Impact: In combination with Item 3 below this results in non-compliance with regulation 19(a) as goods were procured without following a competitive bidding process.<br><br>Deviations were approved by the accounting officer even though it was not impractical to obtain price quotations in contravention with regulation 36(1)(a). This results in irregular expenditure of R196 533,33. The non-compliance is material and will be included in the audit report. |

| | | | | |
|---|---|---|---|---|
| Provision of printing, sorting, and mailing of municipal accounts - CAB HOLDINGS (PTY) LTD | Any other exceptional case where it is impractical or impossible to follow the official procurement processes | R192 305,13 | 10 October 2023 | The municipality deviated from SCM processes to procure the services for printing, sorting and mailing of municipal accounts for two months, after the previous contract ended. While the tender process was underway, the municipality should have planned and initiated the procurement process six months before the contract expiry on 30 June 2023. This deviation, therefore, stems from poor planning.<br><br>Impact: In combination with Item 2 above this results in non-compliance with regulation 19(a) as goods were procured without following a competitive bidding process.<br><br>Deviations were approved by the accounting officer even though it was not impractical to obtain price quotations in contravention with regulation 36(1). This results in irregular expenditure of R192 305,13. The non-compliance is material and will be included in the audit report. |

**COMMENTS FROM THE DIRECTORATE FINANCE**

Council did not suffer any losses or damage and received value for money from the services that were procured to enhance revenue collection.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The irregular expenditure of R196 533.33 and R 192 305.13 has been recorded in 2023/2024 financial statements. Management should ensure that recurrence is prevented.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result in Council Losing money and not receiving value for money. However, in this case Council did not suffer any losses or damages and received value for money.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R388 838.46 be written off for the 2023/2024 financial year.**

**RECOMMENDATION BY MANAGEMENT TO MPAC: 23 MAY 2025**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R388 838.46 be written off for the 2023/2024 financial year.**

**RECOMMENDATION FROM MPAC TO COUNCIL: 11 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor M Botes it was recommended as follows:

**That the agenda-item be referred to Council for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**RESOLVED BY COUNCIL: 27 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks, and seconded by Councillor P Stander, it was resolved as follows:

**Council refers the agenda-item for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**The following Councillors requested that their names be minuted in terms of Rule 19(c) of the By-law on Rules of Order for Meetings of Council and Committees of Theewaterskloof Municipality – applicable to agenda-item C178/2025:**
**Alderman DA Appel**
**Councillor TP Lemina**
**Alderman BB Mkhwibiso**
**Councillor RL Mienies**
**Councillor M Mpambani**
**Councillor MA Nomkoko**
**Alderman MR Nongxaza**
**Councillor MS Shale**
**Councillor TB Zimmermann**
**Councillor J Lekhori**
**Councillor V Papier**
**Councillor H Syster**

*For finalization by the Municipal Manager, Mr W Hendricks.*

**RECOMMENDATION FROM MPAC TO COUNCIL: 04 DECEMBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor C Smith and seconded by Councillor PJ Stander it was recommended as follows:

**In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R388 838.46 be written off for the 2023/2024 financial year.**

**RESOLVED BY COUNCIL: 12 DECEMBER 2025**

**Council approves the recommendation of the Municipal Public Accounts Committee dated 04 December 2025 as per Council resolution SC14/2025 of the Special Council Meeting of 12 December 2025.**

**COMMENTS BY MUNICIPAL MANAGER:**

Council resolution C178/2025 was not presented to Council, for rescindment of the Section 106 referral, on 24 November 2025.

The item was however presented to the Municipal Public Accounts Committee on 04 December 2025, and the Municipal Public Accounts Committee make a recommendation to Council.

On 12 December 2025 the recommendation of the Municipal Public Accounts Committee was presented to Council for write-off under Council resolution SC14/2025.

As Council resolution C178/2025 was not rescinded, the agenda-item needs to be presented to Council to rescind Council resolution C178/2025 of 27 June 2025 and Council resolution SC14/2025 – point 4 with regards to this item of 12 December 2025 and to refer the agenda-item to the Municipal Public Accounts Committee to reconfirm the "recommendation to Council" taken on 04 December 2025 whereafter the item will be resubmitted to Council for consideration.

**RECOMMENDATION TO COUNCIL:**

**It is recommended:**

1. **That Council rescind Council resolution C178/2025 of 27 June 2025.**

2. **That Council rescind Council resolution SC14/2025 – point 4 with regards to the irregular expenditure – deviation from SCM process: Provision of bill payment services – Municipal bills and water and electricity payments to Theewaterskloof Municipality of 12 December 2025.**

3. **That Council refer the agenda-item to the Municipal Public Accounts Committee to reconfirm the "recommendation to Council" taken on 04 December 2025 whereafter the agenda-item will be resubmitted to Council for consideration.**

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor M Gana, it was resolved as follows:

1. **Council rescind Council resolution C178/2025 of 27 June 2025.**

2. **Council Resolution SC14/2025 – point 4 was amended to approve the recommendation of the Municipal Public Accounts Committee of 04 December 2025.**

*For finalization by the Director: Finance, Mr P Mabhena.*

**RECOMMENDATION TO COUNCIL:**

**Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.**

# Status Report– Preferential Procurement Regulations 2022

## In terms of SCM and MFMA requirements and remedial action required if necessary

1

| What was the initial Purpose |
|---|
| PROVISION OF BILL PAYMENTS SERVICES MUNICIPAL BILLS AND WATER and ELECTRICITY PAYMENTS TO THEEWATERSKLOOF MUNICIPALITY are essential to enable service delivery and to enhance revenue. |

2

| Initial Scope of Contract and if uncertain please explain |
|---|
| The Theewaterskloof Municipality requires the provision of service for the following:<br><br>• Printing, sorting and mailing of Rates and services accounts.<br>• Printing notices for insert in accounts to be mailed<br>• Printing notices and newsletters, sorting, and mailing. |

3

| Initial Contract Value and if uncertain please explain |
|---|
| Deviation 1: R192 305.13<br>Deviation 2: R196 533,33 |

4

| Initial Expiry Date and if uncertain please explain |
|---|
| 30 June 2023 |

5

| Was normal SCM Process followed and complied with | | |
|---|---|---|
| Yes | no X | Uncertain |
| **Explain of motivate your response** | | |
| The Theewaterskloof Municipality requires the provision of services for the following:<br><br>• Printing, sorting and mailing of accounts.<br>• Printing notices for insert in accounts to be mailed<br>• Printing notices and newsletters, sorting, and mailing.<br><br>The Municipality had a tender in place for the provision of above services until 30 June 2023. Prior to this end date documents were prepared to advertise for a new service provider, but this process was halted in April 2023. In order to be as cost effective as possible, the Municipality decided to explore alternative internal | | |

processes to distribute the municipal accounts. Due to the Post Office not functioning 100%, an attempt was also being made to phase out the Rates and services accounts sent out by the post office. Some of the post offices in the towns also closed. Through notices on the media, the public was requested to contact the offices to provide the necessary information to receive rates and services accounts by e-mail.

Due to various constraints, the above initiative was unsuccessful. During the afore-mentioned period deviations were necessitated.

Deviations were entered and approved into with CAB Holdings (Pty) Ltd with the actual contract values of R192 305.13 and R196 533.33. During 2023/24 a competitive process (FIN 01/2023/24) was followed which resulted in a successful award.

6

| **Has the purpose, scope or contract period been extended or expanded since the initial appointment of the service provider** | | |
|---|---|---|
| Yes | No x | Uncertain |
| **Explain or motivate your response** | | |
| A competitive process was followed in 2023/2024 and a service provider was appointed. | | |

7

| **Was a formal contract or SLA initially entered into in terms of SCM and MFMA Requirements** | | |
|---|---|---|
| Yes | No **x** | Uncertain |
| **Explain or motivate your response** | | |
| Official order was generated for goods and services | | |

8

| **Should a contract not have existed has it since been entered into and has all compliance requirements like as it applies in respect of the SCM process and or for purposes of deviations been complied with** | | |
|---|---|---|
| Yes **X** | No | Uncertain |
| **Motivate or explain your response** | | |
| A competitive process was followed and a service provider was appointed. SLA was signed. | | |

9

| Did Council because of this transaction received best value for money i.e. in spite of non-compliance, if any with SCM or MFMA requirements | | |
|---|---|---|
| Yes **X** | No | Uncertain |
| **Please explain or motivate your response above** | | |
| These service are essential to enable service delivery and to enhance revenue. It is imperative to enhance revenue. Despite non-compliance the Municipality received best value for money. | | |

10

| Has the Municipality suffered any losses or damages as a result of non-compliance with any of the MFMA or SCM requirements | | |
|---|---|---|
| Yes | No **X** | Uncertain |
| **Please explain or motivate your response above** | | |
| Service delivery took place. No losses or damages. Best for revenue enhancement. | | |

11

| Are you satisfied with the performance of the current service providers | | |
|---|---|---|
| Yes **X** | No | Uncertain |
| **Please explain or motivate your response above** | | |
| The services were as required and satisfactory. | | |

12

| Has the director investigated and established whether or not there is not at this point a better service provider, price or product which would justify a new procurement process and a reconsideration of the current service provider, product or price | | |
|---|---|---|
| Yes | No **X** | Uncertain |
| **Please explain or motivate your response above** | | |
| A new procurement process was followed and a service provider was appointed. | | |

14

| Could any form of non-compliance have been prevented | | |
|---|---|---|
| Yes | No **X** | Uncertain |
| **Explain or motivate your response above** | | |

| |
|---|
| The Municipality explored alternative avenues in order to deliver the service in a more cost effective manner, this resulted in the delay in advertisement of the tender. |

15

| **What remedies have been put in place to prevent any non-compliance being repeated** | | |
|---|---|---|
| Yes **X** | No | Uncertain |
| **Explain or motivate your response above** | | |
| Procurement Planning. | | |

16

Critical service to enhance revenue collection

| **General or additional Comments of the Director Concerned** | |
|---|---|
| ..... | ..... |
| Signature of Director Concerned | Date |

17

| **General Comments/Findings and recommendations of the CFO** | |
|---|---|
| Critical service to enhance revenue collection<br>No financial loss | |
| Signature of CFO | Date 28/04/2025 |

18

| **General Comments/Findings and or recommendations of the Chief Audit Executive** | |
|---|---|
| Recommendation is supported. | |
| Signature of Chief Audit Executive | Date 29/4/2025 |

19

| **Final response of the Director Concerned for consideration by the Municipal Manager** | |
|---|---|
| | |
| Signature of the Director concerned | Date 29/04/2025 |

20

| General Comments and findings of the Municipal Manager |
| --- |
| 1. |
| Signature of the Municipal Manager Date 29/4/2025 |

AUDITOR-GENERAL
SOUTH AFRICA

The Accounting Officer
Theewaterskloof Municipality
PO Box 24
Caledon
7230

28 October 2024

Reference: Communication No.21 of 2023

Dear Mr. R Stevens

**COMMUNICATION OF FINDINGS IDENTIFIED DURING THE AUDIT OF COMPLIANCE WITH LEGISLATION FOR THE YEAR ENDED 30 JUNE 2024**

**SCM: Reason for not following the official procurement processes (Deviation) not justifiable**

**Background**

1. In performing the audit of compliance with legislation, we identified instances of non-compliance as described in the annexure. We have recorded the internal control deficiency that gave rise to the instances of non-compliance and our recommendation for correcting the instances of non-compliance for your consideration.
2. The finding will be included in the management report including your comments and our final response.

**Required**

3. You are requested to indicate whether you agree with the facts stated in the annexure including whether you agree with the identified internal control deficiency. Should you disagree, please provide us with documentary evidence to the contrary within 5 days from the date of this communication, as agreed in the engagement letter.
4. Should you agree, you are hereby requested to make the necessary corrections.
5. Should you choose not to make the necessary corrections, kindly communicate your reasons for this within 5 days from the date of this communication, as agreed in the engagement letter. The remaining uncorrected misstatement will then be evaluated for reporting purposes based on materiality.
6. Should you choose to make the necessary corrections, kindly refer the point(s) described below and provide us with the necessary information within 5 days from the date of this communication, as agreed in the engagement letter.
7. Please provide us with the reasons for the instances of non-compliance and the steps that will be taken to rectify the matter in future.

Yours sincerely

Unathi Mnqanqeni
Senior Manager: Western Cape

Enquiries: Henno Pretorius
Cell phone: 064 907 4146
Telephone: (021) 528 4100
Fax: (021) 528 4200
Email: hennop@agsa.co.za

**Acknowledgement of receipt by management:**

Received by _____ Date _____

**DETAILED AUDIT FINDING**

**Procurement and contract management**

**Unjustified deviations from normal Supply chain processes**

In terms of section 2(1)(b) of the Supply Chain Management (SCM) regulations, *"each municipality and municipal entity must in terms of section 111 of the Act have and implement a supply chain management policy that –*

*(b) is fair, equitable, transparent, competitive and cost effective;"*

Section 19 of the Municipal Supply Chain Management Regulations on Competitive bids states *"A supply chain management policy must specify—*

*a) that goods or services above a transaction value of R200 000 (VAT included) and long-term contracts may be procured by the municipality or municipal entity only through a competitive bidding process, subject to regulation 11(2); and*

*b) that no requirement for goods or services above an estimated transaction value of R200 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process."*

Section 36 of the Municipal Supply Chain Management Regulations states that;

*(1.) "A supply chain management policy may allow the accounting officer –*

*(a.) to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*

*(i) In the case an emergency;*

*(ii) If such goods or services are produced or available from a single provider only;*

*(iii) For the acquisition of special works of art or historical objects where specifications are difficult to compile;*

*(iv) Acquisition of animals for zoos; or*

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

*(b.) to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely technical.*

*(2.) The accounting officer must record the reasons for any deviations in terms of sub-regulation (1) (a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements*

*(3.) In terms of the Supply Chain Management (SCM) regulations 5: "An accounting officer may in terms of section 79 or 1 06 of the Act sub delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of regulation 4(1), but any such sub delegation must be consistent with sub regulation (2) and regulation 4".*

Furthermore, paragraph 37 of the municipality's supply chain policy states that:

***"37. DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSES***

*1. The Accounting Officer may –*

*a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*

*(i) in an emergency; (An emergency is an unforeseeable sudden event with harmful or potential harmful consequences for the municipality which requires urgent action to address.)*

*Circumstances that warrant emergency dispensation, includes but are not limited to –*

a) *the possibility of human injury or death,*
b) *the prevalence of human suffering or deprivation of rights,*
c) *the possibility of damage to property, or suffering and death of livestock and animals, the*
d) *interruption of essential services, including transportation and communication facilities or*
e) *support services critical to the effective functioning of the municipality as a whole, the possibility of serious damage occurring to the natural environment,*
f) *the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service,*
g) *the possibility that the security of the state could be compromised.*

2. *The Accounting Officer must record the reasons for any deviations in terms of subparagraphs 36(1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.*
3. *Subparagraph 36(2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy."*

During our testing of this deviation, we identified several instances where the justification for the deviation was inadequate.

## Part A: Inadequate Justification for Procurement Deviations

| No | Name of supplier and service provided | Category | Actual value of contract | Deviation date of approval | Auditor's comment | Management comments |
|---|---|---|---|---|---|---|
| 1. | **Provision of printing, sorting, and mailing of municipal accounts - CAB Holdings (Pty) Ltd** | Any other exceptional case where it is impractical or impossible to follow the official procurement processes | R196 533,33 | 07 December 2023 | The municipality deviated from SCM processes to procure printing and mailing services for municipal accounts for two months, after the previous contract ended. While the tender process was underway, the municipality should have planned and initiated the procurement process six months before the contract expiry in 30 June 2023. This deviation, therefore, stems from poor planning.<br><br>**Impact:** In combination with Item 3 below this results in non-compliance with regulation 19(a) as goods were procured without following a competitive bidding process.<br><br>Deviations were approved by the accounting officer even though it was not impractical obtain price quotations in contravention with regulation 36(1)(a). This results to irregular expenditure of R196 533,33. The non-compliance is material and will be included in the audit report. | |
| 2. | **Provision of printing, sorting, and mailing of municipal accounts - CAB HOLDINGS (PTY) LTD** | Any other exceptional case where it is impractical or impossible to follow the official procurement processes | R192 305,13 | 10 October 2023 | The municipality deviated from SCM processes to procure the services for printing, sorting and mailing of municipal accounts for two months, after the previous contract ended. While the tender process was underway, the municipality should have planned and initiated the procurement process six months before the contract expiry in 30 June 2023. This deviation, therefore, stems from poor planning.<br><br>**Impact:** In combination with Item 2 above this results in non-compliance with regulation 19(a) as goods were procured without following a competitive bidding process.<br><br>Deviations were approved by the accounting officer even though it was not impractical obtain price quotations | |

| No | Name of supplier and service provided | Category | Actual value of contract | Deviation date of approval | Auditor's comment | Management comments |
|---|---|---|---|---|---|---|
| | | | | | in contravention with regulation 36(1). This results to irregular expenditure of R192 305,13. The non-compliance is material and will be included in the audit report. | |

**Internal control deficiency**

*Financial and performance management –*
*Review and monitor compliance with applicable laws and regulations*

- Reviews of procurement deviations are not performed adequately, as the reasons for bypassing the official procurement process are often unjustifiable.
- There is a lack of robust processes for reviewing and monitoring compliance with applicable expenditure management laws and regulations, contributing to irregular expenditure. This is exacerbated by the absence of a permanent Chief Financial Officer (CFO) and key personnel responsible for overseeing expenditure compliance.
- The municipality lacks sufficient planning and monitoring controls to ensure deviations are justified and aligned with appropriate emergency protocols.
- Weaknesses in procurement oversight and insufficient planning lead to recurring non-compliance with Supply Chain Management (SCM) regulations.
- The municipality's failure to anticipate and plan for critical service needs, particularly high-demand services like town cleaning, highlights a significant deficiency in operational planning and forecasting.

**Recommendation**

- Management should investigate the total population of deviations and adjust the financial statements to include the irregular expenditure of R26 761 531 and any other misstatement identified in the investigated population.
- Management should establish robust procedures to review and monitor procurement deviations before approval. This includes proper staffing, particularly in key financial and compliance roles, to ensure effective oversight.
- Management should strengthen their review and monitoring processes of compliance with expenditure management applicable laws and regulations to ensure that reasonable steps are taken to prevent irregular expenditure.
- Management should resolve staffing issues, particularly in the finance and compliance functions, to ensure there is adequate oversight over procurement and expenditure activities.
- A stricter approval process for deviations should be implemented, ensuring adequate justification and minimising recurrence of non-compliance.
- The municipality should revise its emergency procurement policies to ensure compliance with SCM regulations, even during disaster responses. Adopting a proactive approach to managing procurement timelines and engaging in parallel processes will help minimise irregularities and enhance transparency.

**Management response**

| DESCRIPTION | RESPONSE |
|---|---|
| Does management agree with the finding (Yes/ No) | |
| Detail reason for agreeing/ disagree with finding | |
| Management comment on internal control deficiencies and root cause indicated and detail reason for agreeing/ disagree with finding. | |
| Detail corrective action to be taken and date. | |

| DESCRIPTION | RESPONSE |
|---|---|
| Does the finding affect an amount disclosed in the financial statements (Yes/ No) | |
| If yes, what corrections will be made to the population | |
| If **yes** and no corrections will be made the reason, why such a conclusion has been reached should be indicated. | |
| Position of official responsible to take corrective actions | |

Name:
Position:
Date:

**Auditor's conclusion:**

**ITEM TITLE**

**SC74/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE COMMUNITY SERVICES - OPERATIONS: PROCUREMENT OF FUEL FOR FLEET**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE OF REPORT**

The purpose of this report is to inform Municipal Public Accounts Committee of the irregular expenditure to the amount of R 2 032 393,59 with regard to the purchasing of fuel without following a fair and competitive procurement process for those transactions that exceed the R 2000.00 threshold.

**BACKGROUND**

During the audit of the Auditor General of Fuel Purchases, it was found that fuel is purchased to refuel the TWK fleet on a rotation basis across various fuel stations within the TWK jurisdiction area. Instances were identified where fuel transactions exceeded the R2000.00 threshold, especially for large vehicles, and no quotations process were followed.

The impact of this was:

- Non-compliance with Section 217(1) of the Constitution and Section 111 of the MFMA, due to the Municipality not following a fair, equitable, transparent, competitive, and cost-effective process for procurement of fuel.
- All fuel purchases individually above R2000 will result in irregular expenditure.

**DISCUSSION**

In terms of Section 217(1) of the Constitution of South Africa states that, *"When an organ of state in the national, provincial, or local sphere of government contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive, and cost-effective."*

Chapter 1 of the Municipal Supply Chain Management Regulations states:

*"Each municipality and each municipal entity must in terms of section 111 of the Act, have and implement a supply chain management policy that —*

- *gives effect to section 217 of the Constitution.*
- *is fair, equitable, transparent, competitive and cost effective"*

Regulation 12 (3) further states: *"A supply chain management policy must state-*

a. *that goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy; and*
b. *that when determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction."*

Government Gazette No.4918 issued on 14 December 2023, paragraph *2(b) by the substitution for paragraphs (c) and (d) of sub regulation (1) of the following paragraphs:*

*"(c) formal written price quotations for procurement of a transaction value over—*
*(i) R2000 up to R300 000 (VAT included), in the case of a local municipality.*

This meant as from 14 December 2023 till 30 June 2024, the new regulations require written quotations for purchases above R2000.

**Management did not appropriately interpret the amended Supply Chain Management Regulations.**

***Actions that are required for the finalization of the 2023-24 audit period:***

- Management should investigate the affected population of fuel purchases and disclose irregular expenditure in the 2023/24 Annual Financial Statements.

***Actions required beyond the 2023-24 audit period to prevent recurring non-compliance and irregular expenditure:***

- Although the municipality has established the procurement policy for procurement of all goods and services, the procurement policy does not address the above instances where it is not always practical to follow a quotation process.
- Management should review and update the procurement policy considering paragraph 2(b) Government gazette no.4918 issued on 14 December 2023, to provide for a process to procure fuel for municipal vehicles.
- The policy review should also consider the principles of PFMA SCM Instruction No. 03 of 2021/22 **for situations where standard procurement procedures are not followed due to specific circumstances that necessitate alternative methods**. Although applicable to PFMA, the same SCM principles can apply to MFMA.
- An alternative method for Theewaterskloof should be followed for fuel purchases over R2000 from 14 December 2023, deviating from the standard competitive bidding process.

**There is currently a competitive bidding process (Tender) under way to appoint service providers on a 3-year contract for the provision of fuel to comply with the AG's findings.**

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The irregular expenditure of R 2 032 393.59 has been recorded in 2023/2024 financial statements. Management should ensure that the recurrence is prevented.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result in Council losing money and not receiving value for money. However, in this case Council did not suffer any losses or damages and received value for money.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 2 032 393.59 be written off for the 2023/2024 financial year.**

**RECOMMENDATION BY MANAGEMENT TO MPAC: 23 MAY 2025**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 2 032 393.59 be written off for the 2023/2024 financial year.**

**RECOMMENDATION FROM MPAC TO COUNCIL: 11 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor M Botes it was recommended as follows:

**That the agenda-item be referred to Council for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**RESOLVED BY COUNCIL: 27 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks, and seconded by Councillor P Stander, it was resolved as follows:

**Council refers the agenda-item for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**The following Councillors requested that their names be minuted in terms of Rule 19(c) of the By-law on Rules of Order for Meetings of Council and Committees of Theewaterskloof Municipality – applicable to agenda-item C179/2025:**

**Alderman DA Appel**
**Councillor TP Lemina**
**Alderman BB Mkhwibiso**
**Councillor RL Mienies**
**Councillor M Mpambani**
**Councillor MA Nomkoko**
**Alderman MR Nongxaza**
**Councillor MS Shale**
**Councillor TB Zimmermann**
**Councillor J Lekhori**
**Councillor V Papier**
**Councillor H Syster**

*For finalization by the Municipal Manager, Mr W Hendricks.*

**RECOMMENDATION FROM MPAC TO COUNCIL: 04 DECEMBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor C Smith it was recommended as follows:

1. **The Municipal Public Accounts Committee resolved that the Municipal Manager ensures that effective control measures are implemented, including the use of a fuel fleet log, and that vehicle kilometers and fuel consumption be properly calculated and monitored.**

2. **In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 2 032 393.59 be written off for the 2023/2024 financial year.**

**RESOLVED BY COUNCIL: 12 DECEMBER 2025**

**Council approves the recommendation of the Municipal Public Accounts Committee dated 04 December 2025 as per Council resolution SC14/2025 of the Special Council Meeting of 12 December 2025.**

**COMMENTS BY MUNICIPAL MANAGER:**

Council resolution C179/2025 was not presented to Council, for rescindment of the Section 106 referral, on 24 November 2025.

The item was however presented to the Municipal Public Accounts Committee on 04 December 2025, and the Municipal Public Accounts Committee make a recommendation to Council.

On 12 December 2025 the recommendation of the Municipal Public Accounts Committee was presented to Council for write-off under Council resolution SC14/2025.

As Council resolution C179/2025 was not rescinded, the agenda-item needs to be presented to Council to rescind Council resolution C179/2025 of 27 June 2025 and Council resolution SC14/2025 – point 4 with regards to this item of 12 December 2025 and to refer the agenda-item to the Municipal Public Accounts Committee to reconfirm the "recommendation to Council" taken on 04 December 2025 whereafter the item will be resubmitted to Council for consideration.

**RECOMMENDATION TO COUNCIL:**

**It is recommended:**

1. **That Council rescind Council resolution C179/2025 of 27 June 2025.**

2. **That Council rescind Council resolution SC14/2025 – point 4 with regards to the irregular expenditure for the procurement of fuel for fleet of 12 December 2025.**

3. **That Council refer the agenda-item to the Municipal Public Accounts Committee to reconfirm the "recommendation to Council" taken on 04 December 2025 whereafter the agenda-item will be resubmitted to Council for consideration.**

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor M Gana, it was resolved as follows:

1. **Council rescind Council resolution C179/2025 of 27 June 2025.**

2. **Council Resolution SC14/2025 – point 4 was amended to approve the recommendation of the Municipal Public Accounts Committee of 04 December 2025.**

*For finalization by the Director: Community Services, Mr WSE Solomons-Johannes.*

**RECOMMENDATION TO COUNCIL:**

**Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.**

ANNEXURE A

# Status Report– Procurement of Fuel for TWK fleet

## In terms of SCM and MFMA requirements and remedial action required if necessary:

1

| What was the initial Purpose |
|---|
| Procurement of fuel for municipal fleet that exceed the threshold of R 2000.00 |

2

| Initial Scope of Contract and if uncertain please explain |
|---|
| As explained in point 1. |

3

| Initial Contract Value and if uncertain please explain |
|---|
| R 2 032 393.59 |

4

| Initial Expiry Date and if uncertain please explain |
|---|
| N/A |

5

| Was normal SCM Process followed and complied with | | |
|---|---|---|
| Yes | No x | Uncertain |
| **Explain of motivate your response** | | |
| No normal SCM process were followed to purchased fuel for fleet that was more than the threshold value of R 2000.00 | | |

6

| Has the purpose, scope or contract period been extended or expanded since the initial appointment of the service provider | | |
|---|---|---|
| Yes | No x | Uncertain |
| **Explain or motivate your response** | | |
| N/A | | |

7

| Was a formal contract or SLA initially entered into in terms of SCM and MFMA Requirements |
|---|

| Yes | No x | Uncertain |
|---|---|---|
| **Explain or motivate your response** | | |
| The SCM Regulations regarding the purchasing of fuel were not correctly interpreted to comply with the amended SCM Regulations. | | |

8

| **Should a contract not have existed has it since been entered into and has all compliance requirements like as it applies in respect of the SCM process and or for purposes of deviations been complied with** | | |
|---|---|---|
| Yes | No X | Uncertain |
| **Motivate or explain your response** | | |
| A tender was advertised in April 2025 for the purpose of appointing service providers on a 3-year contract for the purchasing of fuel. | | |

9

| **Did Council because of this transaction received best value for money i.e. in spite of non-compliance, if any with SCM or MFMA requirements** | | |
|---|---|---|
| Yes x | No | Uncertain |
| **Please explain or motivate your response above** | | |
| Council did received value for money. | | |

10

| **Has the Municipality suffered any losses or damages as a result of non-compliance with any of the MFMA or SCM requirements** | | |
|---|---|---|
| Yes | No x | Uncertain |
| **Please explain or motivate your response above** | | |
| No financial losses were suffered. | | |

11

| **Are you satisfied with the performance of the current service providers** | | |
|---|---|---|
| Yes x | No | Uncertain |
| **Please explain or motivate your response above** | | |
| Services were satisfactory during the period of service. | | |

12

| **Has the Director investigated and established whether or not there is not at this point a better service provider, price or product which would justify a new procurement process and a reconsideration of the current service provider, product or price** | | |
|---|---|---|
| Yes x | No | Uncertain |
| **Please explain or motivate your response above** | | |

ANNEXURE A

| |
|---|
| In the process of a competitive bidding process (tender) to appoint service providers for the purchasing of fuel. |

14

| **Could any form of non-compliance have been prevented** | | |
|---|---|---|
| Yes | No **x** | Uncertain |
| **Explain or motivate your response above** | | |
| N/A | | |

15

| **What remedies have been put in place to prevent any non-compliance being repeated** | | |
|---|---|---|
| Yes x | No | Uncertain |
| **Explain or motivate your response above** | | |
| As explained in point 8 and 12. | | |

16

| **General or additional Comments of the Director Concerned** | |
|---|---|
| | |
| ..... | ..... |
| Signature of Director Concerned | Date |

17

| **General Comments/Findings and or recommendations of the Chief Audit Executive** | |
|---|---|
| | |
| ..... | ..... |
| Signature of Chief Audit Executive | Date |

18

ANNEXURE A

| General Comments and findings of the Municipal Manager | |
|---|---|
| | |
| ..... | ..... |
| Signature of the Municipal Manager | Date |

AUDITOR-GENERAL
SOUTH AFRICA

The Accounting Officer
Theewaterskloof Municipality
PO Box 24
Caledon
7230

31 October 2024

Reference: COMAF No.26 of 2024

Dear Mr. R Stevens

**COMMUNICATION OF FINDINGS IDENTIFIED DURING THE AUDIT OF COMPLIANCE WITH LEGISLATION FOR THE YEAR ENDED 30 JUNE 2024**

**Background**

1. In performing the audit of compliance with legislation we identified instances of non-compliance as described in the annexure. We have recorded the internal control deficiency that gave rise to the instances of non-compliance and our recommendation for correcting the instances of non-compliance for your consideration. The effect of these instances of non-compliance could potentially be material.
2. The finding will be included in the management report including your comments and our final response.

**Required**

3. You are requested to indicate whether you agree with the facts stated in the annexure including whether you agree with the identified internal control deficiency. Should you disagree, please provide us with documentary evidence to the contrary within 5 days from the date of this communication, as agreed in the engagement letter.
4. Should you agree, you are hereby requested to make the necessary corrections.
5. Should you choose not to make the necessary corrections, kindly communicate your reasons for this within 5 days from the date of this communication, as agreed in the engagement letter. The remaining uncorrected misstatement will then be evaluated for reporting purposes based on materiality.
6. Should you choose to make the necessary corrections, kindly refer the point(s) described below and provide us with the necessary information within 5 days from the date of this communication, as agreed in the engagement letter:
7. Please provide us with the reasons for the instances of non-compliance and the steps that will be taken to rectify the matter in future.

Yours sincerely

Sithembile Ngubane
Manager: Western Cape

Enquiries: Henno Pretorius
Telephone: (021) 528 4100
Email: HennoP@aasa.co.za

**Acknowledgement of receipt by management:**

| | |
|---|---|
| Received by | Date |

## DETAILED AUDIT FINDING

**Non-compliance in procurement processes for fuel purchases**

**Audit finding:**

In terms of Section 217(1) of the Constitution of South Africa states that, *"When an organ of state in the national, provincial, or local sphere of government contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive, and cost-effective."*

Chapter 1 of the Municipal Supply Chain Management Regulations states:
*"Each municipality and each municipal entity must in terms of section 111 of the Act, have and implement a supply chain management policy that —*

*(a) gives effect to section 217 of the Constitution;*
*(b) is fair, equitable, transparent, competitive and cost effective"*

Regulation 12 (3) further states: *"A supply chain management policy must state-*
*a) that goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy; and*
*b) that when determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction."*

Government gazette no.4918 issued on 14 December 2023, paragraph *2(b) by the substitution for paragraphs (c) and (d) of sub regulation (1) of the following paragraphs:*
*"(c) formal written price quotations for procurement of a transaction value over—*
*(i) R2000 up to R300 000 (VAT included), in the case of a local municipality;*

This meant as from 14 December 2023 till 30 June 2024, the new regulations require written quotations for purchases above R2000.

During our audit of fuel purchases, we confirmed that the Theewaterskloof Municipality refuels its fleet on a rotation basis across various fuel stations within its jurisdiction. Instances were identified where fuel transactions exceeded the R2000 threshold, especially for large vehicles, and no quotations process were followed.

**Impact**

- Non-compliance with section 217(1) of the Constitution and Section 111 of the MFMA, due to the Municipality not following a fair, equitable, transparent, competitive, and cost-effective process for procurement of fuel.
- All fuel purchases individually above R2000 will result in irregular expenditure.

**Internal control deficiency**

Financial and performance management
*Review and monitor compliance with applicable legislation*

Management did not appropriately interpret the amended Supply Chain Management Regulations.

**Recommendation**

***Actions required before the finalization of 2023-24 audit period:***

- Management should investigate the affected population of fuel purchases and disclose irregular expenditure in the 2023/24 Annual Financial Statements.

***Actions required beyond the 2023-24 audit period to prevent recurring non-compliance and irregular expenditure:***

- Although the municipality has established the procurement policy for procurement of all goods and services, the procurement policy does not address the above instances where it is not always practical to follow a quotation process.
- Management should review and update the procurement policy considering, paragraph 2(b) Government gazette no.4918 issued on 14 December 2023, to provide for a process to procure fuel for municipal vehicles.
- The policy review should also consider the principles of PFMA SCM Instruction No. 03 of 2021/22 **for situations where standard procurement procedures are not followed due to specific circumstances that necessitate alternative methods**. Although applicable to PFMA, the same SCM principles can apply to MFMA.
- An alternative method for Theewaterskloof should be followed for fuel purchases over R2000 from 14 December 2023, deviating from the standard competitive bidding process.

**Management response**

| DESCRIPTION | RESPONSE |
|---|---|
| Does management agree with the finding (Yes/ No) | Yes |
| Detail reason for agreeing/ disagree with finding | Management agrees with the finding. |
| Management comment on internal control deficiencies and root cause indicated and detail reason for agreeing/ disagree with finding. | Management agrees with the control deficiency. |
| Detail corrective action to be taken and date. | Management to implement the recommendations as per this finding. |
| Does the finding affect an amount disclosed in the financial statements (Yes/ No) | Yes |
| If yes, what corrections will be made to the population | The quantified amount has been provided to the AGSA. Once the amount has been verified by the AGSA, the irregular expenditure note to the AFS will be adjusted. |
| If **yes** and no corrections will be made the reason, why such a conclusion has been reached should be indicated. | N/A |
| Position of official responsible to take corrective actions | A Riddles (Deputy Director: Finance) |

Name: A Riddles
Position: Deputy Director: Finance
Date: 05/11/2024

**Auditor's conclusion:**

Management comments and commitment to update the irregular expenditure note in the annual financial statements (AFS) are noted. The audit team will conduct a thorough review of the adjusted AFS upon submission to ensure that all identified irregular expenditures are accurately recorded.

| | COMAF 26 Fuel |
|---|---|
| Deviations not considered to be impractical or exceptional circumstances | - |
| No documents supporting the regulation 32 awards that any portion of contracts equals a portion of the original contract that was forfeited by the other organ of state. | - |
| Services rendered without a contract, order or quotation. | - |
| No reasons documented and approved by delegated official for not obtaining at least three quotations in terms of regulation 17(1) of the Municipal supply chain regulations | - |
| Non-compliance with SCM Reg 29(b)(2) - Bid Adjudication Committees | - |
| Non compliance with section 112 (1) (a) to (g) of the MFMA | 2 032 393,59 |
| Section 52 of the SCM policy not followed | - |
| Service rendered and invoice paid of which section 36 deviation was subsequently rejected | - |
| NGO appointed to organise event without approaching any other event organisation to make such an offerin | - |
| Non compliance with cost containment policy | - |
| Non-compliance with PPR 2017 8(2): Local production and content and Non-compliance with SCM Reg 29(b)( | - |
| Deviations not considered to be an emergency | - |
| Non-compliance with PPR 2022 - 80/20 principle not applied on quotations below R30 000 | - |
| SCM process started but not successfully completed | - |
| SCM process not followed only instruction given to deliver services | - |
| Specialised medical assessments referred but service providers unwilling to follow procurement processes | - |
| Donation made without clear policy guidelines and/or Council Resolution | - |
| Non-compliance with CIDB Regulation 17 and Schedule 3 of CIDB Regulation | - |
| Grant funding not spend in terms of section 16(1) of the 2023 DoRA | - |
| Non-compliance with appointment in terms of Section 54A of the MSA | - |

| | |
|---|---|
| Non-compliance with appointment in terms of Section 56(1)(c) of the MSA | - |
| Non-compliance with SCM Reg 18(a) - Advertisements above R30 000 | - |
| Non-compliance with appointment in terms of Section 55(1)(e) of the MSA | - |
| | **2 032 393,59** |

**ITEM TITLE**

**SC75/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE COMMUNITY SERVICES – OPERATIONS: IRREGULAR EXPENDITURE – NO PROCUREMENT PROCESS FOLLOWED FOR MAINTENANCE, SAFEGUARDING AND SECURITY AND WET FUEL (FOR GENERATORS) SERVICES**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE OF REPORT**

The purpose of this report is to inform Municipal Public Accounts Committee of the non-compliance of the procurement process followed for the maintenance of equipment, safeguarding and security and wet fuel (for generators) for services that resulted in the irregular expenditure of R 58 992 997.00.

**BACKGROUND**

**In terms of paragraph 19 (a) of the Municipal Supply Chain Management Regulations of 2005:**

*"A supply chain management policy must specify that goods or services above a transaction value of R200 000 (VAT included) and long-term contracts may be procured by the municipality or municipality entity only through a competitive bidding process"*

**In terms of paragraph 12(1)(e) of the Supply Chain Management (SCM) Policy:**

*"Goods and services may only be procured by way of competitive bidding process for procurements above a transaction value of R200 000(VAT Included)"*

**In terms of Regulation 17(1)(a) of the Municipal Supply Chain Management Regulations of 2005:**

*"A supply chain management policy must stipulate the conditions for the procurement of goods or services through formal written price quotations, which must include conditions stating that quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the municipality or municipal entity."*

During the Auditor General audit of procurement and contract management, it was noted that the following payments were made to ZWH Projects and Development (Pty) Ltd for which no procurement process was followed:

| Payment no. | Description | Payment date | Amount |
|---|---|---|---|
| 27271 | Maintenance of Equipment, Safeguard and Security and Wet Fuel (Generators) | 2023/07/28 | 4 603 500,00 |
| 27376 | | 2023/08/18 | 4 741 250,00 |
| 27584 | | 2023/08/30 | 6 961 357,37 |
| 27606 | | 2023/08/31 | 51 390,00 |
| 27619 | | 2023/09/08 | 1 719 655,32 |
| 27770 | | 2023/09/22 | 1 843 169,47 |
| 27962 | | 2023/10/06 | 2 499 214,92 |
| 28191 | | 2023/10/25 | 1 457 168,65 |
| 28281 | | 2023/11/03 | 4 308 567,28 |
| 28445 | | 2023/11/24 | 3 991 450,00 |
| 28646 | | 2023/12/08 | 893 950,00 |
| 28692 | | 2023/12/12 | 4 660 215,18 |
| 28997 | | 2023/12/21 | 1 584 500,00 |
| 29117 | | 2024/01/16 | 840 325,30 |
| 29324 | | 2024/01/31 | 1 588 550,00 |
| 29427 | | 2024/02/19 | 3 173 050,00 |
| 29711 | | 2024/03/08 | 2 470 800,00 |
| 29806 | | 2024/03/18 | 1 185 503,90 |
| 30024 | | 2024/03/28 | 2 915 197,56 |
| 30230 | | 2024/04/12 | 2 212 498,44 |
| 30371 | | 2024/04/30 | 1 696 248,80 |
| 30482 | | 2024/05/17 | 2 085 295,00 |
| 30673 | | 2024/05/31 | 1 510 139,96 |
| | | | **58 992 997,15** |

**DISCUSSION**

It was also observed by the AG that the municipality entered into a Service Level Agreement (SLA) for the maintenance of generators in June 2023, with a contract ending on 30 June 2024. Payments related to this agreement commenced in July 2023. However, the procurement processes required for entering into this SLA were not followed.

**Impact:**

a. The total non-compliance resulted in irregular expenditure of R58 992 997.
b. The material non-compliance is material and will be included in the audit report. The irregular expenditure is material and will result in the modification of the audit opinion if it is not adjusted.
c. The above also results in non-compliance with SCM Regulation 17(1)(a), (c) and SCM Regulation 19(a). This non-compliance also be assessed and considered with other instances of compliance deviations identified. Audit will assess the impact on both management and audit reports, during the reporting phase of the audit process.

**Internal control deficiency - Financial and Performance Management:**

a. Insufficient processes in place for reviewing and monitoring compliance with applicable expenditure management laws and regulations to prevent irregular expenditure.
b. The absence of a permanent Chief Financial Officer (CFO) and the unavailability of key personnel responsible for overseeing expenditure compliance resulted in the occurrence of irregular expenditure.

**Management response to the AG Finding:**

| DESCRIPTION | RESPONSE |
|---|---|
| Does management agree with the finding (Yes/ No) | Yes |
| Detail reason for agreeing/ disagree with finding | Management agrees with the findings.<br><br>However, the Impact as illustrated in this finding, has not considered the following:<br><br>a. The generators were partially purchased during 2022/23. The Service Level Agreement (SLA) in question emanated as a result of said purchase. During the audit period of 2022/23, the SLA was included in the purchase agreement. Therefore, the AGSA should have informed Management of the irregular expenditure that could emanate from implementing the SLA, after COMAF 15 of 2023 was concluded.<br>b. Planning already started in 2022/23 to follow a procurement process to have a tender in place after the expiry of the 12-month SLA at the end of June 2024.<br>c. The Municipality considered the SLA as an acceptable means of procurement and to manage the contract and approved budget and therefore proceeded to implement the SLA for the period of 1 July 2023 until 30 June 2024.<br>d. The Municipality embarked on a competitive tender process during June 2024 to appoint a service provider under Tender COMM01/2024-2025: Maintenance, Servicing, Repairs and Rental Contract of Standby Generators in Theewaterskloof Municipality from date of Appointment to 30 June 2025.<br>e. Due to non-availability of senior managers for vacant positions not filled after following several recruitment processes appointments could not be made and the Bid Adjudication Committee (BAC) were unable to function and consider the adjudication of tenders. |

| DESCRIPTION | RESPONSE |
|---|---|
| | f. The adjudication of the tender is subject to the appointment of senior managers which is in process.<br><br>Although the amount is material, the misstatement is still considered an isolated incident due to incorrect interpretation as discussed above. |
| Management comments on internal control deficiencies and root cause indicated and detail reasons for agreeing/ disagreeing with finding. | Management disagrees with the internal control deficiency, as this matter relates to the incorrect interpretation as expressed above. |
| Detail corrective action to be taken and date. | This matter will be deferred to MPAC. |
| Does the finding affect an amount disclosed in the financial statements (Yes/ No) | Yes |
| If yes, what corrections will be made to the population | Note 56.3 (Irregular Expenditure) to be adjusted to include a separate reason due to the isolated nature.<br>The final amount of the irregular to be discussed and concluded with AGSA. |
| If **yes** and no corrections will be made the reason why such a conclusion has been reached should be indicated. | N/A |
| Position of officials responsible for taking corrective actions | Director Community Services |

**Auditor General conclusion:**

While management provided additional context and disagreed with the internal control deficiency, it is important to highlight that regardless of the reasoning behind the SLA, non-compliance with the Municipal SCM Regulations resulted in material irregular expenditure. The correct procurement process should have been followed for entering into the SLA in 2023/24. The failure to adhere to these processes reflects insufficient oversight and review in the municipality's expenditure management practices, particularly in the absence of a permanent CFO and senior managers responsible for compliance oversight.

The municipality's argument regarding the inclusion of the SLA in the generator purchase agreement does not negate the requirement to follow SCM processes. The competitive bidding process should have been followed for any procurement above the threshold, including service agreements tied to prior purchases.

Although management is planning corrective action by deferring the matter to MPAC and adjusting note 56.3 (Irregular Expenditure) in the financial statements, the irregular expenditure is material and likely will result in the modification of the audit opinion unless adequately resolved. Management can provide their proposed figure for the adjustment to be discussed with the AGSA team.
Recommendation for Management by the AG:

- Management should address staffing issues to ensure adequate oversight is in place.
- Management should strengthen their review and monitoring processes to ensure that procurement of goods and services is done in accordance with the Municipal Supply Chain Regulations.
- Management should adjust the financial statements note 56.3 with the irregular expenditure of R 58 992 997.00.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The irregular expenditure of R 58 992 997.00. has been recorded in 2023/2024 financial statements. Management should ensure that the recurrence is prevented.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result in Council losing money and not receiving value for money.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is therefore recommended to report to the Municipal Public Accounts Committee the non-compliance of procurement processes regarding the procurement process followed for the maintenance of equipment, safeguarding and security and wet fuel (for generators) for services that resulted in irregular expenditure to the amount of R 58 992 997.00.**

**RECOMMENDATION BY MANAGEMENT TO MPAC: 23 MAY 2025**

**It is therefore recommended to report to the Municipal Public Accounts Committee the non-compliance of procurement processes regarding the procurement process followed for the maintenance of equipment, safeguarding and security and wet fuel (for generators) for services that resulted in irregular expenditure to the amount of R 58 992 997.00.**

**RECOMMENDATION FROM MPAC TO COUNCIL: 11 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor M Botes it was recommended as follows:

**That the agenda-item be referred to Council for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**RESOLVED BY COUNCIL: 27 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks, and seconded by Councillor P Stander, it was resolved as follows:

**Council refers the agenda-item for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**The following Councillors requested that their names be minuted in terms of Rule 19(c) of the By-law on Rules of Order for Meetings of Council and Committees of Theewaterskloof Municipality – applicable to agenda-item C181/2025:**

**Alderman DA Appel**
**Councillor TP Lemina**
**Alderman BB Mkhwibiso**
**Councillor RL Mienies**
**Councillor M Mpambani**
**Councillor MA Nomkoko**
**Alderman MR Nongxaza**
**Councillor MS Shale**
**Councillor TB Zimmermann**
**Councillor J Lekhori**
**Councillor V Papier**
**Councillor H Syster**

*For finalization by the Municipal Manager, Mr W Hendricks.*

**RECOMMENDATION FROM MPAC TO COUNCIL: 04 DECEMBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor C Smith it was recommended as follows:

1. **That the agenda-item be referred to Council for consideration, with the recommendation that Council refer the matter for a forensic investigation.**

2. **That the amount be amended to R87 408 024.07.**

**RESOLVED BY COUNCIL: 12 DECEMBER 2025**

**Council approves the recommendation of the Municipal Public Accounts Committee dated 04 December 2025 as per Council resolution SC14/2025 of the Special Council Meeting of 12 December 2025.**

**COMMENTS BY MUNICIPAL MANAGER:**

Council resolution C181/2025 was not presented to Council, for rescindment of the Section 106 referral, on 24 November 2025.

The item was however presented to the Municipal Public Accounts Committee on 04 December 2025, and the Municipal Public Accounts Committee make a recommendation to Council.

On 12 December 2025 the recommendation of the Municipal Public Accounts Committee was presented to Council for write-off under Council resolution SC14/2025.

As Council resolution C181/2025 was not rescinded, the agenda-item needs to be presented to Council to rescind Council resolution C181/2025 of 27 June 2025 and Council resolution SC14/2025 – point 4 with regards to this item of 12 December 2025 and to refer the agenda-item to the Municipal Public Accounts Committee to reconfirm the "recommendation to Council" taken on 04 December 2025 whereafter the item will be resubmitted to Council for consideration.

**RECOMMENDATION TO COUNCIL:**

**It is recommended:**

1. **That Council rescind Council resolution C181/2025 of 27 June 2025.**

2. **That Council rescind Council resolution SC14/2025 – point 4 with regards to the irregular expenditure for no procurement process followed for maintenance, safeguarding ad security and wet fuel (for generators) services of 12 December 2025.**

3. **That Council refer the agenda-item to the Municipal Public Accounts Committee to reconfirm the "recommendation to Council" taken on 04 December 2025 whereafter the agenda-item will be resubmitted to Council for consideration.**

**DISCUSSION DURING THE MEETING:**

*Councillor PJ Stander proposed that Council rescind the council resolution of Section 106 referral and adopt the recommendation of the Municipal Public Accounts Committee of 04 December 2025.*

*Proposal was seconded by Councillor M Gana.*

*Alderman DA Appel submits the following counter-proposal:*
*That the Opposition Coalition doesn't agree with agenda-item C38/2026. Do not understand the forensic investigation as there was value for money and it must be written off.*

*Counter proposal was second by Alderman MR Nongxaza.*

*The voting process started, and each councillor indicated by hand whether they vote for 1. Proposal by Councillor PJ Stander and seconded by Councillor M Gana or 2. Counter-proposal by Alderman DA Appel seconded by Alderman MR Nongxaza.*

*The result of the voting process is as follows:*

*Proposal by Councillor PJ Stander and seconded by Councillor M Gana = 14 votes.*

*Counter-proposal by Alderman DA Appel and seconded by Alderman MR Nongxaza = 10 votes*

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor M Gana, it was resolved as follows:

1. **Council rescind Council resolution C181/2025 of 27 June 2025.**

2. **Council Resolution SC14/2025 – point 4 was amended to approve the recommendation of the Municipal Public Accounts Committee of 04 December 2025 to refer the matter for a forensic investigation and that the amount be amended to R87 408 024.07.**

***The following Councillors requested that their names be minuted in terms of Rule 19(c) of the By-law on Rules of order for meetings of Council and Committees of Theewaterskloof Municipality – applicable to agenda-item C38/2026:***

***Alderman DA Appel***
***Alderman MR Nongxaza***
***Alderman BB Mkhwibiso***
***Councillor TP Lemina***
***Councillor FO Ntantiso***
***Councillor M Mpambani***
***Councillor MA Nomkoko***
***Councillor MS Shale***
***Councillor V Papier***
***Councillor C Smith***

*For finalization by the Municipal Manager, Mr W Hendricks.*

**RECOMMENDATION TO COUNCIL:**

**Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.**

ANNEXURE A

# Status Report– No procurement process followed for Services – Maintenance, Security and Fuel (Generators)

## In terms of SCM and MFMA requirements and remedial action required if necessary:

1

| What was the initial Purpose |
|---|
| Services for the maintenance of generators, provision of fuel and safety and security services. |

2

| Initial Scope of Contract and if uncertain please explain |
|---|
| As explained in point 1. |

3

| Initial Contract Value and if uncertain please explain |
|---|
| R 58 992 997.00 |

4

| Initial Expiry Date and if uncertain please explain |
|---|
| 30 June 2024 |

5

| Was normal SCM Process followed and complied with | | |
|---|---|---|
| Yes | No x | Uncertain |
| **Explain of motivate your response** | | |
| The municipality entered into a Service Level Agreement (SLA); however a procurement process was required before entering into an SLA, but no SCM process were followed. | | |

6

| Has the purpose, scope or contract period been extended or expanded since the initial appointment of the service provider | | |
|---|---|---|
| Yes | No x | Uncertain |
| **Explain or motivate your response** | | |
| The SLA was entered without a SCM process prior to the SLA. | | |

7

| Was a formal contract or SLA initially entered into in terms of SCM and MFMA Requirements | | |
|---|---|---|
| Yes | No x | Uncertain |
| **Explain or motivate your response** | | |
| The correct procurement process should have been followed before entering into an SLA. | | |

8

| Should a contract not have existed has it since been entered into and has all compliance requirements like as it applies in respect of the SCM process and or for purposes of deviations been complied with | | |
|---|---|---|
| Yes | No X | Uncertain |
| **Motivate or explain your response** | | |
| The competitive bidding process should have been followed for any procurement above the threshold, including service level agreements tied to prior purchases. | | |

9

| Did Council because of this transaction received best value for money i.e. in spite of non-compliance, if any with SCM or MFMA requirements | | |
|---|---|---|
| Yes | No | Uncertain x |
| **Please explain or motivate your response above** | | |
| Service delivery is a very important aspect for the Municipality. | | |

10

| Has the Municipality suffered any losses or damages as a result of non-compliance with any of the MFMA or SCM requirements | | |
|---|---|---|
| Yes | No | Uncertain x |
| **Please explain or motivate your response above** | | |
| It needs to be established. | | |

11

| Are you satisfied with the performance of the current service providers | | |
|---|---|---|
| Yes | No | Uncertain |
| **Please explain or motivate your response above** | | |
| Services were satisfactory during the period of service. | | |

12

| Has the Director investigated and established whether or not there is not at this point a better service provider, price or product which would justify a new procurement process and a reconsideration of the current service provider, product or price |
|---|

| Yes | No **x** | Uncertain |
|---|---|---|
| **Please explain or motivate your response above** | | |
| Period of SLA expired 30 June 2024. | | |

14

| **Could any form of non-compliance have been prevented** | | |
|---|---|---|
| Yes x | No | Uncertain |
| **Explain or motivate your response above** | | |
| By following proper procurement processes. | | |

15

| **What remedies have been put in place to prevent any non-compliance being repeated** | | |
|---|---|---|
| Yes x | No | Uncertain |
| **Explain or motivate your response above** | | |
| Yes, adherence to procurement processes as prescribed by SCM regulations and MFMA. | | |

16

| **General or additional Comments of the Director Concerned** | |
|---|---|
| ..... | ..... |
| Signature of Director Concerned | Date |

17

| **General Comments/Findings and or recommendations of the Chief Audit Executive** | |
|---|---|
| | |
| ..... | ..... |
| Signature of Chief Audit Executive | Date |

18

| General Comments and findings of the Municipal Manager | |
|---|---|
| | |
| ..... | ..... |
| Signature of the Municipal Manager | Date |

AUDITOR-GENERAL
SOUTH AFRICA

The Accounting Officer
Theewaterskloof Municipality
PO Box 24
Caledon
7230

11 October 2024

Reference: Communication No.9 of 2024

Dear Mr. R Stevens

**COMMUNICATION OF FINDINGS IDENTIFIED DURING THE AUDIT OF COMPLIANCE WITH LEGISLATION FOR THE YEAR ENDED 30 JUNE 2024**

**Background**

1. In performing the audit of compliance with legislation, we identified instances of non-compliance as described in the annexure. We have recorded the internal control deficiency that gave rise to the instances of non-compliance and our recommendation for correcting the instances of non-compliance for your consideration.
2. The finding will be included in the management report including your comments and our final response.

**Required**

3. You are requested to indicate whether you agree with the facts stated in the annexure including whether you agree with the identified internal control deficiency. Should you disagree, please provide us with documentary evidence to the contrary within 5 days from the date of this communication, as agreed in the engagement letter.
4. Should you agree, you are hereby requested to make the necessary corrections.
5. Should you choose not to make the necessary corrections, kindly communicate your reasons for this within 5 days from the date of this communication, as agreed in the engagement letter. The remaining uncorrected misstatement will then be evaluated for reporting purposes based on materiality.
6. Should you choose to make the necessary corrections, kindly refer the point(s) described below and provide us with the necessary information within 5 days from the date of this communication, as agreed in the engagement letter.
7. Please provide us with the reasons for the instances of non-compliance and the steps that will be taken to rectify the matter in future.

Yours sincerely

Sithembile Ngubane
Manager: Western Cape

Enquiries: Henno Pretorius
Cell phone: 064 907 4146
Telephone: (021) 528 4100
Email: hennop@agsa.co.za

**Acknowledgement of receipt by management:**

Received by _____ Date _____

## DETAILED AUDIT FINDING

### Procurement and contract management

### No procurement process followed for maintenance of equipment, safeguarding and security and wet fuel (generators) services

In terms of paragraph 19 (a) of the Municipal supply chain management regulations of 2005;

*"A supply chain management policy must specify that goods or services above a transaction value of R200 000 (VAT included) and long-term contracts may be procured by the municipality or municipality entity only through a competitive bidding process"*

In terms of paragraph 12(1)(e) of the Supply Chain Management (SCM) Policy;

*"Goods and services may only be procured by way of competitive bidding process for procurements above a transaction value of R200 000(VAT Included)"*

In terms of Regulation 17(1)(a) of the Municipal Supply Chain Management Regulations of 2005;

*"A supply chain management policy must stipulate the conditions for the procurement of goods or services through formal written price quotations, which must include conditions stating that quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the municipality or municipal entity."*

During the audit of procurement and contract management, it was noted that the following payments were made to ZWH Projects and Development (Pty) Ltd for which no procurement process were followed:

| Payment no. | Description | Payment date | Amount |
|---|---|---|---|
| 27271 | Maintenance of Equipment, Safeguard and Security and Wet Fuel (Generators) | 2023/07/28 | 4 603 500,00 |
| 27376 | | 2023/08/18 | 4 741 250,00 |
| 27584 | | 2023/08/30 | 6 961 357,37 |
| 27606 | | 2023/08/31 | 51 390,00 |
| 27619 | | 2023/09/08 | 1 719 655,32 |
| 27770 | | 2023/09/22 | 1 843 169,47 |
| 27962 | | 2023/10/06 | 2 499 214,92 |
| 28191 | | 2023/10/25 | 1 457 168,65 |
| 28281 | | 2023/11/03 | 4 308 567,28 |
| 28445 | | 2023/11/24 | 3 991 450,00 |
| 28646 | | 2023/12/08 | 893 950,00 |
| 28692 | | 2023/12/12 | 4 660 215,18 |
| 28997 | | 2023/12/21 | 1 584 500,00 |
| 29117 | | 2024/01/16 | 840 325,30 |
| 29324 | | 2024/01/31 | 1 588 550,00 |
| 29427 | | 2024/02/19 | 3 173 050,00 |
| 29711 | | 2024/03/08 | 2 470 800,00 |
| 29806 | | 2024/03/18 | 1 185 503,90 |
| 30024 | | 2024/03/28 | 2 915 197,56 |
| 30230 | | 2024/04/12 | 2 212 498,44 |
| 30371 | | 2024/04/30 | 1 696 248,80 |
| 30482 | | 2024/05/17 | 2 085 295,00 |
| 30673 | | 2024/05/31 | 1 510 139,96 |
| | | | **58 992 997,15** |

It was also observed that the municipality entered into a Service Level Agreement (SLA) for the maintenance of generators in June 2023, with a contract term ending on 30 June 2024. Payments related to this agreement commenced in July 2023. However, the procurement processes required for entering into this SLA were not followed.

**Impact**

- The total non-compliance resulted in irregular expenditure of R58 992 997.
- The material non-compliance is material and will be included in the audit report. The irregular expenditure is material and will result in the modification of the audit opinion if it is not adjusted.
- The above also results in non-compliance with SCM Regulation 17(1)(a), (c) and SCM Regulation 19(a). This non-compliance also be assessed and considered with other instances of compliance deviations identified. Audit will assess the impact on both management and audit report, during the reporting phase of the audit process.

**Internal control deficiency**

**Financial and Performance Management**

*Review and monitor compliance with applicable legislation*

- Insufficient processes in place for reviewing and monitoring compliance with applicable expenditure management laws and regulations to prevent irregular expenditure.
- The absence of a permanent Chief Financial Officer (CFO) and the unavailability of key personnel responsible for overseeing expenditure compliance resulted in the occurrence of irregular expenditure.

**Recommendation**

- Management should address staffing issues to ensure adequate oversight is in place.
- Management should strengthen their review and monitoring processes to ensure that procurement of goods and services are done in accordance with the Municipal Supply Chain Regulations
- Management should adjust the financial statements note 56.3 with the irregular expenditure of R58 992 997.

**Management response**

| DESCRIPTION | RESPONSE |
|---|---|
| Does management agree with the finding (Yes/ No) | Yes |
| Detail reason for agreeing/ disagree with finding | Management agrees with the finding.<br><br>However, the Impact as illustrated in this finding, has not considered the following:<br><br>• The generators were partially purchased during 2022/23. The Service Level Agreement (SLA) in question emanated as a result of said purchase. During the audit period of 2022/23, the SLA was included in the purchase agreement. Therefore, the AGSA should have informed Management of the irregular expenditure that could emanate from implementing the SLA, after COMAF 15 of 2023 was concluded. |

| DESCRIPTION | RESPONSE |
|---|---|
| | • Planning already started in 2022/23 to follow a procurement process to have a tender in place after the expiry of the 12-month SLA at the end of June 2024.<br>• The Municipality considered the SLA as an acceptable means of procurement and to manage the contract and approved budget, and therefore proceeded to implement the SLA for the period of 1 July 2023 until 30 June 2024.<br>• The Municipality embarked on a competitive tender process during June 2024 to appoint a service provider under Tender COMM01/2024-2025: Maintenance, Servicing, Repairs and Rental Contract of Standby Generators in Theewaterskloof Municipality from date of Appointment to 30 June 2025.<br>• Due to non-availability of senior managers for vacant positions not filled after following several recruitment processes appointments could not be made and the Bid Adjudication Committee (BAC) were unable to function and consider the adjudication of tenders.<br>• The adjudication of the tender is subject to the appointment of senior managers which is in process.<br><br>Although the amount is material, the misstatement is still considered an isolated incident due to incorrect interpretation as discussed above. |
| Management comment on internal control deficiencies and root cause indicated and detail reason for agreeing/ disagree with finding. | Management disagrees with the internal control deficiency, as this matter relates to the incorrect interpretation as expressed above. |
| Detail corrective action to be taken and date. | This matter will be deferred to MPAC. |
| Does the finding affect an amount disclosed in the financial statements (Yes/ No) | Yes |
| If yes, what corrections will be made to the population | Note 56.3 (Irregular Expenditure) to be adjusted to include a separate reason due to the isolated nature.<br><br>The final amount of the irregular to be discussed and concluded with AGSA. |
| If **yes** and no corrections will be made the reason, why such a conclusion has been reached should be indicated. | N/A |
| Position of official responsible to take corrective actions | Director Community Services |

Name: Wilfred Schrevian Evan Solomons-Johannes
Position: Director: Community Services
Date: 16 October 2024

**Auditor's conclusion:**

While management provided additional context and disagreed with the internal control deficiency, it is important to highlight that regardless of the reasoning behind the SLA, non-compliance with the

Municipal SCM Regulations resulted in material irregular expenditure. The correct procurement process should have been followed for entering into the SLA in 2023/24. The failure to adhere to these processes reflects insufficient oversight and review in the municipality's expenditure management practices, particularly in the absence of a permanent CFO and senior managers responsible for compliance oversight.

The municipality's argument regarding the inclusion of the SLA in the generator purchase agreement does not negate the requirement to follow SCM processes. The competitive bidding process should have been followed for any procurement above the threshold, including service agreements tied to prior purchases.

Although management is planning corrective action by deferring the matter to MPAC and adjusting note 56.3 (Irregular Expenditure) in the financial statements, the irregular expenditure is material and will likely result in the modification of the audit opinion unless adequately resolved. Management can provide their proposed figure for the adjustment to be discussed with the AGSA team.

| | COMAF 9 (ZWH) |
|---|---|
| Deviations not considered to be impractical or exceptional circumstances | - |
| No documents supporting the regulation 32 awards that any portion of contracts equals a portion of the original contract that was forfeited by the other organ of state. | - |
| Services rendered without a contract, order or quotation. | - |
| No reasons documented and approved by delegated official for not obtaining at least three quotations in terms of regulation 17(1) of the Municipal supply chain regulations | - |
| Non-compliance with SCM Reg 29(b)(2) - Bid Adjudication Committees | - |
| Non compliance with section 112 (1) (a) to (g) of the MFMA | 87 408 024,07 |
| Section 52 of the SCM policy not followed | - |
| Service rendered and invoice paid of which section 36 deviation was subsequently rejected | - |
| NGO appointed to organise event without approaching any other event organisation to make such an offerin | - |
| Non compliance with cost containment policy | - |
| Non-compliance with PPR 2017 8(2): Local production and content and Non-compliance with SCM Reg 29(b)( | - |
| Deviations not considered to be an emergency | - |
| Non-compliance with PPR 2022 - 80/20 principle not applied on quotations below R30 000 | - |
| SCM process started but not successfully completed | - |
| SCM process not followed only instruction given to deliver services | - |
| Specialised medical assessments referred but service providers unwilling to follow procurement processes | - |
| Donation made without clear policy guidelines and/or Council Resolution | - |
| Non-compliance with CIDB Regulation 17 and Schedule 3 of CIDB Regulation | - |
| Grant funding not spend in terms of section 16(1) of the 2023 DoRA | - |
| Non-compliance with appointment in terms of Section 54A of the MSA | - |
| Non-compliance with appointment in terms of Section 56(1)(c) of the MSA | - |

| | |
|---|---|
| Non-compliance with SCM Reg 18(a) - Advertisements above R30 000 | - |
| Non-compliance with appointment in terms of Section 55(1)(e) of the MSA | - |
| | **87 408 024,07** |

**ITEM TITLE**

**SC76/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE COMMUNITY SERVICES – OPERATIONS: IRREGULAR EXPENDITURE – PROCUREMENT OF GOODS AND SERVICES WITHOUT A COMPETITIVE BIDDING PROCESS RESULTING IN IRREGULAR EXPENDITURE – WB TIPPER TRUCK AND PLANT HIRE**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE OF REPORT**

The purpose of this report is to inform MPAC of the non-compliance with Regulation 19(a) of the SCM Regulations as goods and services were procured without following a competitive bidding process that constitutes irregular expenditure of R 2 929 073.00.

**BACKGROUND**

The municipality deviated from the SCM process to appoint a service provider (WB Tipper Truck and Plant Hire (Pty) Ltd) for the amount of R 2 929 073.00 for the cleaning of towns (labour intensive) in TWK. The deviation was justified on the basis of staffing shortages and the urgent need to maintain service delivery. However, the deviation was found unjustifiable by the Auditor General, as it was due to inadequate planning on the municipality's part to meet the operational needs in a timely manner. This resulted in non-compliance with Regulation 19(a) as goods were procured without following a competitive bidding process. Deviations were approved by the Accounting Officer even though it was not impractical to obtain price quotations in contravention with Regulation 36(1). This constitutes irregular expenditure of R2 929 073,00. The non-compliance was material and was included in the Audit Report of the Auditor General.

**DISCUSSION**

**Unjustified deviations from normal Supply Chain processes:**

In terms of Section 2(1)(b) of the Supply Chain Management (SCM) Regulations, *"each municipality and municipal entity must in terms of Section 111 of the Act have and implement a Supply Chain Management Policy that –*

*(b) is fair, equitable, transparent, competitive and cost effective;"*

Section 19 of the Municipal Supply Chain Management Regulations on Competitive bids states

*"A supply chain management policy must specify—*

a. *that goods or services above a transaction value of R200 000 (VAT included) and long-term contracts may be procured by the municipality or municipal entity only through a competitive bidding process, subject to regulation 11(2); and*
b. *that no requirement for goods or services above an estimated transaction value of R200 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process."*

Section 36 of the Municipal Supply Chain Management Regulations states that;
*"A supply chain management policy may allow the Accounting Officer –*
*a) to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations,* but only –

i. ***In the case of an emergency;***
ii. ***If such goods or services are produced or available from a single provider only;***
iii. ***For the acquisition of special works of art or historical objects where specifications are difficult to compile;***
iv. ***Acquisition of animals for zoos; or***
v. ***In any other exceptional case where it is impractical or impossible to follow the official procurement processes; and***

*b) to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely technical.*

i. *The accounting officer must record the reasons for any deviations in terms of sub-regulation (1) (a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note the annual financial statements*
ii. *In terms of the Supply Chain Management (SCM) regulations 5: "An accounting officer may in terms of section 79 or 1 06 of the Act sub delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of regulation 4(1), but any such sub delegation must be consistent with sub regulation (2) and regulation 4".*

Furthermore, Paragraph 37 of the municipality's Supply Chain Policy states that:

***"37. DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSES:***

*1. The Accounting Officer may -*

*a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*

*(i) in an emergency; (An emergency is an unforeseeable sudden event with harmful or potential harmful consequences for the municipality which requires urgent action to address.)*

*Circumstances that warrant emergency dispensation, includes but are not limited to –*

a. *the possibility of human injury or death,*
b. *the prevalence of human suffering or deprivation of rights,*
c. *the possibility of damage to property, or suffering and death of livestock and animals, the*
d. *interruption of essential services, including transportation and communication facilities or*
e. *support services critical to the effective functioning of the municipality as a whole, the possibility of serious damage occurring to the natural environment,*
f. *the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service,*
g. *the possibility that the security of the state could be compromised.*

1. *The Accounting Officer must record the reasons for any deviations in terms of subparagraphs 36(1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.*
2. *Subparagraph 36(2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy."*

During the testing of this deviation, the Auditor General identified several instances where the justification for the deviation was inadequate.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The irregular expenditure of R 2 929 073.00 has been recorded in the 2023/2024 financial statements. Management should ensure that the recurrence of the same is prevented.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result in Council losing money and not receiving value for money.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is therefore recommended and to report to MPAC the non-compliance of Regulation 19(a) of the SCM Regulations regarding the procurement of goods and services without following a competitive bidding process that resulted in irregular expenditure to the amount of R 2 929 073.00.**

**RECOMMENDATION BY MANAGEMENT TO MPAC: 23 MAY 2025**

**It is therefore recommended and to report to MPAC the non-compliance of Regulation 19(a) of the SCM Regulations regarding the procurement of goods and services without following a competitive bidding process that resulted in irregular expenditure to the amount of R 2 929 073.00.**

**RECOMMENDATION FROM MPAC TO COUNCIL: 11 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor M Botes it was recommended as follows:

**That the agenda-item be referred to Council for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**RESOLVED BY COUNCIL: 27 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks, and seconded by Councillor P Stander, it was resolved as follows:

**Council refers the agenda-item for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

The following Councillors requested that their names be minuted in terms of Rule 19(c) of the By-law on Rules of Order for Meetings of Council and Committees of Theewaterskloof Municipality – applicable to agenda-item C183/2025:

Alderman DA Appel
Councillor TP Lemina
Alderman BB Mkhwibiso
Councillor RL Mienies
Councillor M Mpambani
Councillor MA Nomkoko
Alderman MR Nongxaza
Councillor MS Shale
Councillor TB Zimmermann
Councillor J Lekhori
Councillor V Papier
Councillor H Syster

**COMMENTS BY MUNICIPAL MANAGER:**

Council resolution C183/2025 was not presented to Council, for rescindment of the Section 106 referral, on 24 November 2025.

The item was, however, presented to the Municipal Public Accounts Committee on 04 December 2025, and the Municipal Public Accounts Committee referred the agenda-item back.

As Council resolution C183/2025 was not rescinded, the agenda-item needs to be presented to Council to rescind Council resolution C183/2025 of 27 June 2025 and to refer the agenda-item to the Municipal Public Accounts Committee to reconfirm the "the resolution" taken on 04 December 2025 to refer the agenda-item back.

**RECOMMENDATION TO COUNCIL:**

**It is recommended:**

1. **That Council rescind Council resolution C183/2025 of 27 June 2025.**

2. **That Council refer the agenda-item to the Municipal Public Accounts Committee to reconfirm the "recommendation to Council" taken on 04 December 2025 whereafter the agenda-item will be resubmitted to Council for consideration.**

**For finalization by the Municipal Manager, Mr W Hendricks.**

Agenda-item referred to MPAC meeting of 04 December 2025 for discussion.

**RESOLVED BY MPAC: 04 DECEMBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, it was unanimously resolved as follows:

**That the agenda item be referred back in order for the former Municipal Manager, Mr. W.S.E. Solomons-Johannes, to provide an explanation.**

1. *Agenda-item referred back.*
2. *For finalization by the Director: Community Services/former Municipal Manager, Mr WSE Solomons-Johannes.*

**ADDITIONAL COMMENTS BY ITEM AUTHOR:**

Additional supplementary documentation and portfolio of evidence provided.

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor M Gana, it was resolved as follows:

1. **Council rescind Council resolution C183/2025 of 27 June 2025.**

2. **Council approves the recommendation from the Municipal Public Accounts Committee of 04 December 2025 that the agenda-item be referred back.**

1. *Agenda-item referred back.*
2. *For finalization by the Director: Community Services, Mr WSE Solomons-Johannes.*

**RESOLVED BY MPAC: 05 FEBRUARY 2026**

**As Mr WSE Solomons-Johannes is currently on sick leave, this agenda item will not be discussed and will be referred to the MPAC Meeting scheduled for the 18th of February 2026 for discussion.**

**Refer to next MPAC Meeting.**

**RESOLVED BY MPAC: 18 FEBRUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander, and seconded by Councillor TB Zimmermann it was resolved as follows:

**That the agenda-item be referred back to be rewritten to include all the correct information after a proper reconciliation of all the amounts of WB Tipper Truck and Plant Hire were done by the SCM Department.**

1. *Agenda-item referred back.*
2. *For finalization by the Acting Director: Finance, Mr A Riddles.*

**RESOLVED BY MANAGEMENT: 21 MAY 2026**

**Management discussed the matter regarding the compilation of one agenda-item as per the resolution of MPAC of 18 February 2026 and it was resolved that all the agenda-items be resubmitted as is to MPAC for consideration as the items are for different financial years and different services rendered and therefore the items cannot be combined as one item.**

**RECOMMENDATION BY ITEM AUTHOR:**

**It is therefore recommended and to report to MPAC the non-compliance of Regulation 19(a) of the SCM Regulations regarding the procurement of goods and services without following a competitive bidding process that resulted in irregular expenditure to the amount of R 2 929 073.00.**

**RECOMMENDATION FROM MPAC TO COUNCIL: 23 JUNE 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander, and seconded by Councillor D Jacobs it was resolved as follows:

1. **That Council notes the finding of the AG regarding the unjustified expenditure of R 2 929 073.00.**
2. **That Council confirms that the procurement was not compliant with the SCM regulation 19A and SCM regulation 36.**
3. **That Council refers the matter to the Disciplinary Board to determine whether any officials acted negligence, whether financial misconduct occurs and whether any losses suffered by the municipality.**

4. **That Council requires management to implement the AG recommendation and report back within 90 days with corrective actions taken.**

**RESOLVED BY COUNCIL: 25 JUNE 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman LM de Bruyn and seconded by Councillor PJ Stander it was resolved as follows:

1. **Council notes the finding of the AG regarding the unjustified expenditure of R 2 929 073.00.**

2. **Council confirms that the procurement was not compliant with SCM regulation 19A and SCM regulation 36.**

3. **Council refers the matter to the Disciplinary Board to determine whether any officials acted negligently, whether financial misconduct occurs and whether any losses suffered by the municipality.**

4. **Council requires management to implement the AG recommendation and report back within 90 days with corrective actions taken.**

*For finalization by the Director: Community Services, Mr WSE Solomons-Johannes.*

**RECOMMENDATION TO COUNCIL:**

**Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.**

ANNEXURE A

## Status Report– PROCUREMENT OF GOODS AND SERVICES WITHOUT A COMPETITIVE BIDDING PROCESS RESULTING IN IRREGULAR EXPENDITURE

## In terms of SCM and MFMA requirements and remedial action required if necessary:

1

| What was the initial Purpose |
|---|
| The purpose was to procure the services of a service provider for the cleaning of towns in TWK. |

2

| Initial Scope of Contract and if uncertain please explain |
|---|
| The scope was to clean the towns with intensified labour. |

3

| Initial Contract Value and if uncertain please explain |
|---|
| R 2 929 073.00 |

4

| Initial Expiry Date and if uncertain please explain |
|---|
| N/A |

5

| Was normal SCM Process followed and complied with | | |
|---|---|---|
| Yes | No x | Uncertain |
| **Explain of motivate your response** | | |
| The service provider (WB Tipper Trucks and Plant Hire) was appointed on a deviation process. | | |

6

| Has the purpose, scope or contract period been extended or expanded since the initial appointment of the service provider | | |
|---|---|---|
| Yes | No x | Uncertain |
| **Explain or motivate your response** | | |
| No extended or expanded of services required. | | |

7

| Was a formal contract or SLA initially entered into in terms of SCM and MFMA Requirements |
|---|

| Yes | No x | Uncertain x |
|---|---|---|
| **Explain or motivate your response** | | |
| Appointment was done through a deviation process. | | |

8

| **Should a contract not have existed has it since been entered into and has all compliance requirements like as it applies in respect of the SCM process and or for purposes of deviations been complied with** | | |
|---|---|---|
| Yes | No | Uncertain x |
| **Motivate or explain your response** | | |
| N/A | | |

9

| **Did Council because of this transaction received best value for money i.e. in spite of non-compliance, if any with SCM or MFMA requirements** | | |
|---|---|---|
| Yes | No | Uncertain x |
| **Please explain or motivate your response above** | | |
| Need to be established. | | |

10

| **Has the Municipality suffered any losses or damages as a result of non-compliance with any of the MFMA or SCM requirements** | | |
|---|---|---|
| Yes | No | Uncertain x |
| **Please explain or motivate your response above** | | |
| As in point 9. | | |

11

| **Are you satisfied with the performance of the current service providers** | | |
|---|---|---|
| Yes | No | Uncertain x |
| **Please explain or motivate your response above** | | |
| N/A | | |

12

| **Has the Director investigated and established whether or not there is not at this point a better service provider, price or product which would justify a new procurement process and a reconsideration of the current service provider, product or price** | | |
|---|---|---|
| Yes | No x | Uncertain |
| **Please explain or motivate your response above** | | |

ANNEXURE A

| |
|---|
| The appointment was done on a deviation process, but the Auditor General's finding was that the appointment of the service provider through a deviation process was not justifiable. |

14

| **Could any form of non-compliance have been prevented** | | |
|---|---|---|
| Yes x | No | Uncertain |
| **Explain or motivate your response above** | | |
| Following a tender process for the same services as required by the SCM Regulations. | | |

15

| **What remedies have been put in place to prevent any non-compliance being repeated** | | |
|---|---|---|
| Yes x | No | Uncertain |
| **Explain or motivate your response above** | | |
| Follow prescribed processes in terms of the SCM Regulation. | | |

16

| **General or additional Comments of the Director Concerned** | |
|---|---|
| ..... | ..... |
| Signature of Director Concerned | Date |

17

| **General Comments/Findings and or recommendations of the Chief Audit Executive** | |
|---|---|
| | |
| ..... | ..... |
| Signature of Chief Audit Executive | Date |

18

| General Comments and findings of the Municipal Manager | |
|---|---|
| | |
| ..... | ..... |
| Signature of the Municipal Manager | Date |

AUDITOR-GENERAL
SOUTH AFRICA

The Accounting Officer
Theewaterskloof Municipality
PO Box 24
Caledon
7230

28 October 2024

Reference: Communication No.21 of 2023

Dear Mr. R Stevens

**COMMUNICATION OF FINDINGS IDENTIFIED DURING THE AUDIT OF COMPLIANCE WITH LEGISLATION FOR THE YEAR ENDED 30 JUNE 2024**

**SCM: Reason for not following the official procurement processes (Deviation) not justifiable**

**Background**

1. In performing the audit of compliance with legislation, we identified instances of non-compliance as described in the annexure. We have recorded the internal control deficiency that gave rise to the instances of non-compliance and our recommendation for correcting the instances of non-compliance for your consideration.
2. The finding will be included in the management report including your comments and our final response.

**Required**

3. You are requested to indicate whether you agree with the facts stated in the annexure including whether you agree with the identified internal control deficiency. Should you disagree, please provide us with documentary evidence to the contrary within 5 days from the date of this communication, as agreed in the engagement letter.
4. Should you agree, you are hereby requested to make the necessary corrections.
5. Should you choose not to make the necessary corrections, kindly communicate your reasons for this within 5 days from the date of this communication, as agreed in the engagement letter. The remaining uncorrected misstatement will then be evaluated for reporting purposes based on materiality.
6. Should you choose to make the necessary corrections, kindly refer the point(s) described below and provide us with the necessary information within 5 days from the date of this communication, as agreed in the engagement letter.
7. Please provide us with the reasons for the instances of non-compliance and the steps that will be taken to rectify the matter in future.

Yours sincerely

Unathi Mnqanqeni
Senior Manager: Western Cape

Enquiries: Henno Pretorius
Cell phone: 064 907 4146
Telephone: (021) 528 4100
Fax: (021) 528 4200
Email: hennop@agsa.co.za

**Acknowledgement of receipt by management:**

Received by _____ Date _____

**DETAILED AUDIT FINDING**

**Procurement and contract management**

**Unjustified deviations from normal Supply chain processes**

In terms of section 2(1)(b) of the Supply Chain Management (SCM) regulations, *"each municipality and municipal entity must in terms of section 111 of the Act have and implement a supply chain management policy that –*

*(b) is fair, equitable, transparent, competitive and cost effective;"*

Section 19 of the Municipal Supply Chain Management Regulations on Competitive bids states
*"A supply chain management policy must specify—*

a) *that goods or services above a transaction value of R200 000 (VAT included) and long-term contracts may be procured by the municipality or municipal entity only through a competitive bidding process, subject to regulation 11(2); and*
b) *that no requirement for goods or services above an estimated transaction value of R200 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process."*

Section 36 of the Municipal Supply Chain Management Regulations states that;

*(1.) "A supply chain management policy may allow the accounting officer –*
*(a.) to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*
*(i) In the case an emergency;*
*(ii) If such goods or services are produced or available from a single provider only;*
*(iii) For the acquisition of special works of art or historical objects where specifications are difficult to compile;*
*(iv) Acquisition of animals for zoos; or*
*(v) In any other exceptional case where it is impractical or impossible to follow the official procurement processes; and*
*(b.) to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely technical.*

*(2.) The accounting officer must record the reasons for any deviations in terms of sub-regulation (1) (a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements*

*(3.) In terms of the Supply Chain Management (SCM) regulations 5: "An accounting officer may in terms of section 79 or 1 06 of the Act sub delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of regulation 4(1), but any such sub delegation must be consistent with sub regulation (2) and regulation 4".*

Furthermore, paragraph 37 of the municipality's supply chain policy states that:
***"37. DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSES***

*1. The Accounting Officer may –*

a) *dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*
*(i) in an emergency; (An emergency is an unforeseeable sudden event with harmful or potential harmful consequences for the municipality which requires urgent action to address.)*

*Circumstances that warrant emergency dispensation, includes but are not limited to –*

## Part A: Inadequate Justification for Procurement Deviations

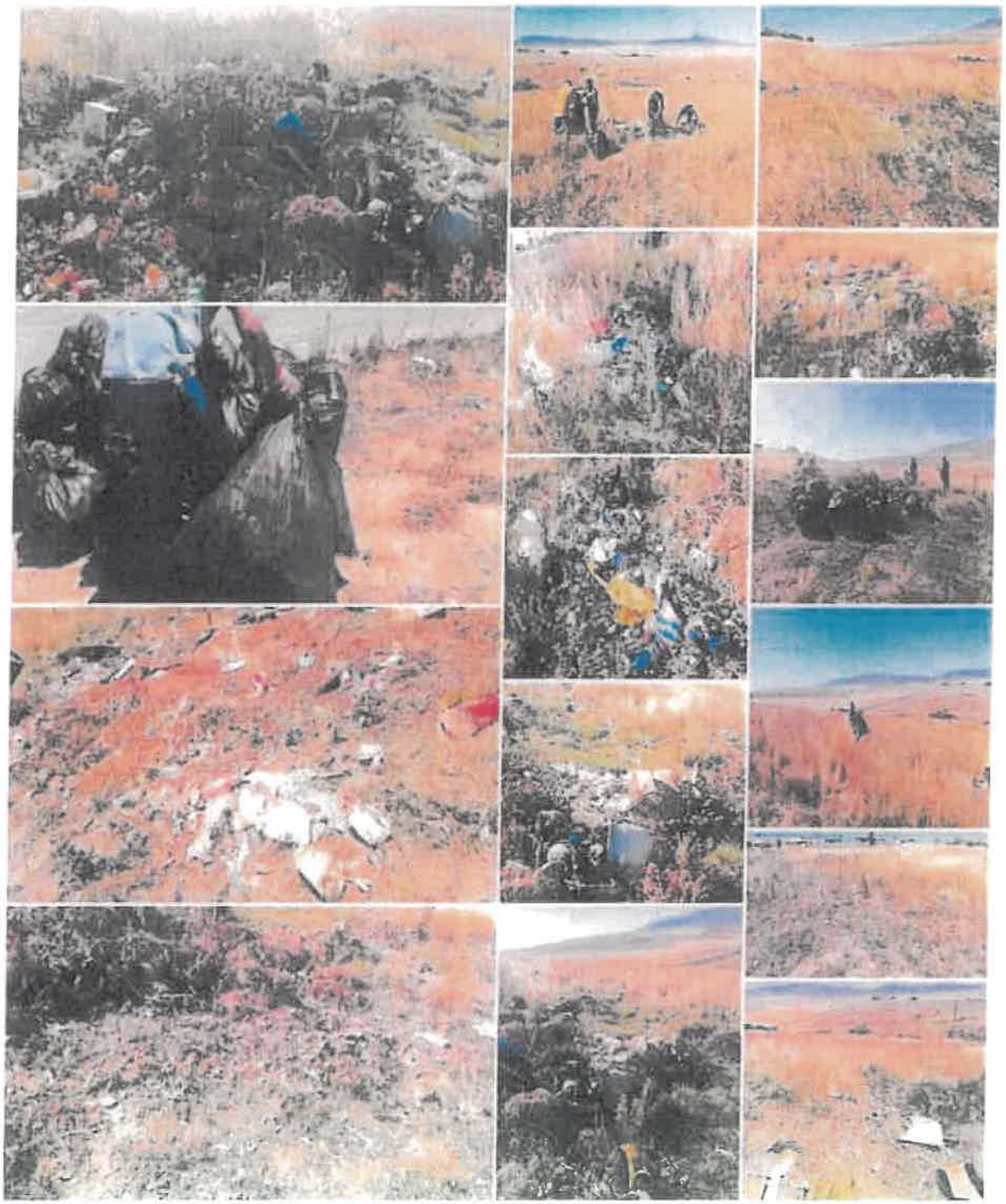
| No | Name of supplier and service provided | Category | Actual value of contract | Deviation date of approval | Auditor's comment | Management comments |
|---|---|---|---|---|---|---|
| | **Cleaning of TWK towns labour intensified - WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD** | Any other exceptional case where it is impractical or impossible to follow the official procurement processes. | R2 929 073,00 | 21 December 2023 | The municipality deviated from the SCM process to procure cleaning services. The deviation was justified on the basis of staffing shortages and the urgent need to maintain service delivery. However, this deviation was found to be unjustifiable, as it was due to inadequate planning on the municipality's part to meet its operational needs in a timely manner.<br><br>**Impact:** This results in non-compliance with regulation 19(a) as goods were procured without following a competitive bidding process.<br><br>Deviations were approved by the accounting officer even though it was not impractical obtain price quotations in contravention with regulation 36(1). This constitutes irregular expenditure of R2 929 073,00. The non-compliance is material and will be included in the audit report. | |

CALEDON : RIEMVASMAAK

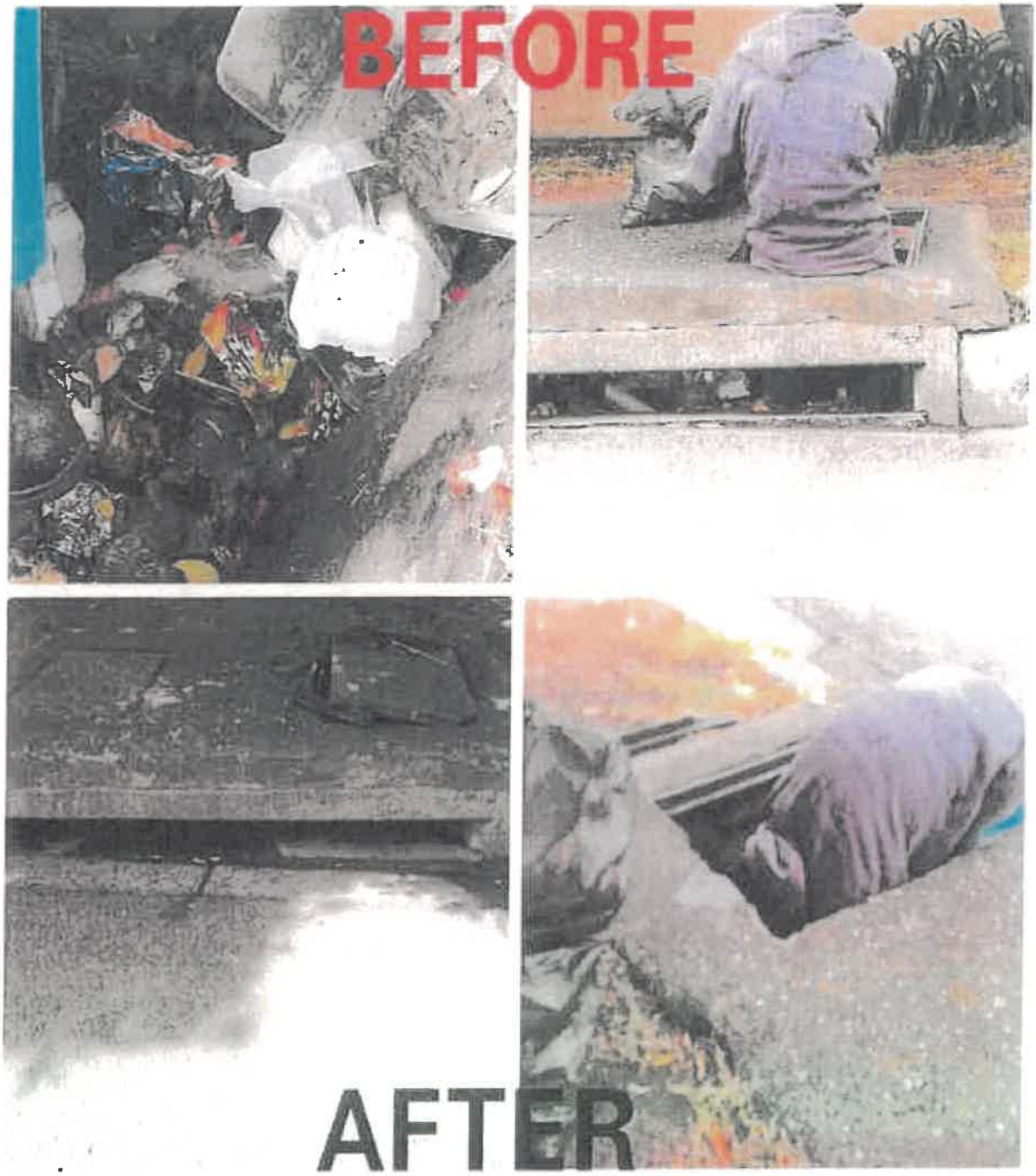
# CALEDON: Raven Street

# BERGSIG

BEFORE
AFTER



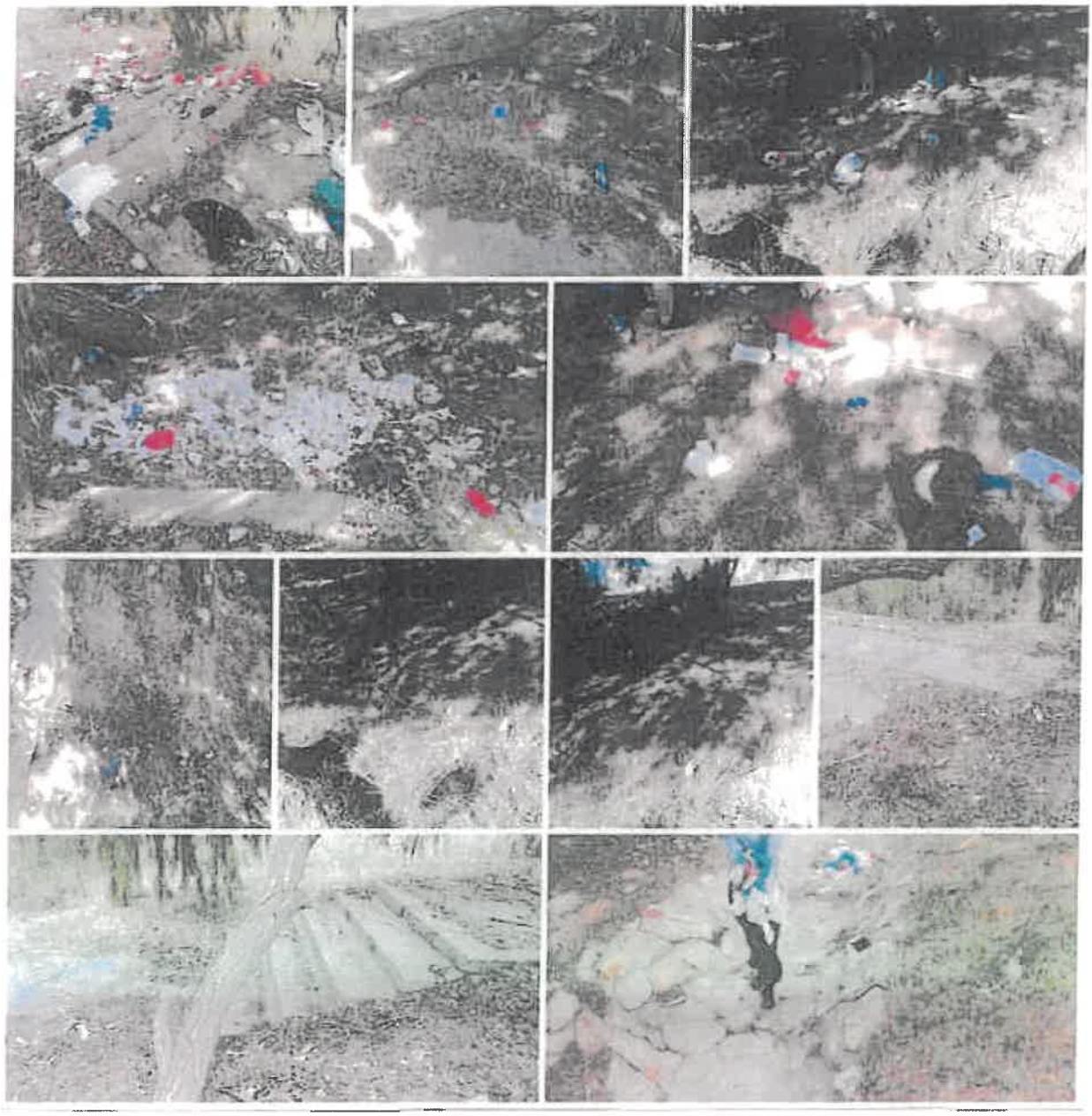
# CBD-DORP



BEFORE
AFTER

126

# CALEDON INDUSTRIAL



BEFORE

AFTER

# TUINSIG

# OVER-KUIL

BEFORE
AFTER

# BEFORE AND AFTER: N2

# BEFORE AND AFTER
# N2 ESKOM

# BEFORE AND AFTER MELROSE

# BEFORE AND AFTER HILLSIDE

BEFORE AND AFTER
PINEVIEW NORTH

# BEFORE AND AFTER
# U-SAVE

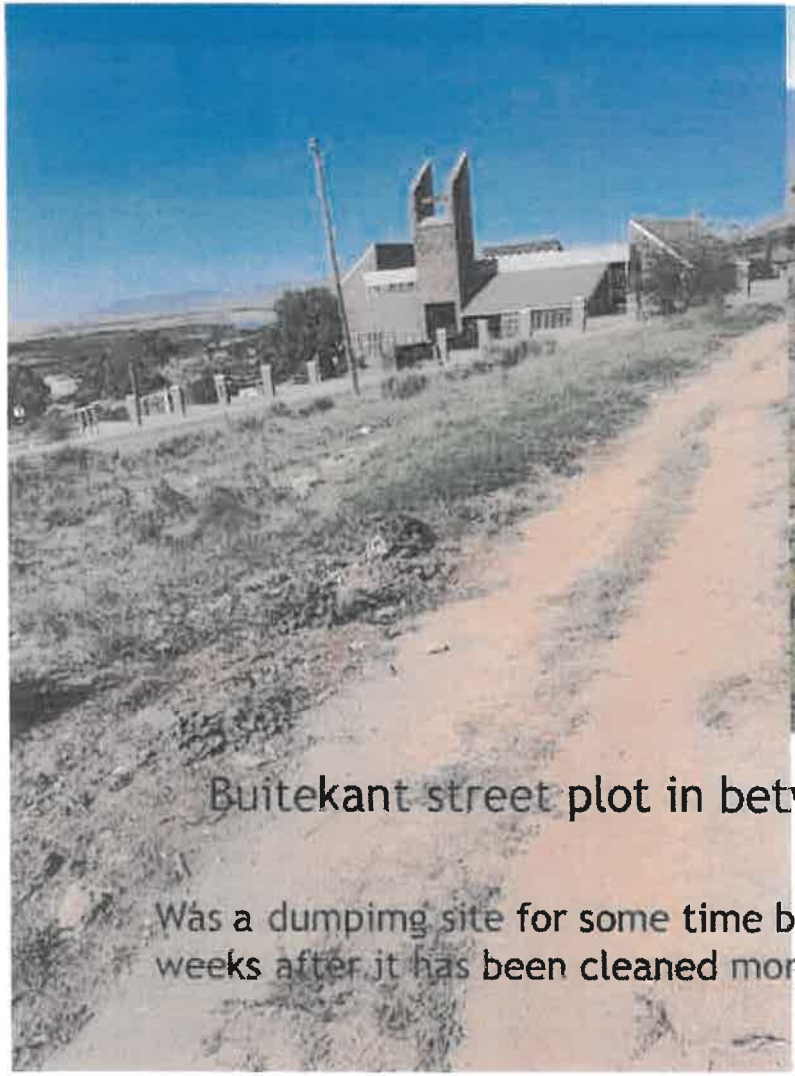
BEFORE AND AFTER
ROOIDAKKE

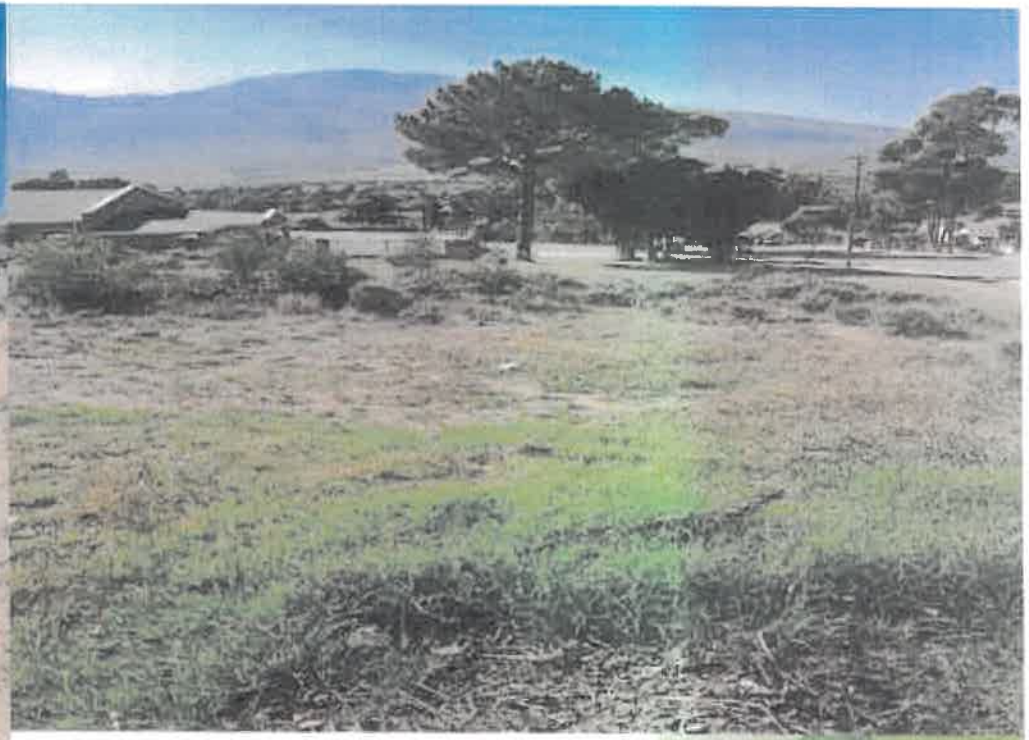
# BEFORE AND AFTER BOSBOU

BEFORE AND AFTER
BEVERLY HILLS

# RADIO DISA DONATION

# Watsonia Street





Buitekant street plot in between Churches

Was a dumpimg site for some time but is clean for more then three weeks after it has been cleaned more then once

BENEFICIARIES:
The Theewaterskloof Villiersdorp Community Cleaning Service focuses on all members of communities of
Poekhom,
Mountain Hill
New Crest
ProteaHeights
West Side
Bergendal
Down-Town and in the
Bo-dorp.

Waste from dump in New Crest
(Kersiedorp)

## ▶ *OBJECTIVES:*

- To ensure that all TWKM citizens live in a clean, safe and healthy environment by providing an efficient and effective Solid Waste Management Services
- To promote environmental awareness.
- To promote local participation and responsibility in cleaning their environment and promote more sector accountability
- Encourage the residents about the proper waste segregation.
- Improve the outdoor recreational activities of the residents of Theewaterskloof Villiersdorp.
- To inspire and work with communities to cleanup, fix up and conserve our environment.
- To promote waste reduction, recycling and reuse and create public awareness on waste management and environmental concerns.
- Inform the residents to know the importance of cleaning the environment.
- Teach fun and easy way of recycling plastic materials.

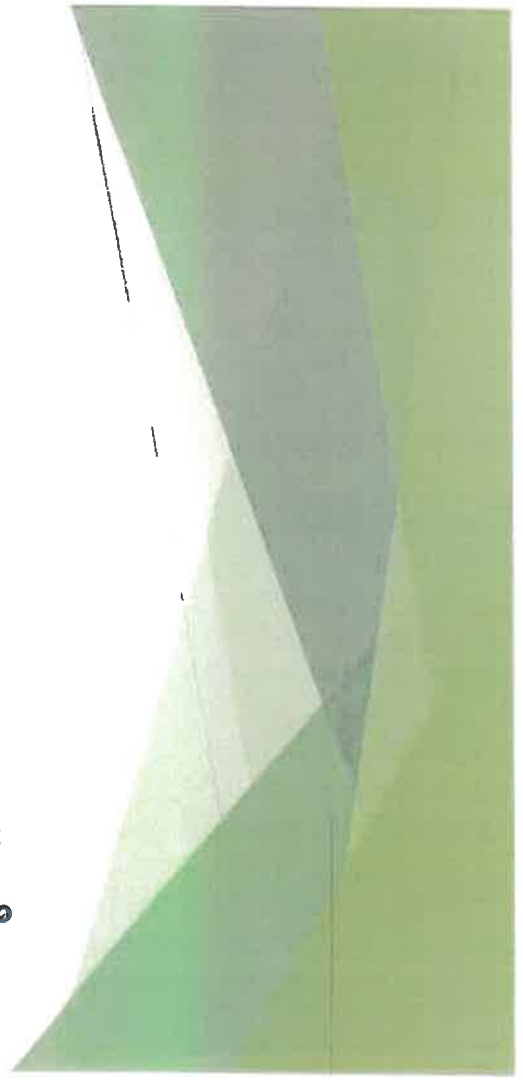
On the hill near Villiersdorp Secondary School

Strategies
Reduce waste on illegal Landfill sites
Construction of drop off points and garden waste transfer station
Reduce uncollected waste from households
Increase the number of households with access to refuse removal services

Waste off load from Down Town - Ward 5 all the streets

## *METHODOLOGY :*

- The key strategy for the project's progress is the division of labour and a concrete work plan.
- The team has the following strategies to accomplish that: The team is divided into two groups demographically selected (in accordance to the activity) and is then again subdivided into factions of five teams with three individuals per team in which every member has an assigned tasks so that the project will work efficiently.
- The Theewaterskloof Villiersdorp Cleaning Service cleaning activity will be done every month.
- The Community with the cleanest surroundings will receive an award and a banner for recognition.
- We as a human being, each of us is very important, if we can do something good for the community, why don't we do it, our willingness to help is free, just get it done and complete and ensure that it is finished in a proper way and bringing things in order.
- Learned how to be independent, doing our own control without depending on someone.
- We also engage things with preparedness and diligence in our actions and concerning for the better result.
- It is very important to make ways on cleaning because the more we ignore just like a simple cleaning, it can affect the environment and also a big effect to our health and we will never notice it immediately until sooner when it's already severe and too late to seek for help.
- Having a clean environment helps us to have a clean source of fresh water, natural foods to eat, risk free place, hazards and to save animals and other endangered species.
- Environment is beautiful if we care. If everyone cleaned up their own neighborhoods and the places they call home.



## CLEAN – UP DRIVE

- The "Clean-Up Drive" aims to increase environmental awareness in various communities. The following are the additional goals of the program:
- • To promote a clean and healthy environment in and around all local Primary and Secondary School, as well as other people
- •To encourage waste reduction, recycling, and reuse, as well as to raise public awareness about waste management and environmental concerns.
- •To enhance the community's outdoor recreational activities
- •To aid in the reduction of greenhouse gases and the fight against climate change, as well as to improve the quality of the natural environment.
- •To focus one's thoughts on the well-being of future generations.
- Cleaning and clearing abandoned spaces, arranging, tidying, separating of hazardous and Non-hazardous waste.

- *PLANNING TASKS:*
  - To create short term employement
  - Builds eco consciousness amoung youth
  - 1. CHOOSE A LEADER FOR THE GROUP.
  - - A leader that should expend a significant amount of their time to encouraging,
  - monitoring, and supporting their group.
  - 2. CHOOSE THE BEST COMMUNITY PROJECT.
  - - Our group chose Clean Up Drive as our community service project.
  - 3. CHOOSE A CLEANUP LOCATION.
  - - Our group determine a site that requires environmental upkeep.
  - We chose all areas as the location for our service.
  - Our cleaning areas in town are along all the street in town from the entrances up until all the areas in the community we make sure not to leaf any area without working in the areas or cleaning.
  - Opening and cleaning of catch pits and stormwater drainage to reduce flooding due to the impact of heavy rain and waste in Villiersdorp

- We also make sure to remove all garden waste as per our service to keep our Town clean and our service times are from Monday to Friday from 8h00 until 16h00.
- Monday we do the whole Buitekant street, Graaff Street, Huguenot Street, Victoria Street, Mainroad from Betko Cross till the Bridge at Vilko Up until the back of De Villiers Graaf Primary and the Grave Yards.
- Tuesday we do all the other streets in ward 5 : Boland str; Muller Str, Voortrekker Str, Prince Albert Str, Uppington Str
- The world would be a cleaner place — this is why A Neighborhood Cleanup was created.
- Challenges
- Some delays are permitting, approvals as we strongly believe in a longterm service and believe in separation of roles between municipal officials and service providers

# Thank you for your time.!
# The following images are from areas that's been cleaned just yesterday....

## Riviersonderend

**ITEM TITLE**

**SC77/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE COMMUNITY SERVICES – OPERATIONS: IRREGULAR EXPENDITURE – COMM11/2023/24 RESTORATION OF ROAD INFRASTRUCTURE IN THE ROOIDAKKE DEVELOPMENT, GRABOUW EXEO KHOKHELA**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE OF REPORT**

The purpose of the report is to inform MPAC of the non-compliance with Regulation 19(a) of the SCM Regulations as goods and services were procured without following a competitive bidding process that constitutes irregular expenditure of R1 094 794.02.

**BACKGROUND**

The municipality deviated from the SCM process to procure road restoration services following severe storms in 2021. The municipality commenced a tender process, COMM 11/2023/24 wherein the BSC approved the specifications on 23 February 2024, however the BSC was concerned that the total tender process would take long leaving no time for construction.

Although funding became available in December 2023, the deviation was unjustifiable as the municipality could have followed a quotations process for urgent repairs while continuing with the normal tender process.

This results in non-compliance with regulation 19(a) as goods were procured without following a competitive bidding process. Deviations were approved by the accounting officer even though it was not impractical to obtain price quotations in contravention with regulation 36(1)(a). This constitutes an irregular expenditure of R1 094 794.02. The non-compliance is material and was included in the audit report.

**DISCUSSION**

Unjustified deviations from normal Supply chain processes

In terms of section 2(1)(b) of the Supply Chain Management (SCM) regulations, "each municipality and municipal entity must in terms of section 111 of the Act have and implement a supply chain management policy that –

(b) is fair, equitable, transparent, competitive and cost effective;"

Section 19 of the Municipal Supply Chain Management Regulations on Competitive bids states

"A supply chain management policy must specify—

a. *that goods or services above a transaction value of R200 000 (VAT included) and long-term* contracts may be procured by the municipality or municipal entity only through a competitive bidding process, subject to regulation 11(2); and
b. *that no requirement for goods or services above an estimated transaction value of R200 000* (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process."

Section 36 of the Municipal Supply Chain Management Regulations states that;

1. *"A supply chain management policy may allow the accounting officer –*

   a. *to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*

      i. *In the case an emergency;*
      ii. *If such goods or services are produced or available from a single provider only;*
      iii. *For the acquisition of special works of art or historical objects where specifications are difficult to compile;*
      iv. *Acquisition of animals for zoos; or*
      v. *In any other exceptional case where it is impractical or impossible to follow the official procurement processes; and*

   b. *to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely technical.*

2. *The accounting officer must record the reasons for any deviations in terms of sub-regulation (1) (a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements*

3. *In terms of the Supply Chain Management (SCM) regulations 5: "An accounting officer may in terms of section 79 or 1 06 of the Act sub delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of regulation 4(1), but any such sub delegation must be consistent with sub regulation (2) and regulation 4".*

Furthermore, paragraph 37 of the municipality's supply chain policy states that:

"37. DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSES

*1. The Accounting Officer may –*

*a. dispense with the official procurement processes established by this Policy and to procure*any required goods or services through any convenient process, which may include direct negotiations, but only –

(i) in an emergency; (An emergency is an unforeseeable sudden event with harmful or potential harmful consequences for the municipality which requires urgent action to address.)

*Circumstances that warrant emergency dispensation, includes but are not limited to –*

*a. the possibility of human injury or death,*
*b. the prevalence of human suffering or deprivation of rights,*
*c. the possibility of damage to property, or suffering and death of livestock and animals, the*
*d. interruption of essential services, including transportation and communication facilities or*
*e. support services critical to the effective functioning of the municipality as a whole, the* possibility of serious damage occurring to the natural environment,
*f. the possibility that failure to take necessary action may result in the municipality not being* able to render an essential community service,
*g. the possibility that the security of the state could be compromised.*

*2. The Accounting Officer must record the reasons for any deviations in terms of subparagraphs 36(1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.*
*3. Subparagraph 36(2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy."*

During the testing of this deviation, the AG identified several instances where the justification for the deviation was inadequate.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The irregular expenditure of R1 094 794.02 has been recorded in 2023/24 financial statements. Management should ensure that the recurrence of the same is prevented.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result in Council losing money and not receiving value for money.

**RECOMMENDED BY ITEM AUTHOR:**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R1 094 794.02 be written off for the 2023/2024 financial year.**

**RECOMMENDATION BY MANAGEMENT TO MPAC: 23 MAY 2025**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R1 094 794.02. be written off for the 2023/2024 financial year.**

**RECOMMENDATION FROM MPAC TO COUNCIL: 11 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor M Botes it was recommended as follows:

**That the agenda-item be referred to Council for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**RESOLVED BY COUNCIL: 27 JUNE 2025**

**Council noted that the agenda-item has been withdrawn and will not be discussed during the meeting.**

**Agenda-item referred to MPAC for consideration.**

**RECOMMENDATION BY MPAC: 26 AUGUST 2025**

**Agenda-item referred to next MPAC Meeting for discussion.**

**RECOMMENDATION FROM MPAC TO COUNCIL: 09 OCTOBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor M Botes it was recommended as follows:

1. **Consequence management must be implemented – unjustified deviation from normal supply chain management processes.**

2. **That the amount of R1 094 794.02 recovered.**

3. **MPAC instructed the Accounting Officer to open a case at SAPS.**

**RECOMMENDATION TO COUNCIL:**

**It is recommended:**

1. **That consequence management must be implemented – unjustified deviation from normal supply chain management processes.**

2. **That the amount of R1 094 794.02 recovered.**

3. **MPAC instructed the Accounting Officer to open a case at SAPS.**

**RESOLVED BY COUNCIL: 23 OCTOBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman LM de Bruyn and seconded by Alderman DA Appel, it was resolved as follows:

1. **That Council did receive value for money and that the irregular expenditure in the amount of R1 094 794.02 be written off as irrecoverable for the 2023/2024 financial year.**

2. **That consequence management must be implemented for the unjustified deviation from normal supply chain management processes.**

3. **That this matter be referred to the disciplinary board because processes were not followed.**

*For finalization by the Director: Community Services, Mr. WSE Solomons-Johannes.*

**RECOMMENDATION TO COUNCIL:**

**Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.**

ANNEXURE A

# Status Report– Preferential Procurement Regulations 2022

## In terms of SCM and MFMA requirements and remedial action required if necessary

1

| What was the initial Purpose |
|---|
| The restoration of road infrastructure in the Rooidakke Development, Grabouw, was undertaken as an emergency project to address critical damage that posed a risk to public safety and accessibility.<br><br>EXEO KHOKELA (PTY) LTD was appointed via a deviation ensuring that the affected roads remained safe and functional.<br><br>Given the immediate need for restoration, there was insufficient time to follow the competitive bidding process, necessitating a deviation to expedite service delivery and prevent further deterioration of infrastructure. The actual expenditure for the 2023/24 financial year amounted to R1 094 794.02.<br><br>Prior to the appointment of the contractor, a consulting engineer was engaged via the TECH01 consulting year tender in March 2023. The consulting engineer conducted a survey, designed suitable plans, and prepared a tender document, which was reviewed and approved by the internal BSC (Bid Specification Committee) committee. However, due to a rollover application being required after 30 June 2023, the funds were not included in the 2024/25 financial year budget, causing the project to halt. The rollover application was approved in October 2023 and adjusted into the budget in December 2023. This left only six months to complete the project before the 30 June 2024 deadline. Once the go-ahead was given to the consulting engineers, they proceeded with drafting the tender.<br><br>Given the time constraints, the BSC committee raised concerns about the timeframe required for a standard tender process, which typically takes at least 90 days for advertisement, evaluation, and appointment. As a result, it was decided to allow the appointed consulting engineer to advertise and evaluate the tender according to the correct SCM procedures. The municipality's SCM unit subsequently reviewed the evaluation report before appointing the contractor through a deviation process. The only difference was that the consulting engineer handled the advertisement and evaluation, which saved sufficient time to appoint the contractor and complete a significant portion of the work before 30 June 2024, ensuring that the allocated funds were utilized effectively. |

2

| Initial Scope of Contract and if uncertain please explain |
|---|
| The contract included urgent road repairs and stabilization in the Rooidakke Development, focusing on critical sections that required immediate intervention to restore safe access and prevent further damage due to weather conditions and continued use. |

3

| Initial Contract Value and if uncertain please explain |
|---|
| The initially approved contract value was R7 782 090.25; however, the actual expenditure incurred in the 2023/24 financial year was R1 094 794.02 |

4

| Initial Expiry Date and if uncertain please explain |
|---|
| The project was undertaken as an emergency intervention and had to be completed within the 2023/24 financial year |

5

| **Was normal SCM Process followed and complied with** | | |
|---|---|---|
| Yes - X | no | Uncertain |
| **Explain of motivate your response** | | |
| Yes. Due to the urgent nature of the required road restoration, a deviation was approved to ensure that critical infrastructure remained functional and safe for the community. | | |

6

| **Has the purpose, scope or contract period been extended or expanded since the initial appointment of the service provider** | | |
|---|---|---|
| Yes - X | No | Uncertain |
| **Explain or motivate your response** | | |
| No. The contract remained within the scope of the emergency road restoration. | | |

7

| **Was a formal contract or SLA initially entered into in terms of SCM and MFMA Requirements** | | |
|---|---|---|
| Yes - X | No | Uncertain |
| **Explain or motivate your response** | | |
| Yes. A formal contract was entered into for the emergency work undertaken by EXEO KHOKELA CIVIL ENG CONSTRUCTION (PTY) LTD. | | |

8

| **Should a contract not have existed has it since been entered into and has all compliance requirements like as it applies in respect of the SCM process and or for purposes of deviations been complied with** | | |
|---|---|---|
| Yes | No | Uncertain - X |
| **Motivate or explain your response** | | |
| Not applicable. The contract was in place from the outset. | | |

9

| **Did Council because of this transaction received best value for money i.e. in spite of non-compliance, if any with SCM or MFMA requirements** | | |
|---|---|---|
| Yes - X | No | Uncertain |
| **Please explain or motivate your response above** | | |
| Yes. The emergency intervention prevented further road deterioration, which could have led to significantly higher repair costs and potential safety hazards for the public. | | |

ANNEXURE A

10

| **Has the Municipality suffered any losses or damages as a result of non-compliance with any of the MFMA or SCM requirements** | | |
|---|---|---|
| Yes - | No - X | Uncertain |
| **Please explain or motivate your response above** | | |
| No. The deviation ensured that necessary repairs were carried out promptly, mitigating risks and maintaining infrastructure integrity. | | |

11

| **Are you satisfied with the performance of the current service providers** | | |
|---|---|---|
| Yes - X | No | Uncertain |
| **Please explain or motivate your response above** | | |
| Yes. The service provider successfully completed portion of the required road restorations within the specified emergency scope. | | |

12

| **Has the director investigated and established whether or not there is not at this point a better service provider, price or product which would justify a new procurement process and a reconsideration of the current service provider, product or price** | | |
|---|---|---|
| Yes - X | No | Uncertain - X |
| **Please explain or motivate your response above** | | |
| Yes. Future road infrastructure projects will follow a competitive bidding process, but due to the urgency of the situation, the deviation was necessary at the time. | | |

14

| **Could any form of non-compliance have been prevented** | | |
|---|---|---|
| Yes | No - **X** | Uncertain |
| **Explain or motivate your response above** | | |
| No. The emergency nature of the required road restoration necessitated an immediate response to prevent further damage and ensure public safety | | |

15

| What remedies have been put in place to prevent any non-compliance being repeated | | |
|---|---|---|
| Yes | No | Uncertain |
| **Explain or motivate your response above** | | |
| To avoid similar deviations in the future, the Municipality is implementing proactive infrastructure monitoring and early intervention strategies to allow for planned maintenance through competitive procurement processes | | |

16

| General or additional Comments of the Director Concerned | |
|---|---|
| ..... | ..... |
| Signature of Director Concerned | Date |

17

| General Comments/Findings and recommendations of the CFO | |
|---|---|
| | |
| Signature of CFO | Date |

18

| General Comments/Findings and or recommendations of the Chief Audit Executive | |
|---|---|
| | |
| Signature of Chief Audit Executive | Date |

19

| Final response of the Director Concerned for consideration by the Municipal Manager | |
|---|---|
| | |
| Signature of the Director concerned | Date |

20

| General Comments and findings of the Municipal Manager | |
|---|---|
| 1. | |
| Signature of the Municipal Manager | Date |

AUDITOR-GENERAL
SOUTH AFRICA

The Accounting Officer
Theewaterskloof Municipality
PO Box 24
Caledon
7230

28 October 2024

Reference: Communication No.21 of 2023

Dear Mr. R Stevens

**COMMUNICATION OF FINDINGS IDENTIFIED DURING THE AUDIT OF COMPLIANCE WITH LEGISLATION FOR THE YEAR ENDED 30 JUNE 2024**

**SCM: Reason for not following the official procurement processes (Deviation) not justifiable**

**Background**

1. In performing the audit of compliance with legislation, we identified instances of non-compliance as described in the annexure. We have recorded the internal control deficiency that gave rise to the instances of non-compliance and our recommendation for correcting the instances of non-compliance for your consideration.
2. The finding will be included in the management report including your comments and our final response.

**Required**

3. You are requested to indicate whether you agree with the facts stated in the annexure including whether you agree with the identified internal control deficiency. Should you disagree, please provide us with documentary evidence to the contrary within 5 days from the date of this communication, as agreed in the engagement letter.
4. Should you agree, you are hereby requested to make the necessary corrections.
5. Should you choose not to make the necessary corrections, kindly communicate your reasons for this within 5 days from the date of this communication, as agreed in the engagement letter. The remaining uncorrected misstatement will then be evaluated for reporting purposes based on materiality.
6. Should you choose to make the necessary corrections, kindly refer the point(s) described below and provide us with the necessary information within 5 days from the date of this communication, as agreed in the engagement letter.
7. Please provide us with the reasons for the instances of non-compliance and the steps that will be taken to rectify the matter in future.



Auditing to build public confidence

Yours sincerely

Unathi Mnqanqeni
Senior Manager: Western Cape

Enquiries: Henno Pretorius
Cell phone: 064 907 4146
Telephone: (021) 528 4100
Fax: (021) 528 4200
Email: hennop@agsa.co.za

**Acknowledgement of receipt by management:**

Received by _____ Date _____

## DETAILED AUDIT FINDING

### Procurement and contract management

### Unjustified deviations from normal Supply chain processes

In terms of section 2(1)(b) of the Supply Chain Management (SCM) regulations, *"each municipality and municipal entity must in terms of section 111 of the Act have and implement a supply chain management policy that –*

*(b) is fair, equitable, transparent, competitive and cost effective;"*

Section 19 of the Municipal Supply Chain Management Regulations on Competitive bids states *"A supply chain management policy must specify—*

a) *that goods or services above a transaction value of R200 000 (VAT included) and long-term contracts may be procured by the municipality or municipal entity only through a competitive bidding process, subject to regulation 11(2); and*
b) *that no requirement for goods or services above an estimated transaction value of R200 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process."*

Section 36 of the Municipal Supply Chain Management Regulations states that;

*(1.) "A supply chain management policy may allow the accounting officer –*
*(a.) to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*
*(i) In the case an emergency;*
*(ii) If such goods or services are produced or available from a single provider only;*
*(iii) For the acquisition of special works of art or historical objects where specifications are difficult to compile;*
*(iv) Acquisition of animals for zoos; or*
*(v) In any other exceptional case where it is impractical or impossible to follow the official procurement processes; and*
*(b.) to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely technical.*

*(2.) The accounting officer must record the reasons for any deviations in terms of sub-regulation (1) (a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements*

*(3.) In terms of the Supply Chain Management (SCM) regulations 5: "An accounting officer may in terms of section 79 or 1 06 of the Act sub delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of regulation 4(1), but any such sub delegation must be consistent with sub regulation (2) and regulation 4".*

Furthermore, paragraph 37 of the municipality's supply chain policy states that:
***"37. DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSES***

*1. The Accounting Officer may –*

a) *dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*
*(i) in an emergency; (An emergency is an unforeseeable sudden event with harmful or potential harmful consequences for the municipality which requires urgent action to address.)*

*Circumstances that warrant emergency dispensation, includes but are not limited to –*

a) *the possibility of human injury or death,*
b) *the prevalence of human suffering or deprivation of rights,*
c) *the possibility of damage to property, or suffering and death of livestock and animals, the*
d) *interruption of essential services, including transportation and communication facilities or*
e) *support services critical to the effective functioning of the municipality as a whole, the possibility of serious damage occurring to the natural environment,*
f) *the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service,*
g) *the possibility that the security of the state could be compromised.*

2. *The Accounting Officer must record the reasons for any deviations in terms of subparagraphs 36(1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.*
3. *Subparagraph 36(2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy."*

During our testing of this deviation, we identified several instances where the justification for the deviation was inadequate.

| No | Name of supplier and service provided | Category | Actual value of contract | Deviation date of approval | Auditor's comment | Management comments |
|---|---|---|---|---|---|---|
| | | | | | Deviations were approved by the accounting officer even though it was not impractical obtain price quotations in contravention with regulation 36(1). This constitutes irregular expenditure of R10 746 518,67. The non-compliance is material and will be included in the audit report. | |
| 13. | **COMM11/2023/24 Restoration of Road Infrastructure in the Rooidakke Development, Grabouw - EXEO KHOKELA CIVIL ENG CONSTRUCTION (PTY) LTD** | Emergency | R7 782 090,25 | 19 April 2024 | The municipality deviated from the SCM process to procure road restoration services following severe storms in 2021. The municipality commenced a tender process, COMM 11/2023/24 wherein the BSC approved the specifications on 23 February 2024, however the BSC was concerned that the total tender process would take long leaving no time for construction.<br><br>Although funding became available in December 2023, the deviation was unjustifiable as the municipality could have followed a quotations process for urgent repairs while continuing with the normal tender process.<br><br>**Impact:** This results in non-compliance with regulation 19(a) as goods were procured without following a competitive bidding process.<br><br>Deviations were approved by the accounting officer even though it was not impractical obtain price quotations in contravention with regulation 36(1)(a). This constitutes irregular expenditure of R7 782 090,25. The non-compliance is material and will be included in the audit report. | Management is in agreement with the finding.<br><br>Please note that the actual expenditure was R 1 094 794.02 for 2023/24. |
| 14. | **Flood damage repairs to various areas within Theewaterskloof Municipality - World Focus 226cc** | Emergency | R41 026 710,23 | 19 April 2024 | The municipality deviated from the SCM process for flood damage relating to restoration of road infrastructure services from the service provider, World Focus 266cc, following the September 2023 disaster.<br><br>The municipality obtained funding of R41 026 710,23 to repair various areas within the Theewaterskloof Municipality. While a tender process (OM 01/2023/24) | Management is in disagreement with the finding, as this award was subsequently cancelled and no expenditure was incurred. |

**ITEM TITLE**

**SC78/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE COMMUNITY SERVICES – OPERATIONS: IRREGULAR EXPENDITURE – QUOTATION TO ATTEND TO DEFECTS ON COMPACTOR CAM25570 - TRANS MANUFACTURING (PTY) LTD T/A TFM TRANSTECH**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE OF REPORT**

The purpose of the report is to inform MPAC of the non-compliance with Regulation 19(a) of the SCM Regulations as goods and services were procured without following a competitive bidding process that constitutes irregular expenditure of R31524.31.

**BACKGROUND**

The municipality deviated from the SCM processes to procure vehicle repair services from the service provider, TFM Transtech as the bin picker was faulty and did not lift the bins. The driver did not identify any visible damage to the truck. The defect was of nature that a mechanical institution had to check the hydraulics and chemical parts in order to find the fault. The municipality was sent to Transtech for strip and quote. The deviation is unjustifiable as alternative service providers were available, the motivation does not stipulate the specific reason for choosing the awarded supplier thus a quotations process could have been followed for the stripping and repairing of the trash picker.

**DISCUSSION**

**Unjustified deviations from normal Supply chain processes**

In terms of section 2(1)(b) of the Supply Chain Management (SCM) regulations, *"each municipality and municipal entity must in terms of section 111 of the Act have and implement a supply chain management policy that –*

*(b) is fair, equitable, transparent, competitive and cost effective;"*

Section 19 of the Municipal Supply Chain Management Regulations on Competitive bids states

*"A supply chain management policy must specify—*

1. *that goods or services above a transaction value of R200 000 (VAT included) and long-term contracts may be procured by the municipality or municipal entity only through a competitive bidding process, subject to regulation 11(2); and*
2. *that no requirement for goods or services above an estimated transaction value of R200 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process."*

Section 36 of the Municipal Supply Chain Management Regulations states that;

1. *"A supply chain management policy may allow the accounting officer –*
2. *to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*

    a. *In the case an emergency;*
    b. *If such goods or services are produced or available from a single provider only;*
    c. *For the acquisition of special works of art or historical objects where specifications are difficult to compile;*
    d. *Acquisition of animals for zoos; or*
    e. *In any other exceptional case where it is impractical or impossible to follow the official procurement processes; and*
    f. *to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely technical.*
    g. *The accounting officer must record the reasons for any deviations in terms of sub-regulation (1) (a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements*
    h. *In terms of the Supply Chain Management (SCM) regulations 5: "An accounting officer may in terms of section 79 or 1 06 of the Act sub delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of regulation 4(1), but any such sub delegation must be consistent with sub regulation (2) and regulation 4".*

Furthermore, paragraph 37 of the municipality's supply chain policy states that:

***"37. DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSES***

1. *The Accounting Officer may –*

    a. *dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*

*(i) in an emergency; (An emergency is an unforeseeable sudden event with harmful or potential harmful consequences for the municipality which requires urgent action to address.)*

*Circumstances that warrant emergency dispensation, includes but are not limited to –*

a. *the possibility of human injury or death,*
b. *the prevalence of human suffering or deprivation of rights,*
c. *the possibility of damage to property, or suffering and death of livestock and animals, the*
d. *interruption of essential services, including transportation and communication facilities or*
e. *support services critical to the effective functioning of the municipality as a whole, the possibility of serious damage occurring to the natural environment,*
f. *the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service,*
g. *the possibility that the security of the state could be compromised.*

2. *The Accounting Officer must record the reasons for any deviations in terms of subparagraphs 36(1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.*
3. *Subparagraph 36(2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy."*

During our testing of this deviation, we identified several instances where the justification for the deviation was inadequate.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The irregular expenditure of R31524.31 has been recorded in 2023/24 financial statements. Management should ensure that the recurrence of the same is prevented.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result in Council losing money and not receiving value for money.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R31 524.31 be written off for the 2023/2024 financial year.**

**RECOMMENDATION BY MANAGEMENT TO MPAC: 03 JUNE 2025**

**It is recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R31 524.31 be written off for the 2023/2024 financial year.**

**RECOMMENDATION FROM MPAC TO COUNCIL: 11 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor M Botes it was recommended as follows:

**That the agenda-item be referred to Council for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**RESOLVED BY COUNCIL: 27 JUNE 2025**

**Council noted that the agenda-item has been withdrawn and will not be discussed during the meeting.**

**Agenda-item referred to MPAC for consideration.**

**RECOMMENDATION BY MPAC: 26 AUGUST 2025**

**Agenda-item referred to next MPAC Meeting for discussion.**

**RECOMMENDATION FROM MPAC TO COUNCIL: 09 OCTOBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor TB Zimmermann it was recommended as follows:

**That, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R31 524.31 be written off for the 2023/2024 financial year.**

**RECOMMENDATION TO COUNCIL:**

**It is recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R31 524.31 be written off for the 2023/2024 financial year.**

**RESOLVED BY COUNCIL: 23 OCTOBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Alderman S Fredericks, it was resolved as follows:

**In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R31 524.31 be written off for the 2023/2024 financial year.**

*For finalization by the Director: Community Services, Mr. WSE Solomons-Johannes.*

**RECOMMENDATION TO COUNCIL:**

**Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.**

# Status Report on contract no. Quotation to attend to defects on compactor CAM25570 In terms of SCM and MFMA requirements and remedial action required if necessary

| Supplier | Service Description | Commencement date of contract |
|---|---|---|
| Trans Manufacturing (PTY) Ltd T/A TFM Transtech | Strip & Quote repairs on CAM 25570 | 2024-04-08 |

1

| What was the initial Purpose of the contract |
|---|
| Strip & Quote repairs on CAM 25570 lifter components |

2

| Initial Scope of Contract and if uncertain please explain |
|---|
| Strip & Quote repairs on refuse compactor CAM 25570 lifter components. |

3

| Initial Contract Value and if uncertain please explain |
|---|
| R 31 524.38 |

4

| Initial Expiry Date and if uncertain please explain |
|---|
| 30-04-2024 |

5

| Was normal SCM Process followed and complied with | | |
|---|---|---|
| Yes | | |
| **Explain of motivate your response** | | |
| The strip & quote process is in line with clause 36 of the TWK SCM Policy.<br><br>An email request from the Senior Foreman: Solid Waste to the finance & fleet department reporting the lifter system is non-operational dated 5 February 2024. The Acting CFO has granted permission to conduct a strip & quote on 8 February 2024. A deviation requisition was loaded once quote was received from Transtech and categorized as "5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes." A purchase order was generated for the requisition on 8 April 2024 and presented to Transtech to initiate repairs as stipulated on quotation supplied.<br><br>The lifter system on the truck is a hydraulic system that is responsible for lifting and tilting wheelie bins from the floor surface into the floor bed of the truck and later compressed with a blade to use maximum loading capacity. | | |

On 5 February 2024 truck CAM 25570 encountered a breakdown in Grabouw. The truck was collecting solid waste at various residences when the lifters of the truck was unable to lift the wheelie bins The lifter system comprises of many components such as pumps, steel members, steel plates, hydraulic oil pipes, hydraulic shafts and controls. The driver and workers allocated on the truck could not determine the exact components that are defective and as a result the Grabouw Town Office could not determine specifications of defective parts to advertise. To determine what components are defective – a competent mechanical institution needs to strip the lifter system, assess the components and then determine which components are defective and quote accordingly.

The strip & quote process is conducted at one service provider as the vehicle needs to be stripped for the mechanic to assess the defective components and determine where the defect is. To obtain 3 quotations is impractical as the first service provider has incurred expenses and supplied resources such as time, labour, workshop space and vehicle prioritization to determine the defect and supply a quotation. To perform the strip & quote at 3 various mechanical institutions will lead to the municipality receiving 3 quotations for an assessment without beginning repairs on the vehicle. This can be view as fruitless as the vehicle's defect remains. This can also be a lengthy process as all 3 service providers cannot strip and quote on the same vehicle simultaneously. Therefore, the vehicle would have to visit each institution at different locations at a different date and time whilst the municipality incurs additional costs such as diesel, wages. To follow this process also adds risk to the vehicle as the defect might exacerbate which can lead to a greater expense incurred.

The specific vehicle CAM 25570 is a refuse compactor allocated to Grabouw that performs refuse collection on wheelie-bins on a refuse collection schedule. The volume of waste generated from households and businesses necessitates at least two vehicles with this capabilities to remain on par with the refuse collection schedule. It is therefore the priority to repair the vehicle as quickly as possible to minimize delays in the refuse collection schedule and disruption to service delivery. Transtech, a mechanical institution listed on the TWK Municiaplity SCM Database, is a reputable firm that does mechanical repairs and maintenance on trucks and more specifically refuse compactors that comprises of hydraulic systems. The vehicle and its function is critical to service delivery and therefore the vehicle was sent to Transtech that has a history working on TWK Municipality's refuse compactors. Transtech is regarded as reputable as previous work done by the mechanical institution was always satisfactory with aim to get the vehicle operational as quickly as possible. Local mechanical workshops registered on the SCM Database cannot perform these functions as promptly as a company like Transtech as a refuse compactor is not a common vehicle. The lifter system is also custom designed and might cause delays with a different service provider that has not worked on the lifter system of CAM 25570 which can lead to an even extended delay. As an end user, the objective is always to minimise the disruption to service delivery as a disruption to waste collection might lead to illegal dumping at open spaces that can lead to a greater cost for the municipality.

6

| Has the purpose, scope or contract period been extended or expanded since the initial appointment of the service provider | | |
|---|---|---|
| | No | |
| **Explain or motivate your response** | | |
| N/A | | |

7

| Was a formal contract or SLA initially entered into in terms of SCM and MFMA Requirements | | |
|---|---|---|
| No | | |
| **Explain or motivate your response** | | |
| N/A | | |

8

| Should a contract not have existed has it since been entered into and has all compliance requirements like as it applies in respect of the SCM process and or for purposes of deviations been complied with | | |
|---|---|---|
| | No | |
| **Motivate or explain your response** | | |
| No need to enter into a contract since a quotation detailing the defects on vehicle was supplied by Transtech and submitted to the Grabouw Town Office. The quotation was loaded with the requisition and a motivation to deviate from the normal SCM processes was stipulated. The deviation was reviewed and a purchase order was generated. The mechanical institution only performed the work as stipulated on the purchase order. | | |

9

| Did Council because of this transaction received best value for money i.e. in spite of non-compliance, if any with SCM or MFMA requirements | | |
|---|---|---|
| Yes | | |
| **Please explain or motivate your response above** | | |
| Mechanical institution conducted repairs and service delivery resumed once repairs were concluded and vehicle released to Grabouw Town Office. | | |

10

| Has the Municipality suffered any losses or damages as a result of non-compliance with any of the MFMA or SCM requirements | | |
|---|---|---|
| | No | |
| **Please explain or motivate your response above** | | |

| |
|---|
| Service was delivered and productivity on refuse collection could increase once the vehicle returned to operations. |

11

| **Are you satisfied with the performance of the current service provider to the extent that the contract should be continued with** | | |
|---|---|---|
| | | Uncertain |
| **Please explain or motivate your response above** | | |
| N/A – A strip & quote process was followed in line with clause 36 of the TWK SCM Policy. A quote was supplied and a purchase order was generated considering the motivation and supporting documentation on the requisition. Once work was completed to a satisfactory level, an invoice was received and signed off. | | |

12

| **Has the director investigated and established whether or not there is not at this point a better service provider, price or product which would justify a new procurement process and a reconsideration of the current service provider, product or price** | | |
|---|---|---|
| | | Uncertain |
| **Please explain or motivate your response above** | | |
| N/A – Work done. | | |

14

| **Could any form of non-compliance have been prevented** | | |
|---|---|---|
| | No | |
| **Explain or motivate your response above** | | |
| N/A - A strip & quote process was followed as per clause 36 of the TWK SCM Policy. A quote was supplied and a purchase order was generated considering the motivation and supporting documentation on the requisition. Once work was completed to a satisfactory level, an invoice was received and signed off. | | |

15

| **What remedies have been put in place to prevent any non-compliance being repeated** | | |
|---|---|---|
| | | Uncertain |
| **Explain or motivate your response above** | | |
| A tender was compiled in the Directorate: Community Services for repairs and maintenance on fleet. The tender was presented to the BSC and advertised. The bids received was evaluated by the BEC and later presented to the BAC. The BAC did not award the tender. | | |

16

| General or additional Comments of the Director Concerned | |
|---|---|
| ..... | ..... |
| Signature of Director Concerned | Date |

17

| General Comments/Findings and recommendations of the CFO | |
|---|---|
| Signature of CFO | Date |

18

| General Comments/Findings and or recommendations of the Chief Audit Executive | |
|---|---|
| Signature of Chief Audit Executive | Date |

19

| Final response of the Director Concerned for consideration by the Municipal Manager | |
|---|---|
| Signature of the Director concerned | Date |

20

| General Comments and findings of the Municipal Manager | |
|---|---|
| Signature of the Municipal Manager | Date |

AUDITOR-GENERAL
SOUTH AFRICA

The Accounting Officer
Theewaterskloof Municipality
PO Box 24
Caledon
7230

28 October 2024

Reference: Communication No.21 of 2023

Dear Mr. R Stevens

**COMMUNICATION OF FINDINGS IDENTIFIED DURING THE AUDIT OF COMPLIANCE WITH LEGISLATION FOR THE YEAR ENDED 30 JUNE 2024**

**SCM: Reason for not following the official procurement processes (Deviation) not justifiable**

**Background**

1. In performing the audit of compliance with legislation, we identified instances of non-compliance as described in the annexure. We have recorded the internal control deficiency that gave rise to the instances of non-compliance and our recommendation for correcting the instances of non-compliance for your consideration.
2. The finding will be included in the management report including your comments and our final response.

**Required**

3. You are requested to indicate whether you agree with the facts stated in the annexure including whether you agree with the identified internal control deficiency. Should you disagree, please provide us with documentary evidence to the contrary within 5 days from the date of this communication, as agreed in the engagement letter.
4. Should you agree, you are hereby requested to make the necessary corrections.
5. Should you choose not to make the necessary corrections, kindly communicate your reasons for this within 5 days from the date of this communication, as agreed in the engagement letter. The remaining uncorrected misstatement will then be evaluated for reporting purposes based on materiality.
6. Should you choose to make the necessary corrections, kindly refer the point(s) described below and provide us with the necessary information within 5 days from the date of this communication, as agreed in the engagement letter.
7. Please provide us with the reasons for the instances of non-compliance and the steps that will be taken to rectify the matter in future.



Auditing to build public confidence

## DETAILED AUDIT FINDING

### Procurement and contract management

### Unjustified deviations from normal Supply chain processes

In terms of section 2(1)(b) of the Supply Chain Management (SCM) regulations, *"each municipality and municipal entity must in terms of section 111 of the Act have and implement a supply chain management policy that –*

*(b) is fair, equitable, transparent, competitive and cost effective;"*

Section 19 of the Municipal Supply Chain Management Regulations on Competitive bids states *"A supply chain management policy must specify—*

a) *that goods or services above a transaction value of R200 000 (VAT included) and long-term contracts may be procured by the municipality or municipal entity only through a competitive bidding process, subject to regulation 11(2); and*
b) *that no requirement for goods or services above an estimated transaction value of R200 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process."*

Section 36 of the Municipal Supply Chain Management Regulations states that;

*(1.) "A supply chain management policy may allow the accounting officer –*
*(a.) to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*
*(i) In the case an emergency;*
*(ii) If such goods or services are produced or available from a single provider only;*
*(iii) For the acquisition of special works of art or historical objects where specifications are difficult to compile;*
*(iv) Acquisition of animals for zoos; or*
*(v) In any other exceptional case where it is impractical or impossible to follow the official procurement processes; and*
*(b.) to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely technical.*

*(2.) The accounting officer must record the reasons for any deviations in terms of sub-regulation (1) (a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements*

*(3.) In terms of the Supply Chain Management (SCM) regulations 5: "An accounting officer may in terms of section 79 or 1 06 of the Act sub delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of regulation 4(1), but any such sub delegation must be consistent with sub regulation (2) and regulation 4".*

Furthermore, paragraph 37 of the municipality's supply chain policy states that:
***"37. DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSES***

*1. The Accounting Officer may –*

a) *dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*
*(i) in an emergency; (An emergency is an unforeseeable sudden event with harmful or potential harmful consequences for the municipality which requires urgent action to address.)*

*Circumstances that warrant emergency dispensation, includes but are not limited to –*

a) *the possibility of human injury or death,*
b) *the prevalence of human suffering or deprivation of rights,*
c) *the possibility of damage to property, or suffering and death of livestock and animals, the*
d) *interruption of essential services, including transportation and communication facilities or*
e) *support services critical to the effective functioning of the municipality as a whole, the possibility of serious damage occurring to the natural environment,*
f) *the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service,*
g) *the possibility that the security of the state could be compromised.*

2. *The Accounting Officer must record the reasons for any deviations in terms of subparagraphs 36(1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.*
3. *Subparagraph 36(2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy."*

During our testing of this deviation, we identified several instances where the justification for the deviation was inadequate.

| No | Name of supplier and service provided | Category | Actual value of contract | Deviation date of approval | Auditor's comment | Management comments |
|---|---|---|---|---|---|---|
| | | | | | irregular expenditure of R60 832,98. The non-compliance not individually material but will be evaluated with other instances of non-compliance. | Service provider has proven track record with the municipality, and therefore was approach for this procurement. |
| 8. | **Quotation to attend to defects on compactor CAM25570 - Trans Manufacturing (Pty) Ltd T/A TFM Transtech** | Any other exceptional case where it is impractical or impossible to follow the official procurement processes. | R31 524,31 | 26 March 2024 | The municipality deviated from the SCM processes to procure vehicle repair services from the service provider, TFM Transtech as the bin picker was faulty and did not lift the bins. The driver did not identify any visible damages on the truck. The defect was of a nature that a mechanical institution had to check the hydraulics and chemical parts in order to find the fault. The municipality was sent to Transtech for strip and quote. The deviation is unjustifiable as alternative service providers were available, the motivation does not stipulate the specific reason for choosing the awarded supplier thus a quotations process could have been followed for the stripping and repairing of the trash picker.<br><br>**Impact:** This results in non-compliance with regulation 17(1)(a) and (c) as goods were procured without obtaining the required price quotations.<br><br>Deviations were approved by the accounting officer even though it was not impractical obtain price quotations in contravention with regulation 36(1)(a). This results to irregular expenditure of R31 524,31. The non-compliance not individually material but will be evaluated with other instances of non-compliance. | Management disagrees with the finding.<br><br>Defects like this needs to be strip and only after this a quote can be provided by the supplier.<br><br>The Service Provider informed, after their investigation, that the bin picker was faulty. That is the reason why it is Impractical to appoint another services provider.<br><br>It is not cost effective or practical to take and drive a vehicle to different suppliers to strip, do a diagnostic and give a quotation as no supplier will do this for free as there is time involved.<br><br>Service provider has proven track record with the municipality, and therefore was approach for this procurement. |
| 9. | **Gearbox recon, oil and labour - PJ Pretorius T/A Petrol & Diesel Enjinsentrum** | Any other exceptional case where it is impractical or impossible to follow the official procurement processes. | R26 249,72 | 03 April 2024 | The municipality deviated from the SCM process to procure vehicle repair services from the service provider, Petrol & Diesel Enjinsentrum as the vehicle's gearbox was faulty and needed to be stripped and repaired. On 21 February 2024,4 permission was granted to strip and quote the gearbox. The municipality sent the vehicle to Petrol & Diesel Enjinsentrum citing proximity to the location as the rationale for deviating from normal supply chain processes. The gearbox of a municipal vehicle required stripping and repairs, and the service provider | Management disagrees with the finding<br><br>Management urgently had to find a supplier that has a low bed available because the vehicle broke down on the R406 between Genadendal and Greyton. Because of the availability of their lowbed we approached Petrol/Diesel for assistance. |

**ITEM TITLE**

**SC79/2026 MUNICIPAL PUBLIC ACCOUNT COMMITTEE: DIRECTORATE CORPORATE SERVICES: DEPARTMENT HUMAN RESOURCES: IRREGULAR EXPENDITURE – PURCHASING OF EMERGENCY PPE 2023/2024**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE / AIM OF REPORT**

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible/alleged irregular expenses occurred to an amount of R 198 368.91 funded by the Municipality, and that the Committee consider the report with explanatory template for the irregular expenditure in terms of Section 32 of the MFMA. The Committee can in terms of its mandate:

1. Investigate the irregular expenditure,
2. Make recommendations to the Council as to who, if any is liable for the irregular expenditure,
3. Recommend to the Council whether the irregular expenditure must be certified as irrecoverable and be written off,
4. Make recommendations if necessary for the implementation of measures to prevent future irregular expenditure and,
5. To report to Council on the effective functioning of processes and procedures/controls surrounding the prevention of unauthorized, irregular, fruitless and wasteful expenditure currently.

**BACKGROUND**

The municipality justified this deviation by citing a non-functional Bid Adjudication Committee (BAC), as there were no permanent directors in place to facilitate the formal tender process. However, this deviation does not meet the criteria for an emergency, as it was not an unforeseeable event necessitating urgent action. The situation could have been managed through a formal quotation process, and the failure to plan adequately for PPE needs led to the unjustifiable deviation.

**Impact:** This results in non-compliance with regulation 17(1)(a) and (c) as goods were procured without obtaining the required price quotations.

Deviations were approved by the accounting officer even though it was not impractical to obtain price quotations in contravention with regulation 36(1)(a). This results in irregular expenditure of R198 368,91. The non-compliance will be evaluated with other instances.

**DISCUSSION**

There was already a tender process in place for PPE that Mr Barnard had long started with, which would have solved the PPE issue we had. It was unfortunate that all tenders could not proceed due to the unavailability of directors to form BAC to complete the process and it was overdue.

At the same time, Human Resources was busy with the recruitment process of the Directors. Finance advised that we wait for the recruitment process to be completed and also stated that we could not run a tender process concurrently with an RFQ of the same items.

At the time the request for emergency PPE, the situation was life threatening as official's health and rights were compromised as the whole of municipality had completely ran out of gloves including those working with waste and raw sewage and were on the verge to down tools.

With reference to the SCM policy, paragraph 37, the circumstances at the time warranted an emergency dispensation.

Quotation was received on the 15th of September 2023.

Purchase Order was received on the 20th of September 2023.

First delivery of PPE was received on the 20th of September 2023.

The council did not suffer any financial loss, goods and services were received satisfactory.

Kindly refer to the correspondences and invoices attached.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result into Council losing money and not receive value for money. However, in this case, Council did not suffer any loses or damages and received value for money.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

None.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is therefore recommended that the expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages that the irregular expense in the amount of R 198 368.91 for the financial year 2023/2024 be approved, accepted and written off.**

**COMMENTS BY MANAGEMENT (Mr P Mabhena):**

The motivation to procure the PPE clothing was supported due to the fact that from the 2nd of September 2023 the rains /floods had started the Health and Safety officer at that time Andiswa had received complaints from staff members who were using their own gloves and clothing (refer to first email to the previous MM when user department requested). Tender was not awarded as yet due to no quorum of BAC - the prices were already evaluated, and Pioneer Brothers had the cheapest costs. Hence the deviation furthermore numerous complaints also from staff together with unions warranted the emergency procurement of PPE. Amount was less than R200 000 threshold.

**RECOMMENDATION BY MANAGEMENT TO MPAC: 03 JUNE 2025**

**It is therefore recommended that the expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages that the irregular expense in the amount of R 198 368.91 for the financial year 2023/2024 be approved, accepted and written off.**

**RECOMMENDATION FROM MPAC TO COUNCIL: 11 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor M Botes it was recommended as follows:

**That the agenda-item be referred to Council for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**RESOLVED BY COUNCIL: 27 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks, and seconded by Councillor P Stander, it was resolved as follows:

**Council refers the agenda-item for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**The following Councillors requested that their names be minuted in terms of Rule 19(c) of the By-law on Rules of Order for Meetings of Council and Committees of Theewaterskloof Municipality – applicable to agenda-item C186/2025:**

**Alderman DA Appel**
**Councillor TP Lemina**
**Alderman BB Mkhwibiso**
**Councillor RL Mienies**
**Councillor M Mpambani**
**Councillor MA Nomkoko**
**Alderman MR Nongxaza**

**Councillor MS Shale**
**Councillor TB Zimmermann**
**Councillor J Lekhori**
**Councillor V Papier**
**Councillor H Syster**

*For finalization by the Municipal Manager, Mr W Hendricks.*

**RECOMMENDATION FROM MPAC TO COUNCIL: 04 DECEMBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor C Smith and seconded by Councillor PJ Stander it was recommended as follows:

**In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages that the irregular expense in the amount of R 198 368.91 for the financial year 2023/2024 be approved, accepted and written off.**

**RESOLVED BY COUNCIL: 12 DECEMBER 2025**

**Council approves the recommendation of the Municipal Public Accounts Committee dated 04 December 2025 as per Council resolution SC14/2025 of the Special Council Meeting of 12 December 2025.**

**COMMENTS BY MUNICIPAL MANAGER:**

Council resolution C186/2025 was not presented to Council, for rescindment of the Section 106 referral, on 24 November 2025.

The item was however presented to the Municipal Public Accounts Committee on 04 December 2025, and the Municipal Public Accounts Committee make a recommendation to Council.

On 12 December 2025 the recommendation of the Municipal Public Accounts Committee was presented to Council for write-off under Council resolution SC14/2025.

As Council resolution C186/2025 was not rescinded, the agenda-item needs to be presented to Council to rescind Council resolution C186/2025 of 27 June 2025 and Council resolution SC14/2025 of 12 December 2025 – point 4 with regards to this item and to refer the agenda-item to the Municipal Public Accounts Committee to reconfirm the "recommendation to Council" taken on 04 December 2025 whereafter the item will be resubmitted to Council for consideration.

**RECOMMENDATION TO COUNCIL:**

**It is recommended:**

1. **That Council rescind Council resolution C186/2025 of 27 June 2025.**

2. **That Council rescind Council resolution SC14/2025 – point 4 with regards to the irregular expenditure – purchasing of emergency PPE 2023/2024 of 12 December 2025.**

3. **That Council refer the agenda-item to the Municipal Public Accounts Committee to reconfirm the "recommendation to Council" taken on 04 December 2025 whereafter the agenda-item will be resubmitted to Council for consideration.**

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor M Gana, it was resolved as follows:

1. **Council rescind Council resolution C186/2025 of 27 June 2025.**

2. **Council Resolution SC14/2025 – point 4 was amended to approve the recommendation of the Municipal Public Accounts Committee of 04 December 2025.**

*For finalization by the Senior Manager: Human Resources, Mr J Amansure.*

**RECOMMENDATION TO COUNCIL:**

**Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.**

# Status Report– Preferential Procurement Regulations 2022

## In terms of SCM and MFMA requirements and remedial action required if necessary

1

| What was the initial Purpose |
|---|
| The purpose of the report is to inform the Municipal Public Accounts Committee of the possible/alleged irregular expenses occurred to an amount of R 198 368.91 funded by the Municipality, and that the Committee consider the report with explanatory template for the irregular expenditure in terms of Section 32 of the MFMA. |

2

| Initial Scope of Contract and if uncertain please explain |
|---|
| Cotton Gloves with studs |
| Pigskin Gloves |
| PVC Shoulder Length Gloves Red |
| PVC Shoulder Length Gloves Black |
| Chainsaw Gloves |
| 6 Cm Green Welders Glove |
| Masks FFP2 |
| Safety Glasses |
| Earplugs |
| Safety Reflector Vests |
| Garden Gloves |
| PVC Rubber Short Red |

3

| Initial Contract Value and if uncertain please explain |
|---|
| The value of the deviation was R 198 368.91 |

4

| Initial Expiry Date and if uncertain please explain |
|---|
| There was no expiry date as it was a deviation. |

5

| Was normal SCM Process followed and complied with | | |
|---|---|---|
| Yes | no x | Uncertain |
| Explain of motivate your response | | |

| |
|---|
| SCM process of obtaining more than one quotation through RFQ advertisement was not followed due to the emergency of the situation. The situation was life threatening as official's health and rights were compromised as the whole of municipality had completely ran out of gloves including those working with waste and raw sewerage and were on the verge to down tools |

6

| **Has the purpose, scope or contract period been extended or expanded since the initial appointment of the service provider** | | |
|---|---|---|
| Yes | No **x** | Uncertain |
| **Explain or motivate your response** | | |
| No extension or expansion was required. We requested for specific item as an emergency and received them as requested and that was the end of it. | | |

7

| **Was a formal contract or SLA initially entered into in terms of SCM and MFMA Requirements** | | |
|---|---|---|
| Yes **x** | No | Uncertain |
| **Explain or motivate your response** | | |
| Yes. A contract was entered into. | | |

8

| **Should a contract not have existed has it since been entered into and has all compliance requirements like as it applies in respect of the SCM process and or for purposes of deviations been complied with** | | |
|---|---|---|
| Yes **x** | No | Uncertain |
| **Motivate or explain your response** | | |
| Tender process was eventually completed and service providers appointed for supply and delivery of PPE where a contracts were entered into that are compliant with SCM processes. | | |

9

| **Did Council because of this transaction received best value for money i.e. in spite of non-compliance, if any with SCM or MFMA requirements** | | |
|---|---|---|
| Yes **x** | No | Uncertain |
| **Please explain or motivate your response above** | | |
| Yes. The council received best value for money as goods and services were received satisfactory. | | |

10

| Has the Municipality suffered any losses or damages as a result of non-compliance with any of the MFMA or SCM requirements | | |
|---|---|---|
| Yes | No x | Uncertain |
| **Please explain or motivate your response above** | | |
| No. The council did not suffer any financial loss as goods and services were received satisfactory. | | |

11

| Are you satisfied with the performance of the current service providers | | |
|---|---|---|
| Yes | No | Uncertain x |
| **Please explain or motivate your response above** | | |
| PPE is no longer with Corporate Services. It is now with Community Service. | | |

12

| Has the director investigated and established whether or not there is not at this point a better service provider, price or product which would justify a new procurement process and a reconsideration of the current service provider, product or price | | |
|---|---|---|
| Yes | No | Uncertain x |
| **Please explain or motivate your response above** | | |
| Director and Deputy Director Community Services would be the best to respond on their investigations as PPE is now with their directorate. | | |

14

| Could any form of non-compliance have been prevented | | |
|---|---|---|
| Yes | No | Uncertain x |
| **Explain or motivate your response above** | | |
| If we were given approval to advertise on RFQ for the emergency PPE when we requested for it there would not have been a need to go out on a deviation. On the same note, I don't know if that too would not have been a non-compliance as there was already a tender process in progress of the same items. Running both processes concurrently could have violated the procurement principles (I stand to be corrected). | | |

15

| What remedies have been put in place to prevent any non-compliance being repeated | | |
|---|---|---|
| Yes | No | Uncertain |
| **Explain or motivate your response above** | | |

| There is a tender in place. |
|---|

16

| **General or additional Comments of the Director Concerned** | |
|---|---|
| ..... | ..... |
| Signature of Director Concerned | Date |

17

| **General Comments/Findings and recommendations of the CFO** | |
|---|---|
| | |
| Signature of CFO | Date |

18

| **General Comments/Findings and or recommendations of the Chief Audit Executive** | |
|---|---|
| | |
| Signature of Chief Audit Executive | Date |

19

| **Final response of the Director Concerned for consideration by the Municipal Manager** | |
|---|---|
| | |
| Signature of the Director concerned | Date |

20

| **General Comments and findings of the Municipal Manager** | |
|---|---|
| 1. | |
| Signature of the Municipal Manager | Date |

AUDITOR-GENERAL
SOUTH AFRICA

The Accounting Officer
Theewaterskloof Municipality
PO Box 24
Caledon
7230

28 October 2024

Reference: Communication No.21 of 2023

Dear Mr. R Stevens

**COMMUNICATION OF FINDINGS IDENTIFIED DURING THE AUDIT OF COMPLIANCE WITH LEGISLATION FOR THE YEAR ENDED 30 JUNE 2024**

**SCM: Reason for not following the official procurement processes (Deviation) not justifiable**

**Background**

1. In performing the audit of compliance with legislation, we identified instances of non-compliance as described in the annexure. We have recorded the internal control deficiency that gave rise to the instances of non-compliance and our recommendation for correcting the instances of non-compliance for your consideration.
2. The finding will be included in the management report including your comments and our final response.

**Required**

3. You are requested to indicate whether you agree with the facts stated in the annexure including whether you agree with the identified internal control deficiency. Should you disagree, please provide us with documentary evidence to the contrary within 5 days from the date of this communication, as agreed in the engagement letter.
4. Should you agree, you are hereby requested to make the necessary corrections.
5. Should you choose not to make the necessary corrections, kindly communicate your reasons for this within 5 days from the date of this communication, as agreed in the engagement letter. The remaining uncorrected misstatement will then be evaluated for reporting purposes based on materiality.
6. Should you choose to make the necessary corrections, kindly refer the point(s) described below and provide us with the necessary information within 5 days from the date of this communication, as agreed in the engagement letter.
7. Please provide us with the reasons for the instances of non-compliance and the steps that will be taken to rectify the matter in future.

Yours sincerely

Unathi Mnqanqeni
Senior Manager: Western Cape

Enquiries: Henno Pretorius
Cell phone: 064 907 4146
Telephone: (021) 528 4100
Fax: (021) 528 4200
Email: hennop@agsa.co.za

**Acknowledgement of receipt by management:**

Received by _____ Date _____

**DETAILED AUDIT FINDING**

**Procurement and contract management**

**Unjustified deviations from normal Supply chain processes**

In terms of section 2(1)(b) of the Supply Chain Management (SCM) regulations, *"each municipality and municipal entity must in terms of section 111 of the Act have and implement a supply chain management policy that –*

*(b) is fair, equitable, transparent, competitive and cost effective;"*

Section 19 of the Municipal Supply Chain Management Regulations on Competitive bids states *"A supply chain management policy must specify—*

a) *that goods or services above a transaction value of R200 000 (VAT included) and long-term contracts may be procured by the municipality or municipal entity only through a competitive bidding process, subject to regulation 11(2); and*
b) *that no requirement for goods or services above an estimated transaction value of R200 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process."*

Section 36 of the Municipal Supply Chain Management Regulations states that;

*(1.) "A supply chain management policy may allow the accounting officer –*
*(a.) to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*
*(i) In the case an emergency;*
*(ii) If such goods or services are produced or available from a single provider only;*
*(iii) For the acquisition of special works of art or historical objects where specifications are difficult to compile;*
*(iv) Acquisition of animals for zoos; or*
*(v) In any other exceptional case where it is impractical or impossible to follow the official procurement processes; and*
*(b.) to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely technical.*

*(2.) The accounting officer must record the reasons for any deviations in terms of sub-regulation (1) (a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements*

*(3.) In terms of the Supply Chain Management (SCM) regulations 5: "An accounting officer may in terms of section 79 or 1 06 of the Act sub delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of regulation 4(1), but any such sub delegation must be consistent with sub regulation (2) and regulation 4".*

Furthermore, paragraph 37 of the municipality's supply chain policy states that:
***"37. DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSES***

*1. The Accounting Officer may –*

a) *dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*
*(i) in an emergency; (An emergency is an unforeseeable sudden event with harmful or potential harmful consequences for the municipality which requires urgent action to address.)*

*Circumstances that warrant emergency dispensation, includes but are not limited to –*

a) *the possibility of human injury or death,*
b) *the prevalence of human suffering or deprivation of rights,*
c) *the possibility of damage to property, or suffering and death of livestock and animals, the*
d) *interruption of essential services, including transportation and communication facilities or*
e) *support services critical to the effective functioning of the municipality as a whole, the possibility of serious damage occurring to the natural environment,*
f) *the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service,*
g) *the possibility that the security of the state could be compromised.*

2. *The Accounting Officer must record the reasons for any deviations in terms of subparagraphs 36(1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.*
3. *Subparagraph 36(2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy."*

During our testing of this deviation, we identified several instances where the justification for the deviation was inadequate.

## Part A: Inadequate Justification for Procurement Deviations

| No | Name of supplier and service provided | Category | Actual value of contract | Deviation date of approval | Auditor's comment | Management comments |
|---|---|---|---|---|---|---|
| 1. | **Procurement PPE - Pienaar Brothers (Pty) Ltd** | Emergency | R198 368,91 | 09 September 2023 | The municipality justified this deviation by citing a non-functional Bid Adjudication Committee (BAC), as there were no permanent directors in place to facilitate the formal tender process. However, this deviation does not meet the criteria for an emergency, as it was not an unforeseeable event necessitating urgent action. The situation could have been managed through a formal quotation process, and the failure to plan adequately for PPE needs led to the unjustifiable deviation.<br><br>**Impact:** This results in non-compliance with regulation 17(1)(a) and (c) as goods were procured without obtaining the required price quotations.<br><br>Deviations were approved by the accounting officer even though it was not impractical obtain price quotations in contravention with regulation 36(1)(a). This results to irregular expenditure of R198 368,91. The non-compliance will be evaluated with other instances. | |

Theewaterskloof Municipality

**THEEWATERSKLOOF MUNISIPALITEIT : THEEWATERSKLOOF MUNICIPALITY**

**OFFICIAL ORDER**

# Order
**G0000981**

**Billing Address:**
PO Box 24
Caledon, 7230
Tel: 028 214 3300

Delivery : 10 CHURCH STREET
CALEDON
7230

1999

**VAT Registration number:4000846248**

**SUPPLIER NAME:** PIENAAR BROTHERS (PTY) LTD [P00042 ]
**SUPPLIER TEL NO:** 021 511 8131
**SUPPLIER FAX NO:** 021 510 4470
**PHYSICAL ADDRESS:** 22 AUCKLAND STREET
**DATE:** 20230920

**DIRECTORATE:** Community Services
**COST CENTRE:** Property Services
**NAME:** Botha D
**REQ NO:** 32906

| DESCRIPTION | QUANTITY | UNIT PRICE EXCL. | AMOUNT EXCL. | AMOUNT INCL. |
|---|---|---|---|---|
| GLOVE PVC MW | 170.00 | 51.15 | 8695.50 | 9999.82 |
| GLOVE PVC | 50.00 | 51.15 | 2557.50 | 2941.13 |
| GLOVE PVC | 50.00 | 58.82 | 2941.13 | 2941.13 |
| GLOVE PVC | 80.00 | 51.15 | 4092.00 | 4705.80 |
| GLOVE PVC | 150.00 | 51.15 | 7672.50 | 8823.38 |
| GLOVES PVC | 130.00 | 51.15 | 6649.50 | 7646.93 |
| GLOVES PVC | 60.00 | 51.15 | 3069.00 | 3529.35 |
| Glove PVC Med | 150.00 | 51.15 | 7672.50 | 8823.38 |
| Glove Ntrile Dura Lite | 60.00 | 16.18 | 970.80 | 1116.42 |
| Jacket Reflect hv200 2xl | 50.00 | 11.90 | 595.00 | 684.25 |
| Jacket Reflect Lime HV200 S | 15.00 | 52.95 | 794.25 | 913.39 |
| Jacket Refflect Lime HV200 XL | 20.00 | 52.95 | 1059.00 | 1217.85 |
| EARPLUG FOAM CORD QUIET | 45.00 | 52.95 | 2382.75 | 2740.16 |
| SPECS RAVEN AVENGER | 100.00 | 8.95 | 895.00 | 1029.25 |
| MASK FFP2 | 350.00 | 34.05 | 11917.50 | 13705.13 |
| GLOVE LEATHER 65CM GREEN LINED | 20.00 | 127.50 | 2550.00 | 2932.50 |
| CHAIN PLASTIC RED/WHITE | 6.00 | 48.73 | 292.38 | 336.24 |
| GLOVE RED/WHITE | 5.00 | 368.75 | 1843.75 | 2120.31 |
| GLOVE PVC | 5.00 | 368.75 | 1843.75 | 2120.31 |
| GLOVE RUBBER 40CM ROUGH | 10.00 | 51.15 | 511.50 | 588.23 |
| GLOVE RUBBER 40CM ROUGH | 450.00 | 54.60 | 24570.00 | 28255.50 |
| | 25.00 | 54.60 | 1365.00 | 1569.75 |

APPROVED BY: Signature:

Name In Print: MARTIN A Date: 2023/09/20

This order is an official commitment.
The order number must be reflected on your delivery notes, correspondence and Invoices.
For all orders above R3 000, your VAT registration number must be reflected on the invoice.
Payments will be done within 30 days, from the date the invoice is received.

Theewaterskloof Municipality

**THEEWATERSKLOOF MUNISIPALITEIT : THEEWATERSKLOOF MUNICIPALITY**

**OFFICIAL ORDER**

# Order
**G0000981**

**Billing Address:**
PO Box 24
Caledon, 7230
Tel: 028 214 3300

Delivery : 10 CHURCH STREET
CALEDON
7230

**VAT Registration number:4000846248**

**SUPPLIER NAME:** PIENAAR BROTHERS (PTY) LTD [P00042 ]
**SUPPLIER TEL NO:** 021 511 8131
**SUPPLIER FAX NO:** 021 510 4470
**PHYSICAL ADDRESS:** 22 AUCKLAND STREET
**DATE:** 20230920

**DIRECTORATE:** Community Services
**COST CENTRE:** Property Services
**NAME:** Botha D
**REQ NO:** 32906

| DESCRIPTION | QUANTITY | UNIT PRICE EXCL. | AMOUNT EXCL. | AMOUNT INCL. |
|---|---|---|---|---|
| GLOVE RUBBER 40CM | 200.00 | 54.60 | 10920.00 | 12558.00 |
| GLOVE RUBBER 40CM ROUGH | 25.00 | 54.60 | 1365.00 | 1569.75 |
| GLOVE RUBBER 40CM ROUGH | 150.00 | 54.60 | 8190.00 | 9418.50 |
| GLOVE POLKADOT REVERSEABLE | 500.00 | 8.75 | 4375.00 | 5031.25 |
| GLOVE LEATHER PIGSKIN | 600.00 | 26.88 | 16128.00 | 18547.20 |
| GLOVES PIGSKIN | 250.00 | 26.88 | 6720.00 | 7728.00 |
| GLOVES LEATHER PIGSKIN | 250.00 | 26.88 | 6720.00 | 7728.00 |
| GLOVES LEATHER PIGSKIN | 350.00 | 26.88 | 9408.00 | 10819.20 |
| GLOVES LEATHER PIGSKIN | 350.00 | 26.88 | 9408.00 | 10819.20 |
| GLOVES LEATHER PIGSKIN | 100.00 | 26.88 | 2688.00 | 3091.20 |
| GLOVES LEATHER PIGSKIN | 75.00 | 26.88 | 2016.00 | 2318.40 |
| | | GRAND TOTAL | 172878.31 | 198368.91 |

APPROVED BY: Signature: Name In Print: MARTIN A Date: 2023/09/20

This order is an official commitment.
The order number must be reflected on your delivery notes, correspondence and Invoices.
For all orders above R3 000, your VAT registration number must be reflected on the invoice.
Payments will be done within 30 days, from the date the invoice is received.

200

# Order - Payment
G0000981

201

VAT Registration number:4000846248

SUPPLIER NAME: PIENAAR BROTHERS (PTY) LTD [P00042 ]
SUPPLIER TEL NO: 021 511 8131 SUPPLIER FAX NO: 021 510 4470
VAT REGISTRATION NO: 000004880235074 PHYSICAL ADDRESS: 22 AUCKLAND STREET
DATE: 20230920

DIRECTORATE: Community Services
COST CENTRE: Property Services
NAME: Botha D

| mSCOA CONFIG | DESCRIPTION | QUANTITY | UNIT PRICE EXCL. | AMOUNT EXCL. | AMOUNT INCL. | DISCOUNT |
|---|---|---|---|---|---|---|
| 013114396500 | GLOVE PVC MW | 170.00 | 51.15 | 8695.50 | 9999.82 | |
| 013114396500 | GLOVE PVC | 50.00 | 51.15 | 2557.50 | 2941.13 | |
| 013114396501 | GLOVE PVC | 50.00 | 58.82 | 2941.13 | 2941.13 | |
| 013114796508 | GLOVE PVC | 80.00 | 51.15 | 4092.00 | 4705.80 | |
| 013115396500 | GLOVE PVC | 150.00 | 51.15 | 7672.50 | 8823.38 | |
| 013117796500 | GLOVE PVC | 130.00 | 51.15 | 6649.50 | 7646.93 | |
| 013114296500 | GLOVES PVC | 60.00 | 51.15 | 3069.00 | 3529.35 | |
| 013122296502 | GLOVES PVC | 150.00 | 51.15 | 7672.50 | 8823.38 | |
| 013111796508 | Glove PVC Med | 60.00 | 16.18 | 970.80 | 1116.42 | |
| 013111596502 | Glove Ntrile Dura Lite | 50.00 | 11.90 | 595.00 | 684.25 | |
| 013111596502 | Jacket Reflect hv200 2xl | 15.00 | 52.95 | 794.25 | 913.39 | |
| 013111596502 | Jacket Reflect Lime HV200 S | 20.00 | 52.95 | 1059.00 | 1217.85 | |
| 013111596502 | Jacket Refflect Lime HV200 XL | 45.00 | 52.95 | 2382.75 | 2740.16 | |
| 013111796508 | EARPLUG FOAM CORD QUIET | 100.00 | 8.95 | 895.00 | 1029.25 | |
| 013111796508 | SPECS RAVEN AVENGER | 350.00 | 34.05 | 11917.50 | 13705.13 | |
| 013111296500 | MASK FFP2 | 20.00 | 127.50 | 2550.00 | 2932.50 | |
| 013111296500 | GLOVE LEATHER 65CM GREEN LINED | 6.00 | 48.73 | 292.38 | 336.24 | |
| 013111396500 | CHAIN PLASTIC RED/WHITE | 5.00 | 368.75 | 1843.75 | 2120.31 | |
| 011113096500 | GLOVE RED/WHITE | 5.00 | 368.75 | 1843.75 | 2120.31 | |
| 011113096500 | GLOVE PVC | 10.00 | 51.15 | 511.50 | 588.23 | |
| 011113096508 | GLOVE RUBBER 40CM ROUGH | 450.00 | 54.60 | 24570.00 | 28255.50 | |
| 011113096508 | GLOVE RUBBER 40CM ROUGH | 25.00 | 54.60 | 1365.00 | 1569.75 | |
| 012111096500 | GLOVE RUBBER 40CM | 200.00 | 54.60 | 10920.00 | 12558.00 | |
| 012111096500 | GLOVE RUBBER 40CM ROUGH | 25.00 | 54.60 | 1365.00 | 1569.75 | |

| PAYMENT AUTHORIZATION | |
|---|---|
| DATE | 2023/09/20 |
| HEAD OF DEPARTMENT | PROCUREMENT OFFICER |
| | |

| | |
|---|---|
| GRAND TOTAL | 198368.91 |
| LESS DISCOUNT | 0.00 |
| NETT AMOUNT | 198368.91 |

# Order - Payment

G0000981

VAT Registration number:4000846248

SUPPLIER NAME: PIENAAR BROTHERS (PTY) LTD [P00042 ]
SUPPLIER TEL NO: 021 511 8131 SUPPLIER FAX NO: 021 510 4470
VAT REGISTRATION NO: 0000048802350 74 PHYSICAL ADDRESS: 22 AUCKLAND STREET
DATE: 20230920

DIRECTORATE: Community Services
COST CENTRE: Property Services
NAME: Botha'D

| mSCOA CONFIG | DESCRIPTION | QUANTITY | UNIT PRICE EXCL. | AMOUNT EXCL. | AMOUNT INCL. | DISCOUNT |
|---|---|---|---|---|---|---|
| 012114096500 | GLOVE RUBBER 40CM ROUGH | 150.00 | 54.60 | 8190.00 | 9418.50 | |
| 012112096500 | GLOVE POLKADOT REVERSEABLE | 500.00 | 8.75 | 4375.00 | 5031.25 | |
| 012112396500 | GLOVE LEATHER PIGSKIN | 600.00 | 26.88 | 16128.00 | 18547.20 | |
| 012112196500 | GLOVES PIGSKIN | 250.00 | 26.88 | 6720.00 | 7728.00 | |
| 012112796500 | GLOVES LEATHER PIGSKIN | 250.00 | 26.88 | 6720.00 | 7728.00 | |
| 012116096500 | GLOVES LEATHER PIGSKIN | 350.00 | 26.88 | 9408.00 | 10819.20 | |
| 013111596501 | GLOVES LEATHER PIGSKIN | 350.00 | 26.88 | 9408.00 | 10819.20 | |
| 012112096501 | GLOVES LEATHER PIGSKIN | 100.00 | 26.88 | 2688.00 | 3091.20 | |
| 012112796502 | GLOVES LEATHER PIGSKIN | 75.00 | 26.88 | 2016.00 | 2318.40 | |
| | | | GRAND TOTAL | 172878.31 | 198368.91 | |

| PAYMENT AUTHORIZATION | |
|---|---|
| DATE | 2023/09/20 |
| HEAD OF DEPARTMENT | PROCUREMENT OFFICER |
| | |

| | |
|---|---|
| GRAND TOTAL | 198368.91 |
| LESS DISCOUNT | 0.00 |
| NETT AMOUNT | 198368.91 |

203

PIENAAR BROTHERS
PERSONAL PROTECTIVE EQUIPMENT
A BLACK EMPOWERED COMPANY
Reg No. 2005/034625/07
VAT No. 4880235074

HEAD OFFICE CAPE TOWN
22 AUCKLAND STR,
PAARDEN EILAND
PO BOX 3521, CAPE TOWN 8000
TEL: 021 511 8131
FAX: 021 511 2464 (Sales)
FAX: 021 510 4470 (Admin)
EMAIL: info@pienaarbros.com
WEB: www.pienaarbros.com

BRANCHES:
DURBAN 031-709 2620
EAST LONDON 043-722 6592
GEORGE 044-873 0039
KATHU 053-723 2196
MOSSEL BAY 044-695 0357
PORT ELIZABETH 041-453 7194
SALDAHNA 022-714 2473
WORCESTER 023-342 1102
CAPEWINELANDS 021-864 1538

| INVOICE No. | PAGE |
|---|---|
| INV0002327336 | 1 |

# COPY TAX INVOICE

THEEWATERSKLOOF MUNICIPALITY
MAAA0034333
P O BOX 24
CALEDON
7230

SOUTH AFRICA

CUST.VAT #: 4000846248

| DELIVERY ADDRESS |
|---|
| THEEWATERSKLOOF MUNICIPALITY<br>CALEDON |

| YOUR REFERENCE | REFERENCE | CUSTOMER ORDER No. | ACCOUNT No. | DATE |
|---|---|---|---|---|
| MARTIN A/ D BOTHA | CHARLENE/ANT | G0000981 | 05143 | 20/9/2023 |
| INTERNAL ORDER No. | | SALES CENTRE | TERMS | LOCATION |
| 2234135 | | 10 | 30D | 100 |

| QUANTITY | STOCK CODE | DESCRIPTION | BACK ORDER | UNIT PRICE | VAT % | VAT AMOUNT | TOTAL |
|---|---|---|---|---|---|---|---|
| 500 | GPDREV | GLOVE"D"POLKA DOT REVERSABLE | 0 | 8.75 | 15 | 656.24 | 5,031.24 |
| 996 | GPSBPA | GLOVE LEATHER PIGSKIN | 979 | 26.88 | 15 | 4,015.87 | 30,788.35 |
| 179 | G608 | GLOVE PVC M/W 40CM ELASTIC CUF | 671 | 51.15 | 15 | 1,373.38 | 10,529.23 |
| 540 | GRL40R | GLOVE RUBBER 40CM ROUGH | 310 | 54.60 | 15 | 4,422.60 | 33,906.60 |
| 0 | CPRW | CHAIN PLASTIC RED/WHITE | 10 | 368.75 | 15 | 0.00 | 0.00 |
| | THIS IS A CHAINSAW GLOVE | | | | | | |
| 6 | GL6IL | GLOVE LEATHER 6CM GREEN LINED | 0 | 48.73 | 15 | 43.86 | 336.24 |
| 8 | MHR20 | MASK FFP2 HR-20 (1X25) | 12 | 127.50 | 15 | 153.00 | 1,173.00 |
| 350 | SRAC | SPECS RAVEN AVENGER PRO CLEAR | 0 | 34.05 | 15 | 1,787.63 | 13,705.13 |
| 0 | EPQD30 | EARPLUG FOAM CORD QUIET QD30 | 100 | 8.95 | 15 | 0.00 | 0.00 |
| 45 | BHV2LXL | JACKET REFLECT LIME HV200 XL | 0 | 52.95 | 15 | 357.41 | 2,740.16 |
| 20 | BHV2LS | JACKET REFLECT LIME HV200 S | 0 | 52.95 | 15 | 158.85 | 1,217.85 |
| 15 | BHV2LXXL | JACKET REFLECT LIME HV200 2XL | 0 | 52.95 | 15 | 119.14 | 913.39 |
| 60 | G602KW | GLOVE PVC MED WGHT KW | 0 | 16.18 | 15 | 145.62 | 1,116.42 |
| 50 | GNDLFL | GLOVE NITRILE DURA LITE FOAM ( | 0 | 11.90 | 15 | 89.25 | 684.25 |

| | | | |
|---|---|---|---|
| | WAYNE | SUB TOTAL | 88,819.01 |
| | | VAT @ 15% | 13,322.85 |
| Delivery Method | COL | TOTAL | **102,141.86** |

PIENAAR BROTHERS
PERSONAL PROTECTIVE EQUIPMENT

A BLACK EMPOWERED COMPANY
Reg No. 2005/034625/07
VAT No. 4880235074

**HEAD OFFICE CAPE TOWN**
22 AUCKLAND STR,
PAARDEN EILAND
PO BOX 3521, CAPE TOWN 8000
TEL: 021 511 8131
FAX: 021 511 2464 (Sales)
FAX: 021 510 4470 (Admin)
EMAIL: info@pienaarbros.com
WEB: www.pienaarbros.com

**BRANCHES:**

| | | | |
|---|---|---|---|
| DURBAN | 031-709 2620 | MOSSEL BAY | 044-695 0357 |
| EAST LONDON | 043-722 6592 | PORT ELIZABETH | 041-453 7194 |
| GEORGE | 044-873 0039 | SALDAHNA | 022-714 2473 |
| KATHU | 053-723 2196 | WORCESTER | 023-342 1102 |
| | | CAPEWINELANDS | 021-864 1538 |

| INVOICE No. | PAGE |
|---|---|
| INV0002327356 | 1 |

# COPY TAX INVOICE

THEEWATERSKLOOF MUNICIPALITY
MAAA0034333
P O BOX 24
CALEDON
7230

SOUTH AFRICA

CUST.VAT #: 4000846248

**DELIVERY ADDRESS**

THEEWATERSKLOOF MUNICIPALITY
CALEDON

| YOUR REFERENCE | REFERENCE | CUSTOMER ORDER No. | ACCOUNT No. | DATE |
|---|---|---|---|---|
| MARTIN A/ D BOTHA | CHARLENE/ANT | G0000981 | 05143 | 20/9/2023 |
| **INTERNAL ORDER No.** | | **SALES CENTRE** | **TERMS** | **LOCATION** |
| 2234135 | | 10 | 30D | 100 |

| QUANTITY | STOCK CODE | DESCRIPTION | BACK ORDER | UNIT PRICE | VAT % | VAT AMOUNT | TOTAL |
|---|---|---|---|---|---|---|---|
| 0 | GPSBPA | GLOVE LEATHER PIGSKIN | 979 | 26.88 | 15 | 0.00 | 0.00 |
| 0 | G608 | GLOVE PVC M/W 40CM ELASTIC CUF | 671 | 51.15 | 15 | 0.00 | 0.00 |
| 0 | GRL40R | GLOVE RUBBER 40CM ROUGH | 310 | 54.60 | 15 | 0.00 | 0.00 |
| 0 | CPRW | CHAIN PLASTIC RED/WHITE | 10 | 368.75 | 15 | 0.00 | 0.00 |
| | THIS IS A CHAINSAW GLOVE | | | | | | |
| 0 | MHR20 | MASK FFP2 HR-20 (1X25) | 12 | 127.50 | 15 | 0.00 | 0.00 |
| 100 | EPQD30 | EARPLUG FOAM CORD QUIET QD30 | 0 | 8.95 | 15 | 134.25 | 1,029.25 |

| | | | |
|---|---|---|---|
| | WAYNE | SUB TOTAL | 895.00 |
| | | VAT @ 15% | 134.25 |
| Delivery Method | COL | **TOTAL** | **1,029.25** |

205

PIENAAR BROTHERS
PERSONAL PROTECTIVE EQUIPMENT
A BLACK EMPOWERED COMPANY
Reg No. 2005/034625/07
VAT No. 4880235074

HEAD OFFICE CAPE TOWN
22 AUCKLAND STR,
PAARDEN EILAND
PO BOX 3521, CAPE TOWN 8000
TEL: 021 511 8131
FAX: 021 511 2464 (Sales)
FAX: 021 510 4470 (Admin)
EMAIL: info@pienaarbros.com
WEB: www.pienaarbros.com

BRANCHES:
DURBAN 031-709 2620
EAST LONDON 043-722 6592
GEORGE 044-873 0039
KATHU 053-723 2196
MOSSEL BAY 044-695 0357
PORT ELIZABETH 041-453 7194
SALDANHA 022-714 2473
WORCESTER 023-342 1102
CAPEWINELANDS 021-864 1538

| INVOICE No. | PAGE |
|---|---|
| INV0002330413 | 1 |

# COPY TAX INVOICE

THEEWATERSKLOOF MUNICIPALITY
MAAA0034333
P O BOX 24
CALEDON
7230

SOUTH AFRICA

CUST.VAT #: 4000846248

DELIVERY ADDRESS
THEEWATERSKLOOF MUNICIPALITY
CALEDON

| YOUR REFERENCE | REFERENCE | CUSTOMER ORDER No. | ACCOUNT No. | DATE |
|---|---|---|---|---|
| MARTIN A/ D BOTHA | CHARLENE/ANT | G0000981 | 05143 | 29/9/2023 |
| INTERNAL ORDER No. | | SALES CENTRE | TERMS | LOCATION |
| 2234135 | | 10 | 30D | 100 |

| QUANTITY | STOCK CODE | DESCRIPTION | BACK ORDER | UNIT PRICE | VAT % | VAT AMOUNT | TOTAL |
|---|---|---|---|---|---|---|---|
| 979 | GPSBPA | GLOVE LEATHER PIGSKIN | 0 | 26.88 | 15 | 3,947.32 | 30,262.84 |
| 0 | G608 | GLOVE PVC M/W 40CM ELASTIC CUF | 671 | 51.15 | 15 | 0.00 | 0.00 |
| 80 | GRL40R -ibt box | GLOVE RUBBER 40CM ROUGH | 230 | 54.60 | 15 | 655.20 | 5,023.20 |
| 0 | MHR20 | MASK FFP2 HR-20 (1X25) | 12 | 127.50 | 15 | 0.00 | 0.00 |
| 10 | GLFN ibt box | GLOVE LEATHER FORESTRY NYLON | 0 | 368.75 | 15 | 553.13 | 4,240.63 |

| | | | |
|---|---|---|---|
| Delivery Method | DEL | SUB TOTAL | 34,371.02 |
| | | VAT @ 15% | 5,155.65 |
| | | **TOTAL** | **39,526.67** |

PIENAAR BROTHERS
PERSONAL PROTECTIVE EQUIPMENT
A BLACK EMPOWERED COMPANY
Reg No. 2005/034625/07
VAT No. 4880235074

HEAD OFFICE CAPE TOWN
22 AUCKLAND STR,
PAARDEN EILAND
PO BOX 3521, CAPE TOWN 8000
TEL: 021 511 8131
FAX: 021 511 2464 (Sales)
FAX: 021 510 4470 (Admin)
EMAIL: info@pienaarbros.com
WEB: www.pienaarbros.com

BRANCHES:
DURBAN 031-709 2620
EAST LONDON 043-722 6592
GEORGE 044-873 0039
KATHU 053-723 2196
MOSSEL BAY 044-695 0357
PORT ELIZABETH 041-453 7194
SALDAHNA 022-714 2473
WORCESTER 023-342 1102
CAPEWINELANDS 021-864 1538

| INVOICE No. | PAGE |
|---|---|
| INV0002332448 | 1 |

# COPY TAX INVOICE

THEEWATERSKLOOF MUNICIPALITY
MAAA0034333
P O BOX 24
CALEDON
7230

SOUTH AFRICA

CUST.VAT #: 4000846248

| DELIVERY ADDRESS |
|---|
| THEEWATERSKLOOF MUNICIPALITY<br>CALEDON |

| YOUR REFERENCE | REFERENCE | CUSTOMER ORDER No. | ACCOUNT No. | DATE |
|---|---|---|---|---|
| MARTIN A/ D BOTHA | CHARLENE/ANT | G0000981 | 05143 | 5/10/2023 |
| INTERNAL ORDER No. | | SALES CENTRE | TERMS | LOCATION |
| 2234135 | | 10 | 30D | 100 |

| QUANTITY | STOCK CODE | DESCRIPTION | BACK ORDER | UNIT PRICE | VAT % | VAT AMOUNT | TOTAL |
|---|---|---|---|---|---|---|---|
| 0 | G608 | GLOVE PVC M/W 40CM ELASTIC CUF | 671 | 51.15 | 15 | 0.00 | 0.00 |
| 160 | GRL40R | GLOVE RUBBER 40CM ROUGH | 70 | 54.60 | 15 | 1,310.40 | 10,046.40 |
| | | -ibt box- 20PRS FROM E/LONDON, 80PRS FROM DURBAN, 20PRS FROM P/ELIZABETH, 20PRS FROM KATHU | | | | | |
| 12 | MHR20 | MASK FFP2 HR-20 (1X25) | 0 | 127.50 | 15 | 229.50 | 1,759.50 |
| | DUST MASKS | STOCK LOADED 02/10/2023 | | | | | |
| | ibt box | | | | | | |

| | | | |
|---|---|---|---|
| | GLEN | SUB TOTAL | 10,266.00 |
| | | VAT @ 15% | 1,539.90 |
| Delivery Method | DEL | TOTAL | 11,805.90 |

207

PIENAAR BROTHERS
PERSONAL PROTECTIVE EQUIPMENT
A BLACK EMPOWERED COMPANY
Reg No. 2005/034625/07
VAT No. 4880235074

HEAD OFFICE CAPE TOWN
22 AUCKLAND STR,
PAARDEN EILAND
PO BOX 3521, CAPE TOWN 8000
TEL: 021 511 8131
FAX: 021 511 2464 (Sales)
FAX: 021 510 4470 (Admin)
EMAIL: info@pienaarbros.com
WEB: www.pienaarbros.com

BRANCHES:
DURBAN 031-709 2620
EAST LONDON 043-722 6592
GEORGE 044-873 0039
KATHU 053-723 2196
MOSSEL BAY 044-695 0357
PORT ELIZABETH 041-453 7194
SALDANHA 022-714 2473
WORCESTER 023-342 1102
CAPEWINELANDS 021-864 1538

| INVOICE No. | PAGE |
|---|---|
| INV0002335189 | 1 |

# COPY TAX INVOICE

THEEWATERSKLOOF MUNICIPALITY
MAAA0034333
P O BOX 24
CALEDON
7230

SOUTH AFRICA

CUST.VAT #: 4000846248

| DELIVERY ADDRESS |
|---|
| THEEWATERSKLOOF MUNICIPALITY<br>CALEDON |

| YOUR REFERENCE | REFERENCE | CUSTOMER ORDER No. | ACCOUNT No. | DATE |
|---|---|---|---|---|
| MARTIN A/ D BOTHA | CHARLENE/ANT | G0000981 | 05143 | 12/10/2023 |
| INTERNAL ORDER No. | | SALES CENTRE | TERMS | LOCATION |
| 2234135 | | 10 | 30D | 100 |

| QUANTITY | STOCK CODE | DESCRIPTION | BACK ORDER | UNIT PRICE | VAT % | VAT AMOUNT | TOTAL |
|---|---|---|---|---|---|---|---|
| 671 | G608 | GLOVE PVC M/W 40CM ELASTIC CUF | 0 | 51.15 | 15 | 5,148.25 | 39,469.90 |
| 0 | GRL40R | GLOVE RUBBER 40CM ROUGH | 70 | 54.60 | 15 | 0.00 | 0.00 |

| | | | |
|---|---|---|---|
| Delivery Method | DEL | SUB TOTAL | 34,321.65 |
| | | VAT @ 15% | 5,148.25 |
| | | TOTAL | 39,469.90 |

PIENAAR BROTHERS
PERSONAL PROTECTIVE EQUIPMENT
PIENAAR BROTHERS (PTY) LTD
A BLACK EMPOWERED COMPANY
Reg No. 2005/034625/07
VAT No. 4880235074

HEAD OFFICE CAPE TOWN
22 AUCKLAND STR,
PAARDEN EILAND
PO BOX 3521, CAPE TOWN 8000
TEL: 021 511 8131
FAX: 021 511 2464 (Sales)
FAX: 021 510 4470 (Admin)
EMAIL: info@pienaarbros.com
WEB: www.pienaarbros.com

BRANCHES:

| | | | |
|---|---|---|---|
| DURBAN | 031-709 2620 | MOSSEL BAY | 044-695 0357 |
| EAST LONDON | 043-722 6592 | PORT ELIZABETH | 041-453 7194 |
| GEORGE | 044-873 0039 | SALDAHNA | 022-714 2473 |
| KATHU | 053-723 2196 | WORCESTER | 023-342 1102 |
| | | CAPEWINELANDS | 021-864 1538 |

| INVOICE No. | PAGE |
|---|---|
| INV0002363115 | 1 |

# COPY TAX INVOICE

THEEWATERSKLOOF MUNICIPALITY
MAAA0034333
P O BOX 24
CALEDON
7230

SOUTH AFRICA

CUST.VAT #: 4000846248

DELIVERY ADDRESS
THEEWATERSKLOOF MUNICIPALITY
CALEDON

| YOUR REFERENCE | REFERENCE | CUSTOMER ORDER No. | ACCOUNT No. | DATE |
|---|---|---|---|---|
| MARTIN A/ D BOTHA | CHARLENE/ANT | G0000981 | 05143 | 23/1/2024 |
| INTERNAL ORDER No. | | SALES CENTRE | TERMS | LOCATION |
| 2234135 | | 10 | 30D | 100 |

| QUANTITY | STOCK CODE | DESCRIPTION | BACK ORDER | UNIT PRICE | VAT % | VAT AMOUNT | TOTAL |
|---|---|---|---|---|---|---|---|
| 70 | GRL40R | GLOVE RUBBER 40CM ROUGH | 0 | 54.60 | 15 | 573.30 | 4,395.30 |

| | | | | |
|---|---|---|---|---|
| Delivery Method | DEL | **Bank Details**<br>**Bank : Nedbank**<br>**Branch : Milnerton**<br>**Branch Code : 109209**<br>**Acc No. : 1092042229** | SUB TOTAL<br>VAT @ 15%<br>TOTAL | 3,822.00<br>573.30<br>4,395.30 |

209

CAPE TOWN
22 AUCKLAND STREET
PAARDEN EILAND WESTERN CAPE SOUTH AFRICA
Tel. +27 (0)21 511-8131
E-mail: info@pienaarbros.com
Website: www.pienaarbrothers.co.za

PIENAAR BROTHERS
PERSONAL PROTECTIVE EQUIPMENT

B-BBEE LEVEL 1

**CSD No:** MAAA0034333

# QUOTATION

## QT0000500318

**To** THEEWATERSKLOOF MUNICIPALITY

**Date** 15/09/2023
**Account No** 05143
**Sales Rep** VAN DORP ANTOINETT
**Our Reference** 1000226104
**Customer Ref**
**Rep Code** 10

**Address**
MAAA0034333
P O BOX 24
CALEDON
7230

**Deliver To**
CALEDON

| Qty | Item Number | Description | Unit Price | UOM | Amount |
|---|---|---|---|---|---|
| 500 | GPDREV | GLOVE"D"POLKA DOT REVERSABLE | 8.75 | PR | 4,375.00 |
| 2,000 | GPSBPA | GLOVE LEATHER PIGSKIN | 26.88 | PR | 53,760.00 |
| 850 | G608 | GLOVE PVC M/W 40CM ELASTIC CUFF | 51.15 | PR | 43,477.50 |
| 850 | GRL40R | GLOVE RUBBER 40CM ROUGH | 54.60 | PR | 46,410.00 |
| 10 | CPRW | CHAIN PLASTIC RED/WHITE<br>THIS IS A CHAINSAW GLOVE | 368.75 | M | 3,687.50 |
| 6 | GL6IL | GLOVE LEATHER 6CM GREEN LINED | 48.73 | PR | 292.38 |
| 20 | MHR20 | MASK FFP2 HR-20 (1X25) | 127.50 | PACK | 2,550.00 |
| 400 | SRAC | SPECS RAVEN AVENGER PRO CLEAR AFBC | 34.05 | PR | 13,620.00 |
| 100 | EPQD30 | EARPLUG FOAM CORD QUIET QD30 | 8.95 | PR | 895.00 |
| 50 | BHV2LM | JACKET REFLECT LIME HV200 M | 52.95 | EA | 2,647.50 |
| 50 | BHV2LL | JACKET REFLECT LIME HV200 L | 52.95 | EA | 2,647.50 |
| 45 | BHV2LXL | JACKET REFLECT LIME HV200 XL | 52.95 | EA | 2,382.75 |
| 20 | BHV2LS | JACKET REFLECT LIME HV200 S | 52.95 | EA | 1,059.00 |
| 15 | BHV2LXXL | JACKET REFLECT LIME HV200 2XL | 52.95 | EA | 794.25 |
| 50 | GNDL2L | GLOVE NITRILE DURA LITE 2 (9) L | 11.90 | PR | 595.00 |
| 60 | G602KW | GLOVE PVC MED WGHT KW | 16.18 | PR | 970.80 |

**Prices**

The above prices exclude VAT, and will remain valid for 7 working days and subject to stock availability. Thereafter prices will be subject to price ruling. Kindly note that if applicable surcharges will apply to larger size garments.

**Funds need to reflect before goods can be released.**
Bank: Nedbank Milnerton
Branch Number: 198765
Account Name: Pienaar Brothers. (Pty) Ltd
Account Type: Cheque
Account Number: 1092 042 229
Accounts Email: info@pienaarbros.com

| | |
|---|---|
| **SUBTOTAL** | 180,164.18 |
| **VAT** | 27,024.63 |
| **TOTAL** | **207,188.81** |

We assure you of our best attention at all times.

Yours faithfully,
ANTOINETTE

ANTOINETTE - 15-09-2023 / 02:12:38PM

## Andiswa Madyosi

**From:** Andiswa Madyosi
**Sent:** Wednesday, 13 September 2023 12:31
**To:** Reynold Stevens
**Cc:** Joseph Amansure; Wilfred Schrevian Evan Solomons-Johannes
**Subject:** RE: PPE Crisis

Good Day Mr Stevens

Kindly refer to the requested list below which includes all towns.

| Description | Quantities |
|---|---|
| Cotton Gloves with studs | 500 |
| Pigskin Gloves | 2000 |
| PVC Shoulder Length Gloves Red | 850 |
| PVC Shoulder Length Gloves Black | 850 |
| Chainsaw Gloves | 10 pairs |
| 6 Cm Green Welders Glove | 6 |
| Masks FFP2 | 20 Boxes of 20 |
| Safety Glasses | 20 Boxes of 20 |
| Earplugs | 4 Boxes of 100 |
| Safety Reflector Vests | 180 ( 50 M, 50 L, 45 XL, 20 S, 15 XXL, |
| Garden Gloves | 50 Pairs |
| PVC Rubber Short Red | 60 Pairs |
| | |

The breakdown of this list will be used for distribution purposes based on each town's needs analysis they submitted.

Regards
Andiswa

**From:** Reynold Stevens <reynoldst@twk.gov.za>
**Sent:** Monday, September 11, 2023 3:04 PM

**To:** Andiswa Madyosi <andiswama@twk.gov.za>
**Cc:** Joseph Amansure <josepham@twk.gov.za>; Wilfred Schrevian Evan Solomons-Johannes <wilfredso@twk.gov.za>
**Subject:** RE: PPE Crisis

Good afternoon, Andiswa.

I made a recommendation to the MM for him to consider for the interim period. You are tasked to submit a list of the most urgent non-expensive items by Wednesday 13 September 2023 at 12:00.

Kindly consult with Mr Amansure in respect of the requested list. I must submit the list to the MM for his consideration.

Thanking you.

**From:** Andiswa Madyosi <andiswama@twk.gov.za>
**Sent:** Monday, September 11, 2023 11:46 AM
**To:** Reynold Stevens <reynoldst@twk.gov.za>
**Cc:** Joseph Amansure <josepham@twk.gov.za>; Wilfred Schrevian Evan Solomons-Johannes <wilfredso@twk.gov.za>; Paul Mabhena <paulma@twk.gov.za>
**Subject:** RE: PPE Crisis

Good Morning Mr Stevens

After the BAC there's 21 days appeal period, If there are no appeals we'll generate purchase requisitions and order number and still wait about a month before we receive PPE.

Our Officials are without gloves now, what are they going to do in the interim?

How do I respond on emails enquiring about gloves and their health and safety that is at risk?

Regards
Andiswa

**From:** Reynold Stevens <reynoldst@twk.gov.za>
**Sent:** Friday, September 8, 2023 9:31 AM
**To:** Andiswa Madyosi <andiswama@twk.gov.za>
**Cc:** Joseph Amansure <josepham@twk.gov.za>; Wilfred Schrevian Evan Solomons-Johannes <wilfredso@twk.gov.za>
**Subject:** RE: PPE Crisis

Good morning, Andiswa.

The BAC will meet on Monday, 11 September 2023 to consider the PPE Tender for Approval.

Many thanks.

**From:** Andiswa Madyosi <andiswama@twk.gov.za>
**Sent:** Friday, September 8, 2023 8:47 AM
**To:** Wilfred Schrevian Evan Solomons-Johannes <wilfredso@twk.gov.za>; Reynold Stevens <reynoldst@twk.gov.za>
**Cc:** Joseph Amansure <josepham@twk.gov.za>; Paul Mabhena <paulma@twk.gov.za>; Ashwille Riddles <ashwilleri@twk.gov.za>; Jan Barnard <janba@twk.gov.za>
**Subject:** RE: PPE Crisis

Good Day MM

Kindly refer to the attached email for facts.
I'm pleading with you to act on this matter with urgency as the Accounting Officer.

Regards
Andiswa

**From:** Wilfred Schrevian Evan Solomons-Johannes <wilfredso@twk.gov.za>
**Sent:** Tuesday, September 5, 2023 4:36 AM
**To:** Andiswa Madyosi <andiswama@twk.gov.za>; Reynold Stevens <reynoldst@twk.gov.za>
**Cc:** Joseph Amansure <josepham@twk.gov.za>; Paul Mabhena <paulma@twk.gov.za>; Ashwille Riddles <ashwilleri@twk.gov.za>; Jan Barnard <janba@twk.gov.za>
**Subject:** RE: PPE Crisis

Dear Andiswa:

Your e-mail below refers. Your e-mail below lack factual information without any needs requirements which is required to make an informed decision.

Kind Regards

**Wilfred Schrevian Evan Solomons-Johannes**
**Municipal Manager**
**Theewaterskloof Municipality**
**Tel: 028 214 4211 or 028 214 3300**

Kindly Regards
Andiswa

**Andiswa Madyosi**
Head: Occupational Health and Safety and Risk Management
Human Resources

**Reynold Stevens**
Acting Director
Corporate Services

**Andiswa Madyosi**
Head: Occupational Health and Safety and Risk Management
Human Resources

**Reynold Stevens**
Acting Director
Corporate Services

**Andiswa Madyosi**

215

**From:** Willie Steyn
**Sent:** Tuesday, 05 September 2023 11:36
**To:** Andiswa Madyosi
**Cc:** Adrian Wessels; Trevor Petersen; Marco de Jongh
**Subject:** PPE

I am struggling to get answers regarding to when we are getting our Gloves, we are forced to work without glove with sewage at our pumps that keeps on getting blocked and there are no gloves for us. Can you please assist to buy gloves for the people that are working without Gloves please its unsafe and very dangerous to allows them to work like that.

Regards
W Steyn

Get Outlook for Android

PRIVACY AND CONFIDENTIALITY DISCLAIMER: The Theewaterskloof Municipality and Staff are committed to ensuring that it safeguards personal/private information of data subjects and to respect their right to privacy in accordance with the provisions of the South African Constitution, the Protection of Personal Information Act, 2013 (POPIA) and the Promotion of Access to Information Act, 2000 (PAIA). This email message contains information which may be confidential, personal, private, or privileged in nature and is intended solely for use by the recipient and others authorized to receive it for the specific purpose for which it was sent. If you are not the intended recipient, you are prohibited from using, misusing, disseminating, altering, forwarding, storing, or copying the information, and are hereby notified that such action in relation to the contents of this information is unlawful which may result in your being held liable arising out of your non-compliance. If you have received this message in error, please notify the sender immediately and delete and/or destroy the message from your system.

**ITEM TITLE**

**SC80/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE COMMUNITY SERVICES: IRREGULAR EXPENDITURE WITH REGARDS TO THE SUPPLY AND FIT NEW H/P HOSES WITH FITTINGS - KAI-MA SERVICES (PTY) LTD FOR CAM 34735**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE OF REPORT**

The purpose of this report is to inform the MPAC committee on the irregular expenditure with regards to the Supply and fit new H/P Hoses with fittings - KAI-Ma Services (Pty) Ltd for CAM 34735.

**BACKGROUND**

**2023/24 AG Findings:** *This results in non-compliance with regulation 17(1) (a) and (c) as goods were procured without obtaining the required price quotations. Deviations were approved by the accounting officer even though it was not impractical to obtain price quotations in contravention with regulation 36(1) (a). This results in irregular expenditure of R60 832, 98. The non-compliance is not individually material but will be evaluated with other instances of non-compliance.*

**Management Response**

*Management disagrees with the findings.*

*We observed a leak in the HP hoses. Normally this could be repaired hence we deviate from the normal procedure as the extent of the damage needs to be determined by a Service Provider.*

*Defects like this need to be striped and only after this can a quote be provided by the supplier*

*The Service Provider informed us that the hose needs to be replaced. That is the reason why it is Impractical to appoint another services provider.*

*It is not cost effective or practical to take and drive a vehicle to different suppliers to strip, do a diagnostic and give a quotation as no supplier will do this for free as there is time involved.*

*Service provider has proven track record with the municipality and therefore was approach for this procurement.*

**AG Response**

***Finding remains.***

*We take note of managements comments however the finding still remains for the following reasons:*

1.) *Management has indicated that it is not cost effective or practical to take and drive a vehicle to different suppliers to strip, do a diagnostic and give a quotation, however the municipality could have obtained quotations from different suppliers on the strip and diagnostic services only prior to actual delivery of the vehicle for the stripping.*

2.) *We further take note that the service provider has proven track record with the municipality, however this is not a justifiable reason for deviating from a competitive bidding process.*

**DISCUSSION**

As per attachment.

**COMMENTS FROM THE DIRECTORATE COMMUNITY SERVICES (OPERATIONAL)**

That the matter be reported to MPAC as irregular expenses in accordance with Section 32 of the LG: MFMA. Council received value for money and did not suffer any losses or damage.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The irregular expenditure of R60 832.98 has been recorded in 2023/2024 financial statements. Management should ensure that recurrence is prevented.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA states that any official of a municipality who deliberately or negligently committed, made or authorized an irregular expenditure is liable for that expenditure. A municipality must recover such expenditure from the person liable for that expenditure, unless Council certifies the irregular expenditure as irrecoverable, after MPAC has investigated and recommended it. Irregular expenditure for the purpose of this item means expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality and which has not been condoned in terms of such policy.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result in Council Losing money and not receiving value for money. However, in this case Council did not suffer any losses or damages and received value for money.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R60 832.98 be written off for the financial year 2023/2024.**

**RECOMMENDATION BY MANAGEMENT TO MPAC: 12 FEBRUARY 2026**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R60 832.98 be written off for the financial year 2023/2024.**

**DISCUSSION DURING MEETING:**

Councillor S Stander – Supporting documents attached answered all the questions. Is Kai-Ma Services (Pty) Ltd the only company available to repair the compactor pipe?

Mr WSE Solomons-Johannes – No company in TWK to do the repair work. This is the only company that specializes in this vehicle.

Councillor S Stander – Price paid, is it market-related?

Mr WSE Solomons-Johannes – Prices are checked for market industry price. New tender in place to address deviations in future.

Mr E Lakey – To check for market-related prices become a problem especially with the specialized equipment within the municipality which might result into reoccurring findings.

**RECOMMENDATION BY MPAC TO COUNCIL: 29 APRIL 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander and seconded by Councillor DJ Jacobs, it was recommended as follows:

**In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R60 832.98 be written off for the financial year 2023/2024.**

**RECOMMENDATION TO COUNCIL:**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R60 832.98 be written off for the financial year 2023/2024.**

**RESOLVED BY COUNCIL: 28 MAY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman MR Nongxaza and seconded by Councillor C Smith, it was resolved as follows:

**In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, Council resolved that the irregular expenditure in the amount of R60 832.98 be written off for the financial year 2023/2024.**

*For finalization by the Director: Community Services, Mr WSE Solomons-Johannes.*

**RECOMMENDATION TO COUNCIL:**

**Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.**

ANNEXURE A

# Status Report– Preferential Procurement Regulations 2022

## In terms of SCM and MFMA requirements and remedial action required if necessary

1

| What was the initial Purpose |
|---|
| COMAF 21 of 2023 CAM 34735 required a strip and quote process to determine the extent and cost of repairs. |

2

| Initial Scope of Contract and if uncertain please explain |
|---|
| A strip and quote repair procurement process was undertaken on CAM 34735 to repair the defects outlined in the quotation. |

3

| Initial Contract Value and if uncertain please explain |
|---|
| The quotation was R60 832.98 (ANNEXURE A) |

4

| Initial Expiry Date and if uncertain please explain |
|---|
| Quotation was valid for 30 days (ANNEXURE A) |

5

| Was normal SCM Process followed and complied with | | | |
|---|---|---|---|
| Yes | X | no | Uncertain |
| **Explain of motivate your response** | | | |
| Deviation process was followed on a strip and quote basis and was approved by the delegated official in the finance department – Annielle Martin – Email dated: Tuesday, 14 May, 2024 11:42am (ANNEXURE B) | | | |

6

| Has the purpose, scope or contract period been extended or expanded since the initial appointment of the service provider | | | |
|---|---|---|---|
| Yes | | No | X | Uncertain |
| **Explain or motivate your response** | | | |
| N/A | | | |

ANNEXURE A

7

| Was a formal contract or SLA initially entered into in terms of SCM and MFMA Requirements | | |
|---|---|---|
| Yes **X** | No | Uncertain |
| **Explain or motivate your response** | | |
| An official order was generated after the deviation approval. (ANNEXURE C) | | |

8

| Should a contract not have existed has it since been entered into and has all compliance requirements like as it applies in respect of the SCM process and or for purposes of deviations been complied with |
|---|
| **N/A** |
| **Motivate or explain your response** |
| All contractual compliances has been adhered to and administered. |

9

| Did Council because of this transaction received best value for money i.e. in spite of non-compliance, if any with SCM or MFMA requirements | | |
|---|---|---|
| Yes X | No | Uncertain |
| **Please explain or motivate your response above** | | |
| Can be confirmed that the most advantageous combination of cost, quality and sustainability was received. | | |

10

| Has the Municipality suffered any losses or damages as a result of non-compliance with any of the MFMA or SCM requirements | | |
|---|---|---|
| Yes | No X | Uncertain |
| **Please explain or motivate your response above** | | |
| Work was successfully completed. | | |

ANNEXURE A

11

| Are you satisfied with the performance of the current service providers | | | |
|---|---|---|---|
| Yes | X | No | Uncertain |
| **Please explain or motivate your response above** | | | |
| Work was executed in terms of the contractual condition and quotation obtained. | | | |

12

| Has the director investigated and established whether or not there is not at this point a better service provider, price or product which would justify a new procurement process and a reconsideration of the current service provider, product or price | | | |
|---|---|---|---|
| | | | |
| **Please explain or motivate your response above** | | | |
| No investigation was needed as normal SCM/procurement process was followed as explained above. | | | |

14

| Could any form of non-compliance have been prevented | | | |
|---|---|---|---|
| Yes | | No X | Uncertain |
| **Explain or motivate your response above** | | | |
| No, as it was impractical and impossible to obtain quotations without conducting a strip and quote procurement process in order to accurately identify the extent of the defects. | | | |

15

| What remedies have been put in place to prevent any non-compliance being repeated | | |
|---|---|---|
| | | |
| **Explain or motivate your response above** | | |
| A tender was compiled within the Directorate: Community Services for the repair and maintenance of the fleet, which, once awarded, will eliminate the need to deviate from the normal SCM procurement process.<br><br>Tender COMM07-2023-2024 Repairs Maintenance Service Vehicles<br><br>• Advertised: 14.08.2025 – Closing Date: 19.09.2025 – 4 bids received.<br>• Fleet Management Branch completed technical evaluation and submitted report to SCM on 29.09.2025.<br>• BEC: 17.11.2025<br>• BAC: Approved Tender 27.11.2025<br>• Appeal letters sent Friday 16.01.2026 – 21 days appeal period. | | |

ANNEXURE A

16

**General or additional Comments of the Director Concerned**

M.A.E. Adeomen 22.01.2026

Signature of Director Concerned Date

17

**General Comments/Findings and recommendations of the CFO**

Value for money was obtained

Signature of CFO Date 22/01/2026

18

**General Comments/Findings and or recommendations of the Chief Audit Executive**

Signature of Chief Audit Executive Date 22/01/2026

19

**Final response of the Director Concerned for consideration by the Municipal Manager**

Value for money obtained

M.A.E. Adeomen 22.01.2026

Signature of the Director concerned Date

20

**General Comments and findings of the Municipal Manager**

1.

Signature of the Municipal Manager Date 27/1/2026

AUDITOR-GENERAL
SOUTH AFRICA

The Accounting Officer
Theewaterskloof Municipality
PO Box 24
Caledon
7230

28 October 2024

Reference: Communication No.21 of 2023

Dear Mr. R Stevens

**COMMUNICATION OF FINDINGS IDENTIFIED DURING THE AUDIT OF COMPLIANCE WITH LEGISLATION FOR THE YEAR ENDED 30 JUNE 2024**

**SCM: Reason for not following the official procurement processes (Deviation) not justifiable**

**Background**

1. In performing the audit of compliance with legislation, we identified instances of non-compliance as described in the annexure. We have recorded the internal control deficiency that gave rise to the instances of non-compliance and our recommendation for correcting the instances of non-compliance for your consideration.
2. The finding will be included in the management report including your comments and our final response.

**Required**

3. You are requested to indicate whether you agree with the facts stated in the annexure including whether you agree with the identified internal control deficiency. Should you disagree, please provide us with documentary evidence to the contrary within 5 days from the date of this communication, as agreed in the engagement letter.
4. Should you agree, you are hereby requested to make the necessary corrections.
5. Should you choose not to make the necessary corrections, kindly communicate your reasons for this within 5 days from the date of this communication, as agreed in the engagement letter. The remaining uncorrected misstatement will then be evaluated for reporting purposes based on materiality.
6. Should you choose to make the necessary corrections, kindly refer the point(s) described below and provide us with the necessary information within 5 days from the date of this communication, as agreed in the engagement letter.
7. Please provide us with the reasons for the instances of non-compliance and the steps that will be taken to rectify the matter in future.

Yours sincerely

Unathi Mnqanqeni
Senior Manager: Western Cape

Enquiries: Henno Pretorius
Cell phone: 064 907 4146
Telephone: (021) 528 4100
Fax: (021) 528 4200
Email: hennop@agsa.co.za

**Acknowledgement of receipt by management:**

Received by _____ Date _____

**DETAILED AUDIT FINDING**

**Procurement and contract management**

**Unjustified deviations from normal Supply chain processes**

In terms of section 2(1)(b) of the Supply Chain Management (SCM) regulations, *"each municipality and municipal entity must in terms of section 111 of the Act have and implement a supply chain management policy that –*

*(b) is fair, equitable, transparent, competitive and cost effective;"*

Section 19 of the Municipal Supply Chain Management Regulations on Competitive bids states *"A supply chain management policy must specify—*

a) *that goods or services above a transaction value of R200 000 (VAT included) and long-term contracts may be procured by the municipality or municipal entity only through a competitive bidding process, subject to regulation 11(2); and*
b) *that no requirement for goods or services above an estimated transaction value of R200 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process."*

Section 36 of the Municipal Supply Chain Management Regulations states that;

*(1.) "A supply chain management policy may allow the accounting officer –*

*(a.) to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*

*(i) In the case an emergency;*
*(ii) If such goods or services are produced or available from a single provider only;*
*(iii) For the acquisition of special works of art or historical objects where specifications are difficult to compile;*
*(iv) Acquisition of animals for zoos; or*
*(v) In any other exceptional case where it is impractical or impossible to follow the official procurement processes; and*

*(b.) to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely technical.*

*(2.) The accounting officer must record the reasons for any deviations in terms of sub-regulation (1) (a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements*

*(3.) In terms of the Supply Chain Management (SCM) regulations 5: "An accounting officer may in terms of section 79 or 1 06 of the Act sub delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of regulation 4(1), but any such sub delegation must be consistent with sub regulation (2) and regulation 4".*

Furthermore, paragraph 37 of the municipality's supply chain policy states that:
***"37. DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSES***

*1. The Accounting Officer may –*

a) *dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*
*(i) in an emergency; (An emergency is an unforeseeable sudden event with harmful or potential harmful consequences for the municipality which requires urgent action to address.)*

*Circumstances that warrant emergency dispensation, includes but are not limited to –*

a) *the possibility of human injury or death,*
b) *the prevalence of human suffering or deprivation of rights,*
c) *the possibility of damage to property, or suffering and death of livestock and animals, the*
d) *interruption of essential services, including transportation and communication facilities or*
e) *support services critical to the effective functioning of the municipality as a whole, the possibility of serious damage occurring to the natural environment,*
f) *the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service,*
g) *the possibility that the security of the state could be compromised.*

2. *The Accounting Officer must record the reasons for any deviations in terms of subparagraphs 36(1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.*
3. *Subparagraph 36(2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy."*

During our testing of this deviation, we identified several instances where the justification for the deviation was inadequate.

## Part A: Inadequate Justification for Procurement Deviations

| No | Name of supplier and service provided | Category | Actual value of contract | Deviation date of approval | Auditor's comment |
|---|---|---|---|---|---|
| 1 | **Supply and fit new H/P Hoses with fittings - KAI-Ma Services (Pty) Ltd** | Any other exceptional case where it is impractical or impossible to follow the official procurement processes. | R60 832,98 | 14 May 2024 | The municipality deviated from SCM p procure repairs from Kai-Ma Services, compactor's hydraulic system failed. The experienced a backlog of waste collection a had to work after office hours to cover the b<br><br>Permission was granted from SCM to ser compactor for a strip and quote. Municipa compactor to Kai-Ma Services as they ar service providers that specializes in the hydraulic mechanical failures.<br><br>Despite the backlog in waste collection, the had sufficient time to follow a quotations pr repairs.<br><br>**Impact:** This results in non-compliance witl regulation 17(1)(a) and (c) as goods were procured without obtaining the required pric quotations.<br><br>Deviations were approved by the accountin even though it was not impractical obtain pri in contravention with regulation 36(1)(a). Th irregular expenditure of R60 832,98 compliance not individually material but will with other instances of non-compliance. |
| 2 | **Quotation to attend to defects on compactor CAM25570 - Trans Manufacturing (Pty) Ltd T/A TFM Transtech** | Any other exceptional case where it is impractical or impossible to follow the official procurement processes. | R31 524,31 | 26 March 2024 | The municipality deviated from the SCM procure vehicle repair services from the ser TFM Transtech as the bin picker was fault lift the bins. The driver did not identify damages on the truck. The defect was of a mechanical institution had to check the hy chemical parts in order to find the fault. The was sent to Transtech for strip and quote. is unjustifiable as alternative service pr available, the motivation does not stipulate reason for choosing the awarded sup quotations process could have been follo stripping and repairing of the trash picker.<br><br>**Impact:** This results in non-compliance witl regulation 17(1)(a) and (c) as goods were procured without obtaining the required pric quotations.<br><br>Deviations were approved by the accountin even though it was not impractical obtain pri in contravention with regulation 36(1)(a). Th irregular expenditure of R31 524,31 compliance not individually material but will with other instances of non-compliance. |

Requisition

4785935, KAI - MA SERVICES (PTY) LTD - Caledon - General

View workflows with status: All Go

1737470

New Requisition

| BP Ref | Task ID | Obj Ref | Date Allocated | Due Date | Date Completed | User | Task Title | % Compl | Actions |
|---|---|---|---|---|---|---|---|---|---|
| 206-60 | T3712830 | 4785935 | 2024-05-14 08:31 | 2024-05-15 08:31 | 2024-05-14 08:34 | Enrico Theunissen | Register New Requisition for Goods or Services | 100% | |
| 206-52 | T3712835 | 4785935 | 2024-05-14 08:34 | 2024-05-15 08:34 | 2024-05-14 10:13 | Enrico Theunissen | Capture New Requisition Line Items | 100% | |
| 208-1 | T3712934 | 4785977 | 2024-05-14 09:29 | 2024-05-14 09:29 | 2024-06-03 16:32 | Enrico Theunissen | New Requisition Line Item | 0% | |
| 208-1 | T3712939 | 4785980 | 2024-05-14 09:31 | 2024-05-14 09:31 | 2024-05-14 09:31 | Enrico Theunissen | New Requisition Line Item | 100% | |
| 208-5 | T3712941 | 4785980 | 2024-05-14 09:31 | 2024-05-14 09:31 | 2024-05-14 09:36 | Enrico Theunissen | Capture General Item Detail | 100% | |
| 208-1 | T3712946 | 4785983 | 2024-05-14 09:33 | 2024-05-14 09:33 | 2024-05-14 09:33 | Enrico Theunissen | New Requisition Line Item | 100% | |
| 208-5 | T3712947 | 4785983 | 2024-05-14 09:33 | 2024-05-14 09:33 | 2024-05-14 09:35 | Enrico Theunissen | Capture General Item Detail | 100% | |
| 213-1 | T3712919 | 4785972 | 2024-05-14 09:24 | 2024-05-15 09:24 | 2024-05-14 09:52 | Enrico Theunissen | Index Quotation/Bid from Supplier | 100% | |
| 208-1 | T3712907 | 4785970 | 2024-05-14 09:18 | 2024-05-14 09:18 | 2024-05-14 09:19 | Enrico Theunissen | New Requisition Line Item | 100% | |
| 208-5 | T3712908 | 4785970 | 2024-05-14 09:19 | 2024-05-14 09:19 | 2024-06-03 16:32 | Enrico Theunissen | Capture General Item Detail | 0% | |
| 208-1 | T3712888 | 4785967 | 2024-05-14 09:16 | 2024-05-14 09:16 | 2024-05-14 09:17 | Enrico Theunissen | New Requisition Line Item | 100% | |
| 208-5 | T3712902 | 4785967 | 2024-05-14 09:17 | 2024-05-14 09:17 | 2024-05-14 09:22 | Enrico Theunissen | Capture General Item Detail | 100% | |
| 208-1 | T3712884 | 4785966 | 2024-05-14 09:11 | 2024-05-14 09:11 | 2024-05-14 09:12 | Enrico Theunissen | New Requisition Line Item | 100% | |
| 208-5 | T3712885 | 4785966 | 2024-05-14 09:12 | 2024-05-14 09:12 | 2024-05-14 09:15 | Enrico Theunissen | Capture General Item Detail | 100% | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 208-1 | T3712880 | 4785959 | 2024-05-14 09:08 | 2024-05-14 09:08 | 2024-05-14 09:09 | Enrico Theunissen | New Requisition Line Item | 100% |
| 208-5 | T3712881 | 4785959 | 2024-05-14 09:09 | 2024-05-14 09:09 | 2024-05-14 09:15 | Enrico Theunissen | Capture General Item Detail | 100% |
| 208-1 | T3712876 | 4785957 | 2024-05-14 09:06 | 2024-05-14 09:06 | 2024-05-14 09:06 | Enrico Theunissen | New Requisition Line Item | 100% |
| 208-5 | T3712877 | 4785957 | 2024-05-14 09:06 | 2024-05-14 09:06 | 2024-05-14 09:14 | Enrico Theunissen | Capture General Item Detail | 100% |
| 208-1 | T3712872 | 4785955 | 2024-05-14 09:04 | 2024-05-14 09:04 | 2024-05-14 09:05 | Enrico Theunissen | New Requisition Line Item | 100% |
| 208-5 | T3712874 | 4785955 | 2024-05-14 09:05 | 2024-05-14 09:05 | 2024-05-14 09:06 | Enrico Theunissen | Capture General Item Detail | 100% |
| 208-1 | T3712870 | 4785954 | 2024-05-14 09:02 | 2024-05-14 09:02 | 2024-05-14 09:02 | Enrico Theunissen | New Requisition Line Item | 100% |
| 208-5 | T3712871 | 4785954 | 2024-05-14 09:02 | 2024-05-14 09:02 | 2024-05-14 09:04 | Enrico Theunissen | Capture General Item Detail | 100% |
| 208-1 | T3712864 | 4785951 | 2024-05-14 09:00 | 2024-05-14 09:00 | 2024-05-14 09:01 | Enrico Theunissen | New Requisition Line Item | 100% |
| 208-5 | T3712867 | 4785951 | 2024-05-14 09:01 | 2024-05-14 09:01 | 2024-05-14 09:02 | Enrico Theunissen | Capture General Item Detail | 100% |
| 208-1 | T3712862 | 4785949 | 2024-05-14 08:58 | 2024-05-14 08:58 | 2024-05-14 08:59 | Enrico Theunissen | New Requisition Line Item | 100% |
| 208-5 | T3712863 | 4785949 | 2024-05-14 08:59 | 2024-05-14 08:59 | 2024-05-14 09:00 | Enrico Theunissen | Capture General Item Detail | 100% |
| 208-1 | T3712859 | 4785947 | 2024-05-14 08:56 | 2024-05-14 08:56 | 2024-05-14 08:56 | Enrico Theunissen | New Requisition Line Item | 100% |
| 208-5 | T3712860 | 4785947 | 2024-05-14 08:56 | 2024-05-14 08:56 | 2024-05-14 08:58 | Enrico Theunissen | Capture General Item Detail | 100% |
| 208-1 | T3712857 | 4785946 | 2024-05-14 08:54 | 2024-05-14 08:54 | 2024-05-14 08:54 | Enrico Theunissen | New Requisition Line Item | 100% |
| 208-5 | T3712858 | 4785946 | 2024-05-14 08:54 | 2024-05-14 08:54 | 2024-05-14 08:55 | Enrico Theunissen | Capture General Item Detail | 100% |
| 208-1 | T3712847 | 4785942 | 2024-05-14 08:41 | 2024-05-14 08:41 | 2024-05-14 08:42 | Enrico Theunissen | New Requisition Line Item | 100% |
| 208-5 | T3712848 | 4785942 | 2024-05-14 08:42 | 2024-05-14 08:42 | 2024-05-14 08:53 | Enrico Theunissen | Capture General Item Detail | 100% |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 208-1 | T3712841 | 4785939 | 2024-05-14 08:39 | 2024-05-14 08:39 | 2024-05-14 08:39 | Enrico Theunissen | New Requisition Line Item | 100% | |
| 208-5 | T3712844 | 4785939 | 2024-05-14 08:39 | 2024-05-14 08:39 | 2024-05-14 08:40 | Enrico Theunissen | Capture General Item Detail | 100% | |
| 208-1 | T3712839 | 4785938 | 2024-05-14 08:37 | 2024-05-14 08:37 | 2024-05-14 08:37 | Enrico Theunissen | New Requisition Line Item | 100% | |
| 208-5 | T3712840 | 4785938 | 2024-05-14 08:37 | 2024-05-14 08:37 | 2024-05-14 08:38 | Enrico Theunissen | Capture General Item Detail | 100% | |
| 208-1 | T3712836 | 4785937 | 2024-05-14 08:34 | 2024-05-14 08:34 | 2024-05-14 08:35 | Enrico Theunissen | New Requisition Line Item | 100% | |
| 208-5 | T3712837 | 4785937 | 2024-05-14 08:35 | 2024-05-14 08:35 | 2024-05-14 08:36 | Enrico Theunissen | Capture General Item Detail | 100% | |
| 206-8 | T3713002 | 4785935 | 2024-05-14 10:13 | 2024-05-15 00:00 | 2024-05-14 10:18 | Edwin Marthinus | Provisional Review of New Requisition | 100% | |
| 206-63 | T3713010 | 4785935 | 2024-05-14 10:18 | 2024-05-15 00:00 | 2024-05-14 11:10 | Ingram Loubser | Review Request for Fleet Items | 100% | |
| 206-24 | T3713123 | 4785935 | 2024-05-14 11:10 | 2024-05-15 11:10 | 2024-05-14 12:10 | Enrico Theunissen | Edit Requisition for Goods or Services | 100% | |
| 206-8 | T3713288 | 4785935 | 2024-05-14 12:10 | 2024-05-15 00:00 | 2024-05-14 12:12 | Edwin Marthinus | Provisional Review of New Requisition | 100% | |
| 206-63 | T3713290 | 4785935 | 2024-05-14 12:12 | 2024-05-15 00:00 | 2024-05-14 12:37 | Ingram Loubser | Review Request for Fleet Items | 100% | |
| 206-23 | T3713323 | 4785935 | 2024-05-14 12:37 | 2024-05-15 00:00 | 2024-05-14 13:46 | Jan Barnard | Director Review of Deviation Requisition | 100% | |
| 206-64 | T3713399 | 4785935 | 2024-05-14 13:46 | 2024-05-15 00:00 | 2024-05-14 14:09 | Annielle Martin | SCM Review of Deviation Requisition | 100% | |
| 206-4 | T3713469 | 4785935 | 2024-05-14 14:09 | 2024-05-15 00:00 | 2024-05-14 14:22 | Nthokozisi Paul Mabhena | MM Review of Deviation Requisition | 100% | |
| 206-13 | T3713505 | 4785935 | 2024-05-14 14:57 | 2024-05-15 00:00 | 2024-05-17 09:00 | Annielle Martin | Review the Procurement Process | | Reallocated |
| 206-13 | T3713505 | 4785935 | 2024-05-14 14:57 | 2024-05-15 00:00 | 2024-05-17 09:00 | Ingemar Jufuis | Review the Procurement Process | | Reallocated |
| 206-13 | T3713505 | 4785935 | 2024-05-16 16:10 | 2024-05-15 00:00 | 2024-05-17 09:00 | Annielle Martin | Review the Procurement Process | | Reallocated |
| 206-13 | T3713505 | 4785935 | 2024-05-17 07:49 | 2024-05-15 00:00 | 2024-05-17 09:00 | Zhane Parnell | Review the Procurement Process | 100% | |
| 206-59 | T3716829 | 4785935 | 2024-05-17 09:00 | 2024-05-20 00:00 | 2024-05-17 09:01 | Zhane Parnell | Confirm Order Detail for Phoenix | 100% | |
| 206-51 | T3716830 | 4785935 | 2024-05-17 09:00 | 2024-05-18 09:00 | 2024-05-17 09:00 | SYSTEM | Generate Order Detail for Phoenix | 100% | |
| 206-53 | T3716831 | 4785935 | 2024-05-17 09:00 | 2024-05-17 09:00 | 2024-05-17 09:00 | SYSTEM | Create Order in Phoenix | 100% | |
| 206-57 | T3716832 | 4785935 | 2024-05-17 09:01 | 2024-05-20 00:00 | 2024-05-17 10:22 | Zhane Parnell | Acknowledge Phoenix Order Outcome | 100% | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 206-14 | T3716961 | 4785935 | 2024-05-17 10:22 | 2024-05-20 00:00 | 2024-05-20 14:01 | | Ingemar Juluis | Upload Scanned Purchase Order(s) | 100% |
| 215-1 | T3718439 | 4788373 | 2024-05-20 14:00 | 2024-05-21 14:00 | 2024-05-20 14:01 | | Ingemar Juluis | Upload Scanned Purchase Order | 100% |
| 208-26 | T3718440 | 4785935 | 2024-05-20 14:01 | 2024-05-21 14:01 | 2024-05-21 09:07 | | Enrico Theunissen | Acknowledge Purchase Order Issued | 100% |

Close

Legend:

- Calling object instance tasks.
- An active task on this workflow.
- Completed tasks on this workflow.

Theewaterskloof Municipality

**THEEWATERSKLOOF MUNISIPALITEIT : THEEWATERSKLOOF MUNICIPALITY**

**OFFICIAL ORDER**

# Order

**G0004504**

**Billing Address:**
PO Box 24
Caledon, 7230
Tel: 028 214 3300

Delivery : 6 PLEIN STREET
CALEDON
7230

**VAT Registration number:4000846248**

**SUPPLIER NAME:** KAI-MA SERVICES (PTY) LTD [K00002 ]
**SUPPLIER TEL NO:** 0219057472
**SUPPLIER FAX NO:** 0867740035
**PHYSICAL ADDRESS:** 13 SAXENBURG ROAD
BLACKHEATH
**DATE:** 20240517

**DIRECTORATE:** Waste Management
**COST CENTRE:** Refuse Removal
**NAME:** Theunissen E
**REQ NO:** 38661

| DESCRIPTION | QUANTITY | UNIT PRICE EXCL. | AMOUNT EXCL. | AMOUNT INCL. |
|---|---|---|---|---|
| PACKER CYLINDER H/P HOSE & FITTINGS | 6.00 | 2186.34 | 13118.04 | 15085.75 |
| HD HOSE PIPE CLAMP | 2.00 | 128.30 | 256.60 | 295.09 |
| BINLIFTER QUICK COUPLERS | 2.00 | 873.38 | 1746.76 | 2008.77 |
| BINLIFTER VALVE H/P HOSE & FITTINGS | 1.00 | 885.64 | 885.64 | 1018.49 |
| VALVEBANK - ROOF H/P HOSE & FITTING | 1.00 | 2847.55 | 2847.55 | 3274.68 |
| FIT GASKET TO TENK OULET | 1.00 | 275.00 | 275.00 | 316.25 |
| PTO BEARINGS & SEAL KIT | 1.00 | 2990.86 | 2990.86 | 3439.49 |
| PTO GASKET | 1.00 | 284.50 | 284.50 | 327.18 |
| GEAR OIL | 5.00 | 85.32 | 426.60 | 490.59 |
| AIR PIPE FITTING | 1.00 | 39.90 | 39.90 | 45.89 |
| FIT PROPSHAFT TO VEHICLE | 1.00 | 3982.50 | 3982.50 | 4579.88 |
| ACTUATOR SEAL FIT | 1.00 | 2039.95 | 2039.95 | 2345.94 |
| SPACERS | 8.00 | 85.64 | 685.12 | 787.89 |
| RETAINING CLIP | 2.00 | 30.25 | 60.50 | 69.58 |
| HYDRAULIC OIL | 90.00 | 67.93 | 6113.70 | 7030.76 |
| W/S CONSUMABLES | 1.00 | 825.00 | 825.00 | 948.75 |
| LABOUR | 32.00 | 510.00 | 16320.00 | 18768.00 |
| | | GRAND TOTAL | 52898.22 | 60832.98 |

APPROVED BY: Signature: Parnell Name In Print: PARNELL Z Date: 2024/05/17

This order is an official commitment.
The order number must be reflected on your delivery notes, correspondence and Invoices.
For all orders above R3 000, your VAT registration number must be reflected on the invoice.
Payments will be done within 30 days, from the date the invoice is received.

# Order - Payment

G0004504

VAT Registration number:4000846248

SUPPLIER NAME: KAI-MA SERVICES (PTY) LTD [K00002 ]
SUPPLIER TEL NO: 0219057472 SUPPLIER FAX NO: 0867740035
VAT REGISTRATION NO: 0000046402599O1 PHYSICAL ADDRESS: 13 SAXENBURG ROAD
DATE: 20240517 BLACKHEATH

DIRECTORATE: Waste Management
COST CENTRE: Refuse Removal
NAME: Theunissen E

| mSCOA CONFIG | DESCRIPTION | QUANTITY | UNIT PRICE EXCL. | AMOUNT EXCL. | AMOUNT INCL. | DISCOUNT |
|---|---|---|---|---|---|---|
| 015510175737 | PACKER CYLINDER H/P HOSE & FITTINGS | 6.00 | 2186.34 | 13118.04 | 15085.75 | |
| 015510175737 | HD HOSE PIPE CLAMP | 2.00 | 128.30 | 256.60 | 295.09 | |
| 015510175737 | BINLIFTER QUICK COUPLERS | 2.00 | 873.38 | 1746.76 | 2008.77 | |
| 015510175737 | BINLIFTER VALVE H/P HOSE & FITTINGS | 1.00 | 885.64 | 885.64 | 1018.49 | |
| 015510175737 | VALVEBANK - ROOF H/P HOSE & FITTING | 1.00 | 2847.55 | 2847.55 | 3274.68 | |
| 015510175737 | FIT GASKET TO TENK OULET | 1.00 | 275.00 | 275.00 | 316.25 | |
| 015510175737 | PTO BEARINGS & SEAL KIT | 1.00 | 2990.86 | 2990.86 | 3439.49 | |
| 015510175737 | PTO GASKET | 1.00 | 284.50 | 284.50 | 327.18 | |
| 015510175799 | GEAR OIL | 5.00 | 85.32 | 426.60 | 490.59 | |
| 015510175799 | AIR PIPE FITTING | 1.00 | 39.90 | 39.90 | 45.89 | |
| 013116275796 | FIT PROPSHAFT TO VEHICLE | 1.00 | 3982.50 | 3982.50 | 4579.88 | |
| 013116275796 | ACTUATOR SEAL FIT | 1.00 | 2039.95 | 2039.95 | 2345.94 | |
| 013116275796 | SPACERS | 8.00 | 85.64 | 685.12 | 787.89 | |
| 013116275796 | RETAINING CLIP | 2.00 | 30.25 | 60.50 | 69.58 | |
| 013121396600 | HYDRAULIC OIL | 90.00 | 67.93 | 6113.70 | 7030.76 | |
| 013121396600 | W/S CONSUMABLES | 1.00 | 825.00 | 825.00 | 948.75 | |
| 013121396600 | LABOUR | 32.00 | 510.00 | 16320.00 | 18768.00 | |
| | | | GRAND TOTAL | 52898.22 | 60832.98 | |

| PAYMENT AUTHORIZATION | |
|---|---|
| DATE | 2024/05/17 |
| HEAD OF DEPARTMENT | PROCUREMENT OFFICER |
| | |

| | |
|---|---|
| GRAND TOTAL | 60832.98 |
| LESS DISCOUNT | 0.00 |
| NETT AMOUNT | 60832.98 |

# Quote Q07454

## KAI-MA SERVICES (PTY)LTD

YOUR OPTIMUM SOLUTION

Company Reg No: 2011/118778/07 CSD no: MAAA0029295 Vat Reg No: 4640259901

**Theewaterskloof Municipality**
P.O.Box 24
Caledon

7230

| | |
|---|---|
| Document Date: | 2024/04/25 |
| Account no: | TWK |
| Vehicle Make: | Nissan CW290 |
| Reg No: | CAM 34735 |
| | 280547km |
| | None |

Quote No: Q07454



Job details:

Supply and fit 6x new H/P hoses with fittings to the sweep cylinders in hopper.
Secure hoses in hopper with 2x new clamps.
Remove l/side binlifter swing frame assembly (not closing correctly).
Refit swing frame assembly to correct position.
Supply and fit new quick couplers to l/side binlifter.
Make up and fit new h/p hose on l/side binlifter control valve.
Tighten steel pipe to l/side actuator.
Supply and fit new H/P hose and fittings from front valve bank to roof.
Drain hydraulic tank and repair oil leak with new gasket on suction outlet.
Check compactor operation speed and reset hydraulic pressures.
Remove PTO from vehicle and strip complete.
Overhaul PTO wit new bearings and seal kit.
Supply and fit new PTO gasket and fit PTO to gearbox
Top up gearbox with oil.
Supply and fit new air fitting to pipe
Test PTO function.
Remove PTO propshaft from vehicle.
Supply and fit new universal joints to propshaft.
Refit to vehicle and test.
Lubricate universals.
Overhaul leaking l/side actuator, fit new seals.
Machine and clean thread to actuator and cap.
Supply and fit new spacers and r clips to binlifter.
Fill hydraulic oil tank with new oil.
Steam clean vehicle and test.

| Qty | Code | Description | Unit Price | Ext. Price |
|---|---|---|---|---|
| 6 | | Packer cylinder h/p hose & fittings | 2 186.34 | 13 118.04 |
| 2 | HDSPC | HD hose pipe clamp | 128.30 | 256.60 |
| 1 | | Remove swing frame assembly | 0.00 | 0.00 |
| 1 | | Refit frame to correct postion | 0.00 | 0.00 |
| 2 | BINQC | Binlifter quick couplers | 873.38 | 1 746.76 |
| 1 | | Binlifter valve H/P hose & fittings | 885.64 | 885.64 |
| 1 | | Tighten actuator steel pipe | 0.00 | 0.00 |
| 1 | | Valvebank - roof H/P hose & fitting | 2 847.55 | 2 847.55 |
| 1 | | Drain hydraulic oil tank | 0.00 | 0.00 |
| 1 | | Fit gasket to tank suction outlet | 275.00 | 275.00 |
| 1 | | Check compaction speed | 0.00 | 0.00 |
| 1 | | Reset hydraulic pressures | 0.00 | 0.00 |
| 1 | | Remove & strip PTO | 0.00 | 0.00 |
| 1 | | PTO bearings & seal kit | 2 990.86 | 2 990.86 |
| 1 | | PTO gasket | 264.50 | 264.50 |
| 5 | GO | Gear oil | 85.32 | 426.60 |
| 1 | | Air pipe fitting | 39.90 | 39.90 |
| 1 | | Remove PTO propshaft | 0.00 | 0.00 |
| 1 | | Fit propshaft to vehicle | 3 982.50 | 3 982.50 |
| 1 | BINLASK | Actuator seal kit | 2 039.95 | 2 039.95 |
| 8 | | Spacers | 85.64 | 685.12 |

Kai-Ma Services (Pty)Ltd. 9 Trafford Road, Blackheath. Director: JWJ Swart. CSD no: MAAA0029295 CCT Vendor no: 1002275678
P.O. Box 5249, Tygervalley, 7530 Tel: 021 905 7472 Cell: 082 729 7827 Fax: 086 581 7922 e-mail: wills@kai-ma.co.za BBBEE Status: Level 4

# Quote Q07454

## KAI-MA SERVICES (PTY)LTD

YOUR OPTIMUM SOLUTION

Company Reg No: 2011/118778/07 CSD no: MAAA0029295 Vat Reg No: 4640259901

**Theewaterskloof Municipality**
P.O.Box 24
Caledon

7230

Document Date: 2024/04/25
Account no: TWK
Vehicle Make: Nissan CW290
Reg No: CAM 34735
280547km
None

Quote No: Q07454



| Qty | Code | Description | Unit Price | Ext. Price |
|---|---|---|---|---|
| 2 | | Retaining clip | 30.25 | 60.50 |
| 90 | HOILSS | Hydraulic oil | 67.93 | 6 113.70 |
| 1 | | W/S consumables | 825.00 | 825.00 |
| 1 | LS | Lubricate and steam clean vehicle | 0.00 | 0.00 |
| 32 | LAB | Labour | 510.00 | 16 320.00 |

This quotation is valid for 30 days only.
Payment terms is 30 days from date of invoice.
Unforseen damages are not included in this quotation.
CCT Warranty as per Tender 316S/2020/21 and/or 77S/2022/23.
All other customers 3 Month warranty on faulty workmanship and parts.
All goods remain the property of Kai-Ma Services until fully paid for.

Prices Excl. VAT

| | |
|---|---|
| Sub Total: | 52 898.22 |
| Total (Excl): | 52 898.22 |
| VAT Total: | 7 934.76 |
| Total (Incl): | 60 832.98 |

Signature:

Kai-Ma Services (Pty)Ltd. 9 Trafford Road, Blackheath. Director: JWJ Swart. CSD no: MAAA0029295 CCT Vendor no: 1002275978
P.O. Box 5248, Tygervalley, 7530 Tel: 021 905 7472 Cell: 082 729 7827 Fax: 086 561 7922 e-mail: wills@kai-ma.co.za BBEEE Status: Level 4

| | |
|---|---|
| Ref Number | 4785935 |
| Meta Type | Requisition |
| Name | KAI - MA SERVICES (PTY) LTD - Caledon - General |
| Requisition Type | General |
| Area of Expenditure | Overberg Area |
| B-BBEE Status Level of Contributor | 1 |
| Local Supplier? | No |
| Created By | Enrico Theunissen (ENRICOTH) |
| Date Created | 2024-05-14 08:33 |

Requisition Detail | Department Detail | Deviation Detail | SCM Detail | Outcome Detail | Order Detail | Asset Detail | Related Official | Stock Issue | Requisition Line | Quotation/Bid | Purchase Order

| | |
|---|---|
| Deviation Item? | Yes |
| Motivate Reason for Deviation | CAM 34735 (Refuse Compactor – Solid Waste) is used by the Solid Waste Department for the daily collection of households- and business refuse in Caledon as well as in Botrivier,Myddleton and |
| Deviation Type (Section 36) | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes. |
| MM Deviation Review Outcome | Approve Deviation Requisition |
| MM Comment on Deviation | Approved |
| CFO Review Outcome | |
| CFO Review Comment | |
| SCM Deviation Review Outcome | Support Deviation |
| SCM Deviation Review Comments | SCM support |
| ICT Deviation | |
| ICT Deviation Review Outcome | |
| ICT Deviation Review Comments | |
| Fleet Manager Review Outcome | Approve |
| Fleet Manager Review Comments | Terug verwys, verkeerde goedkeuring aangeheg, vir regstelling asseblief....Fleet<br>Approve.....Fleet |

Outlook

# FW: CAM 34735 Kompakteerder - Goedkeuring

**From** Edwin Marthinus <EdwinMa@twk.gov.za>
**Date** Tue 14-May-24 11:44 AM
**To** Enrico Theunissen <enricoth@twk.gov.za>

SCM Approval

Kind Regards

**Edwin Marthinus**
**Acting Town Manager: Caledon/ Myddleton/ Tesselaarsdal**
**Theewaterskloof Municipality**
**Tel: 028 214 4204 or 028 214 3300**
**Cell: 072 613 3580**
**E-mail:** EdwinMa@twk.gov.za **Website:** www.twk.gov.za

Theewaterskloof
Municipality

**From:** Annielle Martin <anniellema@twk.gov.za>
**Sent:** Tuesday, May 14, 2024 11:42 AM
**To:** Melanie Fisher <melanieth@twk.gov.za>; Edwin Marthinus <EdwinMa@twk.gov.za>; Ingram Loubser <ingramlo@twk.gov.za>; Jan Barnard <janba@twk.gov.za>
**Cc:** Hendrik Windvogel <HendrikWi@twk.gov.za>
**Subject:** RE: CAM 34735 Kompakteerder - Goedkeuring

Good day

SCM is given approval to start the procurement process.

Please ensure that the deviation is loaded ASAP.

The invoice must be at Creditors on 31 May 2024.

Regards,

**Annielle Martin**
Supply Chain Management
Directorate: Financial Services

**THEEWATERSKLOOF MUNICIPALITY**

**Head Office.** 6 Plein Street, Caledon, 7230
**Call Centre.** 028 214 3300 | **Emergency.** 080 021 4730 | **Email.** anniellema@twk.gov.za
**Website.** www.twk.gov.za | **Follow us on Facebook, X, Instagram.** @twkmun

Theewaterskloof
Municipality

PRIVACY AND CONFIDENTIALITY DISCLAIMER: The Theewaterskloof Municipality and Staff are committed to ensuring that it safeguards personal/private information of data subjects and to respect their right to privacy in accordance with the provisions of the South African Constitution, the Protection of Personal Information Act, 2013 (POPIA) and the Promotion of Access to Information Act, 2000 (PAIA). This email message contains information which may be confidential, personal, private, or privileged in nature and is intended solely for use by the recipient and others authorized to receive it for the specific purpose for which it was sent. If you are not the intended recipient, you are prohibited from using, misusing, disseminating, altering, forwarding, storing, or copying the information, and are hereby notified that such action in relation to the contents of this information is unlawful which may result in your being held liable arising out of your non-compliance. If you have received this message in error, please notify the sender immediately and delete and/or destroy the message from your system.

**From:** Melanie Fisher <melanieth@twk.gov.za>
**Sent:** Tuesday, May 14, 2024 11:36 AM
**To:** Annielle Martin <anniellema@twk.gov.za>; Edwin Marthinus <EdwinMa@twk.gov.za>; Ingram Loubser <ingramlo@twk.gov.za>; Jan Barnard <janba@twk.gov.za>
**Cc:** Hendrik Windvogel <HendrikWi@twk.gov.za>
**Subject:** CAM 34735 Kompakteerder - Goedkeuring

Goeiedag Annielle

Hiermee vra ons goedkeuring vir kompakteerder CAM 34735 vir herstel werk aan silinders by die hidroliese gedeelte van die trok . Die PTO is ook foutief en dus staan die voertuig . Caledon area moet gedlens word en is daar nou 'n geval waar vullis ophoop.

Hoor graag spoedig van u in hierdie verband.

Regards,

**Melanie Fisher**
Principal Clerk: Caledon Town Office
Directorate: Community Services

**THEEWATERSKLOOF MUNICIPALITY**
**Head Office.** 22 Plein Street, Caledon, 7230
**Call Centre.** 028 214 3300 | **Emergency.** 080 021 4730 | **Email.** melanieth@twk.gov.za
**Website.** www.twk.gov.za | **Follow us on Facebook, X, Instagram.** @twkmun

Theewaterskloof
Municipality

PRIVACY AND CONFIDENTIALITY DISCLAIMER: The Theewaterskloof Municipality and Staff are committed to ensuring that it safeguards personal/private information of data subjects and to respect their right to privacy in accordance with the provisions of the South African Constitution, the Protection of Personal Information Act, 2013 (POPIA) and the Promotion of Access to Information Act, 2000 (PAIA). This email message contains information which may be confidential, personal, private, or privileged in nature and is intended solely for use by the recipient and others authorized to receive it for the specific purpose for which it was sent. If you are not the intended recipient, you are prohibited from using, misusing, disseminating, altering, forwarding, storing, or copying the information, and are

hereby notified that such action in relation to the contents of this information is unlawful which may result in your being held liable arising out of your non-compliance. If you have received this message in error, please notify the sender immediately and delete and/or destroy the message from your system.

Outlook

## FW: Request to use from Vote 01 3121 3 9610 0

**From** Edwin Marthinus <EdwinMa@twk.gov.za>
**Date** Tue 14-May-24 9:48 AM
**To** Enrico Theunissen <enricoth@twk.gov.za>

APPROVED

Kind Regards

**Edwin Marthinus**
**Acting Town Manager: Caledon/ Myddleton/ Tesselaarsdal**
**Theewaterskloof Municipality**
**Tel: 028 214 4204 or 028 214 3300**
**Cell: 072 613 3580**
**E-mail:** EdwinMa@twk.gov.za **Website:** www.twk.gov.za

Theewaterskloof
Municipality

**From:** Aydon Windvogel <AydonWi@twk.gov.za>
**Sent:** Tuesday, May 14, 2024 9:48 AM
**To:** Edwin Marthinus <EdwinMa@twk.gov.za>
**Cc:** Wilfred Schrevian Evan Solomons-Johannes <wilfredso@twk.gov.za>; Municipal Manager <mm@twk.gov.za>; Annette Swart <AnnetteSw@twk.gov.za>; Adri Plaatjies <adripl@twk.gov.za>
**Subject:** RE: Request to use from Vote 01 3121 3 9610 0

Dear Edwin:

**APPROVED.**

Kind Regards,

**Aydon Windvogel**
Office Manager
Directorate: Office of the Municipal Manager

**THEEWATERSKLOOF MUNICIPALITY**
**Head Office.** 6 Plein Street, Caledon, 7230
**Cell.** 068 676 2927
**Call Centre.** 028 214 3300 | **Emergency.** 080 021 4730 | **Email.** aydonwi@twk.gov.za
**Website.** www.twk.gov.za | **Follow us on Facebook, X, Instagram.** @twkmun

Theewaterskloof Municipality

PRIVACY AND CONFIDENTIALITY DISCLAIMER: The Theewaterskloof Municipality and Staff are committed to ensuring that it safeguards personal/private information of data subjects and to respect their right to privacy in accordance with the provisions of the South African Constitution, the Protection of Personal Information Act, 2013 (POPIA) and the Promotion of Access to Information Act, 2000 (PAIA). This email message contains information which may be confidential, personal, private, or privileged in nature and is intended solely for use by the recipient and others authorized to receive it for the specific purpose for which it was sent. If you are not the intended recipient, you are prohibited from using, misusing, disseminating, altering, forwarding, storing, or copying the information, and are hereby notified that such action in relation to the contents of this information is unlawful which may result in your being held liable arising out of your non-compliance. If you have received this message in error, please notify the sender immediately and delete and/or destroy the message from your system.

**From:** Edwin Marthinus <EdwinMa@twk.gov.za>
**Sent:** Tuesday, May 14, 2024 9:46 AM
**To:** Wilfred Schrevian Evan Solomons-Johannes <wilfredso@twk.gov.za>; Aydon Windvogel <AydonWi@twk.gov.za>
**Subject:** Request to use from Vote 01 3121 3 9610 0

Hello MM

Permission is herewith requested to use from **Vote Number Vote 01 3121 3 9610 0 (Sundry Hire – Machinery and Equipment)** the amount of **One Hundred Thousand Rand (R100 000.00)**
for repair work on the Refuse Truck (Compactors).

Currently **NO** refuse removal can be taken place due to No Funding.

**Edwin Marthinus**
**Acting Town Manager: Caledon/ Myddleton/ Tesselaarsdal**
**Theewaterskloof Municipality**
**Tel: 028 214 4204 or 028 214 3300**
**Cell: 072 613 3580**
**E-mail: EdwinMa@twk.gov.za Website: www.twk.gov.za**

Theewaterskloof Municipality

**ITEM HEADING**

**SC81/2026 DIRECTORATE FINANCE: UNAUTHORISED EXPENDITURE FOR 2022/23 AND 2023/24 FINANCIAL YEARS**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE / AIM OF REPORT**

The purpose of this item is to place before Council the formal assessment by the Western Cape Provincial Treasury (PT) regarding the write-off of unauthorised expenditure for the 2022/23 and 2023/24 financial years, as resolved under Resolution C74/2026 on 27 February 2026, and to enable Council to formally deliberate on and record its position in relation thereto, in compliance with the requirements of Section 32 of the Municipal Finance Management Act, 2003 (MFMA).

**BACKGROUND**

At its ordinary meeting held on 27 February 2026, Council resolved under Council Resolution C74/2026 to write off unauthorised expenditure amounting to:

2022/23 Financial Year: R 104 357 068

**2023/24 Financial Year: R 49 370 445**

TOTAL: R 153 727 513

This resolution followed a recommendation from the Municipal Public Accounts Committee (MPAC) arising from its meeting held on 5 February 2026, in which MPAC deliberated on information presented by the municipal administration in terms of Section 32(2)(a) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA).

The matter has since been the subject of a series of formal correspondence exchanges between the Provincial Treasury and the Municipality, which are presented to Council in the trailing documents forming **Annexures A to F** hereto.

**DISCUSSION**

Council is directed to note and consider the trailing correspondence (Annexures A – F) summarised as follows:

**Annexure A – Council Resolution (27 February 2026)**

**Annexure B – PT Allegation Letter (February 2026, Ref: PTR 12/2/15/11):**

The MEC for Finance, Deidré Baartman, raised allegations of financial misconduct and potential non-compliance with MFMA Section 32, and requested the Municipality to submit supporting documentation within seven (7) days, including the MPAC report, signed MPAC minutes of 5 February 2026, the MPAC report signed by the MPAC Chairperson, and the Council minutes of 27 February 2026.

**Annexure C – Municipality's Response (19 February 2026):**

The Acting Municipal Manager, Mr G.W. Hermanus, and the Speaker, Cllr W.H. Wells, responded confirming that the identification, reporting, and processing of the unauthorised expenditure was conducted diligently and transparently. The response provided context on the misallocations arising from the absence of an acceptable adjustment budget, proper recording in the Annual Financial Statements (AFS), an unqualified audit opinion for 2022/23 (notwithstanding full disclosure of unauthorised expenditure), and the significant improvement in financial controls evidenced by near-zero unauthorised expenditure in 2024/25. The Municipality asserted that no misrepresentation was conducted.

**Annexure D – PT Assessment (24 April 2026):**

Following receipt of the Municipality's documentation, the PT conducted a formal assessment under its oversight mandate. The assessment identified material deficiencies in the timeliness, completeness, and quality of information underpinning MPAC's recommendations and Council's decision-making. Key findings include:

(a) The information presented to MPAC and, subsequently, to Council was materially limited and did not adequately address the requirements of Section 32 of the MFMA, specifically the absence of: a factual background and root-cause analysis of the unauthorised expenditure; identification of all officials potentially liable; consideration of negligent or deliberate conduct; a recovery assessment as contemplated in Regulation 74 of the Municipal Budget and Reporting Regulations (MBRR); details of corrective measures; and documentary consideration of disciplinary, civil or criminal processes.

(b) Council's resolution to write off the unauthorised expenditure appears to have been taken without the benefit of sufficiently detailed and differentiated oversight reporting from MPAC, thereby undermining the robustness, transparency, and legislative compliance of the decision-making process.

(c) The absence of documented consideration of consequence management, including referral to the Disciplinary Board as required by Section 32(5) of the MFMA, represents a significant gap in both MPAC's recommendations and Council's resolution.

(d) The MPAC minutes of 5 February 2026 were signed and approved by the Acting MPAC Chairperson only on 5 March 2026 – after Council had already resolved on the matter on 27 February 2026 – raising governance concerns regarding the integrity and audit defensibility of MPAC records.

The PT recommended that Council engage MPAC to confirm the accuracy of the approved minutes and evaluate whether resolution C74/2026 should be reconsidered, rescinded, or amended, particularly in relation to recoverability determinations and consequence management considerations.

**Annexure E – Municipality's Response to PT Assessment (30 April 2026):**

The Municipality, through the Speaker, acknowledged the PT's findings and recommendations and advised that, after careful consideration of the assessment and an internal review, no amendments or rescissions to the Council resolution of 27 February 2026 are proposed. The Municipality committed to implementing enhanced reporting requirements with effect from 29 April 2026, including detailed root-cause analyses, identification of responsible officials, assessment of recoverability, consequence management considerations, and formal confirmation of the accuracy and completeness of reports. The Municipality affirmed that the decisions taken were reasonable within the context and constraints at the time.

**Annexure F– Subsequent PT Correspondence (May 2026):**

Notwithstanding the Municipality's response of 30 April 2026, the MEC for Finance noted outstanding procedural and governance matters and formally required the following of Council:

(i) The PT assessment should be formally communicated to Council for consideration, and Council should formally indicate whether it confirms or revises resolution C74/2026.
(ii) Council should address the absence of consequence management measures in terms of Section 32(5) of the MFMA, including formally indicating whether the matter has been referred to the Disciplinary Board and, if not, providing reasons.
(iii) MPAC should communicate its position regarding the accuracy of the minutes of the meeting held on 5 February 2026.

The present item is brought before Council to give formal effect to the PT's requirement and to enable Council, as the decision-making authority, to formally deliberate on the matter and determine whether to reaffirm, reconsider, or rescind resolution C74/2026, having due regard to the full body of correspondence and the PT's assessment.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The financial implications of this matter relate directly to the write-off of unauthorised expenditure as resolved under resolution C74/2026, comprising:

| **Financial Year** | **Amount** |
|---|---|
| 2022/23 Financial Year | R 104 357 068 |
| 2023/24 Financial Year | R 49 370 445 |
| **TOTAL** | **R 153 727 513** |

## LEGAL IMPLICATIONS (ITEM AUTHOR)

**Section 32 of the MFMA** governs the treatment of Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFWE). It places a clear obligation on municipalities to respond promptly and decisively to the incurrence of UIFWE, including the timely investigation of such expenditure, appropriate reporting to oversight structures, and the implementation of corrective and remedial measures.

**Section 32(2) of the MFMA** provides that unauthorised expenditure may be written off following investigation by MPAC and a subsequent Council resolution, subject to compliance with applicable procedural and substantive requirements. The write-off process must be underpinned by complete, well-substantiated, and adequately documented information.

**Section 32(5) of the MFMA** requires that, where a person is alleged to have been responsible for UIFWE, disciplinary, civil, or criminal proceedings must be considered and, where applicable, instituted. The write-off of such expenditure does not, itself, absolve the Municipality of its obligation to consider and implement consequence management processes.

## RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

None.

## RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:

**It is recommended that Council resolve as follows:**

1. **Council notes the trailing correspondence and related documents set out in Annexures A to F.**

2. **Council reconsiders and rescinds resolution C74/2026 taken at the Council meeting of 27 February 2026, to write off unauthorised expenditure amounting to R104 357 068 for the 2022/23 financial year and R49 370 445 for the 2023/24 financial year.**

   **Or**

3. **Council reaffirms its decision taken on 27 February 2026 under Resolution C74/2026 to write off unauthorised expenditure amounting to R104 357 068 for the 2022/23 financial year and R49 370 445 for the 2023/24 financial year, totaling R153 727 513.**

## DISCUSSION DURING MEETING:

*Alderman DA Appel proposed the following recommendation:*

1. *Council notes the trailing correspondence and related documents set out in Annexures A to F.*

2. *Council reaffirms its decision taken on 27 February 2026 under Resolution C74/2026 to write off unauthorised expenditure amounting to R104 357 068 for the 2022/23 financial year and R49 370 445 for the 2023/24 financial year, totaling R153 727 513.*

*Proposal was seconded by Alderman MR Nongxaza.*

*The following counter-proposal was submitted by Councillor P Stander:*

1. *Council notes the trailing correspondence and related documents set out in Annexures A to F.*

2. *Council reconsiders and rescinds resolution C74/2026 taken at the Council meeting of 27 February 2026, to write off unauthorised expenditure amounting to R104 357 068 for the 2022/23 financial year and R49 370 445 for the 2023/24 financial year.*

3. *That the agenda-item be referred back to MPAC to reconsider the letter of the Minister of Finance.*

*Counter-proposal was seconded by Alderman S Fredericks.*

*The voting process started, and each councillor indicated whether they vote for 1. Proposal by Alderman DA Appel and seconded by Alderman MR Nongxaza or 2. Counter-proposal by Councillor P Stander seconded by Alderman S Fredericks.*

*The result of the voting process is as follows:*

*Proposal by Alderman DA Appel and seconded by Alderman MR Nongxaza = 10 votes.*

*Counter-proposal by Councillor P Stander and seconded by Alderman S Fredericks = 14 votes.*

*Councillor TB Zimmermann and Councillot D Lekhori abstain from the voting process.*

**RESOLVED BY COUNCIL: 28 MAY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander and seconded by Alderman S Fredericks, it was resolved as follows:

1. **Council notes the trailing correspondence and related documents set out in Annexures A to F.**

2. **Council reconsiders and rescinds resolution C74/2026 taken at the Council meeting of 27 February 2026, to write off unauthorized expenditure amounting to R104 357 068 for the 2022/23 financial year and R49 370 445 for the 2023/24 financial year.**

3. **That the agenda-item be referred back to MPAC to reconsider the letter of the Minister of Finance.**

*Agenda-item refer to the next MPAC Meeting for consideration.*

**RECOMMENDATION FROM MPAC TO COUNCIL: 23 JUNE 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander, and seconded by Councillor D Jacobs it was resolved as follows:

1. **Note the findings of Provincial Treasury and Minister Baartman.**

2. **Refer the matter to the Disciplinary board to investigate and determine root causes of the unauthorized expenditure, officials responsible whether negligence, misconduct or deliberate actions occurred.**

3. **Actions taken to prevent re-occurrence whether any disciplinary civil or criminal processes are required.**

4. **That the report be submitted to Council as soon as possible.**

**RESOLVED BY COUNCIL: 25 JUNE 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor M Gana, it was resolved as follows:

1. **Note the findings of Provincial Treasury and Minister Baartman.**

2. **Refer the matter to the Disciplinary board to investigate and determine root causes of the unauthorized expenditure, officials responsible whether negligence, misconduct or deliberate actions occurred.**

3. **Actions taken to prevent re-occurrence whether any disciplinary civil or criminal processes are required.**

4. **That the report be submitted to Council as soon as possible.**

*For finalization by the Acting Director: Finance, Mr A Riddles.*

**RECOMMENDATION TO COUNCIL:**

**Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.**

# Annexure A

**ITEM HEADING**

**C74/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE FINANCE: REPORTED ON UNAUTHORISED EXPENDITURE FOR 2022/2023 AND 2023/2024 FINANCIAL YEAR**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE / AIM OF REPORT**

The purpose of this report is to inform the MPAC committee of Unauthorised Expenditure for 2022/23 and 2023/24 financial years.

**BACKGROUND**

Unauthorised Expenditure in the amount of R 104 357 068.00 (2022/2023) and R 49 370 445.00 (2023/2024) as disclosed per note 57.1 of the audited Annual Financial Statements.

**DISCUSSION**

Unauthorised expenditure is defined in section 1 of the MFMA as follows:

"unauthorised expenditure", in relation to a municipality, means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3), and includes—

(a) overspending of the total amount appropriated in the municipality's approved budget;

(b) overspending of the total amount appropriated for a vote in the approved budget;

(c) expenditure from a vote unrelated to the department or functional area covered by the vote;

(d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;

(e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or

(f) a grant by the municipality otherwise than in accordance with this Act.

Section 32 of the Municipal Finance Management Act (MFMA), No. 56 of 2003 states the following:

*"(1) Without limiting liability in terms of the common law or other legislation*

1. *a political office-bearer of a municipality is liable for unauthorised expenditure if that office-bearer knowingly or after having been advised by the accounting officer of the municipality that the expenditure is likely to result in unauthorised expenditure, instructed an official of the municipality to incur the expenditure;*
2. *the accounting officer is liable for unauthorised expenditure deliberately or negligently incurred by the accounting officer, subject to subsection (3);*
3. *any political office-bearer or official of a municipality who deliberately or negligently committed, made or authorised an irregular expenditure, is liable for that expenditure; or*
4. *any political office-bearer or official of a municipality who deliberately or negligently made or authorised a fruitless and wasteful expenditure is liable for that expenditure.*

*(2) A municipality must recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for that expenditure unless the expenditure—*

1. *in the case of unauthorised expenditure, is—*

   *(i) authorised in an adjustments budget; or*

   *(ii) certified by the municipal council, after investigation by a council committee, as irrecoverable and written off by the council;*

**COMMENTS FROM DIRECTORATE**

Breakdown of expenditure was attached.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The unuauthorised expenditure of R 104 357 068.00 (2022/2023) and R 49 370 445.00 (2023/2024) has been recorded in the financial statements. Management should ensure that reoccurrence is prevented

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage unauthorised expenses in accordance with the MFMA could result in Council Losing money and not receiving value for money. However, in this case Council did not suffer any losses or damages and received value for money

-

**RECOMMENDATION BY ITEM AUTHOR:**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the unauthorised expenditure in the amount of R104 357 068 be written off for the financial year 2022/2023 and the amount of R49 370 445.00 be written off for the financial year 2023/2024.**

**RECOMMENDATION BY MANAGEMENT TO THE FINANCE COMMITTEE: 08 MAY 2025**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the unauthorised expenditure in the amount of R104 357 068 be written off for the financial year 2022/2023 and the amount of R49 370 445.00 be written off for the financial year 2023/2024.**

**RECOMMENDATION FROM MPAC TO COUNCIL: 11 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor M Botes it was recommended as follows:

**That the agenda-item be referred to Council for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**RESOLVED BY COUNCIL: 27 JUNE 2025**

**Council noted that the agenda-item has been withdrawn and will not be discussed during the meeting.**

*Agenda-item be referred to MPAC for consideration.*

**RESOLVED BY MPAC: 26 AUGUST 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor M Botes, and seconded by Councillor T Zimmermann it was resolved as follows:

1. **That the agenda item be referred back.**

2. **That the Department Finance must submit a complete list of all the unauthorized expenditure for the financial year 2022/2023 and 2023/2024 at the next MPAC Meeting.**

*1. Agenda-item referred back.*
*2. For finalization by the Director: Finance, Mr P Mabhena.*

**COMMENTS BY ITEM AUTHOR:**

Complete list of all the unauthorized expenditure for the financial year 2022/2023 and 2023/2024 is attached.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the unauthorised expenditure in the amount of R104 357 068 be written off for the financial year 2022/2023 and the amount of R49 370 445.00 be written off for the financial year 2023/2024.**

**RECOMMENDATION BY MPAC TO COUNCIL: 05 FEBRUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander, and seconded by Councillor D Jacobs it was recommended as follows:

**That, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the unauthorised expenditure in the amount of R104 357 068 be written off for the financial year 2022/2023 and the amount of R49 370 445.00 be written off for the financial year 2023/2024.**

**RECOMMENDATION TO COUNCIL:**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the unauthorised expenditure in the amount of R104 357 068 be written off for the financial year 2022/2023 and the amount of R49 370 445.00 be written off for the financial year 2023/2024.**

**DISCUSSION DURING THE MEETING: 27 FEBRUARY 2026**

*The Municipal Manager, Mr W Hendricks, requested that the agenda-item be withdrawn and indicated that it will be resubmitted in the correct format, as the wording of the current item was incorrect.*

*Councillor PJ Stander - The agenda-item will just go back for the wording. They use a standard recommendation. Only the wording must change, then the agenda-item will come back to Council. It is a budget related item. Will not go back to MPAC. Just administration to correct the wording.*

*Mr W Hendricks - I have requested the Legal Department and Provincial Treasury to guide me on this. This is not a legal opinion. Mr R Jongh from Provincial Treasury advised that it is clear the recommendation is not sound in law or judgement. This matter is referred back to MPAC and Council and also Provincial Treasury to make any decisions in this regard. Council must be careful not to condone financial misconduct. This recommendation puts you in a harmful way.*

*Alderman DA Appel - This agenda-item was at MPAC on the 05th of February 2026 and MPAC made a recommendation to Council. Don't agree that the agenda-item be referred back. We as council can approve this agenda-item and only change the wording. We are entitled to fix the wording. MPAC is an oversight committee of Council. There were senior managers at the MPAC meeting, and the recommendation is like all the previous ones. We must be honest here with each other about why we want to refer this agenda-item back.*

*Mr W Hendricks – If you receive value for money for everything what must you write off? This is contradicted and that's why I want to refer it back. This is a general standard recommendation. I was not at the meeting so I couldn't give guidance. I must advise that this is a contradictory recommendation.*

*Alderman MR Nongxaza requested a 10 minutes caucus break which were granted by the Speaker.*

*After the caucus break, Alderman DA Appel is still of the view that the Council can correct the agenda-item.*

*Councillor H Linnerts proposed the recommendation as is in the agenda-item.*

*The proposal was seconded by Alderman MR Nongxaza.*

*Alderman LM de Bruyn proposed the following counter-proposal:*

1. *That the agenda item be referred back to MPAC.*
2. *That our names be recorded.*
3. *That, in case the vote is against my proposal, we retain the right to approach the court to reverse the decision.*
4. *That the Councillors who voted in favour of the item be held accountable jointly or separately in their personal capacity for any costs.*

The counter-proposal was seconded by Councillor CA Benjamin.

*The voting process started, and each councillor indicated whether they vote for 1. Proposal by Councillor H Linnerts and seconded by Alderman MR Nongxaza or 2. Counter-proposal by Alderman LM de Bruyn seconded by Councillor CA Benjamin.*

*The result of the voting process is as follows:*

*Proposal by Councillor H Linnerts and seconded by Alderman MR Nongxaza = 14 votes.*

*Counter-proposal by Alderman LM de Bruyn and seconded by Councillor CA Benjamin= 13 votes.*

**RESOLVED BY COUNCIL: 27 FEBRUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor H Linnerts and seconded by Alderman MR Nongxaza it was resolved as follows:

**In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the unauthorised expenditure in the amount of R104 357 068 be written off for the financial year 2022/2023 and the amount of R49 370 445.00 be written off for the financial year 2023/2024.**

***The following Councillors requested that their names be minuted in terms of Rule 19(c) of the By-law on Rules of order for meetings of Council and Committees of Theewaterskloof Municipality – applicable to agenda-item C74/2026***

**Alderman LM de Bruyn**
**Councillor CA Benjamin**
**Councillor M Botes**
**Councillor CT Cloete**
**Alderman S Fredericks**
**Councillor M Gana**
**Councillor D Jacobs**
**Councillor D Jooste**
**Alderman M Plato-Mentoor**
**Councillor J Smit**
**Councillor PJ Stander**
**Councillor YM van Tonder**
**Councillor TB Zimmermann**

*For finalization by the Acting Director: Finance, Mr A Riddles.*

# Annexure B

Western Cape Government

Ministry of Finance
**Deidré Baartman | Provincial Minister**
Deidre.Baartman@westerncape.gov.za | Tel: 021 483 4700

Reference number: PTR 12/2/15/11
Enquiries: Melissa van Niekerk

The Speaker
Theewaterskloof Municipality
PO Box 24
CALEDON
7230

Per email: speaker@twk.gov.za

Dear Cllr Wells

**ALLEGATION RELATING TO FINANCIAL MISCONDUCT IN THE WRITE-OFF OF THE 2022/23 AND 2023/24 UNAUTHORISED EXPENDITURE IN CONTRAVENTION WITH MUNICIPAL FINANCE MANAGEMENT ACT SECTION 32**

Provincial Treasury received an allegation from the Combined Ratepayers' Associations of Theewaterskloof that the Municipality has not followed due process with regard to the Municipal Council resolution taken on the 27 February 2026 to write-off unauthorised expenditure amounting to R153 727 513.00, relating to the 2022/23 and 2023/24 financial years.

A further allegation has been received regarding misrepresentation of information in the MPAC report tabled to Council on 27 February 2026, which indicated incorrectly that the above matters of unauthorised expenditure served before the MPAC for the purpose of MPAC conducting an investigation in compliance with Section 32(2)(a)(ii) of the Municipal Finance Management Act, 2003 (MFMA).

If substantiated, such misrepresentation may have resulted in Council taking a decision based on incomplete or inaccurate information, thereby undermining the integrity of Council oversight processes and potentially resulting in non-compliance with section 32 of the Municipal Finance Management Act. Furthermore, such misrepresentation could constitute financial misconduct and/or offence as contemplated in Sections 171 and 173 of the MFMA.

In this regard, the Municipality is requested to provide a written response to Provincial Treasury on the above allegations within Seven (7) days of receipt of this correspondence. Furthermore, the following supporting documentation must be submitted to Provincial Treasury for review:

1. The report from the administration to MPAC providing the required information regarding the unauthorised expenditure of R104 357 068 for the 2022/23 and R49 370 445 for the 2023/24 financial years.

2. The signed minutes of the MPAC meeting held on 05 February 2026, where the matter relating to the write-off of the unauthorised expenditure was considered.

3. The MPAC report signed by the Chairperson of MPAC submitted to Council, which includes the recommendation regarding the write-off of the unauthorised expenditure which was tabled to Council on the 27 February 2026.

4. The minutes of the Municipal Council meeting of the 27 February 2026 in which the council resolution was taken to write off unauthorised expenditure of R104 357 068 for the 2022/23 and R49 370 445 for the 2023/24 financial years.

Upon receipt of the above, the Provincial Treasury will determine whether further action is required in terms of Sections 32, 171 and 173 of the MFMA.

The above-requested information and supporting documentation must be submitted to the following Provincial Treasury officials for review and further action:

Melissa.vanNiekerk@westerncape.gov.za or Itumeleng.mofokeng@westerncape.gov.za

Yours sincerely

**DEIDRÉ BAARTMAN**
**MINISTER OF FINANCE**

Cc: Minster of Local Government: Mr Anton Bredell
Executive Mayor of Theewaterskloof Municipality: Ald. LM de Bruyn
Municipal Manager of Theewaterskloof Municipality (Acting): Mr GW Hermanus

# Annexure C

260

Theewaterskloof Municipality

Theewaterskloof Municipality Head Office
6 Plein Street
P.O.Box 24
Caledon
7230
Telephone: +27 (28) 2143300
Fax: +27 (28) 2141289
Website: www.twk.gov.za

Deidré Baartman
**Provincial Minister**
**Ministry of Finance**
**Western Cape Government**
**M Floor, 7 Wale Street, Cape Town**
**Deidre.Baartman@westerncape.gov.za**

**Reference number: PTR 12/2/15/11**
**Enquiries: Melissa van Niekerk**

**RE: ALLEGATION RELATING TO FINANCIAL MISCONDUCT IN THE WRITE-OFF OF THE 2022/23 AND 2023/24 UNAUTHORISED EXPENDITURE IN CONTRAVENTION WITH MUNICIPAL FINANCE MANAGEMENT ACT SECTION 32**

Theewaterskloof Municipality acknowledge your letter received on 16 February 2026. The requested documents are attached and additional information with full detailed reporting, and subsequent decisions taken recorded in both MPAC minutes (Item reference nr MPAC 02/2026 – attached ref nr 3) as well as Council minutes (Item reference nr C74/2026 – attached ref nr 14).

Furthermore, context is provided in the following sections on how the administration responded to Oversight questions and clarity:

**Reported Irregular Expenditure for the periods 2022/23 and 2023/24**

In the MPAC meeting of 4 December 2025 (minutes attached) it was resolved ***without contest*** that the irregular expenditure with item reference MPAC 158/2025, was reported to South African Police Service (SAPS), already before said meeting, for full forensic/criminal investigation. This decision was reiterated at the MPAC meeting of 5 February 2026 (minutes attached). The administration in attendance accepted this affirmation and acknowledged that the alleged non-compliance of SCM procedures (in particular competitive bidding and market testing) and also lack of contract management must be investigated externally.

**Reported Unauthorized Expenditure for the periods 2022/2023 and 2023/24**

1. **Identification and Reporting**
   Upon identifying the misallocated expenditure, the matter was consulted with Provincial Treasury (PT) with constant deliberations on how to regulate these expenses through an adjustment budget (see confirmation letter attached ref nr's 4 & 5). The CFO at the time did report this to the Accounting Officer, Executive Mayor, Speaker and Mayoral Committee. The guidance from PT and NT was that an adjustment budget can't be tabled outside the permitted

Theewaterskloof Municipality

Theewaterskloof Municipality Head Office
6 Plein Street
P.O.Box 24
Caledon
7230
Telephone: +27 (28) 2143300
Fax: +27 (28) 2141289
Website: www.twk.gov.za



MFMA scheduled dates, and that these misallocations must be properly recorded in the Annual Financial Statements (AFS) and be referred to Audit Committee & MPAC.

2. **Proper Recording and Full Disclosure**

   The detailed listing of these misallocations was duly disclosed in detail and recorded as unauthorized expenditure in the AFS (ref nr 6). The amounts were recorded from where the expense was processed without a proper virement and directed to where it should have been listed that resulted in the overspending of certain votes. The AFS with the Audit Report were reported to MPAC on 9 February 2024 (minutes attached) as part of annual report review. The Audit Committee reviewed the AFS on 28 August 2024.

3. **Audit Management Report and Final Audit Opinion**

   During the auditing for the year under review 2022/23 an unqualified audit opinion was still achieved even with full disclosure of the unauthorized expenditure. See ref nr 9.

4. **Tabled to MPAC**

   The first attempt to present the unauthorized expenditure in 2023/24 to MPAC was halted due to the composition challenges of the committee when the MPAC chairperson resigned, effective 11 June 2024, and Council only appointed a new chairperson on 28 November 2024 (See all meeting appointments from ref nr's 10 – 13). As per the above section 2 full transparency was already then given to MPAC and Council on the recorded unauthorized expenditure.

5. **Value for Money**

   The first MPAC meeting that dealt with the Unauthorized Expenditure was on 11 June 2025 whereafter the item was referred to as a 106 investigation to the WCDLG. However, this item, as with other referrals, was sent back to the municipality to deal with internally. The item was tabled on 5 February 2026 where clarity was directed at the administration including the Chief Audit Executive. It was understood that the irregular expenditure was already reported to SAPS and explained that the unauthorized expenditure involved misallocations that were duly recorded in absence of an acceptable adjustment budget as per efforts depicted above in section 1. It was moreover motivated that the services were rendered in good standing, certified by the user departments, and that value for money was received. The clarification provided did not dismiss that the Irregular Expenditure and acknowledged that these investigations should proceed but that the unauthorized expenditure was consulted on during the period under review to regulate these expenses and transparent reporting was done continuously.

Theewaterskloof
Municipality

Theewaterskloof Municipality Head Office
6 Plein Street
P.O.Box 24
Caledon
7230
Telephone: +27 (28) 2143300
Fax: +27 (28) 2141289
Website: www.twk.gov.za

**6. Compliance and Future Controls**

Before the initiation of the Budget Funded Plan the WCG specifically PT and DLG facilitated several engagements with Council in 2023/24 in support of the CFO to mitigate and prevent re-occurrence of this type of expenditure. This yielded more seriousness and positive approaches which are evident in the table below:

| Description | Audited 2022/23 | Audited 2023/24 | Audited 2024/25 | Variance | Actual (YTD) Unaudited 2025/26 (Nov 2025) | Variance |
|---|---|---|---|---|---|---|
| Unauthorised Expenditure | 104 357 068 | 49 370 445 | 178 512 | -100% | - | -100% |
| Fruitless and Wasteful Expenditure | 18 386 | - | 7 481 195 | 0% | 3 431 684 | -54% |
| Irregular Expenditure | 187 619 525 | 262 270 650 | 109 010 849 | -58% | 1 975 963 | -98% |
| **Significant Expenditure** | | | | | | |
| Clearing and Grass Cutting Services | 5 637 823 | 3 086 270 | 227 188 | -93% | 10 151 | -96% |
| Maintenance Services | 18 612 207 | 27 040 987 | 12 925 971 | -52% | 4 850 620 | -62% |
| Personnel and Labour | 17 952 071 | 7 825 335 | 7 792 920 | 0% | 1 918 371 | -75% |
| Security Services | 58 010 028 | 83 473 973 | 16 279 592 | -80% | 1 922 868 | -88% |
| Fuel Cost | 12 387 928 | 14 677 185 | 7 881 188 | -46% | 3 027 376 | -62% |
| Hire Charges | 62 213 592 | 43 716 044 | 3 945 161 | -91% | 201 547 | -95% |
| | **174 813 650** | **179 819 794** | **49 052 021** | **-73%** | **11 930 932** | **-76%** |

**Concluding Remarks**

The administration acted diligently and transparently where these expenditures were reported to the correct authorities (TWK Senior Management & Mayoral Committee & Council / Audit Committee / MPAC / PT) timeously, for periods under review. The details were recorded correctly, and clear attempts were made to regulate the budget of which proper consultation and guidance were requested from PT and NT.

Through the compliance audit of the AGSA adequate cooperation was given with full disclosures.

The unauthorized expenditure could have been avoided through proper budgeting processes which were acknowledged. The events that led to this unavoidable expenditure were not foreseen when the original budget was tabled. Most of these expenses occurred outside of the permitted Adjusted Budget periods. The necessary authorities were informed and duly authorized by the contract managers that these expenses were justified and demonstrated value for money, as services were rendered in good standing.

Theewaterskloof Municipality

Theewaterskloof Municipality Head Office
6 Plein Street
P.O.Box 24
Caledon
7230
Telephone: +27 (28) 2143300
Fax: +27 (28) 2141289
Website: www.twk.gov.za

263

The municipality demonstrated a turnaround through stringent controls and compliance with Budget processes and the unauthorized expenditure was fully mitigated in 2024/25 financial year to the point of almost zero.

As per the factual depiction on how events transpired supported by related documented evidence it must be underscored **that no form of misrepresentation was conducted** and ultimately Council considered all related facts in making their final decision (ref nr 14).

Yours sincerely

.....

**G.W. Hermanus**
**Acting Municipal Manager**
**Theewaterskloof Municipality**
**19 February 2026**

.....

**W.H. Wells**
**Speaker**
**Theewaterskloof Municipality**
**19 February 2026**

# Annexure D

Western Cape Government

Ministry of Finance
**Deidré Baartman | Provincial Minister**
Deidre.Baartman@westerncape.gov.za | Tel: 021 483 4700

Reference number: PTR12/2/15/11
Enquiries: Melissa van Niekerk

Private Bag X9165
Cape Town
8000

The Speaker
Theewaterskloof Municipality
PO Box 24
**CALEDON**
7230

Per email: speaker@twk.gov.za

Dear Cllr W Wells

**ASSESSMENT ON THE ALLEGATION RELATING TO FINANCIAL MISCONDUCT IN THE WRITE-OFF OF UNAUTHORISED EXPENDITURE (2022/23 AND 2023/24) IN CONTRAVENTION WITH SECTION 32 OF THE MUNICIPAL FINANCE MANAGEMENT ACT**

## 1. PURPOSE

1.1 This correspondence provides an assessment, together with recommendations, of the Municipality's response dated 19 March 2026 to the allegation relating to the write-off of unauthorised expenditure for the 2022/23 and 2023/24 financial years amounting to R104 357 068 and R49 370 445 respectively.

1.2 The assessment was undertaken in the exercise of the Provincial Treasury's oversight mandate and authority, with a view to determine compliance with Section 32 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and identify any required corrective actions.

## 2. ASSESSMENT METHODOLOGY

2.1 The assessment involved a review and analysis of the documentation submitted by the Municipality to assess the extent to which the Municipality's processes and decision-making align with the requirements of Section 32 of the MFMA and applicable legislation.

2.2 The documents utilised for the assessment include the Municipal Public Accounts Committee (MPAC) approved minutes, Council resolutions and approved minutes, and related supporting evidence to the unauthorised expenditure for the periods under review. It is noted that certain documentation requested for purposes of this assessment was not provided, specifically the report from the Administration to MPAC and the MPAC report to Council. Accordingly, this assessment has been conducted based on the information and documentation available at the time.

2.3 In accordance with the purpose of this assessment, specific areas requiring corrective action and/or further clarification have been identified, and these matters must be addressed to rectify identified deficiencies, ensure compliance with applicable legislative and regulatory requirements, and strengthen oversight and decision-making processes.

## 3. KEY FINDINGS

3.1 Upon review of the information submitted, the following specific findings were made.

### 3.2 Section 32 Process

a. Section 32 of the MFMA is grounded in the principle that municipal resources must be protected and that financial losses should not be automatically borne by the municipality where such losses arise as a result of individual conduct. It establishes a statutory liability framework that operates in addition to, and not in substitution for, common-law remedies and other applicable legislative mechanisms. Accordingly, Section 32 must be interpreted and applied in conjunction with labour legislation, criminal law, the Municipal Systems Act (MSA), the Municipal Supply Chain Management Regulations, the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings (Financial Misconduct Regulations), and other relevant legislation. Viewed in this context, Section 32 of the MFMA forms part of a broader, integrated accountability framework and does not function as a stand-alone provision.

b. Flowing from this integrated accountability framework, Section 32 of the MFMA places a clear obligation on municipalities to respond promptly and decisively to the incurrence of Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFWE). This includes the timely investigation of such expenditure, appropriate reporting to the relevant oversight structures, and the implementation of corrective and remedial measures. While contextual explanations have been provided, including the delay in the appointment of an MPAC Chairperson and MPAC's incorrect recommendation to refer UIFWE matters to the MEC for Local Government for a Section 106 investigation, these factors do not negate or suspend the Municipality's statutory obligations. The extended delay in MPAC initiating and concluding its investigation represents a failure to act within a reasonable timeframe, which is inconsistent with the requirements and intent of Section 32 of the MFMA. This delay therefore constitutes non-compliance and is a concern from both a legislative-compliance and oversight perspective.

c. Notwithstanding the concerns raised above regarding delays and non-compliance with Section 32 of the MFMA, the unauthorised expenditure was referred to MPAC for investigation in terms of Section 32(2)(a) of the MFMA. A review of the MPAC minutes of the meeting held on 5 February 2026 reflects that MPAC considered and deliberated on information presented by management. The minutes further indicate that MPAC recommended to Council the write-off of unauthorised expenditure for the 2022/23 and 2023/24 financial years, amounting to R104 357 068 and R49 370 445 respectively. Council subsequently resolved, on 27 February 2026, to approve the write-off of the aforesaid unauthorised expenditure as recommended by MPAC.

The above observation is confined strictly to the procedural steps reflected in the available documentation, namely the referral to MPAC, the consideration of information, and the subsequent recommendation and Council resolution. It does not constitute, nor should it be interpreted as, an assessment of completeness, or legislative compliance of the MPAC investigation or the merits and lawfulness of Council's resolution, which are addressed further in this assessment. This clarification is included to ensure internal consistency across the assessment and to clearly distinguish between procedural observations and substantive findings.

### 3.3 Decision-Making Process and Oversight Considerations

a. The quality and robustness of the decision-making process are inherently dependent on the adequacy and completeness of the information submitted for consideration. Where supporting information is limited or lacks sufficient detail, it may impact the depth of deliberations and the ability of MPAC to fully interrogate the matter.

b. In the absence of the signed report from the Administration to MPAC and the MPAC report to Council, it is assumed that MPAC and, subsequently, Council relied primarily on the information contained in the MPAC minutes when deliberating and making decisions. Should there be any material discrepancies or inaccuracies in the minutes, this could undermine the integrity and reliability of the decision-making process and the validity of the Council resolution.

c. As reflected in the MPAC minutes reviewed, it reflects that MPAC deliberated on the information presented by management and subsequently formulated a recommendation to Council regarding the write-off of the unauthorised expenditure. This indicates that the matter was considered and assessed by the MPAC before being submitted to Council.

d. The information reflected in the minutes is, however, found to be incomplete for purposes of supporting recommendations and resolutions that fully comply with the requirements of Section 32 of the MFMA. In particular, it is not evident from the available records that due consideration was given to consequence-management measures, including the referral of the matter to the Disciplinary Board. Furthermore, the information available was insufficient to enable an informed determination as to whether the unauthorised expenditure should be considered recoverable or irrecoverable and written off by Council. The detail and implications of these limitations are further expanded upon in section 3.5 below.

### 3.4 Reporting of Unauthorised Irregular Fruitless and Wasteful Expenditure

a. Information presented by the administration to MPAC in terms of the Section 32 process is required to be comprehensive, well-substantiated, and adequately documented to support informed oversight and decision-making. This includes, but is not limited to, a clear account of the events leading to the UIFWE, identification of all officials potentially liable, recovery considerations, a specification of the legal and financial implications, and details of corrective measures implemented or proposed to prevent recurrence, and disciplinary board and criminal referrals where applicable. Provincial Treasury has provided training to Theewaterskloof Municipal Council and municipal officials in this regard on 18 August 2025.

b. The adequacy and completeness of such information are critical to ensuring that MPAC is able to discharge its statutory oversight responsibilities effectively and to make well-informed, rational, and legally sound recommendations to Council regarding whether UIFWE is recoverable or irrecoverable and to be written off as per Section 32(2) of the MFMA.

c. The MPAC minutes of the meeting held on 5 February 2026, which reflect the information submitted by management to MPAC as part of the Section 32 process relating to unauthorised expenditure for the 2022/23 and 2023/24 financial years amounting to R104 357 068 and R49 370 445 respectively, was used to assess the completeness of the information available to MPAC for purposes of its deliberations and recommendation. This assessment identified the absence of the following key elements.

   i. The factual background and events leading to unauthorised expenditure being incurred
   ii. Identification of all official/s potentially liable for the unauthorised expenditure.
   iii. Consideration of negligent or deliberate conduct relating to the incurrence of unauthorised expenditure.

iv. Recovery assessment as stipulated in Regulation 74 of the Municipal Budget and Reporting Regulations (MBRR).

v. Details of corrective measures taken or proposed to prevent a recurrence of the UIFWE.

vi. Disciplinary board or criminal referrals.

d. The absence of the above information represents a material limitation in the reporting to MPAC and may have constrained MPAC's ability to conduct a fully informed assessment and make comprehensive recommendations to Council.

e. It is a finding of this assessment that the information before Council at its meeting held on 27 February 2026, at which Council resolved to write off the unauthorised expenditure in question, was materially limited and did not extend beyond the information reflected in the MPAC meeting minutes. This is of concern, as the MPAC report to Council is expected to go beyond a replication of information presented to MPAC and to provide Council with a reasoned and evaluative account of MPAC's deliberations and recommendations.

f. In particular, the information presented to Council did not clearly address critical considerations required in terms of Section 32 of the MFMA, including a complete assessment of whether the unauthorised expenditure should be recommended as recoverable or irrecoverable, the identification and implementation of corrective measures, and the application of consequence-management processes. As a result, Council's resolution to write off the unauthorised expenditure appears to have been taken without the benefit of sufficiently detailed and differentiated oversight reporting from MPAC, thereby undermining the robustness, transparency, and legislative compliance of the decision-making process.

g. Further to the findings above regarding the adequacy of MPAC's recommendations and Council's resolutions, it is necessary to clarify MPAC's and Council's respective responsibilities in relation to consequence management when dealing with UIFWE. While Section 32 of the MFMA allows for unauthorised, irregular, fruitless and wasteful expenditure to be written off under specific circumstances, the write-off of such expenditure, and the absence of evidence of fraudulent or criminal conduct, do not in themselves absolve the Municipality of its obligation to consider and, where applicable, institute consequence-management processes. In terms of Section 32(5) of the MFMA, disciplinary, civil, or criminal proceedings must be considered where a person is alleged to have been responsible for such expenditure. The absence of any documented consideration of consequence management, including referral to the Disciplinary Board, therefore represents a significant gap in both MPAC's recommendations and Council's resolution, and is inconsistent with the intent and requirements of the MFMA's accountability framework.

### 3.5 Status and Approval of MPAC Minutes and Implications for Oversight

a. The availability of duly signed and approved minutes is critical, as it provides assurance regarding the accuracy and integrity of the recorded proceedings. Approved minutes constitute formal evidence of the oversight and decision-making processes undertaken and underpin the credibility of recommendations submitted to Council.

b. It is noted that the MPAC minutes of the meeting held on 5 February 2026 were signed and approved by the acting Chairperson, Councillor T.B. Zimmermann, on 5 March 2026. It is assumed that the MPAC Terms of Reference make provision for the designation of an Acting Chairperson when the Chairperson is unable to attend. The MPAC recommendation arising from this meeting was tabled to Council on 27 February 2026. It is not evident from the available records whether the draft minutes were subsequently tabled to MPAC for confirmation of accuracy prior to approval.

c. It was further noted that the above MPAC meeting minutes was signed by the Acting MPAC Chairperson on a page that does not contain substantive content. This has raised governance concerns regarding the integrity, reliability, and audit defensibility of MPAC records.

## 4. STRENGTHENING OF UIFWE OVERSIGHT AND GOVERNANCE PROCESSES

4.1 Considering the findings outlined in this assessment, and in order to address identified deficiencies, ensure compliance with Section 32 of the MFMA, and strengthen UIFWE oversight and decision-making processes, it is recommended that the Municipality implement the following corrective actions.

a. **Strengthening of Reporting to MPAC and Council**: Improve the quality and completeness of reports submitted by the municipal administration to MPAC, and by MPAC to Council, by ensuring that all legislative requirements are addressed. This includes, at a minimum:

   i. a clear factual background and root-cause analysis of the UIFWE;
   ii. identification of all officials potentially liable;
   iii. consideration of negligent or deliberate conduct;
   iv. recovery assessments in line with Regulation 74 of the Municipal Budget and Reporting Regulations;
   v. specification of legal and financial implications;
   vi. details of corrective measures implemented or proposed; and
   vii. documented consideration of disciplinary, civil, or criminal processes, including referral to the Disciplinary Board where applicable.
   viii. Confirmation by author of report that information in report is a true reflection of facts
   ix. Signature and approval of report referral to MPAC and Council.

b. **Consequence Management:** Ensure that MPAC and Council explicitly consider and document consequence-management measures as required by Section 32(5) of the MFMA, irrespective of whether the UIFWE is ultimately written off and irrespective of the presence or absence of criminal conduct.

c. **Internal Controls and Records Management**: Strengthen internal controls relating to document management, record-keeping, and reporting to ensure that all supporting information required for oversight and decision-making is readily available, complete, and auditable prior to MPAC deliberations and Council resolutions.

d. **Capacity Building**: Provide ongoing training and guidance to councillors, MPAC members, and relevant municipal officials on the application of Section 32 of the MFMA and related accountability frameworks, building on the training already provided by Provincial Treasury on 18 August 2025.

e. **Rectification of Decisions:** Municipal Councils may, in appropriate circumstances, reconsider, rescind, or amend a prior resolution relating to UIFWE. Any reconsideration must, however, be undertaken strictly in accordance with the municipality's Rules of Order regulating council meetings and decision-making procedures. Where the Rules of Order provide that the Municipal Council may rescind or amend a resolution, such power must be exercised lawfully, rationally, and procedurally fairly. The reconsideration must be properly placed on the agenda, supported by a written motivation, and decided through a formal council resolution.

   In reconsidering a UIFWE resolution, a Municipal Council must ensure that the amended resolution or rescinded decision does not unlawfully detract from rights that may have accrued as a result of the original resolution. The reconsideration of UIFWE resolutions must therefore

balance two principles. On the one hand, a Municipal Council retains the authority to correct its own decisions in accordance with its Rules of Order. On the other hand, such authority must be exercised within the bounds of legality, rationality, and procedural fairness, and may not undermine accrued rights or substitute for lawful judicial review where required.

## 5. RECOMMENDATIONS

5.1 The assessment confirms that the Municipality initiated steps to address the unauthorised expenditure for the 2022/23 and 2023/24 financial years through the Section 32(2)(a) process of the MFMA, including referral of the matter to MPAC and the subsequent consideration and resolution by Council.

5.2 Notwithstanding these actions, the assessment identified material deficiencies in the timeliness, completeness, and quality of the information underpinning MPAC's recommendations and Council's decision-making. In particular, the absence of comprehensive reporting, insufficient consideration of recoverability and consequence-management measures, and reliance on MPAC minutes that were approved only after Council had resolved on the matter collectively undermine the robustness, transparency, and legislative compliance of the process.

5.3 In view of the above, and to ensure that accountability, recoverability, and consequence-management obligations are fully and appropriately addressed, the Municipality may consider instituting a review to verify the accuracy and completeness of the information relied upon, to assess accountability, and to confirm whether the write-off decision appropriately reflects the requirements and intent of Section 32 of the MFMA.

5.4 It is further recommended that Council engage MPAC to confirm the accuracy of the approved minutes and evaluate whether the Council resolution adopted on 27 February 2026 should be reconsidered, rescinded or amended, or referred to MPAC for further deliberation, particularly in relation to recoverability determinations and consequence-management considerations.

## 6. Conclusion

6.1 To further guide the Municipality in the effective implementation of Section 32 of the MFMA, please find attached updated NT MFMA Circular 68.

Yours sincerely,

**DEIDRÉ BAARTMAN**
**MINISTER OF FINANCE**
**WESTERN CAPE**

Cc:
Minister of Local Government: Mr A Bredell
Executive Mayor of Theewaterskloof Municipality: Ald. LM de Bruyn
Municipal Manager of Theewaterskloof Municipality (Acting): Mr GW Hermanus
Head of Department, Provincial Treasury: Ms J Gantana
Head of Department, Department of Local Government: Mr G Paulse

# Annexure E

Theewaterskloof Municipality

Theewaterskloof Municipality – Administrative Head Office
6 Plein Street, PO Box 24 Caledon, Western Cape, 7230
Tel: +27 (28) 2143300 | Fax: +27 (28) 2141289
Website: www.twk.gov.za

30 April 2026

**DEPARTMENT OF FINANCE, ECONOMIC OPPORTUNITY AND TOURISM**
**142 Long Street**
**Cape Town**
**8000**

For attention: **Minister Deidre Baartman**
Email: deidre.baartman@westerncape.gov.za

**RESPONSE TO THE ASSESSMENT ON THE ALLEGATION RELATING TO FINANCIAL MISCONDUCT IN THE WRITE-OFF OF UNAUTHORISED EXPENDITURE (2022/23 AND 2023/24) IN CONTRAVENTION WITH SECTION 32 OF THE MFMA.**

Good day MEC Baartman

The Municipality hereby acknowledges receipt of your correspondence regarding the assessment of the write-off of unauthorised expenditure for the 2022/23 and 2023/24 financial years, conducted in terms of Section 32 of the Municipal Finance Management Act (MFMA).

We appreciate the time and diligence applied in undertaking this assessment as well as the constructive recommendations provided to strengthen compliance, oversight, and governance processes within the Municipality. The guidance contained in your correspondence, together with the referenced National Treasury MFMA Circular 68, is both noted and welcomed.

The Municipality wishes to reaffirm its commitment to sound financial management, transparency and adherence to legislative prescripts. The matters relating to the unauthorised expenditure in question were duly referred to the Municipal Public Accounts Committee (MPAC) and subsequently considered by Council in line with Section 32(2)(a) of the MFMA.

While we acknowledge the concerns raised regarding the timeliness, completeness and quality of information supporting these processes, it is important to note that the decisions taken were based on the information available at the time and were subjected to oversight, deliberation and resolution through the appropriate governance structures.

Following receipt of your correspondence, I convened an urgent engagement involving the Acting Municipal Manager, Acting Chief Financial Officer, Audit Executive and members of MPAC to reflect on the findings and recommendations. This engagement provided an opportunity to collectively assess the processes followed and to identify areas for strengthening.

The MPAC members present expressed confidence that, based on the information submitted to them, they exercised due diligence in interrogating the matters, including considerations of root causes, mitigating factors, sound financial decision-making and the broader financial context.

The unauthorised expenditure largely arose from unforeseen circumstances, re-prioritisation in spending, compounded by limitations in effecting a special adjustments budget within the required timeframe, despite efforts to pursue corrective interventions and maintain transparent engagement with relevant oversight bodies.

Council and MPAC further note that, while there were historical challenges in establishing a fully functional MPAC, the current Committee is stable, capacitated and actively addressing legacy matters. Significant progress has already been made in reducing backlogs and the committee has adopted a more proactive approach to ensure that unauthorised, irregular, fruitless and wasteful expenditure is addressed in a more timely manner going forward.

Importantly, the Municipality has already begun implementing measures aligned to the recommendations contained in your correspondence. With effect from 29 April 2026, enhanced reporting requirements have been incorporated into all submissions to MPAC and Council. These include, inter alia, detailed root-cause analyses, identification of responsible officials, assessment of recoverability, consideration of consequence management and formal confirmation of the accuracy and completeness of reports. This has been institutionalised as an additional control measure to strengthen the quality and integrity of decision-making processes.

Furthermore, MPAC has resolved to process matters on a continuous basis rather than deferring consideration until the finalisation of audited outcomes. This approach is intended to improve accountability, mitigate the impact of staff turnover as well as staff deaths and ensure that information is still accessible and verifiable by the relevant officials at the time of review. Where necessary, matters will be revisited should audit outcomes require adjustments.

After careful consideration of the assessment and the internal review undertaken, we are satisfied that the processes followed and decisions taken were reasonable within the context and constraints at the time. As such, no amendments or rescissions to the Council resolution of 27 February 2026 are proposed.

However, the Municipality remains committed to continuously improving its systems, controls and oversight mechanisms in line with the recommendations provided. We trust that this response demonstrates both our commitment to accountability and our intention to strengthen governance practices. The Municipality values the ongoing support and oversight of your Office and remains committed to constructive engagement in advancing sound financial management.

Yours sincerely,

**Mr. Weldon Wells | Speaker | Theewaterskloof Municipality**

# Annexure F

Western Cape Government

Ministry of Finance
**Deidré Baartman | Provincial Minister**
Deidre.Baartman@westerncape.gov.za | Tel: 021 483 4700

Reference number: PTR 12/2/15/11
Enquiries: Melissa van Niekerk

The Speaker
Theewaterskloof Municipality
PO Box 24
CALEDON
7230

Per email: speaker@twk.gov.za

Dear Cllr Wells

**RE: ALLEGATION RELATING TO FINANCIAL MISCONDUCT IN THE WRITE-OFF OF THE 2022/23 AND 2023/24 UNAUTHORISED EXPENDITURE IN CONTRAVENTION WITH MUNICIPAL FINANCE MANAGEMENT ACT SECTION 32**

1. Reference is made to the letter dated 30 April 2026, and acknowledgement is hereby given to the steps being undertaken by the Municipality to address the abovementioned matter, including the consideration of recommendations and the referral of certain issues for further assessment. The Municipality's efforts to promote good governance, ensure accountability, and respond to the concerns raised are duly noted.

2. Notwithstanding the above, it is necessary to highlight that, despite these efforts, certain procedural and governance-related matters remain outstanding, as set out below, and require prompt clarification and/or appropriate corrective action.

   a) Council, as the decision-making authority regarding the write-off of the unauthorised expenditure in question, does not appear to have been adequately consulted regarding the findings and recommendations contained in the PT assessment submitted to the Municipality on the 24 April 2026. Accordingly, the following is required:

      i. The PT assessment submitted to the Municipality on 24 April 2026 regarding the above matter should be formally communicated to Council for consideration.
      ii. Council should formally indicate whether it confirms or revises its decision on the write-off of the unauthorised expenditure in question, having due regard to the findings and recommendations contained in the PT assessment. While MPAC may have exercised its responsibility to re-evaluate its recommendation pertaining to the write-off, the final position of Council on this matter must be clearly deliberated, duly recorded, and formally communicated through the appropriate Council processes. This should be supported by a clear Council resolution reflecting its consideration of the PT assessment on the matter.

b) A material deficiency identified in the PT assessment is the absence of consequence management measures, as required by section 32(5) of the MFMA. The Disciplinary Board, established in terms of Regulation 4(1) of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014 is mandated to investigate allegations of financial misconduct and to determine and recommend to Council whether sufficient grounds exist to initiate disciplinary proceedings. In this context, while MPAC may recommend to Council that the matter be referred to the Disciplinary Board where such referral has not yet occurred, it does not have the authority to determine or recommend that consequence management measures are not warranted. Council should therefore indicate whether the matter has been referred to the Disciplinary Board and, if not, provide reasons for the absence of such referral.

c) Lastly, MPAC should communicate its position regarding the accuracy of the MPAC meeting minutes that took place on the 5th of February 2026 as relied upon, as this forms an important basis for recommendations made to council.

3. The Municipality is requested to provide a response addressing the above-mentioned procedural and governance matters, including the considerations applied in this regard. Addressing these matters remains important to support the integrity, transparency, and credibility of the Municipality's financial management and oversight processes, particularly in relation to the treatment of unauthorised expenditure, irregular, fruitless and wasteful expenditure and the effective implementation of consequence management measures.

4. The Municipality's cooperation and prompt attention to this matter are regarded as key to ensuring that the issues identified are addressed effectively.

Yours sincerely,

**DEIDRÉ BAARTMAN**
**MINISTER OF FINANCE**

cc: Minister of Local Government: Mr Anton Bredell mam@westerncape.gov.za
Executive Mayor of Theewaterskloof Municipality: Ald. LM de Bruyn mayor@twk.gov.za /ldebruyn@twk.gov.za
Municipal Manager of Theewaterskloof Municipality (Acting): Mr GW Hermanus mm@twk.gov.za / gwhe@twk.gov.za

**ITEM TITLE**

**SC82/2025 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: OFFICE OF THE MUNICIPAL MANAGER: PAYMENT & TAX NON-COMPLIANCE OF BRINK THOMAS CASSIEM INCORPORATED**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE OF REPORT**

The purpose of this report is to inform MPAC of the circumstances surrounding the appointment of a legal service provider who, after having been appointed and having rendered services, was subsequently found to be non-compliant with tax regulations. At the time of the appointment, the service provider submitted a valid tax compliance certificate, and there was no indication of non-compliance.

In terms of its mandate, the Municipal Public Accounts Committee (MPAC) may:

a. Investigate the irregular expenditure incurred in this matter.
b. Recommend to Council whether the irregular expenditure should be certified as irrecoverable and written off.
c. Propose measures to prevent future irregular expenditure.
d. Recommend to Council who, if anyone, may be held liable for the irregular expenditure.
e. Report to Council on the effectiveness of current processes, procedures, and controls in preventing unauthorized, irregular, fruitless, and wasteful expenditure.

**BACKGROUND**

Brink Thomas & Cassiem Incorporated was appointed under Deviation 5232694 to provide legal services in two matters:

a. Opposition to the Caledon Ratepayers Association and three others.
b. Legal defense against the Democratic Alliance and Others in the High Court.

A purchase order (H0000485) was issued on September 9, 2024. The deviation was supported and approved by the previous Municipal Manager and Supply Chain Management as an exceptional case. A Council resolution dated 13 September 2024 ratified the appointment of the legal team to oppose the notice of motion filed against the Municipality/Council. The legal service provider had already been appointed and was actively rendering services to the municipality when Supply Chain Management reported that the provider was non-compliant with tax regulations. Due diligence was applied after this discovery, and it was confirmed that the service provider's tax compliance status had changed since the time of appointment.

The service provider was formally informed of the issue and requested that the problem resolve the matter directly with SARS.

## DISCUSSION

### Tax Non-Compliance

Brink Thomas & Cassiem Incorporated was found to be non-compliant with tax regulations after their tax compliance status was checked by supply chain management. SARS confirmed that the taxpayer was non-compliant in terms of registration, filing, and/or payment responsibilities.

The non-compliance was reported after the service provider had already commenced work on legal matters. At the time of appointment, the service provider had submitted a valid tax compliance certificate which expired in February 2025. Upon discovery of the change in compliance status, the municipality applied due diligence and formally notified the service provider, requesting that they resolve the matter with SARS.

### Expenditure Deviation

According to the IAG report (2024-10 Supply Chain Management Audit 1 November 2024 – 31 January 2025), the initial deviation report submitted to Council estimated an expenditure of R17,366, which was specific to the Caledon Ratepayers Association matter. Actual expenditure incurred was:

- R64,192.20 for the Caledon Ratepayers Association matter.
- R183,363.57 for the Democratic Alliance matter.

Total actual expenditure: R247,555.77, resulting in a discrepancy of R230,189.70 from the initial estimate.

## COMMENTS FROM THE OFFICE OF THE MUNICIPAL MANAGER

The recommendations are supported

## COMMENTS FROM THE DIRECTORATE CORPORATE SERVICES

Approved.

## FINANCIAL IMPLICATIONS (ITEM AUTHOR)

Amounts written off as irrecoverable should be included in the annual financial statements.

## LEGAL IMPLICATIONS (ITEM AUTHOR)

Section 32 of the MFMA states that any official of a municipality who deliberately or negligently committed, made or authorized an irregular expenditure is liable for that expenditure. A municipality must recover such expenditure from the person liable for that expenditure, unless the irregular expenditure is certified by the Council as irrecoverable, after the Section 32 Committee has investigated and recommended it.

Irregular expenditure for the purpose of this item means expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality and which has not been condoned in terms of such policy.

## COMMENTS FROM INTERNAL AUDIT

The recommendation is supported with the addition that consequence management should be applied.

## RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

Not applicable.

## COMMENTS FROM LEGAL SERVICES

The recommendation is supported as the service provider did perform tasks for the municipality.

## RECOMMENDATION BY ITEM AUTHOR:

**It is therefore recommended that in the view of the fact that no reason to suspect fraud, Council has received value for money and did not suffer any loss. As there are no grounds for a claim against any official, it is recommended that the irregular amount of R 247, 555.70 be written off.**

**Acknowledge that services were rendered and completed under Council-approved deviation.**

## RECOMMENDATION BY MANAGEMENT TO MPAC: 17 JULY 2025

**That in the view of the fact that no reason to suspect fraud, Council has received value for money and did not suffer any loss. As there are no grounds for a claim against any official, it is recommended that the irregular amount of R 247, 555.70 be written off.**

**Acknowledge that services were rendered and completed under Council-approved deviation.**

**RECOMMENDATION BY MPAC: 26 AUGUST 2025**

**Agenda-item referred to next MPAC Meeting for discussion.**

**RECOMMENDATION FROM MPAC TO COUNCIL: 09 OCTOBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor M Botes it was recommended as follows:

**That in the view of the fact that no reason to suspect fraud, Council has received value for money and did not suffer any loss. As there are no grounds for a claim against any official, it is recommended that the irregular amount of R 247, 555.70 be written off.**

**Acknowledge that services were rendered and completed under Council-approved deviation.**

**RECOMMENDATION TO COUNCIL:**

**It is therefore recommended that in the view of the fact that no reason to suspect fraud, Council has received value for money and did not suffer any loss. As there are no grounds for a claim against any official, it is recommended that the irregular amount of R 247, 555.70 be written off.**

**Acknowledge that services were rendered and completed under Council-approved deviation.**

**DISCUSSION DURING THE MEETING**

*Alderman LM de Bruyn request a 15-minute caucus break which was granted by the Speaker.*

*After the caucus break Alderman LM de Bruyn proposed the following:*

1. *That in view of the fact that there is no reason to suspect fraud, Council has received value for money and did not suffer any loss. As there are no grounds for a claim against any official, it is recommended that the irregular amount of R64 192.20 be written off.*

2. *That the amount of R183 363,57 be referred back to MPAC, that all relevant documentation be provided for MPAC to make an informed decision.*

*Proposal was second by Alderman S Fredericks.*

*Alderman DA Appel proposed the following counter-proposal:*

*That in view of the fact that no reason to suspect fraud, Council has received value for money and did not suffer any loss. As there are no grounds for a claim against any official, it is recommended that the irregular amount of R 247, 555.70 be written off.*

*Acknowledge that services were rendered and completed under Council-approved deviation.*

*Counter-proposal was second by Alderman MR Nongxaza.*

*The voting process started, and each councillor indicated whether they vote for 1. Proposal by Alderman LM de Bruyn and seconded by Alderman S Fredericks or 2. The Counter - proposal by Alderman DA Appel seconded by Alderman MR Nongxaza.*

*The result of the voting process is as follows:*

*Proposal by Alderman LM de Bruyn and seconded by Alderman S Fredericks = 15 votes.*

*Counter Proposal by Alderman DA Appel and seconded by Alderman MR Nongxaza = 11 votes.*

**RESOLVED BY COUNCIL: 23 OCTOBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman LM de Bruyn and seconded by Alderman S Fredericks, it was resolved as follows:

1. **That in view of the fact that there is no reason to suspect fraud, Council has received value for money and did not suffer any loss. As there are no grounds for a claim against any official, it is recommended that the irregular amount of R64 192.20 be written off.**

2. **That the amount of R183 363,57 be referred back to MPAC, that all relevant documentation be provided to MPAC to make an informed decision.**

*For finalization by the Municipal Manager, Mr. W Hendricks.*

**RECOMMENDATION TO COUNCIL:**

**Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.**

ANNEXURE A

**Status Report–**

**In terms of SCM and MFMA requirements and remedial action required if necessary**

| Supplier | Service Description | Commencement date of services |
|---|---|---|
| Brink Thomas Cassiem Inc. | Legal services | 09/09/2024 |

1

| What was the initial Purpose |
|---|
| To appoint legal representation for:<br>- Opposition to the Caledon Ratepayers Association and others.<br>- Legal defence against the Democratic Alliance and others in the High Court. |

2

| Initial Scope of Contract and if uncertain please explain |
|---|
| The scope included legal services for two specific matters. Initially, only the Caledon Ratepayers Association matter was estimated, but the scope expanded to include the Democratic Alliance matter. |

3

| Initial Contract Value and if uncertain please explain |
|---|
| Estimated at R17,366, specific to the Caledon Ratepayers Association matter. The full scope and actual costs were not initially anticipated. |

4

| Initial Expiry Date and if uncertain please explain |
|---|
| No specific expiry date was mentioned in the report. The service was tied to the resolution of the legal matters. |

5

| **Was normal SCM Process followed and complied with** | | |
|---|---|---|
| Yes | **No** | Uncertain |
| **Explain of motivate your response** | | |
| A deviation was used due to urgency, approved by the Municipal Manager and ratified by Council. While this is allowed under SCM policy, it bypasses the normal competitive process. | | |

6

| **Has the purpose, scope or contract period been extended or expanded since the initial appointment of the service provider** | | |
|---|---|---|
| **Yes** | No | Uncertain |
| **Explain or motivate your response** | | |
| The scope expanded to include a second legal matter (Democratic Alliance case), increasing the total expenditure. | | |

7

| **Was a formal contract or SLA initially entered into in terms of SCM and MFMA Requirements** | | |
|---|---|---|
| Yes | **No** | Uncertain |
| **Explain or motivate your response** | | |
| The appointment was based on a deviation and a purchase order. | | |

8

| **Should a contract not have existed has it since been entered into and has all compliance requirements like as it applies in respect of the SCM process and or for purposes of deviations been complied with** | | |
|---|---|---|
| Yes | **No** | Uncertain |
| **Motivate or explain your response** | | |
| Compliance with deviation procedures was followed, approved by SCM and order was generated. | | |

9

| **Did Council because of this transaction received best value for money i.e. in spite of non-compliance, if any with SCM or MFMA requirements** | | |
|---|---|---|
| **Yes** | No | Uncertain |
| **Please explain or motivate your response above** | | |
| Services were rendered, legal representation was provided, and no loss was suffered. Council received value for money. | | |

10

| **Has the Municipality suffered any losses or damages as a result of non-compliance with any of the MFMA or SCM requirements** | | |
|---|---|---|
| Yes | **No** | Uncertain |
| **Please explain or motivate your response above** | | |
| No financial loss or damages were reported. The irregularity was procedural. | | |

11

| **Are you satisfied with the performance of the current service providers** | | |
|---|---|---|
| **Yes** | No | Uncertain |
| **Please explain or motivate your response above** | | |
| The legal services were rendered effectively, and the matters were addressed as required. | | |

12

| **Has the director investigated and established whether or not there is not at this point a better service provider, price or product which would justify a new procurement process and a reconsideration of the current service provider, product or price** | | |
|---|---|---|
| Yes | **No** | Uncertain |
| **Please explain or motivate your response above** | | |
| Due to the urgency of urgency of the matter and that it was an exceptional case and it was practically impossible to test and benchmark the market. | | |

ANNEXURE A

14

| **Could any form of non-compliance have been prevented** | | |
|---|---|---|
| Yes | **No** | Uncertain |
| **Explain or motivate your response above** | | |
| At the time of procuring the service, the service provider held a valid and compliant tax clearance status. This was verified and compliant with procurement requirements. However, it only came to light—following an inquiry regarding payment for services rendered—that the provider's tax compliance status had subsequently changed to non-compliant. This change occurred after the initial procurement process. | | |

15

| **What remedies have been put in place to prevent any non-compliance being repeated** | | |
|---|---|---|
| Yes | **No** | Uncertain |
| **Explain or motivate your response above** | | |
| The report recommends strengthening SCM monitoring and compliance checks, especially for tax status before contract execution. | | |

16

| **General or additional Comments of the Director Concerned** | |
|---|---|
| ..... | |
| ..... | |
| Signature of Director Concerned | Date |

17

| **General Comments/Findings and recommendations of the CFO** | |
|---|---|
| | |
| Signature of CFO | Date |

18

ANNEXURE A

| **General Comments/Findings and or recommendations of the Chief Audit Executive** | |
|---|---|
| Signature of Chief Audit Executive | Date |

19

| **Final response of the Director Concerned for consideration by the Municipal Manager** | |
|---|---|
| Signature of the Director concerned | Date |

20

| **General Comments and findings of the Municipal Manager** | |
|---|---|
| 1. | |
| Signature of the Municipal Manager | Date |

Workflow History Go

| | |
|---|---|
| Ref Number | 5232694 |
| Meta Type | Requisition |
| Name | Legal Services - Caledon - General |
| Requisition Type | General |
| Area of Expenditure | Western Cape Area |
| B-BBEE Status Level of Contributor | Non-compliant contributor |
| Local Supplier? | No |
| Created By | Charne Lottering (CHARNELO) |
| Date Created | 2024-09-09 12:26 |

Requisition Detail | Department Detail | Deviation Detail | SCM Detail | Outcome Detail | Order Detail | Asset

| | |
|---|---|
| Created By | CHARNELO |
| Date Created | 2024-09-09 |
| Requisition Reference | 5232694 |
| Requisition Number | 39709 |
| Requisition Date | 2024-09-09 |
| Product/Service Description | Legal Services |
| Required Delivery Date | 2024-09-09 |
| Required Delivery Address | Caledon Head office / Finance / Development, 6 Plein Str, Caledon, 72 |
| Total Estimated Amount (R) | 17366.00 |
| Estimated Value Interval (R) | R10,000.01 – R30,000.00 |
| Cancel Requisition | No |
| Requestor Name | Charne Lottering |
| Requestor Email Address | charnelo@twk.gov.za |
| Requestor Telephone Number | 0282143300 |

| File Name | Date Created | File Size | Action |
|---|---|---|---|

September 09 Legal Services.pdf 2024-09-09 13:01 916 KB

Close

Workflow History Go

| | |
|---|---|
| Ref Number | 5232694 |
| Meta Type | Requisition |
| Name | Legal Services - Caledon - General |
| Requisition Type | General |
| Area of Expenditure | Western Cape Area |
| B-BBEE Status Level of Contributor | Non-compliant contributor |
| Local Supplier? | No |
| Created By | Charne Lottering (CHARNELO) |
| Date Created | 2024-09-09 12:26 |

Requisition Detail | Department Detail | Deviation Detail | SCM Detail | Outcome Detail | Order Detail | Asset

| | |
|---|---|
| Deviation Item? | Yes |
| Motivate Reason for Deviation | Due to the complexity and urgency of the matter, it is crucial to have professional legal |
| Deviation Type (Section 36) | 5. Any other exceptional case where it is impractical or impossible to follow the official |
| MM Deviation Review Outcome | Approve Deviation Requisition |
| MM Comment on Deviation | Supported |
| CFO Review Outcome | |
| CFO Review Comment | |
| SCM Deviation Review Outcome | Support Deviation |
| SCM Deviation Review Comments | NLG - CHANGE THE DEVIATION TIPE AS AN EXCEPTIONALCASE AND NOT AN EMERGENCY |
| ICT Deviation | |
| ICT Deviation Review Outcome | |
| ICT Deviation Review Comments | |
| Fleet Manager Review Outcome | |
| Fleet Manager Review Comments | |

| File Name | Date Created | File Size | Action |
| --- | --- | --- | --- |
| September 09 Legal Services.pdf | 2024-09-09 13:01 | 916 KB | |

Close

291

Workflow History Go

| | |
|---|---|
| Ref Number | 5232694 |
| Meta Type | Requisition |
| Name | Legal Services - Caledon - General |
| Requisition Type | General |
| Area of Expenditure | Western Cape Area |
| B-BBEE Status Level of Contributor | Non-compliant contributor |
| Local Supplier? | No |
| Created By | Charne Lottering (CHARNELO) |
| Date Created | 2024-09-09 12:26 |

Requisition Detail | Department Detail | Deviation Detail | SCM Detail | Outcome Detail | Order Detail | Asset

| | |
|---|---|
| Directorate Code | 0051 |
| Directorate | Corporate Services |
| Cost Centre Code | 1111 |
| Department | Legal |
| Requisition Review Manager | |
| Departmental Outcome | Approve the Requisition |
| Departmental Comments | Legal Services |
| Date Approved | 2024-09-09 |
| Approved By | HONEYGX |

| File Name | Date Created | File Size | Action |
|---|---|---|---|
| September 09 Legal Services.pdf | 2024-09-09 13:01 | 916 KB | |

Close

Workflow History Go

| | |
|---|---|
| Ref Number | 5232694 |
| Melo Type | Requisition |
| Name | Legal Services - Caledon - General |
| Requisition Type | General |
| Area of Expenditure | Western Cape Area |
| B-BBEE Status Level of Contributor | Non-compliant contributor |
| Local Supplier? | No |
| Created By | Charne Lottering (CHARNELO) |
| Date Created | 2024-09-09 12:26 |

Requisition Detail | Department Detail | Deviation Detail | SCM Detail | Outcome Detail | Order Detail | Asset

| | |
|---|---|
| SCM User | INGEMARJU |
| Reviewed By | |
| Date Reviewed | |
| SCM Review Outcome | |
| SCM Approve Outcome | Process Order |
| SCM Comments | |
| Regulation 17 | No |
| CFO Review Outcome | |
| Insure Items to be Purchased? | No |
| CFO Review Comment | |

| File Name | Date Created | File Size | Action |
|---|---|---|---|
| September 09 Legal Services.pdf | 2024-09-09 13:01 | 916 KB | |

Close

293

Workflow History Go

| | |
|---|---|
| Ref Number | 5232694 |
| Meta Type | Requisition |
| Name | Legal Services - Caledon - General |
| Requisition Type | General |
| Area of Expenditure | Western Cape Area |
| B-BBEE Status Level of Contributor | Non-compliant contributor |
| Local Supplier? | No |
| Created By | Charne Lottering (CHARNELO) |
| Date Created | 2024-09-09 12:26 |

Requisition Detail | Department Detail | Deviation Detail | SCM Detail | Outcome Detail | Order Detail | Asset

| | |
|---|---|
| Recommended Supplier Price | 17366 |
| Ship Code | CALEDON 5 |
| Phoenix Order Review Outcome | Order Created Successfully on Phoenix |
| Order Number | H0000485 |
| Order Date | 2024-09-10 |
| Order User | TWKMUN\ANNIELLEMA |
| Order Contact Surname | Lottering |
| Order Contact Initials | C |

| File Name | Date Created | File Size | Action |
|---|---|---|---|
| September 09 Legal Services.pdf | 2024-09-09 13:01 | 916 KB | |

Close

Theewaterskloof Municipality

**THEEWATERSKLOOF MUNISIPALITEIT : THEEWATERSKLOOF MUNICIPALITY**

**OFFICIAL ORDER**

# Order
**H0000485**

**Billing Address:**
PO Box 24
Caledon, [illegible]
Tel: 028 [illegible]

Delivery : [illegible]

**VAT Registration number:4000846248**

**SUPPLIER NAME:** BRINK THOMAS CASSIEM INCORPORA [B00206 ]
**SUPPLIER TEL NO:** 021 745 6255
**SUPPLIER FAX NO:** 086 666 7799
**PHYSICAL ADDRESS:** WAALBURG BUILDING
28 WALE STREET
**DATE:** 20240910

**DIRECTORATE:** Corporate Services
**COST CENTRE:** Legal
**NAME:** Lottering C
**REQ NO:** 39709

| DESCRIPTION | QUANTITY | UNIT PRICE EXCL. | AMOUNT EXCL. | AMOUNT INCL. |
|---|---|---|---|---|
| Taking instruction perusal of documents consultation draft letters and letters of response to attorneys | 1.00 | 1304.35 | 1304.35 | 1500.00 |
| Peruse and consider reply | 1.00 | 1304.35 | 1304.35 | 1500.00 |
| Attending to Pre-trial and procedure including discovery | 1.00 | 1304.35 | 1304.35 | 1500.00 |
| Prepare for trial | 1.00 | 1304.35 | 1304.35 | 1500.00 |
| Trial | 1.00 | 1304.35 | 1304.35 | 1500.00 |
| Ad hoc attendance | 1.00 | 1304.35 | 1304.35 | 1500.00 |
| Drafting of Legal Opinions | 1.00 | 1304.35 | 1304.35 | 1500.00 |
| Petrol Cost | 904.00 | 3.47 | 3144.35 | 3616.00 |
| Disbursement printing and photocopying | 500.00 | 3.04 | 1521.74 | 1750.00 |
| Disbursement telephone calls | 60.00 | 21.73 | 1304.35 | 1500.00 |
| | | GRAND TOTAL | 15100.89 | 17366.00 |

APPROVED BY: Signature:

Name In Print: MARTIN A Date: 2024/09/10

This order is an official commitment.
The order number must be reflected on your delivery notes, correspondence and Invoices.
For all orders above R3 000, your VAT registration number must be reflected on the invoice.
Payments will be done within 30 days, from the date the invoice is received.

# Order - Payment

**H0000485**

VAT Registration number:4000846248

SUPPLIER NAME: BRINK THOMAS CASSIEM INCORPORA [B00206 ]
SUPPLIER TEL NO: 021 745 6255 SUPPLIER FAX NO: 086 666 7799
VAT REGISTRATION NO: 0000045903049?0 PHYSICAL ADDRESS: WAALBURG BUILDING
DATE: 20240910 28 WALE STREET

DIRECTORATE: Corporate Services
COST CENTRE: Legal
NAME: Lottering C

| mSCOA CONFIG | DESCRIPTION | QUANTITY | UNIT PRICE EXCL. | AMOUNT EXCL. | AMOUNT INCL. | DISCOUNT |
|---|---|---|---|---|---|---|
| | [illegible] | | 1304.35 | 1304.35 | [illegible] | |
| 011111975420 | Peruse and consider reply | | 1304.35 | 1304.35 | [illegible] | |
| 011111975420 | Attending to Pre-trial and procedure including discovery | | 1304.35 | 1304.35 | [illegible] | |
| 011111975420 | Prepare for trial | | 1304.35 | 1304.35 | [illegible] | |
| 011111975420 | Trial | | 1304.35 | 1304.35 | [illegible] | |
| 011111975420 | Ad hoc attendance | | 1304.35 | 1304.35 | [illegible] | |
| 011111975420 | Drafting of Legal Opinions | 1.00 | 1304.35 | 1304.35 | [illegible] | |
| 011111975420 | Petrol Cost | 1.00 | 1304.35 | 1304.35 | [illegible] | |
| 011111975420 | Disbursement printing and photocopying | 904.00 | 3.47 | 3144.35 | [illegible] | |
| 011111975420 | Disbursement telephone calls | 500.00 | 3.04 | 1521.74 | [illegible] | |
| | | 60.00 | 21.73 | 1304.35 | [illegible] | |
| | GRAND TOTAL | | | 15100.89 | 17366.00 | |

| PAYMENT AUTHORIZATION | |
|---|---|
| DATE | 2024/09/10 |
| HEAD OF DEPARTMENT | PROCUREMENT OFFICER |
| | |

| | |
|---|---|
| GRAND TOTAL | 17366.00 |
| LESS DISCOUNT | 0.00 |
| NETT AMOUNT | 17366.00 |

Collab 5232694

Deviation Report: R17 366

September 2024

1/2 R247 555,7

32015

2024-11-06

# THEEWATERSKLOOF MUNISIPALITEIT

B00206 A

**BRINK THOMAS CASSIEM INCORPORATED**

Datum : 06/11/2024

Tjek nr.: CASHFOCUS

**Besonderhede van Betaling/Details of payment :**

64 192,20

64 192,20

| Belasting | | Posnommer | Bedrag |
|---|---|---|---|
| Inklusief | Eksklusief | | |
| | | | 64 192,20 |

Besonderhede van uitgawe Ek/Ons sertifiseer dat geen vorige betaling in nagegaan en gekontroleer hierdie verband gemaak is nie.

64 192,20

Direkteur : Finansies

E. MATONI
Opgestel deur

Nagesien deur

297

brink•thomc

Attorn

PO Box 15950 Vlaeberg 8018 • Docex 279 Cape Town
law@brinkandthomas.com • Fax 0866 667799 • Office 0217456255
Waalburg Building, 28 Wale Street, 4th Floor, Cape Town, 8001 (Corner Wale & Burg Str.) • www.brinkandthomas.com

| Attention | Company/Institution | Per Telefax Number/Email address |
|---|---|---|
| Mr De Lange | **Theewaterskloof Municipality** | RomeoDe [illegible].twk.[illegible]ov.za |

FINANSIES 18 OCT 2024 FINANCE

**TAX INVOICE**

**Tax Invoice No : T6107**

From: **Brink Thomas Cassiem Inc.**

**Waalburg Building**

**28 Wale Street**

**4th Floor**

**Cape Town**

**8001**

**VAT No. 4590304970**

**Contact No. 021 745 6255**

**Date: 16 October 2024**

To: **Theewaterskloof municipality Head Office**

**6 Plein Street**

**P.O Box 24**

**Caledon**

**7230**

**VAT NO: 4000846248**

**RE: THE CALEDON RATEPAYER ASSOCIATION AND 3 OTHERS V THE THEEWATERSKLOOF MUNICIPALITY AND ANOTHER CASE NO. 450/24. & CALEDON MAGISTRATE'S COURT CASE NO.: 467/24**

| DATE | NARRATION | TIME | Costs | DISBURSEMENTS |
|---|---|---|---|---|
| 13.09.2024 | Perusal of email from yourself (John Michels). Pages: 1 (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Perusal of draft order granted by Caledon Magistrates court and consideration of complexities. Pages: 3 (3/4 of R1500) R3.50 per page) | 45 minutes | 1125 | 10.50 |
| | Draft email to counsel (Adv Essa). Pages: 1 (1/6 of R1500) (R3.50) | 10 minutes | 250 | 3.50 |
| | Perusal of email from yourself (Annette Swart). Pages: 1. (1/5 pf R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Draft email to yourself (Annette Swart). Pages: 1. (1/5 pf R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Draft legal opinion/ advise for the Municipality on the validity of the order by the Caledon magistrate's court. Pages: 2 (3/4 of R1500) (R3.50 per page | 45 minutes | 1125 | 7.00 |
| | Draft email to yourself (Reynold stevens). Pages: 1 (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Perusal of email from yourself (Annette Swart). Pages: 1. (1/5 pf R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| 16.09.2024 | Draft email to yourself (Reynold Stevens). pages: 1. (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Perusal of email from yourself (Reynold Stevens). pages: 1. (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Draft email to counsel (Adv Essa). Pages: 1 (1/6 of R1500) (R3.50) | 10 minutes | 250 | 3.50 |
| | Perusal of email from counsel (Adv Essa). Pages: 1 (1/6 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Draft email to counsel (Adv Essa). Pages: 1 (1/6 of R1500) (R3.50) | 10 minutes | 250 | 3.50 |

| | | | | |
|---|---|---|---|---|
| | Draft email to opposing attorney (Danielle Louw). Pages: 1 (1/6 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Perusal of email from yourself (Romeo De Lange). Pages: 1 (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Perusal of the application and consideration of the complexities of the matter. Pages: 34 (2 of R1500) (R3.50 per page) | 2 hours | 3000 | 119 |
| | Draft email to counsel (Adv Essa). Pages: 1 (1/6 of R1500) (R3.50) | 10 minutes | 250 | 3.50 |
| | Draft email to yourself (Romeo De Lange). pages: 1. (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| 18.09.2024 | Draft email to counsel (Adv Essa). Pages: 1 (1/3 of R1500) (R3.50) | 20 minutes | 500 | 3.50 |
| | Draft email to yourself (Romeo De Lange). pages: 1. (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Draft email to counsel (Adv Essa). Pages: 1 (1/6 of R1500) (R3.50) | 10 minutes | 250 | 3.50 |
| | Draft email to yourself (Lizell Kilowan). pages: 1. (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| 20.09.2024 | Draft email to counsel (Adv Essa). Pages: 1 (1/6 of R1500) (R3.50) | 10 minutes | 250 | 3.50 |
| | Perusal of email from counsel (Adv Essa). Pages: 1 (1/6 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Draft email to counsel (Adv Essa). Pages: 1 (1/6 of R1500) (R3.50) | 10 minutes | 250 | 3.50 |
| | Perusal of email from counsel (Adv Essa). Pages: 1 (1/6 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Draft email to counsel (Adv Essa). Pages: 1 (1/6 of R1500) (R3.50) | 10 minutes | 250 | 3.50 |
| 23.09.24 | Perusal of email from counsel (Adv Essa). Pages: 1 (1/6 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |

| | | | | |
|---|---|---|---|---|
| | Draft email to counsel (Adv Essa). Pages: 1 (1/6 of R1500) (R3.50) | 10 minutes | 250 | 3.50 |
| | Perusal of email from counsel (Adv Essa). Pages: 1 (1/6 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Draft email to counsel (Adv Essa). Pages: 1 (1/6 of R1500) (R3.50) | 10 minutes | 250 | 3.50 |
| | Draft email to counsel (Adv Essa). Pages: 1 (1/6 of R1500) (R3.50) | 10 minutes | 250 | 3.50 |
| | Perusal of email from counsel (Adv Essa). Pages: 1 (1/3 of R1500) (R3.50 per page) | 20 minutes | 500 | 3.50 |
| | Perusal of email from counsel (Adv Essa). Pages: 1 (1/6 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Draft email to counsel (Adv Essa). Pages: 1 (1/6 of R1500) (R3.50) | 10 minutes | 250 | 3.50 |
| | Draft email to counsel (Adv Essa). Pages: 1 (1/6 of R1500) (R3.50) | 10 minutes | 250 | 3.50 |
| | Drafting letter to Caledon Magistrates court. Pages: 6. (1 and 1/2 of R1500) (R3.50 per page) | 1hour and 30 minutes | 2250 | 21.00 |
| | Draft email to Caledon magistrate's court. Pages: 1 (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Perusal of email from Caledon Magistrates court. Pages: 1 (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Perusal of letter from Caledon Magistrates court. Pages: 1 (3/4 of R1500) (R3.50 per page) | 45 minutes | 1125 | 3.50 |
| | Draft email to yourself (Romeo De Lange). Pages: 1 (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Draft email to Counsel (Adv Essa). Pages: 1 (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| 25.09.2024 | Perusal of email from counsel (Adv Essa). Pages: 1 (1/6 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |

| | | | | |
|---|---|---|---|---|
| | Draft email to counsel (Adv Essa). Pages: 1 (1/6 of R1500) (R3.50) | 10 minutes | 250 | 3.50 |
| | Perusal of email from yourself (Romeo De Lange) and printing of bundle therein. Pages: 26. (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 91.00 |
| | Perusal of contempt of court application and consideration of complexities (3 of R1500) | 3 hours | 4500 | |
| 26.09.2024 | Drafting the notice of opposition for the matter herein. Pages: 3 (1 of R1500) (R3.50 per page) | 1 hour | 1500 | 10.50 |
| | Draft email to opposing attorney (Danielle Louw). Pages: 1 (1/6 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Draft email to counsel (Adv Essa). Pages: 1 (1/6 of R1500) (R3.50) | 10 minutes | 250 | 3.50 |
| | Perusal of email from counsel (Adv Essa). Pages: 1 (1/6 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Perusal of email from opposing attorney (Danielle Louw) pages: 1 (1/3 of R1500) (3.50 per page) | 20 minutes | 500 | 3.50 |
| | Perusal of email from opposing attorney (Danielle Louw) pages: 1 (1/3 of R1500) (3.50 per page) | 20 minutes | 500 | 3.50 |
| 27.09.2024 | Perusal of email from counsel (Adv Essa). Pages: 1 (1/6 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| 30.09.2024 | Draft email to Counsel (Adv Essa). Pages: 1 (1/6 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| 01.10.2024 | Perusal of email from yourself (Lizell Kilowan). Pages: 1 (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| 01.10.2024 | Draft email to yourself (Lizell Kilowan). Pages: 1 (1/5 of R1500) (R3.50 per page). | 10 minutes | 250 | 3.50 |
| 01.10.2024 | Perusal of email from yourself (Lizell Kilowan). Pages: 1 (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| 02.10.2024 | Draft email to yourself (Romeo De Lange). Pages: 1 (1/5 of R1500) (R3.50 per page). | 10 minutes | 250 | 3.50 |

| | | | | |
|---|---|---|---|---|
| 02.10.2024 | Perusal of email from yourself (Lizell Kilowan). Pages: 1 (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| 02.10.2024 | Draft email to yourself (Lizell Kilowan). Pages: 1 (1/5 of R1500) (R3.50 per page). | 10 minutes | 250 | 3.50 |
| 03.10.2024 | Draft email to Counsel (Adv Essa). Pages:1 (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Draft email to Counsel (Adv Holland). Pages:1 (1/3 of R1500) (R3.50 per page) | 20 minutes | 500 | 3.50 |
| | Perusal of email from Counsel (Adv Essa). Pages:1 (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Draft email to Counsel (Adv Essa). Pages:1 (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| 04.10.2024 | Draft email to Counsel (Adv Essa and Adv Holland). Pages:1 (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Perusal of email from counsel (Adv Essa). Pages: 1 (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Draft email to Counsel (Adv Essa). Pages:1 (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Draft email to Counsel (Adv Holland). Pages:1 (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Draft email to Counsel (Adv Holland). Pages:1 (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Perusal of email from yourself (Romeo De Lange). Pages: 1 (1/2 of R1500) (R3.50 per person) | 30 minutes | 750 | 3.50 |
| | Perusal of email from yourself (Romeo De Lange). Pages: 1 (1/3 of R1500) (R3.50 per person) | 20 minutes | 500 | 3.50 |
| | Draft email to Counsel (Adv Holland). Pages:1 (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Perusal of email from yourself (Romeo De Lange). Pages: 1 (1/5 of R1500) (R3.50 per person) | 10 minutes | 250 | 3.50 |

| | | | | |
|---|---|---|---|---|
| | Draft email to yourself (Romeo De Lange). Pages: 1 (1/5 of R1500) (R3.50 per page). | 10 minutes | 250 | 3.50 |
| | Draft email to Counsel (Adv Essa). Pages:1 (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Perusal of email from counsel (Adv Essa). Pages: 1 (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Draft email to Counsel (Adv Essa). Pages:1 (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Draft email to yourself (Romeo De Lange). Pages: 1 (1/5 of R1500) (R3.50 per page). | 10 minutes | 250 | 3.50 |
| | Draft email to yourself (Romeo De Lange). Pages: 1 (1/3 of R1500) (R3.50 per page). | 20 minutes | 500 | 3.50 |
| | Perusal of email from yourself (Romeo De Lange). Pages: 1 (1/5 of R1500) (R3.50 per person) | 10 minutes | 250 | 3.50 |
| | Draft email to yourself (Romeo De Lange). Pages: 1 (1/5 of R1500) (R3.50 per page). | 10 minutes | 250 | 3.50 |
| | Draft email to yourself (Romeo De Lange). Pages: 1 (1/5 of R1500) (R3.50 per page). | 10 minutes | 250 | 3.50 |
| 07.10.2024 | Draft email to Counsel (Adv Holland). Pages:1 (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Perusal of email from yourself (Lizell Kilowan). Pages:1 (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Draft email to yourself (Lizell Kilowan). Pages: 1 (1/5 of R1500) (R3.50 per page). | 10 minutes | 250 | 3.50 |
| | Draft email to Counsel (Adv Holland). Pages:1 (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Perusal of email from counsel (Adv Holland). Pages: 1 (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Perusal of email from yourself (Lizell Kilowan). Pages:1 (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |

| | | | | |
|---|---|---|---|---|
| | Draft email to yourself (Lizell Kilowan). Pages: 1 (1/5 of R1500) (R3.50 per page). | 10 minutes | 250 | 3.50 |
| 14.10.2024 | Draft email to Caledon Magistrates court. Pages: 1 (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | Draft email to Caledon Magistrates court. Pages: 1 (1/5 of R1500) (R3.50 per page) | 10 minutes | 250 | 3.50 |
| | **TOTAL HOURS** | **25 hours and 25 minutes** | | |
| | **SUB-TOTAL** | | **37 875.00** | |
| | **DISBURSEMENT** | | | **553.00** |
| | **TOTAL** | **R38 428.00** | | |
| | **VAT** | **R5764.2** | | |
| | **Total owing to Brink Thomas Cassiem Inc** | **R44 192.2** | | |
| | **Annexure A- Advocate Holland Bill** | **R20 000.00** | | |
| | **TOTAL OWING** | **R64 192.2** | | |

**BANKING DETAILS:**

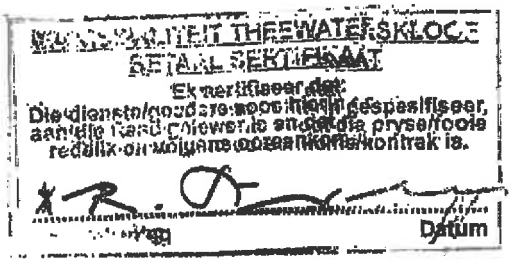
**BRINK THOMAS CASSIEM INC TRUST ACCOUNT**

**STANDARD BANK**

**THIBAULT SQUARE BRANCH CODE: 051001**

**ACCOUNT NUMBER: 272165727**

**REF. NO: T8107**




**Please quote reference when making payment as well as send proof of payment via e-mail.**

**We are an accountable institution in terms of the Financial Intelligence Centre and must report**

**all cash payments of R 50 000.00 and above to the Financial Intelligence Centre.**

**We will under no circumstances notify you of a change of banking details. We will not be liable for any loss that may be suffered resulting from any payment by you to an incorrect bank account (or bank account purporting to be an Attorneys bank account). Please also pay special attention to any emails you may receive purporting to emanate from our offices, which may resemble our email domain, regarding any change in banking details. In particular, if you receive any notification of our bank account changing then please contact us telephonically on our usual telephone number (this can be obtained from the LPC website as follows: https://lpc.org.za/list-of-legal-firm/ where you can enter the firm name "Brink Thomas Cassiem Incorporated" to obtain our telephone number) and not the telephone number on the communication purporting an account change.**

Yours faithfully,

**BRINK THOMAS CASSIEM INC**

Per: JV Thomas.

*ADV. MUSTAQUE HOLLAND*

TAX INVOICE
1215 Huguenot Chambers
40 Queen Victoria Street
Cape Town
8001
(021) 422 1512
083 457 9299
holland@capebar.co.za

11 October 2024 Inv. No. 24-167

To: **BRINK THOMAS CASSIEM ATTORNEYS**
Waalburg Building
28 Wale Street
4th Floor
**CAPE TOWN**

**CALEDON RATE PAYERS ASSOCIATION AND 3 OTHERS // THEEWATERSKLOOF MUNICIPALITY AND 1 OTHER: CALEDON MAGISTRATE'S COURT CASE NO.: 450/24 AND CALEDON MAGISTRATE'S COURT CASE NO.: 467/24**

| | |
|---|---|
| Perusal and considering papers, travelling to court on 4 October 2024, arguing of the contempt of court application, settlement negotiations and consulting with clients with regard to possible settlement of both matters. After deliberations, both applications withdrawn with the Applicants to pay the costs of both applications (all-inclusive agreed fee) | R20 000.00 |
| **Total:** | **R20 000.00** |

**ELECTRONIC PAYMENTS**

| | | |
|---|---|---|
| Account Holder | : | Advocate M. Holland |
| Bank | | FNB |
| Branch Name | | Lansdowne |
| Branch Code | | 203209 |
| Account No | | 62086239699 |
| Account Type | : | Cheque |

***Kindly reflect invoice number on payment***

*THANK YOU FOR YOUR VALUED INSTRUCTION*

307

**Erik Matoni**

**From:** Charne Lottering
**Sent:** Friday, 18 October 2024 15:03
**To:** Lizell Kilowan
**Subject:** FW: Brink & Thomas
**Attachments:** BTC Non-compliant.png

**From:** Hanro September <hanrose@twk.gov.za>
**Sent:** Wednesday, October 16, 2024 4:35 PM
**To:** Charne Lottering <Charnelo@twk.gov.za>
**Cc:** Lizell Kilowan <lizellsa@twk.gov.za>
**Subject:** RE: Brink & Thomas

Good day Charne,

BTC is still tax non-compliant.

Regards,

Hanro September
Risk Management

THEEWATERSKLOOF MUNICIPALITY
Head Office. 6 Plein Street, Caledon, 7230
Call Centre. 028 214 3300 | Emergency. 080 021 4730 hanrose@twk.gov.za
Website www.twk.gov.za | Follow us on Facebook. @twkmun

Theewaterskloof
Municipality

**From:** Hanro September
**Sent:** Tuesday, October 8, 2024 7:58 AM
**To:** Charne Lottering <Charnelo@twk.gov.za>
**Cc:** Lizell Kilowan <lizellsa@twk.gov.za>
**Subject:** RE: Brink & Thomas

Goeie more,

Hoop dit gaan goed.

Brink & Thomas is nogsteeds tax non-compliant.

Kan u asb aan verskeffer stuur.

Regards,

THEEWATERSKLOOF MUNICIPALITY
Head Office. 6 Plein Street, Caledon, 7230
Call Centre. 028 214 3300 | Telegram. 080 021 4730 | Email. hanrose@twk.gov.za
Website. www.twk.gov.za Follow us on Facebook: @twkmun

Theewaterskloof
Municipality

**From:** Hanro September
**Sent:** Tuesday, October 1, 2024 11:51 AM
**To:** Charne Lottering <Charnelo@twk.gov.za>
**Cc:** Annielle Martin <anniellema@twk.gov.za>; Lizell Kilowan <lizellsa@twk.gov.za>
**Subject:** RE: Brink & Thomas

Good day Charne,

The Tax Compliance Status Pin certificate of BTC expires in 2025, but that does not mean that they are compliant.

The Tax Compliance Status Pin certificate is used to view the tax status on SARS. Please see attach a screenshot of BTC's status of today.

Regards,

Hanro September
Senior Administrator: Supply Chain Management
Directorate: Financial Services

THEEWATERSKLOOF MUNICIPALITY
**Head Office.** 6 Plein Street, Caledon, 7230
**Call Centre.** 028 214 3300 | Telegram. 080 021 4730 hanrose@twk.gov.za
Website. www.twk.gov.za Follow us on Facebook: @twkmun

Theewaterskloof
Municipality

**From:** Charne Lottering <Charnelo@twk.gov.za>
**Sent:** Tuesday, October 1, 2024 10:28 AM
**To:** Hanro September <hanrose@twk.gov.za>
**Cc:** Annielle Martin <anniellema@twk.gov.za>; Lizell Kilowan
**Subject:** RE: Brink & Thomas

Dear Hanro

Can you please explain as per telephonic conversations why BTC isn't compliant, BTC was issued a Order number on an other REQ and payment was made,

The Tax Clearance of BTC indicated that they are compliant,

I have tried to contact you and Annielle

Thank you

Kind Regards

Charne

**From:** Hanro September <hanrose@twk.gov.za>
**Sent:** Thursday, September 26, 2024 8:06 AM
**To:** Charne Lottering <Charnelo@twk.gov.za>
**Subject:** Brink & Thomas

Good morning,

Trust that you are well.

Regarding the requisition of Brink & Thomas, they are currently tax non-compliant. No requisitions can be issued to the supplier till the tax status changed.

The supplier must please contact SARS to rectify this issue.

Regards,

**Hanro September**
Senior Administrator: Supply Chain Management
Directorate: Financial Services

**THEEWATERSKLOOF MUNICIPALITY**
**Head Office.** 6 Plein Street, Caledon, 7230
**Call Centre.** 028 214 3300 | **Emergency.** 080 021 4730 | **Email.** hanrose@twk.gov.za
**Website.** www.twk.gov.za | **Follow us on Facebook, X Instagram.** @twkmun

**Theewaterskloof**
Municipality

[illegible]

**Erik Matoni**

| | |
|---|---|
| **From:** | Ashwille Riddles |
| **Sent:** | Friday, 18 October 2024 17:29 |
| **To:** | Joanie Pretorius; Petula Fortuin; Erik Matoni; Garrick Lakay; Shantley Joorst; Roderica Carels |
| **Cc:** | Nico La Grange; Annielle Martin |
| **Subject:** | FW: RATEPAYERS ASSOCIATION VS TWK MUNICIPALITY (LEGAL DEBRIEFING) |
| **Attachments:** | CRPA BILL.pdf; FW: Brink & Thomas |

FYA

**From:** Lizell Kilowan <lizellsa@twk.gov.za>
**Sent:** Friday, October 18, 2024 3:07 PM
**To:** Hanro September <hanrose@twk.gov.za>; Ashwille Riddles <ashwilleri@twk.gov.za>; Paul Mabhena <paulma@twk.gov.za>
**Cc:** Romeo De Lange <RomeoDe@twk.gov.za>; Reynold Stevens <reynoldst@twk.gov.za>; Charne Lottering <Charnelo@twk.gov.za>
**Subject:** FW: RATEPAYERS ASSOCIATION VS TWK MUNICIPALITY (LEGAL DEBRIEFING)

Dear Mr Mabhenna,

Please note that a requisition was uploaded on 16 September 2024 after an instruction from the MM's office. The Service Provider is not tax compliant but due to the urgency of the matter, work have already been done in this regard and instruction was given to the Service Provider by the MM's office.

It is therefore the request of the MM's office after telephonic conversation with Mr De Lange, that the Service Provider are paid for services rendered.

Regards

Lizell Kilowan
Senior Admin Officer: Councillor Support, Ward Committees and Public Participation
**Corporate Services**
**TWEEWATERSKLOOF MUNICIPALITY**
Head Office
Email: liz-lisa..twk..gov.za

**From:** Romeo De Lange <RomeoDe..twk..ov.za>
**Sent:** Friday, October 18, 2024 1:27 PM
**To:** Lizell Kilowan <lizellsa..twk..gov.za>
**Cc:** Reynold Stevens <reynoldst..twk..gov.za>
**Subject:** FW: RATEPAYERS ASSOCIATION VS TWK MUNICIPALITY (LEGAL DEBRIEFING)

Hi Lizell,

I am mindful of the tax clearance issue. The attached is payment that you can process so long.

Regards,

ROMEO DE LANGE

OFFICE OF THE MUNICIPAL MANAGER

**From:** Reynold Stevens <reynoldst@twk.gov.za>
**Sent:** Friday, October 18, 2024 11:07 AM
**To:** Romeo De Lange <RomeoDe@twk.gov.za>
**Subject:** FW: RATEPAYERS ASSOCIATION VS TWK MUNICIPALITY (LEGAL DEBRIEFING)

**Regards,**

**Reynold Stevens**
Acting Municipal Manager

THEEWATERSKLOOF MUNICIPALITY
**Head Office.** 6 Plein Street, Caledon, 7230
**Call Centre.** 028 214 3300 | Emergency: 080 021 4730 | Email reynoldst@twk.gov.za
Website: www.twk.gov.za | Follow us on Facebook, X, Instagram: @twkmun

Theewaterskloof
Municipality

**From:** Gafsah <gafsah@brinkandthomas.com>
**Sent:** Wednesday, October 16, 2024 2:23 PM
**To:** Romeo De Lange <RomeoDe@twk.gov.za>
**Cc:** Lizell Kilowan <lizellsa@twk.gov.za>; Reynold Stevens <reynoldst@twk.gov.za>
**Subject:** RE: RATEPAYERS ASSOCIATION VS TWK MUNICIPALITY (LEGAL DEBRIEFING)

brink • thomas • cassiem
incorporated
Attorneys • Notaries • Conveyancers

Dear Mr De Lange.

Trust you are well.

We refer to the matter herein.

Kindly note that we are still awaiting the court order from the Caledon Magistrates court, we have requested same today and will continue to follow up.

Please find herein enclosed our invoice for your kind attention.

Trust that all is in order.

Kind regards.

**PLEASE NOTE THAT ENTRY TO OUR PREMISES IS BY APPOINTMENT ONLY, EXCEPT FOR SERVICE OF DOCUMENTS AT RECEPTION.**

**We will under no circumstances notify you of a change of banking details. We will not be liable for any loss that may be suffered resulting from any payment by you to an incorrect bank account (or bank account purporting to be an Attorneys bank account). Please also pay special attention to any emails you may receive purporting to emanate from our offices, which may resemble our email domain, regarding any change in banking details. In particular, if you receive any notification of our bank account changing then please contact us telephonically on our usual telephone number (this can be obtained from the LPC website as follows: htt. s: ' ' .or .za list-of-le .al-firm ' where you can enter the firm name "Brink Thomas Cassiem Incorporated" to obtain our telephone number) and not the telephone number on the communication purporting an account change.**

Sincerely Yours;

**Gafsah Mullins**
Candidate Attorney
Brink Thomas Cassiem Attorneys, Notaries, Conveyancers
Westburg Building, 28 Wale Street, 4th Floor, Cape Town 8001
PO Box 15950, Vlaeberg 8018
Fax: 0866 657799 Ph. 021 745 6255 Docex 279 Cape Town
Email: gafsah@brinkandthomas.com
www.brinkandthomas.com

**Disclaimer and Confidentiality**
*The contents of this e-mail and any attachments are confidential it may be privileged and are intended solely for the use of the named recipient(s). If you have received it in error, do not disclose, distribute, or retain it or any part of it, and please notify the sender immediately and delete the e-mail. E-mails are not necessarily secure or error free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or contain viruses. We endeavour to exclude viruses from our e-mails. However it is the responsibility of the named recipient(s) to ensure that e-mails and all attachments are virus free. BRINK THOMAS CASSIEM INC. ATTORNEYS accepts no responsibility of whatsoever nature should information or data be corrupted, or should it fail to reach its intended destination or be accessed by anyone other than the addressee, for whatever reason or cause.*

**From:** Gafsah
**Sent:** Friday, 04 October 2024 16:07
**To:** Romeo De Lange <RomeoDe twk.gov.za>
**Cc:** Lizell Kilowan <lizellsa twk..gov.za>; Reynold Stevens <re noldst twk. ov.za>
**Subject:** RE: RATEPAYERS ASSOCIATION VS TWK MUNICIPALITY (LEGAL DEBRIEFING)

brink • thomas • cassiem
Incorporated
Attorneys • Notaries • Conveyancers

Dear Mr De Lange.

313

Further to my email herewith below.

We will furnish yourself with the court order as soon as we are in receipt of same.

Thank you.

**PLEASE NOTE THAT ENTRY TO OUR PREMISES IS BY APPOINTMENT ONLY, EXCEPT FOR SERVICE OF DOCUMENTS AT RECEPTION.**

**We will under no circumstances notify you of a change of banking details. We will not be liable for any loss that may be suffered resulting from any payment by you to an incorrect bank account (or bank account purporting to be an Attorneys bank account). Please also pay special attention to any emails you may receive purporting to emanate from our offices, which may resemble our email domain, regarding any change in banking details. In particular, if you receive any notification of our bank account changing then please contact us telephonically on our usual telephone number (this can be obtained from the LPC website as follows: h:t s: l c.or .za list-of-legal-firm/ where you can enter the firm name "Brink Thomas Cassiem Incorporated" to obtain our telephone number) and not the telephone number on the communication purporting an account change.**

Sincerely Yours;

**Gafsah Mullins**
Candidate Attorney
Brink Thomas Cassiem Attorneys, Notaries, Conveyancers
Waalburg Building, 28 Wale Street, 4th Floor, Cape Town 8001
PO Box 15950, Vlaeberg 8018
Fax: 0866 667799 Ph. 021 745 6255 Docex 279 Cape Town
Email: gafsah@brinkandthomas.com
www.brinkandthomas.com

**Disclaimer and Confidentiality**
*The contents of this e-mail and any attachments are confidential it may be privileged and are intended solely for the use of the named recipient(s). If you have received it in error, do not disclose, distribute, or retain it or any part of it, and please notify the sender immediately and delete the e-mail. E-mails are not necessarily secure or error free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or contain viruses. We endeavour to exclude viruses from our e-mails. However it is the responsibility of the named recipient(s) to ensure that e-mails and all attachments are virus free. BRINK THOMAS CASSIEM INC. ATTORNEYS accepts no responsibility of whatsoever nature should information or data be corrupted, or should it fail to reach its intended destination or be accessed by anyone other than the addressee, for whatever reason or cause.*

**From:** Gafsah
**Sent:** Friday, 04 October 2024 16:06
**To:** Romeo De Lange <RomeoDe twk. ov.za>
**Cc:** Lizell Kilowan <lizellsa twk. ov.za>; Reynold Stevens <re noldst twk. ov.za>
**Subject:** RE: RATEPAYERS ASSOCIATION VS TWK MUNICIPALITY (LEGAL DEBRIEFING)

brink•thomas•cassiem
Incorporated
Attorneys • Notaries • Conveyancers

Dear mr De Lange .

Kindly find herewith enclosed a letter for your attention.

Thank you

**PLEASE NOTE THAT ENTRY TO OUR PREMISES IS BY APPOINTMENT ONLY, EXCEPT FOR SERVICE OF DOCUMENTS AT RECEPTION.**

**We will under no circumstances notify you of a change of banking details. We will not be liable for any loss that may be suffered resulting from any payment by you to an incorrect bank account (or bank account purporting to be an Attorneys bank account). Please also pay special attention to any emails you may receive purporting to emanate from our offices, which may resemble our email domain, regarding any change in banking details. In particular, if you receive any notification of your bank account changing then please contact us telephonically on our usual telephone number (this can be obtained from the LPC website as follows: https://lpc.or.za/list-of-legal-firm/ where you can enter the firm name "Brink Thomas Cassiem Incorporated" to obtain our telephone number) and not the telephone number on the communication purporting an account change.**

Sincerely Yours;

**Gafsah Mullins**
Candidate Attorney
Brink Thomas Cassiem Attorneys, Notaries, Conveyancers
Waalburg Building, 28 Wale Street, 4th Floor, Cape Town 8001
PO Box 15950, Vlaeberg 8018
Fax: 0866 867799 Ph. 021 745 6255 Docex 279 Cape Town
Email: gafsah@brinkandthomas.com
www.brinkandthomas.com

**Disclaimer and Confidentiality**
*The contents of this e-mail and any attachments are confidential it may be privileged and are intended solely for the use of the named recipient(s). If you have received it in error, do not disclose, distribute, or retain it or any part of it, and please notify the sender immediately and delete the e-mail. E-mails are not necessarily secure or error free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or contain viruses. We endeavour to exclude viruses from our e-mails. However it is the responsibility of the named recipient(s) to ensure that e-mails and all attachments are virus free. BRINK THOMAS CASSIEM INC. ATTORNEYS accepts no responsibility of whatsoever nature should information or data be corrupted, or should it fail to reach its intended destination or be accessed by anyone other than the addressee, for whatever reason or cause.*

**From:** Romeo De Lange <RomeoDe[illegible]twk.gov.za>
**Sent:** Friday, 04 October 2024 13:56
**To:** Gafsah <[illegible]afsah[illegible]brinkandthomas.com>
**Cc:** Lizell Kilowan <lizellsa[illegible]twk.gov.za>; Reynold Stevens <re[illegible]noldst[illegible]twk.gov.za>
**Subject:** Re: RATEPAYERS ASSOCIATION VS TWK MUNICIPALITY (LEGAL DEBRIEFING)

Noted with thanks, Gafsah.

**Regards,**

ROMEO DE LANGE
OFFICE OF MUNICIPAL MANAGER

Regards,

Romeo D Lang
Acting Senior Manager: Risk Management/ Corporate Governance
Directorate: Office of the Municipal Manager

THEEWATERSKLOOF MUNICIPALITY
Office: 6 Plein Street, Caledon, 7230
Tel: 028 214 3300 ; 080 021 4730
Website: www.twk.gov.za ; Facebook:

Theewaterskloof
Municipality

**From:** Gafsah <gafsah@brinkandthomas.com>
**Sent:** Friday, October 4, 2024 12:51 PM
**To:** Romeo De Lange <RomeoDe@twk.gov.za>
**Cc:** Lizell Kilowan <lizellsa@twk.gov.za>; Reynold Stevens <reynoldst@twk.gov.za>
**Subject:** RE: RATEPAYERS ASSOCIATION VS TWK MUNICIPALITY (LEGAL DEBRIEFING)

brink•thomas•cassiem
incorporated
Attorneys • Notaries • Conveyancers

Dear Mr De Lange.

We contacted Adv Holland.

He is presently in the contempt of court hearing.

He advised that he attended the meeting with the Senior Magistrate who then called in the Magistrate that granted the order and she died that her husband is a member of the Ratepayers association.

He will contact you as soon as he can.

Thank you

**PLEASE NOTE THAT ENTRY TO OUR PREMISES IS BY APPOINTMENT ONLY, EXCEPT FOR SERVICE OF DOCUMENTS AT RECEPTION.**
**We will under no circumstances notify you of a change of banking details. We will not be liable for any loss that may be suffered resulting from any payment by you to an incorrect bank account (or bank**

We will set up for a teams link, should Advocate not be available to be present in person.

Forward an email for us to send link.

Regards,

ROMEO DE LANGE
OFFICE OF THE MUNICIPAL MANAGER

**From:** Romeo De Lange
**Sent:** Friday, October 4, 2024 10:28 AM
**To:** Gafsah <gafsah@brinkandthomas.com>
**Cc:** Lizell Kilowan <lizellsa@twk.gov.za>; Reynold Stevens <reynoldst@twk.gov.za>
**Subject:** RATEPAYERS ASSOCIATION VS TWK MUNICIPALITY (LEGAL DEBRIEFING)
**Importance:** High

Good morning, Gafsah,

Mr. Thomas referred me to you.

The Mayor and Municipal Manager would like to have a debriefing from Advocate Holland on the above subject.

If possible, immediately after his meeting with Caledon Court, at 11h30.

Venue: Office of the Executive Mayor, TWK Municipal Building

Regards,

ROMEO DE LANGE
OFFICE OF THE MUNICIPAL MANAGER

317

Dear Mr De Lange.

Trust you are well.

Thank you for your email its contents noted.

We confirm that we have conveyed same to Adv Holland today.

Kind regards.

**PLEASE NOTE THAT ENTRY TO OUR PREMISES IS BY APPOINTMENT ONLY, EXCEPT FOR SERVICE OF DOCUMENTS AT RECEPTION.**
**We will under no circumstances notify you of a change of banking details. We will not be liable for any loss that may be suffered resulting from any payment by you to an incorrect bank account (or bank account purporting to be an Attorneys bank account). Please also pay special attention to any emails you may receive purporting to emanate from our offices, which may resemble our email domain, regarding any change in banking details. In particular, if you receive any notification of our bank account changing then please contact us telephonically on our usual telephone number (this can be obtained from the LPC website as follows: htt s:/ lpc.cr.za list-of-legal-firm/ where you can enter the firm name "Brink Thomas Cassiem Incorporated" to obtain our telephone number) and not the telephone number on the communication purporting an account change.**

Sincerely Yours;

---

**Gafsah Mullins**
Candidate Attorney
Brink Thomas Cassiem Attorneys, Notaries, Conveyancers
Waalburg Building, 28 Wale Street, 4th Floor, Cape Town 8001
PO Box 15950, Vlaeberg 8018
Fax: 0866 667799 Ph. 021 745 6255 Docex 279 Cape Town
Email: gafsah@brinkandthomas.com
www.brinkandthomas.com

**Disclaimer and Confidentiality**
*The contents of this e-mail and any attachments are confidential it may be privileged and are intended solely for the use of the named recipient(s). If you have received it in error, do not disclose, distribute, or retain it or any part of it, and please notify the sender immediately and delete the e-mail. E-mails are not necessarily secure or error free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or contain viruses. We endeavour to exclude viruses from our e-mails. However it is the responsibility of the named recipient(s) to ensure that e-mails and all attachments are virus free. BRINK THOMAS CASSIEM INC. ATTORNEYS accepts no responsibility of whatsoever nature should information or data be corrupted, or should it fail to reach its intended destination or be accessed by anyone other than the addressee, for whatever reason or cause.*

**From:** Romeo De Lange <RomeoDe@twk.gov.za>
**Sent:** Friday, 04 October 2024 10:35
**To:** Gafsah <gafsah@brinkandthomas.com>
**Cc:** Lizell Kilowan <lizellsa@twk.gov.za>; Reynold Stevens <reynoldst@twk.gov.za>
**Subject:** FW: RATEPAYERS ASSOCIATION VS TWK MUNICIPALITY (LEGAL DEBRIEFING)
**Importance:** High

Dear Gafsah,

Sorry we will have the meeting at 12h30.

*or contain viruses. We endeavour to exclude viruses from our e-mails. However it is the responsibility of the named recipient(s) to ensure that e-mails and all attachments are virus free. BRINK THOMAS CASSIEM INC ATTORNEYS accepts no responsibility of whatsoever nature should information or data be corrupted, or should it fail to reach its intended destination or be accessed by anyone other than the addressee, for whatever reason or cause.*

**From:** Romeo De Lange <RomeoDe@twk.gov.za>
**Sent:** Friday, 04 October 2024 12:18
**To:** Gafsah <gafsah@brinkandthomas.com>
**Cc:** Lizell Kilowan <lizellsa@twk.gov.za>; Reynold Stevens <reynoldst@twk.gov.za>
**Subject:** Re: RATEPAYERS ASSOCIATION VS TWK MUNICIPALITY (LEGAL DEBRIEFING)

Good day Gafsah,

Is Adv Holland still busy at Caledon court?

Romeo de Lange
OFFICE OF MUNICIPAL MANAGER

Regards,

**Romeo De Lange**
Acting Senior Manager: Risk Management/ Corporate Governance & Compliance
Directorate: Office of the Municipal Manager

THEEWATERSKLOOF MUNICIPALITY
Head Office. 6 Plein Street, Caledon, 7230
Call Centre. 028 214 3300 | Emergency. 080 021 4730 | Email. romeode@twk.gov.za
Website. www.twk.gov.za | Follow us on Facebook, X, Instagram. @twkmun

Theewaterskloof
Municipality

PRIVACY AND CONFIDENTIALITY DISCLAIMER: The Theewaterskloof Municipality and Staff are committed to ensuring that it safeguards personal/private information of data subjects and to respect their right to privacy in accordance with the provisions of the South African Constitution, the Protection of Personal Information Act, 2013 (POPIA) and the Promotion of Access to Information Act, 2000 (PAIA). This email message contains information which may be confidential, personal, private, or privileged in nature and is intended solely for use by the recipient and others authorized to receive it for the specific purpose for which it was sent. If you are not the intended recipient, you are prohibited from using, misusing, disseminating, altering, forwarding, storing, or copying the information, and are hereby notified that such action in relation to the contents of this information is unlawful which may result in your being held liable arising out of your non-compliance. If you have received this message in error, please notify the sender immediately and delete and/or destroy the message from your system.

**From:** Gafsah <gafsah@brinkandthomas.com>
**Sent:** Friday, October 4, 2024 10:50 AM
**To:** Romeo De Lange <RomeoDe...twk...ov.za>
**Cc:** Lizell Kilowan <lizellsa@twk...ov.za>; Reynold Stevens <reynoldst@twk...ov.za>
**Subject:** RE: RATEPAYERS ASSOCIATION VS TWK MUNICIPALITY (LEGAL DEBRIEFING)

brink•thomas•cassiem incorporated
Attorneys • Notaries • Conveyancers

**From:** Gafsah <gafsah@brinkandthomas.com>
**Sent:** Friday, October 4, 2024 12:23 PM
**To:** Romeo De Lange <RomeoDe@twk.gov.za>
**Cc:** Lizell Kilowan <lizellsa@twk.gov.za>; Reynold Stevens <reynoldst@twk.gov.za>
**Subject:** RE: RATEPAYERS ASSOCIATION VS TWK MUNICIPALITY (LEGAL DEBRIEFING)

brink•thomas•cassiem
incorporated
Attorneys • Notaries • Conveyancers

Dear Mr De Lange.

I would assume so, I have tried calling him without success.

Will keep calling.

Thank you.

**PLEASE NOTE THAT ENTRY TO OUR PREMISES IS BY APPOINTMENT ONLY, EXCEPT FOR SERVICE OF DOCUMENTS AT RECEPTION.**
**We will under no circumstances notify you of a change of banking details. We will not be liable for any loss that may be suffered resulting from any payment by you to an incorrect bank account (or bank account purporting to be an Attorneys bank account). Please also pay special attention to any emails you may receive purporting to emanate from our offices, which may resemble our email domain, regarding any change in banking details. In particular, if you receive any notification of our bank account changing then please contact us telephonically on our usual telephone number (this can be obtained from the LPC website as follows: https://lpc.or.za/list-of-legal-firm where you can enter the firm name "Brink Thomas Cassiem Incorporated" to obtain our telephone number) and not the telephone number on the communication purporting an account change.**

Sincerely Yours;

**Gafsah Mullins**
Candidate Attorney
Brink Thomas Cassiem Attorneys, Notaries, Conveyancers
Waalburg Building, 28 Wale Street, 4th Floor, Cape Town 8001
PO Box 15950, Vlaeberg 8018
Fax: 0866 667799 Ph. 021 745 6255 Docex 279 Cape Town
Email: gafsah@brinkandthomas.com
www.brinkandthomas.com

**Disclaimer and Confidentiality**
*The contents of this e-mail and any attachments are confidential it may be privileged and are intended solely for the use of the named recipient(s). If you have received it in error, do not disclose, distribute, or retain it or any part of it, and please notify the sender immediately and delete the e-mail. E-mails are not necessarily secure or error free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete*

account purporting to be an Attorneys bank account). Please also pay special attention to any emails you may receive purporting to emanate from our offices, which may resemble our email domain, regarding any change in banking details. In particular, if you receive any notification of our bank account changing then please contact us telephonically on our usual telephone number (this can be obtained from the LPC website as follows: https://lpc.org.za/list-of-legal-firm/ where you can enter the firm name "Brink Thomas Cassiem Incorporated" to obtain our telephone number) and not the telephone number on the communication purporting an account change.

Sincerely Yours;

~~~

**Gafsah Mullins**
Candidate Attorney
Brink Thomas Cassiem Attorneys, Notaries, Conveyancers
Wasiburg Building, 28 Wale Street, 4th Floor, Cape Town 8001
PO Box 15950, Vlaeberg 8018
Fax: 0866 667799 Ph. 021 745 6255 Docex 279 Cape Town
Email: gafsah@brinkandthomas.com
www.brinkandthomas.com

**Disclaimer and Confidentiality**
*The contents of this e-mail and any attachments are confidential it may be privileged and are intended solely for the use of the named recipient(s). If you have received it in error, do not disclose, distribute, or retain it or any part of it, and please notify the sender immediately and delete the e-mail. E-mails are not necessarily secure or error free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or contain viruses. We endeavour to exclude viruses from our e-mails. However it is the responsibility of the named recipient(s) to ensure that e-mails and all attachments are virus free. BRINK THOMAS CASSIEM INC. ATTORNEYS accepts no responsibility of whatsoever nature should information or data be corrupted, or should it fail to reach its intended destination or be accessed by anyone other than the addressee, for whatever reason or cause.*

**From:** Romeo De Lange <RomeoDe[illegible]twk.[illegible]ov.za>
**Sent:** Friday, 04 October 2024 12:26
**To:** Gafsah <[illegible]afsah@brinkandthomas.com>
**Cc:** Lizell Kilowan <lizellsa[illegible]twk.gov.za>; Reynold Stevens <re[illegible]noldst[illegible]twk.[illegible]ov.za>
**Subject:** Re: RATEPAYERS ASSOCIATION VS TWK MUNICIPALITY (LEGAL DEBRIEFING)

Ok noted the Executive Mayor is waiting on him.

ROMEO DE LANGE
OFFICE OF MUNICIPAL MANAGER

Regards,

**Romeo De Lange**
Acting Senior Manager: Risk Management/ Corporate Governance & Compliance
Directorate: Office of the Municipal Manager

**THEEWATERSKLOOF MUNICIPALITY**
**Head Office.** 6 Plein Street, Caledon, 7230
**Call Centre.** 028 214 3300 | **Emergency.** 080 021 4730 | **Email.** romeode[illegible]twk.[illegible]ov.za
**Website.** www.twk.[illegible]ov.za | **Follow us on Facebook, X, Instagram.** @twkmun

Theewaterskloof
Municipality
~~~

Screenshot_20241105_161428_WhatsApp.jpg

Reynold Stevens TWK

it this morning. but I will join online the audit comaf meeting it was set for 11am today . Thank you

Gm, I cant..medical tests today

Today

Voice call

0:03

Forwarded

Sorry for the disturbance. We urgently need your approval to this email.

16:11

Good afternoon, Director Mabhena. Please proceed with the payment. I will send you the email

Good day MM , Noted

Message

Screenshot_20231105-161428_WhatsApp.jpg

Reynold Stevens TWK

it this morning, but I will join online the audit comaf meeting it was set for 11am today . Thank you

Gm, I cant..medical tests today

Today

Voice call

0:03

Forwarded

Sorry for the disturbance. We urgently need your approval to this email.

16:1

Good afternoon, Director Mabhena. Please proceed with the payment. I will send you the email

Good day MM , Noted

Message

Screenshot 2024-05-16 359 WhatsApp.jpg

Reynold Stevens TWK

Sorry for the disturbance. We urgently need your approval to this email.

1 unread message

Good afternoon, Director Mabhena. Please proceed with the payment. I will send you the email

Message

1 2 3 4 5 6 7 8 9 0

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1111 Legal | 11111975420 | Contracted Services - Legal Cost (Advice and L | WC031_Legal Services | [illegible] | [illegible] | [illegible] | [illegible] |
| 1112 Council Support | 11112075420 | Contracted Services - Legal Cost (Advice and L | WC031_Good Governance & Council Support | [illegible] | [illegible] | | |
| 2113 Town Planning | 12113075420 | Contracted Services - Legal Cost (Advice & Lit | WC031_Spatial Planning Development Management | 209 000 | | | 209 000 |
| 2114 Building Control | 12114075420 | Contracted Services - Legal Cost (Advice & Lit | WC031_Building Control Environmental Management | 104 500 | | [illegible] | [illegible] |
| 2115 Property Management | 12115075420 | Contracted Services - Legal Cost (Advice and L | WC031_Municipal Property Management | [illegible] | - | | [illegible] |
| 3127 Animal Control and Pounds | 13127075420 | Contracted Services - Legal Cost | WC031_Animal Control- Pound | [illegible] | | [illegible] | [illegible] |
| | | | | 1 041 500 | 498 817 | 118 638 | [illegible] |

PM

KRED

## Business Information

**Internal Creditor Code**

Full Registered Name

Trading Name

Company Registration No

VAT Registration No

BBBEE Status Level

HDI %

Secondary Banking Detail

Discount

Discount Term

Female

## Banking Details

| | |
|---|---|
| Bank Code | SBZA |
| Bank Name | STANDARD BANK OF SOUTH AFRICA LIMITED,THE |
| Branch Code | 051001 |
| Branch Name | KENILWORTH CENTRE |
| Account No | 272165727 |
| Account Type | Cheque/Current |
| Action Date and Time | 20230CT 1208 |
| Cred tor Utilization blocked? | No |
| Reason for Utilization Block | |

0

## Internal Status

Currently Active

Default EFT Reference

## Financial Year Transaction Summary

| | |
|---|---|
| Orders | 17,366.00+ |
| GRN | 476,253.54+ |
| | 0 |
| Invoices | 476,253.54- |
| Cheque Payments | 0 |
| EFT Payments | 476,253.54+ |
| Outstanding Payments | 0 |
| Journals | 0 |
| Year-End Journals | 0 |

## Age Analysis

Customer Type: Trade Creditors

| | |
|---|---|
| 0 - 30 Days | |
| 31 - 60 Days | |
| 61 - 90 Days | |
| 91 - 120 Days | |
| 121 - 150 Days | |
| 151 - 180 Days | |
| 181 Days - 1 Year | |
| Over 1 Year | |

Record was successfully displayed

**Romeo De Lange**

**From:** Lizell Kilowan
**Sent:** Friday, October 18, 2024 3:07 PM
**To:** Hanro September; Ashwille Riddles; Paul Mabhena
**Cc:** Romeo De Lange; Reynold Stevens; Charne Lottering
**Subject:** FW: RATEPAYERS ASSOCIATION VS TWK MUNICIPALITY (LEGAL DEBRIEFING)
**Attachments:** CRPA BILL.pdf; FW: Brink & Thomas

Dear Mr Mabhenna,

Please note that a requisition was uploaded on 16 September 2024 after an instruction from the MM's office. The Service Provider is not tax compliant but due to the urgency of the matter, work have already been done in this regard and instruction was given to the Service Provider by the MM's office.

It is therefore the request of the MM's office after telephonic conversation with Mr De Lange, that the Service Provider are paid for services rendered.

Regards

Lizell Kilowan
Senior Admin Officer: Councillor Support, Ward Committees and Public Participation
**Corporate Services**
**THEEWATERSKLOOF MUNICIPALITY**
Head Office
Email: lizellsa@twk.gov.za

**From:** Romeo De Lange <RomeoDe@twk.gov.za>
**Sent:** Friday, October 18, 2024 1:27 PM
**To:** Lizell Kilowan <lizellsa@twk.gov.za>
**Cc:** Reynold Stevens <reynoldst@twk.gov.za>
**Subject:** FW: RATEPAYERS ASSOCIATION VS TWK MUNICIPALITY (LEGAL DEBRIEFING)

Hi Lizell,

I am mindful of the tax clearance issue. The attached is payment that you can process so long.

Regards,

ROMEO DE LANGE
OFFICE OF THE MUNICIPAL MANAGER

**From:** Reynold Stevens <reynoldst@twk.gov.za>
**Sent:** Friday, October 18, 2024 11:07 AM
**To:** Romeo De Lange <RomeoDe@twk.gov.za>
**Subject:** FW: RATEPAYERS ASSOCIATION VS TWK MUNICIPALITY (LEGAL DEBRIEFING)

**Regards,**

**Reynold Stevens**
Acting Municipal Manager

**THEEWATERSKLOOF MUNICIPALITY**
**Head Office.** 6 Plein Street, Caledon, 7230
**Call Centre.** 028 214 3300 | **Emergency.** 080 021 4730 | **Email.** reynoldst@twk.gov.za
**Website.** www.twk.gov.za | **Follow us on Facebook, X, Instagram.** @twkmun

Theewaterskloof
Municipality

PRIVACY AND CONFIDENTIALITY DISCLAIMER: The Theewaterskloof Municipality and Staff are committed to ensuring that it safeguards personal/private information of data subjects and to respect their right to privacy in accordance with the provisions of the South African Constitution, the Protection of Personal Information Act, 2013 (POPIA) and the Promotion of Access to Information Act, 2000 (PAIA). This email message contains information which may be confidential, personal, private, or privileged in nature and is intended solely for use by the recipient and others authorized to receive it for the specific purpose for which it was sent. If you are not the intended recipient, you are prohibited from using, misusing, disseminating, altering, forwarding, storing, or copying the information, and are hereby notified that such action in relation to the contents of this information is unlawful which may result in your being held liable arising out of your non-compliance. If you have received this message in error, please notify the sender immediately and delete and/or destroy the message from your system.

**From:** Gafsah <gafsah@brinkandthomas.com>
**Sent:** Wednesday, October 16, 2024 2:23 PM
**To:** Romeo De Lange <RomeoDe@twk.gov.za>
**Cc:** Lizell Kilowan <lizellsa@twk.gov.za>; Reynold Stevens <reynoldst@twk.gov.za>
**Subject:** RE: RATEPAYERS ASSOCIATION VS TWK MUNICIPALITY (LEGAL DEBRIEFING)

btc brink•thomas•cassiem
incorporated
Attorneys • Notaries • Conveyancers

Dear Mr De Lange.

Trust you are well.

We refer to the matter herein.

Kindly note that we are still awaiting the court order from the Caledon Magistrates court, we have requested same today and will continue to follow up.

Please find herein enclosed our Invoice for your kind attention.

Trust that all is in order.

Kind regards.

**PLEASE NOTE THAT ENTRY TO OUR PREMISES IS BY APPOINTMENT ONLY, EXCEPT FOR SERVICE OF DOCUMENTS AT RECEPTION.**

**We will under no circumstances notify you of a change of banking details. We will not be liable for any loss that may be suffered resulting from any payment by you to an incorrect bank account (or bank account purporting to be an Attorneys bank account). Please also pay special attention to any emails you may receive purporting to emanate from our offices, which may resemble our email domain, regarding any change in banking details. In particular, if you receive any notification of our bank account changing then please contact us telephonically on our usual telephone number (this can be obtained from the LPC website as follows: https://lpc.org.za/list-of-legal-firm/ where you can enter the firm name "Brink Thomas Cassiem Incorporated" to obtain our telephone number) and not the telephone number on the communication purporting an account change.**

Sincerely Yours;

~~~

**Gafsah Mullins**
Candidate Attorney
Brink Thomas Cassiem Attorneys, Notaries, Conveyancers
Waalburg Building, 28 Wale Street, 4th Floor, Cape Town 8001
PO Box 15950, Vlaeberg 8018
Fax: 0866 667799 Ph. 021 745 6255 Docex 279 Cape Town
Email: gafsah@brinkandthomas.com
www.brinkandthomas.com

**Disclaimer and Confidentiality**
*The contents of this e-mail and any attachments are confidential it may be privileged and are intended solely for the use of the named recipient(s). If you have received it in error, do not disclose, distribute, or retain it or any part of it, and please notify the sender immediately and delete the e-mail. E-mails are not necessarily secure or error free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or contain viruses. We endeavour to exclude viruses from our e-mails. However it is the responsibility of the named recipient(s) to ensure that e-mails and all attachments are virus free. BRINK THOMAS CASSIEM INC. ATTORNEYS accepts no responsibility of whatsoever nature should information or data be corrupted, or should it fail to reach its intended destination or be accessed by anyone other than the addressee, for whatever reason or cause.*

**From:** Gafsah
**Sent:** Friday, 04 October 2024 16:07
**To:** Romeo De Lange <RomeoDe@twk.gov.za>
**Cc:** Lizell Kilowan <lizellsa@twk.gov.za>; Reynold Stevens <reynoldst@twk.gov.za>
**Subject:** RE: RATEPAYERS ASSOCIATION VS TWK MUNICIPALITY (LEGAL DEBRIEFING)

btc brink•thomas•cassiem Incorporated
Attorneys • Notaries • Conveyancers

Dear Mr De Lange.
~~~

Further to my email herewith below.

We will furnish yourself with the court order as soon as we are in receipt of same.

Thank you.

**PLEASE NOTE THAT ENTRY TO OUR PREMISES IS BY APPOINTMENT ONLY, EXCEPT FOR SERVICE OF DOCUMENTS AT RECEPTION.**

**We will under no circumstances notify you of a change of banking details. We will not be liable for any loss that may be suffered resulting from any payment by you to an incorrect bank account (or bank account purporting to be an Attorneys bank account). Please also pay special attention to any emails you may receive purporting to emanate from our offices, which may resemble our email domain, regarding any change in banking details. In particular, if you receive any notification of our bank account changing then please contact us telephonically on our usual telephone number (this can be obtained from the LPC website as follows: https://lpc.org.za/list-of-legal-firm/ where you can enter the firm name "Brink Thomas Cassiem Incorporated" to obtain our telephone number) and not the telephone number on the communication purporting an account change.**

Sincerely Yours;

~~~

**Gafsah Mullins**
Candidate Attorney
Brink Thomas Cassiem Attorneys, Notaries, Conveyancers
Waalburg Building, 28 Wale Street, 4th Floor, Cape Town 8001
PO Box 15950, Vlaeberg 8018
Fax: 0866 667799 Ph. 021 745 6255 Docex 279 Cape Town
Email: gafsah@brinkandthomas.com
www.brinkandthomas.com

**Disclaimer and Confidentiality**
*The contents of this e-mail and any attachments are confidential it may be privileged and are intended solely for the use of the named recipient(s). If you have received it in error, do not disclose, distribute, or retain it or any part of it, and please notify the sender immediately and delete the e-mail. E-mails are not necessarily secure or error free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or contain viruses. We endeavour to exclude viruses from our e-mails. However it is the responsibility of the named recipient(s) to ensure that e-mails and all attachments are virus free. BRINK THOMAS CASSIEM INC. ATTORNEYS accepts no responsibility of whatsoever nature should information or data be corrupted, or should it fail to reach its intended destination or be accessed by anyone other than the addressee, for whatever reason or cause.*

**From:** Gafsah
**Sent:** Friday, 04 October 2024 16:06
**To:** Romeo De Lange <RomeoDe@twk.gov.za>
**Cc:** Lizell Kilowan <lizellsa@twk.gov.za>; Reynold Stevens <reynoldst@twk.gov.za>
**Subject:** RE: RATEPAYERS ASSOCIATION VS TWK MUNICIPALITY (LEGAL DEBRIEFING)
~~~

Dear mr De Lange .

Kindly find herewith enclosed a letter for your attention.

Thank you

**PLEASE NOTE THAT ENTRY TO OUR PREMISES IS BY APPOINTMENT ONLY, EXCEPT FOR SERVICE OF DOCUMENTS AT RECEPTION.**

**We will under no circumstances notify you of a change of banking details. We will not be liable for any loss that may be suffered resulting from any payment by you to an incorrect bank account (or bank account purporting to be an Attorneys bank account). Please also pay special attention to any emails you may receive purporting to emanate from our offices, which may resemble our email domain, regarding any change in banking details. In particular, if you receive any notification of our bank account changing then please contact us telephonically on our usual telephone number (this can be obtained from the LPC website as follows: https://lpc.org.za/list-of-legal-firm/ where you can enter the firm name "Brink Thomas Cassiem Incorporated" to obtain our telephone number) and not the telephone number on the communication purporting an account change.**

Sincerely Yours;

~~~

**Gafsah Mullins**
Candidate Attorney
Brink Thomas Cassiem Attorneys, Notaries, Conveyancers
Waalburg Building, 28 Wale Street, 4th Floor, Cape Town 8001
PO Box 15950, Vlaeberg 8018
Fax: 0866 667799 Ph. 021 745 6255 Docex 279 Cape Town
Email: gafsah@brinkandthomas.com
www.brinkandthomas.com

**Disclaimer and Confidentiality**
*The contents of this e-mail and any attachments are confidential it may be privileged and are intended solely for the use of the named recipient(s). If you have received it in error, do not disclose, distribute, or retain it or any part of it, and please notify the sender immediately and delete the e-mail. E-mails are not necessarily secure or error free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or contain viruses. We endeavour to exclude viruses from our e-mails. However it is the responsibility of the named recipient(s) to ensure that e-mails and all attachments are virus free. BRINK THOMAS CASSIEM INC. ATTORNEYS accepts no responsibility of whatsoever nature should information or data be corrupted, or should it fail to reach its intended destination or be accessed by anyone other than the addressee, for whatever reason or cause.*

**From:** Romeo De Lange <RomeoDe@twk.gov.za>
**Sent:** Friday, 04 October 2024 13:56
**To:** Gafsah <gafsah@brinkandthomas.com>
**Cc:** Lizell Kilowan <lizellsa@twk.gov.za>; Reynold Stevens <reynoldst@twk.gov.za>
**Subject:** Re: RATEPAYERS ASSOCIATION VS TWK MUNICIPALITY (LEGAL DEBRIEFING)

Noted with thanks, Gafsah.

Regards,
~~~

ROMEO DE LANGE
OFFICE OF MUNICIPAL MANAGER

Regards,

**Romeo De Lange**
Acting Senior Manager: Risk Management/ Corporate Governance & Compliance
Directorate: Office of the Municipal Manager

**THEEWATERSKLOOF MUNICIPALITY**
**Head Office.** 6 Plein Street, Caledon, 7230
**Call Centre.** 028 214 3300 | **Emergency.** 080 021 4730 | **Email.** romeode@twk.gov.za
**Website.** www.twk.gov.za | **Follow us on Facebook, X, Instagram.** @twkmun

Theewaterskloof
Municipality

PRIVACY AND CONFIDENTIALITY DISCLAIMER: The Theewaterskloof Municipality and Staff are committed to ensuring that it safeguards personal/private information of data subjects and to respect their right to privacy in accordance with the provisions of the South African Constitution, the Protection of Personal Information Act, 2013 (POPIA) and the Promotion of Access to Information Act, 2000 (PAIA). This email message contains information which may be confidential, personal, private, or privileged in nature and is intended solely for use by the recipient and others authorized to receive it for the specific purpose for which it was sent. If you are not the intended recipient, you are prohibited from using, misusing, disseminating, altering, forwarding, storing, or copying the information, and are hereby notified that such action in relation to the contents of this information is unlawful which may result in your being held liable arising out of your non-compliance. If you have received this message in error, please notify the sender immediately and delete and/or destroy the message from your system.

**From:** Gafsah <gafsah@brinkandthomas.com>
**Sent:** Friday, October 4, 2024 12:51 PM
**To:** Romeo De Lange <RomeoDe@twk.gov.za>
**Cc:** Lizell Kilowan <lizellsa@twk.gov.za>; Reynold Stevens <reynoldst@twk.gov.za>
**Subject:** RE: RATEPAYERS ASSOCIATION VS TWK MUNICIPALITY (LEGAL DEBRIEFING)

btc brink•thomas•cassiem
Incorporated
Attorneys • Notaries • Conveyancers

Dear Mr De Lange.

We contacted Adv Holland.

He is presently in the contempt of court hearing.

He advised that he attended the meeting with the Senior Magistrate who then called in the Magistrate that granted the order and she died that her husband is a member of the Ratepayers association.

He will contact you as soon as he can.

Thank you

**PLEASE NOTE THAT ENTRY TO OUR PREMISES IS BY APPOINTMENT ONLY, EXCEPT FOR SERVICE OF DOCUMENTS AT RECEPTION.**
**We will under no circumstances notify you of a change of banking details. We will not be liable for any loss that may be suffered resulting from any payment by you to an incorrect bank account (or bank account purporting to be an Attorneys bank account). Please also pay special attention to any emails you may receive purporting to emanate from our offices, which may resemble our email domain, regarding any change in banking details. In particular, if you receive any notification of our bank account changing then please contact us telephonically on our usual telephone number (this can be obtained from the LPC website as follows: https://lpc.org.za/list-of-legal-firm/ where you can enter the firm name "Brink Thomas Cassiem Incorporated" to obtain our telephone number) and not the telephone number on the communication purporting an account change.**

Sincerely Yours;

~~~

**Gafsah Mullins**
Candidate Attorney
Brink Thomas Cassiem Attorneys, Notaries, Conveyancers
Waalburg Building, 28 Wale Street, 4th Floor, Cape Town 8001
PO Box 15950, Vlaeberg 8018
Fax: 0866 667799 Ph. 021 745 6255 Docex 279 Cape Town
Email: gafsah@brinkandthomas.com
www.brinkandthomas.com

**Disclaimer and Confidentiality**
*The contents of this e-mail and any attachments are confidential it may be privileged and are intended solely for the use of the named recipient(s). If you have received it in error, do not disclose, distribute, or retain it or any part of it, and please notify the sender immediately and delete the e-mail. E-mails are not necessarily secure or error free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or contain viruses. We endeavour to exclude viruses from our e-mails. However it is the responsibility of the named recipient(s) to ensure that e-mails and all attachments are virus free. BRINK THOMAS CASSIEM INC. ATTORNEYS accepts no responsibility of whatsoever nature should information or data be corrupted, or should it fail to reach its intended destination or be accessed by anyone other than the addressee, for whatever reason or cause.*

**From:** Romeo De Lange <RomeoDe@twk.gov.za>
**Sent:** Friday, 04 October 2024 12:26
**To:** Gafsah <gafsah@brinkandthomas.com>
**Cc:** Lizell Kilowan <lizellsa@twk.gov.za>; Reynold Stevens <reynoldst@twk.gov.za>
**Subject:** Re: RATEPAYERS ASSOCIATION VS TWK MUNICIPALITY (LEGAL DEBRIEFING)

Ok noted the Executive Mayor is waiting on him.

ROMEO DE LANGE
OFFICE OF MUNICIPAL MANAGER

Regards,

**Romeo De Lange**
Acting Senior Manager: Risk Management/ Corporate Governance & Compliance
Directorate: Office of the Municipal Manager
~~~

**THEEWATERSKLOOF MUNICIPALITY**
**Head Office.** 6 Plein Street, Caledon, 7230
**Call Centre.** 028 214 3300 | **Emergency.** 080 021 4730 | **Email.** romeode@twk.gov.za
**Website.** www.twk.gov.za | **Follow us on Facebook, X, Instagram.** @twkmun

Theewaterskloof
Municipality

PRIVACY AND CONFIDENTIALITY DISCLAIMER: The Theewaterskloof Municipality and Staff are committed to ensuring that it safeguards personal/private information of data subjects and to respect their right to privacy in accordance with the provisions of the South African Constitution, the Protection of Personal Information Act, 2013 (POPIA) and the Promotion of Access to Information Act, 2000 (PAIA). This email message contains information which may be confidential, personal, private, or privileged in nature and is intended solely for use by the recipient and others authorized to receive it for the specific purpose for which it was sent. If you are not the intended recipient, you are prohibited from using, misusing, disseminating, altering, forwarding, storing, or copying the information, and are hereby notified that such action in relation to the contents of this information is unlawful which may result in your being held liable arising out of your non-compliance. If you have received this message in error, please notify the sender immediately and delete and/or destroy the message from your system.

**From:** Gafsah <gafsah@brinkandthomas.com>
**Sent:** Friday, October 4, 2024 12:23 PM
**To:** Romeo De Lange <RomeoDe@twk.gov.za>
**Cc:** Lizell Kilowan <lizellsa@twk.gov.za>; Reynold Stevens <reynoldst@twk.gov.za>
**Subject:** RE: RATEPAYERS ASSOCIATION VS TWK MUNICIPALITY (LEGAL DEBRIEFING)

btc brink•thomas•cassiem
incorporated
Attorneys • Notaries • Conveyancers

Dear Mr De Lange.

I would assume so, I have tried calling him without success.

Will keep calling.

Thank you.

**PLEASE NOTE THAT ENTRY TO OUR PREMISES IS BY APPOINTMENT ONLY, EXCEPT FOR SERVICE OF DOCUMENTS AT RECEPTION.**

**We will under no circumstances notify you of a change of banking details. We will not be liable for any loss that may be suffered resulting from any payment by you to an incorrect bank account (or bank account purporting to be an Attorneys bank account). Please also pay special attention to any emails you may receive purporting to emanate from our offices, which may resemble our email domain, regarding any change in banking details. In particular, if you receive any notification of our bank account changing then please contact us telephonically on our usual telephone number (this can be obtained from the LPC website as follows: https://lpc.org.za/list-of-legal-firm/ where you can enter the firm name "Brink Thomas Cassiem Incorporated" to obtain our telephone number) and not the telephone number on the communication purporting an account change.**

Sincerely Yours;

~~~

**Gafsah Mullins**
Candidate Attorney
Brink Thomas Cassiem Attorneys, Notaries, Conveyancers
Waalburg Building, 28 Wale Street, 4th Floor, Cape Town 8001
PO Box 15950, Vlaeberg 8018
Fax: 0866 667799 Ph. 021 745 6255 Docex 279 Cape Town
Email: gafsah@brinkandthomas.com
www.brinkandthomas.com

**Disclaimer and Confidentiality**
*The contents of this e-mail and any attachments are confidential it may be privileged and are intended solely for the use of the named recipient(s). If you have received it in error, do not disclose, distribute, or retain it or any part of it, and please notify the sender immediately and delete the e-mail. E-mails are not necessarily secure or error free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or contain viruses. We endeavour to exclude viruses from our e-mails. However it is the responsibility of the named recipient(s) to ensure that e-mails and all attachments are virus free. BRINK THOMAS CASSIEM INC. ATTORNEYS accepts no responsibility of whatsoever nature should information or data be corrupted, or should it fail to reach its intended destination or be accessed by anyone other than the addressee, for whatever reason or cause.*

**From:** Romeo De Lange <RomeoDe@twk.gov.za>
**Sent:** Friday, 04 October 2024 12:18
**To:** Gafsah <gafsah@brinkandthomas.com>
**Cc:** Lizell Kilowan <lizellsa@twk.gov.za>; Reynold Stevens <reynoldst@twk.gov.za>
**Subject:** Re: RATEPAYERS ASSOCIATION VS TWK MUNICIPALITY (LEGAL DEBRIEFING)

Good day Gafsah,

Is Adv Holland still busy at Caledon court?

Romeo de Lange
OFFICE OF MUNICIPAL MANAGER

Regards,

Romeo De Lange
Acting Senior Manager: Risk Management/ Corporate Governance & Compliance
Directorate: Office of the Municipal Manager

**THEEWATERSKLOOF MUNICIPALITY**
**Head Office.** 6 Plein Street, Caledon, 7230
**Call Centre.** 028 214 3300 | **Emergency.** 080 021 4730 | **Email.** romeode@twk.gov.za
**Website.** www.twk.gov.za | **Follow us on Facebook, X, Instagram.** @twkmun

Theewaterskloof
Municipality

PRIVACY AND CONFIDENTIALITY DISCLAIMER: The Theewaterskloof Municipality and Staff are committed to ensuring that it safeguards personal/private information of data subjects and to respect their right to privacy in accordance with the provisions of the South African Constitution, the Protection of Personal Information Act, 2013 (POPIA) and the Promotion of Access to Information Act, 2000 (PAIA). This email message contains information which may be confidential, personal, private, or privileged in nature and is intended solely for use by the recipient and others authorized to receive it for the specific purpose for which it was sent. If you are not the intended recipient, you are prohibited from using, misusing, disseminating, altering, forwarding, storing, or copying the information, and are hereby notified that such action in relation to the contents of this information is unlawful which may result in your being held liable arising out of your non-compliance. If you have received this message in error, please notify the sender immediately and delete and/or destroy the message from your system.
~~~

335

**From:** Gafsah <gafsah@brinkandthomas.com>
**Sent:** Friday, October 4, 2024 10:50 AM
**To:** Romeo De Lange <RomeoDe@twk.gov.za>
**Cc:** Lizell Kilowan <lizellsa@twk.gov.za>; Reynold Stevens <reynoldst@twk.gov.za>
**Subject:** RE: RATEPAYERS ASSOCIATION VS TWK MUNICIPALITY (LEGAL DEBRIEFING)

btc brink•thomas•cassiem incorporated
Attorneys • Notaries • Conveyancers

Dear Mr De Lange.

Trust you are well.

Thank you for your email its contents noted.

We confirm that we have conveyed same to Adv Holland today.

Kind regards.

**PLEASE NOTE THAT ENTRY TO OUR PREMISES IS BY APPOINTMENT ONLY, EXCEPT FOR SERVICE OF DOCUMENTS AT RECEPTION.**
**We will under no circumstances notify you of a change of banking details. We will not be liable for any loss that may be suffered resulting from any payment by you to an incorrect bank account (or bank account purporting to be an Attorneys bank account). Please also pay special attention to any emails you may receive purporting to emanate from our offices, which may resemble our email domain, regarding any change in banking details. In particular, if you receive any notification of our bank account changing then please contact us telephonically on our usual telephone number (this can be obtained from the LPC website as follows: https://lpc.org.za/list-of-legal-firm/ where you can enter the firm name "Brink Thomas Cassiem Incorporated" to obtain our telephone number) and not the telephone number on the communication purporting an account change.**

Sincerely Yours;

~~~

**Gafsah Mullins**
Candidate Attorney
Brink Thomas Cassiem Attorneys, Notaries, Conveyancers
Waalburg Building, 28 Wale Street, 4th Floor, Cape Town 8001
PO Box 15950, Vlaeberg 8018
Fax: 0866 667799 Ph. 021 745 6255 Docex 279 Cape Town
Email: gafsah@brinkandthomas.com
www.brinkandthomas.com

**Disclaimer and Confidentiality**
*The contents of this e-mail and any attachments are confidential it may be privileged and are intended solely for the use of the named recipient(s). If you have received it in error, do not disclose, distribute, or retain it or any part*
~~~

*of it, and please notify the sender immediately and delete the e-mail. E-mails are not necessarily secure or error free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or contain viruses. We endeavour to exclude viruses from our e-mails. However it is the responsibility of the named recipient(s) to ensure that e-mails and all attachments are virus free. BRINK THOMAS CASSIEM INC. ATTORNEYS accepts no responsibility of whatsoever nature should information or data be corrupted, or should it fail to reach its intended destination or be accessed by anyone other than the addressee, for whatever reason or cause.*

**From:** Romeo De Lange <RomeoDe@twk.gov.za>
**Sent:** Friday, 04 October 2024 10:35
**To:** Gafsah <gafsah@brinkandthomas.com>
**Cc:** Lizell Kilowan <lizellsa@twk.gov.za>; Reynold Stevens <reynoldst@twk.gov.za>
**Subject:** FW: RATEPAYERS ASSOCIATION VS TWK MUNICIPALITY (LEGAL DEBRIEFING)
**Importance:** High

Dear Gafsah,

Sorry we will have the meeting at 12h30.

We will set up for a teams link, should Advocate not be available to be present in person.

Forward an email for us to send link.

Regards,

ROMEO DE LANGE
OFFICE OF THE MUNICIPAL MANAGER

**From:** Romeo De Lange
**Sent:** Friday, October 4, 2024 10:28 AM
**To:** Gafsah <gafsah@brinkandthomas.com>
**Cc:** Lizell Kilowan <lizellsa@twk.gov.za>; Reynold Stevens <reynoldst@twk.gov.za>
**Subject:** RATEPAYERS ASSOCIATION VS TWK MUNICIPALITY (LEGAL DEBRIEFING)
**Importance:** High

Good morning, Gafsah,

Mr. Thomas referred me to you.

The Mayor and Municipal Manager would like to have a debriefing from Advocate Holland on the above subject.

If possible, immediately after his meeting with Caledon Court, at 11h30.

Venue: Office of the Executive Mayor, TWK Municipal Building

Regards,

ROMEO DE LANGE
OFFICE OF THE MUNICIPAL MANAGER

- 337

**Romeo De Lange**

| | |
|---|---|
| **From:** | Romeo De Lange |
| **Sent:** | Wednesday, October 23, 2024 3:12 PM |
| **To:** | Paul Mabhena |
| **Cc:** | Reynold Stevens |
| **Subject:** | FW: Message from KM_367 |
| **Attachments:** | SKM_36724102313310.pdf |

Dear CFO,

Attached, please find invoice from BTC Attorneys for legal service rendered to the municipality in the matter against the Ratepayers' Association. Though a tax clearance certificate were submitted, issues were raised by your directorate ito their recent tax compliance with SARS.

Regards,

ROMEO DE LANGE
OFFICE OF THE MUNICIPAL MANAGER

**From:** twkscans@gmail.com <twkscans@gmail.com>
**Sent:** Wednesday, October 23, 2024 1:32 PM
**To:** Romeo De Lange <RomeoDe@twk.gov.za>
**Subject:** Message from KM_367

**Romeo De Lange**

| | |
|---|---|
| **From:** | Romeo De Lange |
| **Sent:** | Tuesday, October 29, 2024 9:08 AM |
| **To:** | Paul Mabhena |
| **Cc:** | Reynold Stevens; Honey Gxoyiya; Lizell Kilowan |
| **Subject:** | OUTSTANDING PAYMENTS DUE BTC ATTORNEYS |
| **Attachments:** | BTC DA invoice.pdf; BTC Invoice Caledon Court.pdf; BTC Tax Compliance Status - Good standing - expiry date - 03 February 2025_.pdf; BTC Status update.png; RE: SARS Update |
| **Importance:** | High |

Good morning, CFO,

I hope this message finds you well. I am writing to bring to your attention the matter of the outstanding invoices owed to BTC Attorneys.

At the time of placing the order, BTC Attorneys were fully compliant with their tax obligations. However, it has come to our attention that their tax compliance status has since changed. BTC Attorneys' accountant is currently working diligently with SARS to resolve this issue.

Despite this temporary non-compliance, it is crucial to recognize that BTC Attorneys have already rendered their services to the municipality. These services were essential and have been executed to our satisfaction. The payment for these services is due and withholding it could result in unnecessary complications and financial strain for the attorneys.

Furthermore, BTC Attorneys continue to represent the municipality in important court matters. Their ongoing involvement is critical to our administration and service delivery. Delaying payment could adversely affect their ability to continue providing these vital services, which would, in turn, impact our operations and service delivery to the community.

Given the circumstances, I urge you to authorize the payment of the outstanding invoices to BTC Attorneys. This action will ensure that we maintain a good working relationship with our legal service providers and uphold our commitment to paying for services rendered. Services were rendered and there are no financial losses to the municipality.

Thank you for your attention to this urgent matter. I am confident that we can resolve this issue promptly and continue to benefit from the excellent services provided by BTC Attorneys.

Regards,

ROMEO DE LANGE
OFFICE OF THE MUNICIPAL MANAGER

**Romeo De Lange**

**From:** Reynold Stevens
**Sent:** Tuesday, October 29, 2024 3:36 PM
**To:** Romeo De Lange
**Subject:** RE: OUTSTANDING PAYMENTS DUE BTC ATTORNEYS

Good afternoon, Romeo.

Earlier today I told the CFO to urgently address the matter as it has been going on for some time.

**Regards,**

**Reynold Stevens**
Acting Municipal Manager

**THEEWATERSKLOOF MUNICIPALITY**
**Head Office.** 6 Plein Street, Caledon, 7230
**Call Centre.** 028 214 3300 | **Emergency.** 080 021 4730 | **Email.** reynoldst@twk.gov.za
**Website.** www.twk.gov.za | **Follow us on Facebook, X, Instagram.** @twkmun

Theewaterskloof
Municipality

PRIVACY AND CONFIDENTIALITY DISCLAIMER: The Theewaterskloof Municipality and Staff are committed to ensuring that it safeguards personal/private information of data subjects and to respect their right to privacy in accordance with the provisions of the South African Constitution, the Protection of Personal Information Act, 2013 (POPIA) and the Promotion of Access to Information Act, 2000 (PAIA). This email message contains information which may be confidential, personal, private, or privileged in nature and is intended solely for use by the recipient and others authorized to receive it for the specific purpose for which it was sent. If you are not the intended recipient, you are prohibited from using, misusing, disseminating, altering, forwarding, storing, or copying the information, and are hereby notified that such action in relation to the contents of this information is unlawful which may result in your being held liable arising out of your non-compliance. If you have received this message in error, please notify the sender immediately and delete and/or destroy the message from your system.

**From:** Romeo De Lange <RomeoDe@twk.gov.za>
**Sent:** Tuesday, 29 October 2024 09:08
**To:** Paul Mabhena <paulma@twk.gov.za>
**Cc:** Reynold Stevens <reynoldst@twk.gov.za>; Honey Gxoyiya <honeygx@twk.gov.za>; Lizell Kilowan <lizellsa@twk.gov.za>
**Subject:** OUTSTANDING PAYMENTS DUE BTC ATTORNEYS
**Importance:** High

Good morning, CFO,

I hope this message finds you well. I am writing to bring to your attention the matter of the outstanding invoices owed to BTC Attorneys.

At the time of placing the order, BTC Attorneys were fully compliant with their tax obligations. However, it has come to our attention that their tax compliance status has since changed. BTC Attorneys' accountant is currently working diligently with SARS to resolve this issue.

**ITEM HEADING**

**SCIC24/2024 OFFICE OF THE MUNICIPAL MANAGER: URGENT REQUEST FOR COUNCIL's APPROVAL TO OPPOSE DA's APPLICATION AND APPOINT LEGAL REPRESENTATION**

*[English version of the report is the original]*

**FILE NUMBER**

13/1/2

**PURPOSE/ AIM OF REPORT**

The report/ submission requests the Council's approval to oppose the Democratic Alliance and Alderman Lincoln de Bruyn's application to the High Court of South Africa (Western Cape Division, Cape Town), citing procedural non-compliance, lack of urgency, and the validity of council decisions, and seeks legal representation for the Council and associated parties.

**BACKGROUND**

The municipality received a "NOTICE OF MOTION" dated 20 September 2024, involving several parties, including the DA and the Council of Theewaterskloof Local Municipality. The matter is scheduled to be heard on 20 September 2024 at 10:00. The applicants are seeking urgent relief, and for an order on the following alleged grounds:

1. **Non-compliance with Uniform Rules:** The applicants have requested condonation for non-compliance with the Uniform Rules of Court relating to forms, service, and time periods.
2. **Urgent Interdict:** The applicants are seeking an urgent interdict under Uniform Rule 6(12).
3. **Unconstitutionality and Invalidity:** The decisions to remove Lincoln de Bruyn and elect Theunis Zimmerman are declared unconstitutional, unlawful, and invalid ("the impugned decision").
4. **Review and Set Aside:** The impugned decisions are to be reviewed and set aside.
5. **Costs:** The costs of this application are to be paid on an attorney and client scale, alternatively scale C, by John Michels in his personal capacity, and jointly and severally by any other respondents opposing it.
6. Granting further and or alternative relief.

**DISCUSSION**

1. **Non-compliance with Uniform Rules**: The applicants' request for condonation should not be granted due to their failure to comply with the Uniform Rules of Court. Procedural irregularities or delays could prejudice the respondents' ability to prepare a defense.

2. **Lack of Urgency**: The urgency of the interdict under Uniform Rule 6(12) is questionable. The applicants have not provided sufficient evidence to justify the urgent nature of their application.

3. **Validity of the Impugned Decision**: The decisions to remove Lincoln de Bruyn and elect Theunis Zimmerman were made in accordance with the law and the municipality's regulations. The applicants have not substantiated their claims of unconstitutionality and invalidity.

4. **Public Interest**: Opposing the application is in the public interest. The decisions made by the council were in the best interest of the community and overturning them would cause unnecessary disruption.

5. **Costs**: The applicants' request for costs to be paid on an attorney and client scale is unjust. Factors such as the applicants' conduct or the lack of merit in their application should be considered.

6. **Alternative Relief**: The applicants have not demonstrated why the court should grant further or alternative relief. The primary relief sought is sufficient, and additional relief is unnecessary.

Furthermore, it should be noted:

7. The applicants intend to apply to the High Court of South Africa (Western Cape Division, Cape Town) on Friday, 20 September 2024 at 10h00, was only brought to the attention of the municipality on 6 September 2024.

8. The municipality was legally bound to deliver on Monday, 9 September 2024 at 17h00 a notice of intention to oppose the notice of motion ("the notice of opposition").

9. The municipality must deliver its answering affidavit by Monday, 16 September 2024 at 17h00.

10. Further legal material to oppose this motion will be provided and available as soon as received.

Given the urgency and the impending deadline for filing a notice of intention to oppose, A legal team was requested to represent the interests of the Council, the Speaker, Theewaterskloof Municipality, Ald. John Michels, and Cllr Theunis Zimmermann (Executive Mayor). This decision was made to ensure that the municipality's position is adequately defended and to prevent any procedural disadvantages that could arise from delays.

The key reasons for this urgent appointment are as follows:

1. **Late and Urgent Application:** The notice of motion was received with insufficient time to convene a Council meeting before the deadline for opposing the motion.
2. **Complexity and Urgency:** The matter involves significant legal and procedural issues that require expert legal representation to navigate effectively.
3. **Exceptional Circumstances:** The nature of the application and the potential implications for the municipality necessitated immediate action to safeguard our interests.

**LEGAL IMPLICATIONS**

As per under "Discussion".

**FINANCIAL IMPLICATIONS**

None at this stage.

**RISK MANAGEMENT IMPLICATIONS**

Not applicable.

**RECOMMENDATION BY THE ITEM AUTHOR TO COUNCIL:**

**It is recommended:**

1. **Approval of Legal Representation:**
   - **That Council ratify the appointment of the legal team to oppose the notice of motion filed by the Democratic Alliance (DA) and Alderman Lincoln de Bruyn.**
   - **Acknowledge the urgency and complexity of the matter, which necessitated immediate action by the Municipal Manager.**
2. **Non-compliance with Uniform Rules:**
   - **Oppose the applicants' request for condonation due to their failure to comply with the Uniform Rules of Court.**
   - **Highlight the potential prejudice to the respondents' ability to prepare a defense due to procedural irregularities or delays.**
3. **Lack of Urgency:**
   - **Challenge the urgency of the interdict under Uniform Rule 6(12) on the grounds that the applicants have not provided sufficient evidence to justify the urgent nature of their application.**

4. **Validity of the Impugned Decision:**

   - **Defend the decisions to remove Alderman Lincoln de Bruyn and elect Councilor Theunis Zimmerman as Executive Mayor as being in accordance with the law and the municipality's regulations.**
   - **Assert that the applicants have not substantiated their claims of unconstitutionality and invalidity.**

5. **Public Interest:**

   - **Emphasize that opposing the application is in the public interest and that the decisions made by the Council were in the best interest of the community.**
   - **Argue that overturning these decisions would cause unnecessary disruption.**

6. **Costs:**

   - **Contest the applicants' request for costs to be paid on an attorney and client scale, considering factors such as the applicants' conduct and the lack of merit in their application.**

7. **Alternative Relief:**

   - **Argue that the applicants have not demonstrated why the court should grant further or alternative relief.**
   - **Maintain that the primary relief sought is sufficient and that additional relief is unnecessary.**

**RESOLVED BY COUNCIL: 13 SEPTEMBER 2024**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman DA Appel and seconded by Alderman BB Mkhwibiso, it was resolved as follows:

1. **Approval of Legal Representation:**

   - **That Council ratify the appointment of the legal team to oppose the notice of motion filed by the Democratic Alliance (DA) and Alderman Lincoln de Bruyn.**
   - **Acknowledge the urgency and complexity of the matter, which necessitated immediate action by the Municipal Manager.**

2. **Non-compliance with Uniform Rules:**

   - **Oppose the applicants' request for condonation due to their failure to comply with the Uniform Rules of Court.**
   - **Highlight the potential prejudice to the respondents' ability to prepare a defense due to procedural irregularities or delays.**

3. **Lack of Urgency:**

   **Challenge the urgency of the interdict under Uniform Rule 6(12) on the grounds that the applicants have not provided sufficient evidence to justify the urgent nature of their application.**

4. **Validity of the Impugned Decision:**

   **Defend the decisions to remove Alderman Lincoln de Bruyn and elect Councilor Theunis Zimmerman as Executive Mayor as being in accordance with the law and the municipality's regulations.**

   **Assert that the applicants have not substantiated their claims of unconstitutionality and invalidity.**

5. **Public Interest:**

   - **Emphasize that opposing the application is in the public interest and that the decisions made by the Council were in the best interest of the community.**

   **Argue that overturning these decisions would cause unnecessary disruption.**

6. **Costs:**

   - **Contest the applicants' request for costs to be paid on an attorney and client scale, considering factors such as the applicants' conduct and the lack of merit in their application.**

7. **Alternative Relief:**

   - **Argue that the applicants have not demonstrated why the court should grant further or alternative relief.**
   - **Maintain that the primary relief sought is sufficient and that additional relief is unnecessary.**

*For finalization by the Acting Municipal Manager, Mr. R Stevens.*

345

1

2/2 R247 555,77

2024-11-06 32015

# THEEWATERSKLOOF MUNISIPALITEIT

B00206

**BRINK THOMAS CASSIEM INCORPORATED**

Datum : 06/11/2024

Tjek nr.: CASHFOCUS

**Besonderhede van Betaling/Details of payment :**

183 363,57

183 363,57

| Belasting | | Posnommer | Bedrag |
|---|---|---|---|
| Inklusief | Eksklusief | | |
| | | | 183 363,57 |

Besonderhede van uitgawe Ek/Ons sertifiseer dat geen vorige betaling in nagegaan en gekontroleer hierdie verband gemaak is nie.

183 363,57

Direkteur : Finansies

E. MATONI
Opgestel deur

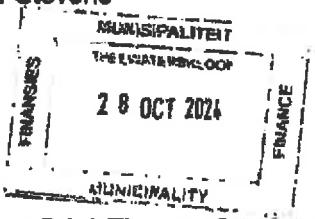
Nagesien deur

# brink•thomas

Attorneys • N

PO Box 15950 Vlaeberg 8018 • Docex 279 Cape Town
law@brinkandthomas.com • Fax 0866 667799 • Office 0217456255
Waalburg Building, 28 Wale Street, 4th Floor, Cape Town, 8001 (Corner Wale & Burg Str.) • www.brinkandthomas.com

| Attention | Company/Institution | Per Telefax Number/Email address |
|---|---|---|
| Mr Stevens | Theewaterskloof Municipality | re noldst@twk.gov.za |




**TAX INVOICE**

**Tax invoice No : T8105-001**

From: **Brink Thomas Cassiem Inc.**

**Waalburg Building**

**28 Wale Street**

**4th Floor**

**Cape Town**

**8001**

**VAT No. 4590304970**

**Contact No. 021 745 6255**

**Date: 22 October 2024**

To: **Theewaterskloof municipality Head Office**

**6 Plein Street**

**P.O Box 24**

**Caledon**

**7230**

**VAT NO: 4000846248**

Conveyancing • Commercial Law • Litigation

DIRECTORS : Raphael "Ray" G Brink LLB PLT LLM (Commercial Law) PHD. Cert. Labour & Social Law Cert. AD
Jerome V Thomas LLB LLM (Bremen University, Germany);
Tersia Cassiem LLB

**RE: DEMOCRATIC ALLIANCE AND OTHERS // THE THEEWATERSKLOOF MUNICIPALITY AND OTHERS**

| DATE | NARRATION | TIME | Costs | DISBURSEMENTS |
|---|---|---|---|---|
| 27.09.2024 | Draft email to yourself (Romeo De Lange). Pages: 1 (1/2 of R1500) (R3.50 per page) | 30 minutes | 750 | 3.50 |
| | Perusal of email from yourself (Romeo De Lange). Pages: 1. (2/3 of R1500) (R3.50 per page) | 20 minutes | 500 | 3.50 |
| | Consultation with yourself for the matter herein (day fee) | | 12000 | |
| | Traveling to Caledon municipality for consultation for the matter herein. KM: 904 X2 (R4 per KM) | | | 7232 |
| 30.09.2024 | Draft email to counsel. Pages: 1 (2/3 of R1500) (R3.50) | 20 minutes | 500 | 3.50 |
| | Consultation in considering the facts of law and application of case law for the matter herein with yourself. (day fee) | | 12000 | |
| 01.10.2024 | Draft email to yourself (Romeo De Lange). Pages: 1 (1/2 of R1500) (R3.50 per page) | 30 minutes | 750 | 3.50 |
| | Draft email to yourself (Romeo De Lange). Pages: 1 (2/3 of R1500) (R3.50 per page) | 20 minutes | 500 | 3.50 |
| | Consultation with counsel for the matter herein (day fee) | | 12000 | |
| | Draft email to yourself (Romeo De Lange). Pages: 1 (2/3 of R1500) (R3.50 per page) | 20 minutes | 500 | 3.50 |
| 02.10.2024 | Perusal of email from counsel. Pages: 1 (2/3 of R1500) (R3.50 per page) | 20 minutes | 500 | 3.50 |
| | Draft email to counsel. Pages: 1 (2/3 of R1500) (R3.50) | 20 minutes | 500 | 3.50 |
| | Draft email to counsel. Pages: 1 (2/3 of R1500) (R3.50) | 20 minutes | 500 | 3.50 |

| | | | | |
|---|---|---|---|---|
| 04.10.2024 | Perusal of email from opposing attorney (Uzayr Van Der Schyff). Pages: 1 (2/3 of R1500) (R3.50 per pages) | 20 minutes | 500 | 3.50 |
| | Perusal of filing notice for the matter herein. Pages: 2 x 3 (1 of R1500) (R3.50 per page) | 1 hour | 1500 | 11.00 |
| | Perusal of applicant's supplementary heads of Argument. Pages: 15 x 3 (4 of R1500) (R3.50 per page) | 4 hours | 6000 | 45.00 |
| | Draft email to counsel. Pages: 1 (2/3 of R1500) (R3.50) | 20 minutes | 500 | 3.50 |
| | Draft email to counsel. Pages: 1 (2/3 of R1500) (R3.50) | 20 minutes | 500 | 3.50 |
| | Consultation with yourself for the matter herein (day fee) | | 12000 | |
| | Traveling to Caledon municipality for consultation for the matter herein. KM: 904 X2 (R4 per KM) | | | 7232 |
| 07.10.2024 | Draft email to opposing attorney (Uzayr Van Der Schyff). Pages: 1 (2/3 of R1500) (R3.50 per pages) | 20 minutes | 500 | 3.50 |
| 11.10.2024 | Draft email to opposing attorney (Uzayr Van Der Schyff). Pages: 1 (2/3 of R1500) (R3.50 per pages) | 20 minutes | 500 | 3.50 |
| | Perusal of email from opposing attorney (Elzanne Jonker). Pages: 1 (2/3 of R1500) (R3.50 per pages) | 20 minutes | 500 | 3.50 |
| | Perusal of email from counsel. Pages: 1 (2/3 of R1500) (R3.50 per page) | 20 minutes | 500 | 3.50 |
| | Perusal of heads of argument for the matter herein. Pages 22 x3 (5 of R1500) (R3.50 per page) | 5 hours | 7500 | 231.00 |
| | Draft email to opposing attorney (Uzayr Van Der Schyff). Pages: 1 (2/3 of R1500) (R3.50 per pages) | 20 minutes | 500 | 3.50 |
| | Consultation with yourself for the matter herein (day fee) | | 12000 | |
| | Traveling to Caledon municipality for consultation for the matter herein. KM: 904 X2 (R4 per KM) | | | 7232 |
| 14.10.2024 | Draft email to yourself (Romeo De Lange). Pages: 1 (1/2 of R1500) (R3.50 per page) | 30 minutes | 750 | 3.50 |

| | | | | |
|---|---|---|---|---|
| | Draft email to counsel. Pages: 1 (2/3 of R1500) (R3.50) | 20 minutes | 500 | 3.50 |
| | Perusal of email from counsel. Pages: 1 (2/3 of R1500) (R3.50 per page) | 20 minutes | 500 | 3.50 |
| | Draft email to counsel. Pages: 1 (2/3 of R1500) (R3.50) | 20 minutes | 500 | 3.50 |
| | Attending to the filing of papers in the high court for the matter herein (2 and ½ of R1500) | 2 hours and 30 minutes | 3750 | |
| 17.10.2024 | Perusal of email from counsel. Pages: 3 (1/2 of R1500) (R3.50 per page) | 30 minutes | 750 | 3.50 |
| | Consultation with yourself for the matter herein (day fee) | | 12000 | |
| | Traveling to Caledon municipality for consultation for the matter herein. KM: 904 X2 (R4 per KM) | | | 7232 |
| | **TOTAL HOURS** | **20 hours and 5 minutes** | | |
| | **SUB-TOTAL** | | 102 750.00 | |
| | **DISBURSEMENT** | | | 29292.00 |
| | **TOTAL** | **R132 042.00** | | |
| | **VAT** | **R1321.57** | | |
| | **TOTAL OWING to Brink Thomas Caeiem** | **R133 363,57** | | |
| | **Annexure A- Counsel fees** | **R50 000.00** | | |
| | **Total amount to be paid** | **R183 363.57** | | |

**BEDAG SERTIFIKAAT**

Ek sertifiseer dat:
Die dienste / goedere soos hierin gespesifiseer, aan die Raad gelewer is en dat die pryse / fooie redelik en volgens ooreenkoms / kontrak is.

Kar. Bakoning — Datum 2024/10/17

**MUNISIPALITEIT THEEWATERSKLOOF**
**BEDAG SERTIFIKAAT**

Ek sertifiseer dat:
Die dienste/goedere soos hierin gespesifiseer, aan die Raad gelewer is en dat die pryse/fooie redelik en volgens ooreenkoms/kontrak is.

Datum

**BANKING DETAILS**

**BRINK THOMAS CASSIEM INC TRUST ACCOUNT**

**STANDARD BANK**

**THIBAULT SQUARE BRANCH CODE: 051001**

**ACCOUNT NUMBER: 272165727**

**REF. NO:** T8105-001

**Please quote reference when making payment as well as send proof of payment via e-mail.**

**We are an accountable institution in terms of the Financial Intelligence Centre and must report all cash payments of R 50 000.00 and above to the Financial Intelligence Centre.**

**We will under no circumstances notify you of a change of banking details. We will not be liable for any loss that may be suffered resulting from any payment by you to an incorrect bank account (or bank account purporting to be an Attorneys bank account). Please also pay special attention to any emails you may receive purporting to emanate from our offices, which may resemble our email domain, regarding any change in banking details. In particular, if you receive any notification of our bank account changing then please contact us telephonically on our usual telephone number (this can be obtained from the LPC website as follows: https://lpc.org.za/list-of-legal-firm/ where you can enter the firm name "Brink Thomas Cassiem Incorporated" to obtain our telephone number) and not the telephone number on the communication purporting an account change.**

Yours faithfully,

**BRINK THOMAS CASSIEM INC**

Per: JV Thomas.

# INVOICE NO: 17/10/2024

# ADVOCATE CARLO CAROLISSEN

ADVOCATE OF THE HIGH COURT OF SOUTH AFIRCA
MEMBER OF THE CAPE BAR

Tel: (021) 424-3869
Fax: (021) 423-1273
Cell: 082 264 7123
Email: ccarolissen@capebar.co.za

5th Floor
56 Keerom Street
56 Keerom Street
CAPE TOWN
8001

17 October 2024

**BRINK THOMAS CASSIEM INC**
4th Floor Waalburg Building
28 Wale Street
Cape Town
8001
Att: **JEROME THOMAS/ GAFSAH MULLINS**
REF: JV Thomas

**MEMORANDUM OF FEES**

**In Re: DEMOCRATIC ALLIANCE AND ALDERMAN DE BRUYN / COUNCIL OF THE THEEWATERSKLOOF MUNICIPALITY AND FOUR OTHERS**

| | |
|---|---|
| 09,10,11-/09/2024 | Received the Applicants revised heads of arguments relating to the urgent application for review of council's decision to remove Alderman De Bruyn, to declare such decision as null and void and further declaratory orders. Perusal of the revised heads of arguments and the case |

| | |
|---|---|
| law cited therein. Drafting and settling of the Respondents heads of arguments and sent to the instructing attorney to serve on other parties | |
| 2 days @ R 25 000p/d hours | R 50 000.00 |
| **TOTAL** | **R 50 000.00** |

WITH COMPLIMENTS

Bank: ABSA
Acc No: 4056472805
Acc Type: Cheque-Adv Carlo Carolissen

353

**IN THE HIGH COURT OF SOUTH AFRICA**
**(WESTERN CAPE DIVISION, CAPE TOWN)**

**Case No:** 19623/24

In the urgent application between:

| | |
|---|---|
| **DEMOCRATIC ALLIANCE** | First Applicant |
| **LINCOLN DE BRUYN** | Second Applicant |

and

OFFICE OF THE CHIEF JUSTICE
CAPE TOWN 8000
2024 -09- 06
GENERAL OFFICE
WESTERN CAPE HIGH COURT

| | |
|---|---|
| **COUNCIL OF THEEWATERSKLOOF LOCAL MUNICIPALITY** | First Respondent |
| **SPEAKER OF THEEWATERSKLOOF LOCAL MUNICIPALITY** | Second Respondent |
| **THEEWATERSKLOOF LOCAL MUNICIPALITY** | Third Respondent |
| **JOHN MICHELS** | Fourth Respondent |
| **THEUNIS ZIMMERMAN** | Fifth Respondent |

---

## NOTICE OF MOTION

---

**PLEASE TAKE NOTICE** that the applicants intend to apply to this Court on **Friday, 20 September 2024** at **10h00**, or as soon thereafter as counsel may be heard, for an order in the following terms:

1. The applicants' non-compliance with the Uniform Rules of Court relating to forms, service and time periods is condoned, and this application is dealt with as a matter of urgency under Uniform Rule 6(12).

2. The decisions by the Council of Theewaterskloof Local Municipality (**"the Municipality"**) at its meeting on 2 September 2024 to:

2.1. remove Lincoln de Bruyn as the Executive Mayor of the Municipality; and

2.2. elect Theunis Zimmerman as the Executive Mayor of the Municipality

**("the impugned decisions")**

are declared unconstitutional, unlawful and invalid.

3. The impugned decisions are reviewed and set aside.

4. The costs of this application are to be paid on an attorney and client scale, *alternatively* scale C, by John Michels, in his personal capacity, and jointly and severally by any other respondents opposing it.

5. Granting further and/or alternative relief.

**TAKE NOTICE FURTHER** that the accompanying founding affidavit of **LINCOLN DE BRUYN**, dated 5 September 2024, including the annexes thereto, will be used in support of this application.

**TAKE NOTICE FURTHER** that the Applicants have appointed the address of their Attorneys of Record, as set out below, as the address at which they will accept service of all further notices, process and documents in these proceedings. The Applicants hereby consent to electronic service at the following email addresses: elzanne@mindes.co.za; shannon@mindes.co.za.

**TAKE NOTICE FURTHER** that if any of the respondents intend to this application, they are required:

1. By **17h00 on Monday, 9 September 2024** to deliver a notice of intention to oppose (**"the notice of opposition"**) by email to elzanne@mindes.co.za and shannon@mindes.co.za, and appoint an electronic address for the service of documents in these proceedings; and

2. By **17h00 on Monday, 16 September 2023**, to deliver their answering affidavit, if any.

**Kindly enroll the matter accordingly.**

DATED AT CAPE TOWN ON THIS **5 SEPTEMBER 2024.**

**MINDE SCHAPIRO & SMITH INC.**
**Attorneys for Applicants**
Tyger Valley Office Park I Cnr. Old Oak &
Willie van Schoor Rds
BELLVILLE 7530
Tel No: 021-918 9000
Email: elzanne@mindes.co.za;
shannon@mindes.co.za

**TO:** **THE REGISTRAR**
Western Cape Division of the High Court
Cape Town

**AND TO:** **THE COUNCIL OF THEEWATERSKLOOF LOCAL MUNICIPALITY**
First Respondent
6 Plein Street, Caledon
C/O Acting Municipal Manager
E-mail:mm@twk.gov.za
and C/O the second respondent
E-mail: speaker@twk.gov.za

Per e-mail

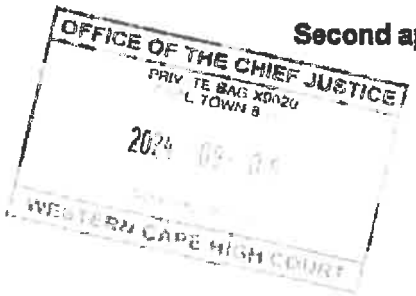
**IN THE HIGH COURT OF SOUTH AFRICA**

**(WESTERN CAPE DIVISION, CAPE TOWN)**

Case No: 19623/2024

In the urgent matter between:

| | |
|---|---|
| **DEMOCRATIC ALLIANCE** | **First applicant** |
| **LINCOLN DE BRUYN** | **Second applicant** |




And

| | |
|---|---|
| **COUNCIL OF THEEWATERSKLOOF LOCAL MUNICIPALITY** | **First Respondent** |
| **SPEAKER OF THEEWATERSKLOOF LOCAL MINICIPALITY** | **Second Respondent** |
| **THEEWATERSKLOOF LOCAL MUNICIPALITY** | **Third Respondent** |
| **JOHN MICHELS** | **Fourth Respondent** |
| **THEUNIS ZIMMERMAN** | **Fifth Respondent** |

---

## NOTICE OF INTENTION TO OPPOSITION

---

**TAKE NOTICE** that the abovementioned The Respondents intends opposing the application proceedings instituted by the abovementioned Applicants under the above case number.

**TAKE NOTICE FURTHER** that the Respondent appoints **BRINK THOMAS CASSIEM INC.** situated at **WAALBURG BUILDING, 28 WALE STREET, 4TH FLOOR, CAPE TOWN** as the address at which he will accept notice and service of all process in these proceedings.

DATED AND SIGNED AT **CAPE TOWN** OF THIS DAY OF 9th September 2024.

**BRINK THOMAS CASSIEM INC.**
Attorneys for the First Respondent
Waalburg Building
28 Wale Street
4th Floor
**CAPE TOWN**
8001
Tel: 021-745-6255
Email : jerome@brinkandthomas.com

**TO:** **THE REGISTRAR**
HIGH COURT
CAPE TOWN

**AND TO:** **MINDE SCHAPRIO & SMITH INC.**

**REPUBLIC OF SOUTH AFRICA**
**IN THE HIGH COURT OF SOUTH AFRICA**
**(WESTERN CAPE DIVISION, CAPE TOWN)**

**CASE NO: 19623/2024**

In the matter between:

| | |
|---|---|
| **DEMOCRATIC ALLIANCE** | **First Applicant** |
| **LINCOLN DE BRUYN** | **Second Applicant** |

And

| | |
|---|---|
| **COUNCIL OF THEEWATERSKLOOF LOCAL MUNICIPALITY** | **First Respondent** |
| **SPEAKER OF THEEWATERSKLOOF LOCAL MUNICIPALITY** | **Second Respondent** |
| **THEEWATERSKLOOF LOCAL MUNICIPALITY** | **Third Respondent** |
| **JOHN MICHELS** | **Fourth Respondent** |
| **THEUNIS ZIMMERMAN** | **Fourth Respondent** |

Heard: 20 September 2024
Delivered: 15 November 2024

for their professional responsibilities, and where they acted inappropriately and in an egregious manner.[27] Mr Sive submitted that the Constitution itself is the source of the power to order personal costs against public officials who are guilty of bad faith or gross negligence in conducting litigation and discharging their constitutional obligations.

[101] When awarding costs, a court has a discretion, which it must exercise judiciously and after due consideration of the salient facts of each case. The decision a court takes is a matter of fairness to both sides.[28] The court is expected to take into consideration the peculiar circumstances of each case, carefully weighing the issues in each case, the conduct of the parties as well as any other circumstances which may have a bearing on the issue of costs and then make such an order as to costs as would be fair in the discretion of the court.

[102] Having considered the circumstances of this matter, I am of the view that a punitive costs order against the Speaker is not warranted. I am also not persuaded that any costs order *de bonis propriis* should be granted against the Speaker. Whilst I appreciate that the Speaker failed to adhere to the Rules of Order and the relevant statutory provisions, I am of the view that he should not be personally mulcted with an order of costs. I appreciate that the Speaker presides and maintains order at the Council; however, I am of the view that it is the Council that made the decision to remove Councillor De Bruyn from his position without following due process. I believe that the respondents must bear the costs hereof jointly and severally in their official capacities.

**ORDER**

[103] Consequently, given all these considerations, the following order is granted:

---

[27] *Public Protector v South African Reserve Bank* 2019 (6) SA 253 (CC) at para 146; *Pheko v Ekurhuleni Metropolitan Municipality* 2015 (5) SA 600 (CC)) at para 51 and 54.
[28] *Intercontinental Exports (Pty) Ltd v Fowles* 1999 (2) SA 1045 (SCA) at 1055F- G

[104] The applicants' non-compliance with the Uniform Rules of court relating to forms, service and time periods is condoned, and this application is dealt with as a matter of urgency under uniform rule 6(12).

[105] The decision by the Council of Theewaterskloof Local Municipality at its meeting on 2 September 2024 to -

105.1 remove Lincoln D Bruyn as the Executive Mayor of the Municipality, and

105.2 elect Theunis Zimmerman as the Executive Mayor of the Municipality *(the impugned decisions)* are declared unconstitutional, unlawful and invalid.

[106] The impugned decisions are reviewed and set aside.

[107] The respondents are directed to pay the costs of this application jointly and severally on scale C of the Uniform Rules.

**LEKHULENI JD**
**JUDGE OF THE HIGH COURT**

**APPEARANCES**

For the Appellants: Adv Sive
Instructed by: Minde Schapiro & Smith Inc

For the first Respondent: Adv Carolissen
Instructed by: Brink Thomas Cassiem

**ITEM TITLE**

**SC83/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: OFFICE OF THE MUNICIPAL MANAGER: MAYCO SALARIES FOR DECEMBER 2024**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE OF REPORT**

The purpose of the report is to inform the MPAC of an irregular expense incurred as a result of double payments made to the Mayoral Committees during the month of December 2024.

**BACKGROUND / DISCUSSION**

The Committee can in terms of its mandate:

a. Investigate the irregular expenditure.
b. Make recommendation to council as to who if any is liable for the irregular expenditure.
c. Recommend to council whether the irregular expenditure must be testified as irrecoverable and be written off.
d. Make recommendations if necessary for the implementation of to prevent future irregular expenditure and
e. To report to council and the effective functioning of processes and procedures controls surrounding the prevention of unauthorised irregular fruitless and wasteful expenditure.

During the month of December 2024, the then Acting Municipal Manager gave an instruction to the salary section of the Municipality to pay Mayoral Committee members' salaries to the Mayoral Committee of Mayor Zimmerman. The email addressed to Mr Mabhena is attached to Annexure A for ease of reference. According to the email the Acting Municipal Manager authorised the salary payments for the Executive Mayor and his Committee that was in place at the time of the 15 November 2025 as well as the Executive Mayor and his Committee that was in place before the submission of the Application of Appeal on Friday, 06 December 2024. He further indicated that should the court not grant the relief sought by the applicants in this, in this case the ANC Councillors must pay back the difference in their salaries in January 2025 and vice versa if the court rules against the Respondents Democratic Alliance and Lincoln De Bruyn. The court ruled against the Applicants and that meant that the mayorship of Councillor Lincoln De Bruyn and his committee was the one that is recognised.

The matter also was discussed in the Council Meeting of 27 June 2025. The council resolved that the councillors who were paid more than they were entitled to must pay back the difference. The list of the councillors affected is attached as Annexure B

**DISCUSSION**

Please see Background for Discussion.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The relevant salary payments must be disclosed as irregular expenditure amounting to R180 885.05 in the financial statements to ensure transparency and adherence to reporting requirements under the MFMA.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

The following statutory obligations flow from the MFMA:

Section 32(2) of the MFMA directs that a Municipality **must** recover unauthorised, irregular or fruitless and wasteful (hereinafter referred to as "UIFW") expenditure from the person liable for that expenditure, unless the exceptions in subsection (a) or (b) are applicable. This is a prescriptive provision; it is not optional and there is no room for discretion. The Municipality therefore has a statutory duty to recover such UIFW Expenditure. This approach was confirmed by the Supreme Court of Appeal:

*"The plain wording of s 32 also makes it clear that recovery of unauthorised, irregular, and fruitless and wasteful expenditure by a municipality, is not optional. Instead, a municipality is enjoined to recover such expenditure from the person liable for it, hence the word 'must' in s 32(2)."*

Additionally, since recovery of UIFW Expenditure under section 32 is mandatory, should the incumbent Municipal Officials or Political Office-Bearers not endeavor to recover such expenditure, they could, in terms of section 176(2), be held personally liable for the deliberate or negligent failure to recover the UIFW Expenditure. In this regard, section 176(2) provides that:

*"(2) Without limiting liability in terms of the common law or other legislation, a municipality may recover from a political office-bearer or official of the municipality, and a municipal entity may recover from a director or official of the entity, any loss or damage suffered by it because of the deliberate or negligent unlawful actions of that political officebearer or official when performing a function of office."*

The following reporting obligations are imposed on the Accounting Officer by the MFMA:

To, in terms of section 32(4) "... *inform the mayor, MEC for local government in the province and the Auditor-General in writing:*

*(a) of any unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality;*

*(b) whether any person is responsible or under investigation for such unauthorised, irregular or fruitless and wasteful expenditure; and*
*(c) the steps that have been taken –*

*(i) to recover or rectify such expenditure; and*
*(ii) to prevent a recurrence of such expenditure".*

To report, in terms of section 32(6), to the South African Police Service *"all cases of alleged - (a) irregular expenditure that constitute a criminal offence; and (b) theft and fraud that occurred in the municipality."*

The Accounting Officer can be held liable for UIFW Expenditure unless he/she in accordance with section 32(3) informed the Council, the Mayor or the Executive Committee, in writing, that the expenditure is likely to be unauthorised, irregular or fruitless and wasteful expenditure once it comes to his/her attention that *"the council, the mayor or the executive committee of the municipality, as the case may be, has taken a decision which, if implemented, is likely to result in unauthorised, irregular or fruitless and wasteful expenditure."*

If the Accounting Officer fails to report and/or comply with the provisions of subsection 36(6) or if he/she is the person implicated in the commission of a criminal offence, the Council of a Municipality **must**, in accordance with section 32(7) report the matter to the South African Police Service.

Instances where UIFW Expenditure can be written off as irrecoverable are set out in section 32(2)(a) & (b) of the MFMA and provides that unauthorised expenditure can be written off if it is authorised in the adjustment budget or certified by Council, after investigation, to be irrecoverable, while irregular or fruitless and wasteful expenditure can after investigation be certified by Council as irrecoverable.

An investigation into UIFW Expenditure must take into account the provisions of regulation 74 of the Municipal Budget and Reporting Regulations which states that:

*"(1) A council committee contemplated in section 32(2)(a)(ii) of the Act to investigate the recoverability of any unauthorised, irregular or fruitless and wasteful expenditure must consider—*

*(a) the measures already taken to recover such expenditure;*
*(b) the cost of the measures already taken to recover such expenditure;*
*(c) the estimated cost and likely benefit of further measures that can be taken to recover such expenditure; and*
*(d) submit a motivation explaining its recommendation to the municipal council for a final decision."*

*(2) The municipal manager must provide all information required by the council committee referred to in sub-regulation (1), and any other information the council committee may require for the purpose of conducting a proper investigation."*

In complying with the provisions of section 32, the Municipality is encouraged to keep detailed records of the efforts taken to recover UIFW Expenditure.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

The irregular expenditure creates a space for fraud and corruption which in turn obstructs service delivery and undermines public confidence in the Municipality.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is recommended:**

1. **That the Municipality must recover the unauthorised irregular fruitless and wasteful expenditure from the said Councillors**

2. **That the unauthorised irregular fruitless and wasteful expenditure be declared in the financial statements**

**RECOMMENDATION BY MANAGEMENT TO MPAC: 17 JULY 2025**

**It is recommended:**

1. **That the Municipality must recover the unauthorised irregular fruitless and wasteful expenditure from the said Councillors**

2. **That the unauthorised irregular fruitless and wasteful expenditure be declared in the financial statements**

**RECOMMENDATION BY MPAC: 26 AUGUST 2025**

**Agenda-item referred to next MPAC Meeting for discussion.**

**RECOMMENDATION FROM MPAC TO COUNCIL: 09 OCTOBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor M Botes, and seconded by Councillor PJ Stander it was recommended as follows:

1. **That the Municipality must recover the unauthorised irregular fruitless and wasteful expenditure from the said Councillors.**

2. **That the unauthorised irregular fruitless and wasteful expenditure be declared in the financial statements.**

3. **That the decision be implemented by the Speaker, Councillor WH Wells.**

**RESOLVED BY COUNCIL: 23 OCTOBER 2025**

**Council noted that the Agenda-item has been withdrawn.**

*For finalization by the Municipal Manager: Mr W Hendricks.*

**ADDITIONAL COMMENTS:**

An agenda-item dealing with the MAYCO salaries for December 2024 served before Council on 27 June 2025 under Council Resolution CIC42/2025 (In-Committee) and Council resolved as follows:

"1. **Council noted the financial implications.**

2. **That the former Mayco Members repay the amounts paid to them in terms of the current Policy which allows councillors to repay funds accrued over a defined period.**

3. **Council grants permission that the Municipal Manager follows the Section 32 of the MFMA route."**

*For finalization by the Director: Finance, Mr P Mabhena (point 2) and the Municipal Manager, Mr W Hendricks (point 3).*

This agenda-item is submitted to Council to finalize the decision taken by Council on 27 June 2025 – point 3.

**RECOMMENDATION TO COUNCIL:**

**It is recommended**:

1. **That the Municipality must recover the unauthorised irregular fruitless and wasteful expenditure from the said Councillors.**

2. **That the unauthorised irregular fruitless and wasteful expenditure be declared in the financial statements.**

3. **That the decision be implemented by the Speaker, Councillor WH Wells.**

**DISCUSSION DURING THE MEETING:**

Alderman DA Appel – This agenda-item was withdrawn on 23 October 2025 without action. On this recommendation we do not agree. It is proposed that Council withdraw the item and write it off.

Alderman S Fredericks proposed recommendation 1 – 2 and that on point 3 the recommendation by amended to read as follows: That the decision be implemented by the Municipal Manager and the Chief Financial Officer.

Councillor C Cloete second the proposal of Alderman S Fredericks.

All the ANC and PA Councillors abstain from voting.

***The following Councillors requested that their names be minuted in terms of Rule 19(c) of the By-law on Rules of order for meetings of Council and Committees of Theewaterskloof Municipality:***

***Alderman DA Appel***
***Alderman MR Nongxaza***
***Alderman BB Mkhwibiso***
***Councillor TP Lemina***
***Councillor FO Ntantiso***
***Councillor M Mpambani***
***Councillor MA Nomkoko***
***Councillor MS Shale***
***Councillor V Papier***
***Councillor C Smith***

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks and seconded by Councillor C Cloete it was resolved as follows:

1. **That the Municipality must recover the unauthorised irregular fruitless and wasteful expenditure from the said Councillors.**

2. **That the unauthorised irregular fruitless and wasteful expenditure be declared in the financial statements.**

3. **That the decision be implemented by the Municipal Manager, Mr. W Hendricks and the Chief Financial Officer, Mr P Mabhena.**

*For finalization by the Municipal Manager, Mr W Hendricks and the Chief Financial Officer, Mr P Mabhena.*

**RECOMMENDATION TO COUNCIL:**

**Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.**

PRIVACY AND CONFIDENTIALITY DISCLAIMER: The Theewaterskloof Municipality and Staff are committed to ensuring that it safeguards personal/private information of data subjects and to respect their right to privacy in accordance with the provisions of the South African Constitution, the Protection of Personal Information Act, 2013 (POPIA) and the Promotion of Access to Information Act, 2000 (PAIA). This email message contains information which may be confidential, personal, private, or privileged in nature and is intended solely for use by the recipient and others authorized to receive it for the specific purpose for which it was sent. If you are not the intended recipient, you are prohibited from using, misusing, disseminating, altering, forwarding, storing, or copying the information, and are hereby notified that such action in relation to the contents of this information is unlawful which may result in your being held liable arising out of your non-compliance. If you have received this message in error, please notify the sender immediately and delete and/or destroy the message from your system.

**From:** Reynold Stevens <reynoldst@twk.gov.za>
**Sent:** Friday, December 13, 2024 1:47 PM
**To:** Paul Mabhena <paulma@twk.gov.za>
**Cc:** Joseph Amansure <josepham@twk.gov.za>
**Subject:** Paymernt: Salaries of Fulltime Councillors

Good morning, Director Mabhena.

With reference to High Court: Western Cape Division, Case: Democratic Alliance (DA) and Lincoln De Bruyn Vs Theewaterskloof Local Municipality and Others, and the subsequent Application of Appeal, I have made the following decision regarding the payment of the fulltime councillors for December 2024:

I hereby authorise the salary payments for the Executive Mayor and his Executive Committee Members that were in place **at the time of the ruling of the Judge on 15 November 2024** as well as the Executive Mayor and his Executive Committee Members in place **before the submission of the Application of Appeal on Friday, 06 December 2024.**

**NOTE:**

1. The matter is sat down at the High Court: Western Cape Division for Wednesday, 18 December 2024, to consider an urgent relief sought by the Applicants to have an immediate stay on the implementation of the Court ruling of 15 November 2024.

2. The preparations to finalise the salary payments conclude on Monday, 16 December 2024, to submit the bank authorisation application on Tuesday, 17 December 2024. The salary payment date per Council resolution is Thursday, 19 December 2024, a day after the Court sat down of 18 December 2024.

3. Should the Court not grant the relief sought by the Applications, they must pay back the difference in their salaries in January 2025, and vice versa when the Court rules against the Respondents.

ANNEXURE B



| | CHANGE OF COUNCILL - DEC 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Package | Travel / Medical | Basic Salary | Package | Travel / Med | Basic Sala | Diff / Overpayment |
| 689 | COUNCILLOR TP LEMINA | | | | | | | |
| | Mayco (ANC) | | | | | | | |
| | 01 - 05 Dec 2024 (Councillor) | 25 202,33 | | 4 064,89 | | | | |
| | 06 - 31 Dec 2024 (Mayco) | 59 727,17 | | 48 167,07 | 25 202,33 | | 20 324,46 | 27 842,61 |
| | | | | 52 231,96 | | | | |
| 692 | COUNCILLOR D APPEL | | | | | | | |
| | Mayco (ANC) MAYCO | | | | | | | |
| | 01 - 05 Dec 2024 (Councillor) | 25 202,33 | | 4 064,89 | | | | |
| | 06 - 31 Dec 2024 (Mayco) | 59 727,17 | | 48 167,07 | 25 202,33 | | 20 324,46 | 27 842,61 |
| | | | | 52 231,96 | | | | |
| 698 | COUNCILLOR BB MKHWIBISO | | | | | | | |
| | Mayco (ANC) MAYCO | | | | | | | |
| | 01 - 05 Dec 2024 (Councillor) | 25 202,33 | | 4 877,87 | | | | |
| | 06 - 31 Dec 2024 (Mayco) | 59 727,17 | 3 334,80 | 42 905,59 | 25 202,33 | 3 334,80 | 16 176,68 | 26 728,91 |
| | | | | 47 783,46 | | | | |
| 776 | COUNCILLOR RL MIENIES | | | | | | | |
| | Mayco (ANC) | | | | | | | |
| | 01 - 05 Dec 2024 (Councillor) | 25 202,33 | | 4 877,87 | | | | |
| | 06 - 31 Dec 2024 (Mayco) | 59 727,17 | 6 000,00 | 46 240,39 | 25 202,33 | 6 000,00 | 19 511,48 | 26 728,91 |
| | | | | 51 118,26 | | | | |
| 793 | COUNCILLOR MR NONGXAZA | | | | | | | |
| | Mayco (ANC) | | | | | | | |
| | 01 - 05 Dec 2024 (Councillor) | 25 202,33 | | 4 064,89 | | | | |
| | 06 - 31 Dec 2024 (Mayco) | 59 727,17 | | 48 167,07 | 25 202,33 | | 20 324,46 | 27 842,61 |
| | | | | 52 231,96 | | | | |
| 676 | COUNCILLOR TB ZIMMERMAN | | | | | | | |
| | MAYOR (FF) | | | | | | | |
| | 01 - 05 Dec 2024 (Councillor) | 25 202,33 | | 4 064,89 | | | | |
| | 06 - 31 Dec 2024 (Mayor) | 79 637,58 | | 64 223,85 | 25 202,33 | | 20 324,46 | 43 899,40 |
| | | | | 68 288,75 | | | | |
| | | | | | | | | 180 885,05 |

**ITEM TITLE**

**SC84/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE CORPORATE SERVICES: DEPARTMENT HUMAN RESOURCES: PAYMENT FOR OCCUPATIONAL THERAPIST SERVICES**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE / AIM OF REPORT**

The purpose of the report is to inform MPAC of the reasons why quotations were obtained, but no SCM process was followed for an employee who was referred to for occupational therapy in terms of Council's Employee Assistance Policy. The amount of R2288,00 is for OT services rendered.

The Committee can in terms of its mandate;

1. Investigate the irregular expenditure
2. Make recommendations to Council as to who, if any is liable for the irregular expenditure
3. Recommend to Council whether the irregular expenditure must be certified as irrecoverable and be written off
4. Make recommendations if necessary for the implementation of measures to prevent future irregular expenditure and
5. To report to Council on the effective functioning of processes and procedures/controls surrounding the prevention of unauthorized, irregular, fruitless and wasteful expenditure currently.

**BACKGROUND**

One of our staff members showed signs of serious allergic reaction in the workplace and it was required to consult an Occupational Therapist assessment and to provide a report to the employer.

**DISCUSSION**

Two quotations were requested from the following service providers:

1. Bronkhorst Occupational Therapists, and
2. Maryke van Rhyn Arbeidsterapeut.

Management on 13 November 2023 resolved as follows:

"**RESOLVED BY MANAGEMENT: 13 NOVEMBER 2023**

1. **Management noted the reluctance of Medical Doctors and Specialists to register on the Municipality's database as Services Providers.**

2. **Management grants approval to deviate from the normal Supply Chain Management process for the referral of employees to medical doctors and specialists, for the interim until the framework tender for the appointment of a panel of service providers, is sorted out."**

This resolution led the official to believe that there was no need to follow the normal SCM process and proceeded with appointing the service provider. The service provider rendered the service and issued a report to the employer.

It should be noted that Council received value for money and that there is no reason to suspect that fraud occurred or that grounds for a claim against any official exists.

**FINANCIAL RESPONSIBILITIES**

Amounts written off as irrecoverable should be included in the annual financial statements.

**LEGAL RESPONSIBILITIES**

Section 32 of the MFMA states that any official of a municipality who deliberately or negligently committed, made or authorized an irregular expenditure is liable for that expenditure. A municipality must recover such expenditure from the person liable for that expenditure, unless the irregular expenditure is certified by Council as irrecoverable, after the Section 32 Committee has investigated and recommended it.

Irregular expenditure for the purpose of this item means expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality and which has not been condoned in terms of such policy.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

None.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is therefore recommended that in the view of the fact that no reason to suspect fraud, Council has received value for money and did not suffer any loss. As there are no grounds for a claim against any official, it is recommended that the irregular amount of R 2288,00 be written off as irrecoverable.**

**RECOMMENDATION BY MANAGEMENT TO MPAC: 29 AUGUST 2025**

**It is therefore recommended that in the view of the fact that no reason to suspect fraud, Council has received value for money and did not suffer any loss. As there are no grounds for a claim against any official, it is recommended that the irregular amount of R 2288,00 be written off as irrecoverable.**

**RECOMMENDATION FROM MPAC TO COUNCIL: 09 OCTOBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor M Botes, and seconded by Councillor PJ Stander it was recommended as follows:

**That in the view of the fact that no reason to suspect fraud, Council has received value for money and did not suffer any loss. As there are no grounds for a claim against any official, it is recommended that the irregular amount of R 2288,00 be written off as irrecoverable.**

**RECOMMENDATION TO COUNCIL:**

**It is therefore recommended that in the view of the fact that no reason to suspect fraud, Council has received value for money and did not suffer any loss. As there are no grounds for a claim against any official, it is recommended that the irregular amount of R 2288,00 be written off as irrecoverable.**

**RESOLVED BY COUNCIL: 23 OCTOBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks and seconded by Councillor CT Cloete, it was resolved as follows:

**That in the view of the fact that no reason to suspect fraud, Council has received value for money and did not suffer any loss. As there are no grounds for a claim against any official, it is recommended that the irregular amount of R 2288,00 be written off as irrecoverable.**

*For finalization by the Senior Manager Human Resources, Mr. J Amansure.*

**RECOMMENDATION TO COUNCIL:**

**Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.**

# MPAC: Occupational Therapist Report: Theewaterskloof Municipality

| Supplier | Service Description | Commencement date of contract |
|---|---|---|
| Bronkhorst Occupational Therapist | OT evaluation report for a staff member | 19/06/2024 |

1

| What was the initial Purpose of the contract |
|---|
| The purpose was for the Occupational Therapist to evaluate one of our employees to ascertain his ability to perform his duties |

2

| Initial Scope of Contract and if uncertain please explain |
|---|
| The service provider was appointed to provide an Occupational Therapy service to the municipality |

3

| Initial Contract Value and if uncertain please explain |
|---|
| R 2288.00 |

4

| Initial Expiry Date and if uncertain please explain |
|---|
| N/A |

5

| Was normal SCM Process followed and complied with | | |
|---|---|---|
| **Yes** | **No – X** | **Uncertain** |
| **Explain of motivate your response** | | |
| No, Quotation were obtained, but no order was issue. The services were procured on a management resolution | | |

6

| Has the purpose, scope or contract period been extended or expanded since the initial appointment of the service provider | | |
|---|---|---|
| **Yes** | **No - X** | **Uncertain** |
| **Explain or motivate your response** | | |
| The service provider performed the work as agreed | | |

7

| Was a formal contract or SLA initially entered into in terms of SCM and MFMA Requirements | | |
|---|---|---|
| **Yes** | **No – X** | **Uncertain** |
| **Explain or motivate your response** | | |
| No formal contract or SLA was entered into due to the service and amount involved | | |

8

| Should a contract not have existed has it since been entered into and has all compliance requirements like as it applies in respect of the SCM process and or for purposes of deviations been complied with | | |
|---|---|---|
| **Yes** | **No – X** | **Uncertain** |
| **Motivate or explain your response** | | |
| The management resolution was relied on. | | |

9

| Did Council because of this transaction received best value for money i.e. in spite of non-compliance, if any with SCM or MFMA requirements | | |
|---|---|---|
| **Yes – X** | **No** | **Uncertain** |
| **Please explain or motivate your response above** | | |
| Council received value for money as the report as requested was received | | |

10

| Has the Municipality suffered any losses or damages as a result of non-compliance with any of the MFMA or SCM requirements | | |
|---|---|---|
| **Yes** | **No - X** | **Uncertain** |
| **Please explain or motivate your response above** | | |
| No loss was suffered | | |

11

| Are you satisfied with the performance of the current service provider to the extent that the contract should be continued with | | |
|---|---|---|
| **Yes** | **No** | Uncertain - |
| **Please explain or motivate your response above** | | |
| N/A – the service was once off | | |

12

| Has the director investigated and established whether or not there is not at this point a better service provider, price or product which would justify a new procurement process and a reconsideration of the current service provider, product or price | | |
|---|---|---|
| **Yes** | **No** | **Uncertain** |
| **Please explain or motivate your response above** | | |
| N/A | | |

14

| Could any form of non-compliance have been prevented | | |
|---|---|---|
| **Yes** | **No – X** | **Uncertain** |
| **Explain or motivate your response above** | | |
| | | |

15

| What remedies have been put in place to prevent any non-compliance being repeated | | |
|---|---|---|
| **Yes - X** | **No** | **Uncertain** |
| **Explain or motivate your response above** | | |
| The management resolution has been clarified in that the SCM processes still needs to be followed. | | |

16

| General or additional Comments of the Director Concerned | |
|---|---|
| **Signature of Director Concerned** | **Date** 2015-07-24 |

17

| General Comments/Findings and recommendations of the CFO | |
|---|---|
| At all time we must follow through with proper procurement processes. | |
| **Signature of CFO** | **Date:** 31/07/2025 |

18

| General Comments/Findings and or recommendations of the Chief Audit Executive | |
|---|---|
| | |
| Signature of Chief Audit Executive | Date 01/08/2025 |

19

| Final response of the Director Concerned for consideration by the Municipal Manager | |
|---|---|
| | |
| Signature of the Director concerned | Date 2025-07-30 |

20

| General Comments and findings of the Municipal Manager | |
|---|---|
| | |
| Signature of the Municipal Manager | Date 4/8/2025 |

BRONKHORST
OCCUPATIONAL THERAPISTS

74 Main Road
Sandbaai
Hermanus
7200
info@bronkhorstots.co.za
Phone: 069 966 3387

# QUOTE

| | |
|---|---|
| DATE | 27/05/2024 |
| QUOTE # | |
| VALID UNTIL | 01/07/2024 |

**CUSTOMER**

Theewaterskloof Municipality
Posbus 24, Caledon, 7230
Vat nommer: 4000846248

| DESCRIPTION | Unit Price | Employees | Unit | Discount | AMOUNT |
|---|---|---|---|---|---|
| Initial Interview | R 572,00 | | | | R 572,00 |
| Evaluation - 2 hours | R 1 144,00 | | | | R 1 144,00 |
| Report | R 572,00 | | | | R 572,00 |
| | | | | | |
| Additional costs: | | | | | |
| Work Vist @ R450/ hour | R 450,00 | | | | R 450,00 |
| Travel costs @ R4.5/ km if outside Hermanus | R 4,50 | | 14 | | R 63,00 |

First National Bank (200412)
Account Holder: Jennifer Clarke
Account Nr: 62835688146
Current Account
Ref: LG Mara

| | |
|---|---|
| Subtotal | 2 801,00 |
| Tax rate | - |
| Tax due | - |
| Other | - |
| **TOTAL** | **R2 801,00** |

***Thank You For Your Business!***

**BRONKHORST**
**OCCUPATIONAL THERAPISTS**

74 Main Road
Sandbaai
Hermanus
7200
info@bronkhorstots.co.za
Phone: 069 966 3387

# INVOICE

| | |
|---|---|
| DATE | 19/06/2024 |
| QUOTE # | |
| VALID UNTIL | 01/07/2024 |

**CUSTOMER**

Theewaterskloof Municipality
Posbus 24, Caledon, 7230
Vat nommer: 4000846248

| DESCRIPTION | Unit Price | Employees | Unit | Discount | AMOUNT |
|---|---|---|---|---|---|
| Initial Interview | R 572,00 | | | | R 572,00 |
| Evaluation - 2 hours | R 1 144,00 | | | | R 1 144,00 |
| Report | R 572,00 | | | | R 572,00 |

| | | |
|---|---|---|
| First National Bank (200412) | Subtotal | 2 288,00 |
| Account Holder: Jennifer Clarke | Tax rate | - |
| Account Nr: 62835688146 | Tax due | - |
| Current Account | Other | - |
| Ref: LG Mara | **TOTAL** | **R2 288,00** |

***Thank You For Your Business!***

# Standard Bank of South Africa

The Standard Bank of South Africa Limited Registered Bank Reg. No. 1962/000738/06

ComputerGeneratedCopy

## CUSTOMER PAYMENTS PRINT REPORT

**Customer no :** 072331348 **User ID :** OPJ97 **User Name :** THEEWATERSKLOOF MUNICIPALITY
**Action Date :** 20240816 **Batch Description :** OPJ97 20240816 12:54:39.9 **Batch No :** 2024229001

**From :**

| Branch No | Branch Name | Account No | Account Name | Status | Amount | Statement Reference | Description | Sub Batch No |
|---|---|---|---|---|---|---|---|---|
| 33012 | HELDERBERG | 72331348 | THEEWATERSKLOOF MUNICIPALITY | FINAL AUDIT TO BE DOWNLOADED | 5,930,295.02 | TWK MUNI CONTRA | 2024229001/C | 1 |

| Trans No | Creditor | Acc No / CDI | Account Name | Status | Amount | Statement Reference | RTGS/RTC | MTFR No |
|---|---|---|---|---|---|---|---|---|
| 5 | | 62835688146 | BRONKHORST OCCUPATIONAL THERAP | FINAL AUDIT DOWNLOADED | 2,288.00 | TWK MUNI B00223/240816 | N | |

** END OF REPORT **

| Nr | File Ref | Audit Name & (Finding Nr) | Directorate | Short description of finding | Management Comments on original report | Management Comments July 2025 |
|---|---|---|---|---|---|---|
| 1 | 2024-006 | SCM 1 August 2024 – 31 October 2024 (3) | Corporate Services | Internal audit reviewed 10% of the quotations below R30000 that were paid from 01 August 2024 – 31 October 2024.<br>Included in the sample was a payment to Bronkhorst Occupational Therapists for the amount of R 2 288 (EFT 31153).<br>It seems that this payments was not done through the processes as required by the SCM policy and only the Invoices together with the Management Resolution (of 13 November 2023) were submitted for payment.<br>Although Management resolved that medical referral of employees can deviate from normal SCM procedures until the tender for a panel of service providers is awarded, these transactions should still follow the requirements of Section 36 of the SCM Regulations. | An item will be submitted to MPAC. | |
| 2 | 2024-014 | Performance Management Q3 24/25 (1) | Corporate Services | It seems that KPI's are not set for all employees and their performance is not measured. | Performance agreements to be drafted. | |
| 3 | 2024-014 | Performance Management Q3 24/25 (4) | Corporate Services | It seems that the calculation of the actuals for KPI TL24 was done incorrectly:<br>The Actual completed on IGNITE for TL24 as on 31 March 2025 was 0.17%<br>Internal audit recalculated the percentage of the municipality's personnel budget actually spent on implementing its workplace skills plan and found that it was 0,08% at 31 March 2025 (Spent on training = 235322; total personnel budget = 277228832) | amounts to be corrected | |
| 4 | 2024-014 | Performance Management Q3 24/25 (5) | All Directorates & Office of the MM | It seems that reviews are not taking place on a monthly basis, as required by the policy as no evidence is available to prove revisions. | **CORPORATE SERVICES:**<br>**ACTION DATE: 1 July 2025**<br>Directive to Corporate Services Managers to provide copies of SDBIP submissions on a monthly basis to be signed by Director Corporate Services. A Register will be | |

| Nr | File Ref | Audit Name & (Finding Nr) | Directorate | Short description of finding | Management Comments on original report | Management Comments July 2025 |
|---|---|---|---|---|---|---|
| | | | | | kept in this regard. | |
| 5 | 2022-018 | Unsafe Working Environment Audit (1) | Corporate Services | Internal audit inspected a total of 47 fire extinguishers in the Caledon, Riviersonderend, Genadendal, Grabouw and Villiersdorp offices.<br>It seems that none of the fire extinguishers inspected had been serviced in the past 12 months. | Tender process for Servicing of fire equipment. | |
| 6 | 2022-018 | Unsafe Working Environment Audit (2) | Corporate Services | Through the various tests performed Internal Audit noticed that the municipal offices does not contain all the required OHS signages.<br>Through discussions with the Head: Occupational Health and Safety, it was noted that there are OHS Signages kept at the OHS Office that were not placed in the offices. This seems to be due to certain specifications that were not met with regards to the signage (e.g., the signage should glow in the dark). The OHS Signage that were ordered do not meet that requirement hence the OHS Signage that were purchased were never posted on the municipal properties. It seems that there are no formally documented specifications and processes in place regarding posting a prominent OHS Signage on municipal properties. It was also noted that in the following departments the evacuation plans are not in place:<br>1. Town Planning Offices Caledon<br>2. ICT Offices Caledon<br>3. Technical Services Offices Caledon<br>4. Town Offices Caledon | Safety signs will be done together with the fire equipment. | |

332

**MARYKE VAN RHYN**
BHF Praktyk No. 0660000287059

ARBEIDSTERAPEUT

Posbus 253
Gansbaai
7220

Robinlaan nr 19
Northcliff
Hermanus
7200

Rekening navrae:

E-pos: Maryke.VanRhynOT@gmail.com
Sel: 084 6788 844

Maryke van Rhyn
Occupational therapy

## Kwotasie

RE Theewaterskloof Municipality
Posbus 24
Caledon
7230

VAT4000846248

**Bladsy:** 1 van 1
**Datum:** 22/05/2024
**Rek. No.:** 000776
Landline: 0282143300 **Dok.Nr:** AB00014699

| Datum / tyd<br>Kodes / NAPPI | Pasient / Beskrywing | In hosp? | ICD | Dok.Nr | Kwa | Bedrag | Uitstaande |
|---|---|---|---|---|---|---|---|
| **22/05/2024** | | | | | | | |
| | * Kwotasie | | | | | | |
| 305 | WERK EVALUASIE | | | | | 7,950.00 | 7,950.00 |
| | | | | | | | **7,950.00** |

U is verantwoordelik vir bedrae wat onder "Lid" verskyn

10% RENTE SAL GEHEF WORD OP LAAT BETALINGS
OOR 30 DAE

BANK BESONDERHEDE

MARYKE VAN RHYN
EERSTE NASIONAL BANK (FNB) : TAKKODE 250655
REKENING NO: 624 065 71 605

GEBRUIK ASB PASIëNT NAAM OF REKENING NOMMER AS VERWYSING (NIE dokument nommer)

* Geen BTW ingesluit (nie geregistreer)

NEEM ASSEBLIEF KENNIS DAT ONS NIE KAARTFASILITEITE BY DIE KANTOOR HET NIE

**ITEM TITLE**

**SC85/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE FINANCE: IRREGULAR EXPENDITURE – DEVIATION FROM SCM PROCESS: PROVISION OF BILL PAYMENTS SERVICES MUNICIPAL BILLS AND WATER AND ELECTRICITY PAYMENTS TO THEEWATERSKLOOF MUNICIPALITY**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE OF REPORT**

The purpose of this report is to inform the MPAC committee of the irregular expenditure with regard to the deviations for the procurement of Provision of Printing, Sorting and Mailing of Municipal Accounts.

**BACKGROUND**

During the audit of Supply Chain Management, the AG found that the approved deviations by the accounting officer were unjustifiable, and a competitive process should have been followed to initiate the process earlier.

**DISCUSSION**

The printing, sorting, and mailing service is essential for enhancing revenue collection and ensuring that payments due to the municipality are received. The tender process for this service was halted at the instruction of the Municipal Manager. It was explained to the Municipal Manager that several components of the service remained necessary, including the printing of municipal accounts and emailing accounts to consumers who prefer that option. The municipality does not have the internal capacity to manage the emailing, printing, or delivery of accounts on its own.

The Municipal Manager decided not to outsource the service and instructed that the municipality should undertake the work internally. This decision was influenced by the irregular dispatching of accounts by the Post Office, as well as the closure of several local branches. TWK has received numerous complaints from consumers regarding delayed or missing accounts.

The Municipal Manager further instructed that an email registration drive be launched to encourage consumers to receive their accounts electronically. Unfortunately, the initiative yielded limited success and received minimal public response.

Following this, the Revenue Manager requested permission from the Municipal Manager to resume the tender process. On 18 March 2024, approval was granted to proceed. A request for approval and the nomination of BSC committee members was submitted on 17 April 2024, and end-user appointment was received on 24 May 2024.

The tender was submitted on 17 April 2024 for consideration by the specification committee. A BSC meeting scheduled for 13 May 2024 did not take place due to delays in appointing BSC committee members.

Tender FIN 01/2024/25 was scheduled for 3 September 2024.

A TWK2 (FI 01/2024/25) process commenced in order to ensure the service continues until the appointment of the successful tenderer, and was advertised from 1 August 2024 until 31 October 2024, after which Mailtronic was appointed.

The Bid Evaluation Committee meeting was scheduled for 10 December 2024 for Tender FIN 01/2024/25.

A deviation approval was granted in November 2024 to ensure continuity of service until an appointment could be made through the FIN 01/2024/25 tender process.

Tender FIN 01/2024/25 was finalised, and Cab holdings were appointed for the period 1 February 2025 to 30 June 2027.

The findings for the deviations are tabled below:

| No | Name of supplier and service provided | Category | Actual value of contract | Deviation date of approval | Auditor's comment |
|---|---|---|---|---|---|
| 1. | **Mailtronic Direct Marketing - Printing, Sorting and Mailing of Municipal Accounts** | Any other exceptional case where it is impractical or impossible to follow the official procurement processes. | R765 599,43 | 09 January 2025 | The municipality deviated from SCM processes to procure printing and mailing services for municipal accounts for two months, after the previous contract ended. While the tender process was underway, the municipality should have planned and initiated the procurement processes process six months before the contract expiry in 30 June 2024. This deviation, therefore, stems from improper planning.<br><br>**Impact:** This results in non-compliance with regulation 19(a) as goods were procured without following a competitive bidding process.<br><br>Deviations were approved by the accounting officer even though it was not impractical obtain price quotations in contravention with regulation 36(1)(a). This results to irregular expenditure of R182 980,00 (expenditure current year). All future expenditure for this services should also be regarded as irregular expenditure. The non-compliance is material (recurring) and will be included in the audit report. |

## FINANCIAL IMPLICATIONS (ITEM AUTHOR)

The irregular expenditure of R182 980.00 has been recorded in 2024/2025 financial statements. Management should ensure that recurrence is prevented.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result in Council Losing money and not receiving value for money. However, in this case Council did not suffer any losses or damages and received value for money.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R182 980.00 be written off for the 2024/2025 financial year as irrecoverable.**

**RECOMMENDATION BY MANAGEMENT TO MPAC: 29 JANUARY 2026**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R182 980.00 be written off for the 2024/2025 financial year as irrecoverable.**

**RECOMMENDATION BY MPAC TO COUNCIL: 18 FEBRUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander and seconded by Councillor TB Zimmermann, it was recommended as follows:

1. **In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R182 980.00 for the financial year 2024/2025 be written off as irrecoverable.**

2. **The Municipal Public Accounts Committee noted the corrective measures put in place by awarding a tender until 30 June 2027.**

**RECOMMENDATION TO COUNCIL:**

**It is recommended**:

1. **That in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R182 980.00 for the financial year 2024/2025 be written off as irrecoverable.**

2. **That Council noted the corrective measures put in place by awarding a tender until 30 June 2027.**

**RESOLVED BY COUNCIL: 19 MARCH 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor H Linnerts and seconded by Alderman S Fredericks it was resolved as follows:

1. **That in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R182 980.00 for the financial year 2024/2025 be written off as irrecoverable.**

2. **Council noted the corrective measures put in place by awarding a tender until 30 June 2027.**

*For finalization by the Acting Director: Finance, Mr. A Riddles.*

**RECOMMENDATION TO COUNCIL:**

**Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.**

ANNEXURE A

# Status Report– Preferential Procurement Regulations 2022

## In terms of SCM and MFMA requirements and remedial action required if necessary

1

| What was the initial Purpose |
|---|
| PROVISION OF BILL PAYMENTS SERVICES MUNICIPAL BILLS AND WATER and ELECTRICITY PAYMENTS TO THEEWATERSKLOOF MUNICIPALITY are essential to enable service delivery and to enhance revenue. |

2

| Initial Scope of Contract and if uncertain please explain |
|---|
| The Theewaterskloof Municipality requires the provision of service for the following:<br><br>• Printing, sorting and mailing of Rates and services accounts.<br>• Printing notices for insert in accounts to be mailed<br>• Printing notices and newsletters, sorting, and mailing. |

3

| Initial Contract Value and if uncertain please explain |
|---|
| Deviation: R765 599.43 |

4

| Initial Expiry Date and if uncertain please explain |
|---|
| Date of appointment of service provider after Tender (FIN 01/2024/25) process. |

5

| Was normal SCM Process followed and complied with | | |
|---|---|---|
| Yes X | no X | Uncertain |
| **Explain of motivate your response** | | |
| The printing, sorting, and mailing service is essential for enhancing revenue collection and ensuring that payments due to the municipality are received. The tender process for this service was halted at the instruction of the Municipal Manager. It was explained to the Municipal Manager that several components of the service remained necessary, including the printing of municipal accounts and emailing accounts to consumers who prefer that option. The municipality does not have the internal capacity to manage the emailing, printing, or delivery of accounts on its own.<br><br>The Municipal Manager decided not to phase out the service and instructed that the municipality should undertake the work internally. This decision was influenced by the irregular dispatching of accounts by the Post Office, as well as the closure of several local branches. | | |

TWK has received numerous complaints from consumers regarding delayed or missing accounts.

The Municipal Manager further instructed that an email registration drive be launched to encourage consumers to receive their accounts electronically. Unfortunately, the initiative yielded limited success and received minimal public response.

Following this, the Revenue Manager requested permission from the Municipal Manager to resume the tender process. On 18 March 2024, approval was granted to proceed. A request for approval and the nomination of BSC committee members was submitted on 17 April 2024, and end-user appointment was received on 24 May 2024.

The tender was submitted on 17 April 2024 for consideration by the specification committee. A BSC meeting scheduled for 13 May 2024 did not take place due to delays in appointing BSC committee members.

Tender FIN 01/2024/25 was scheduled for 3 September 2024.
A TWK2 (FI 01/2024/25) process commenced and was advertised from 1 August 2024 until 31 October 2024, after which Mailtronic was appointed.

The Bid Evaluation Committee meeting was scheduled for 10 December 2024 for Tender FIN 01/2024/25

A deviation approval was granted in November 2024 to ensure continuity of service until an appointment could be made through the FIN 01/2024/25 tender process.

Tender FIN 01/2024/25 was finalised, and Cab holdings was appointed for the period 1 February 2025 to 30 June 2027.

6

| **Has the purpose, scope or contract period been extended or expanded since the initial appointment of the service provider** | | |
|---|---|---|
| Yes | No x | Uncertain |
| **Explain or motivate your response** | | |
| A competitive process was followed. Tender FIN 01/2024/25 was finalised, and Cab holdings was appointed for the period 1 February 2025 to 30 June 2027. | | |

7

| **Was a formal contract or SLA initially entered into in terms of SCM and MFMA Requirements** | | |
|---|---|---|
| Yes X | No | Uncertain |
| **Explain or motivate your response** | | |

| Official order was generated for goods and services |
|---|

8

| **Should a contract not have existed has it since been entered into and has all compliance requirements like as it applies in respect of the SCM process and or for purposes of deviations been complied with** | | |
|---|---|---|
| Yes **X** | No | Uncertain |
| **Motivate or explain your response** | | |
| A competitive process was followed, and a service provider was appointed. SLA was signed. | | |

9

| **Did Council because of this transaction received best value for money i.e. in spite of non-compliance, if any with SCM or MFMA requirements** | | |
|---|---|---|
| Yes **X** | No | Uncertain |
| **Please explain or motivate your response above** | | |
| These services are essential to enable service delivery and to enhance revenue. It is imperative to enhance revenue. Despite non-compliance by deviate from 4 Nov 2024 until appointment of service provider the Municipality received best value for money. | | |

10

| **Has the Municipality suffered any losses or damages as a result of non-compliance with any of the MFMA or SCM requirements** | | |
|---|---|---|
| Yes | No **X** | Uncertain |
| **Please explain or motivate your response above** | | |
| Service delivery took place. No losses or damages. Best for revenue enhancement. | | |

11

| **Are you satisfied with the performance of the current service providers** | | |
|---|---|---|
| Yes **X** | No | Uncertain |
| **Please explain or motivate your response above** | | |
| The services were as required and satisfactory. | | |

12

| Has the director investigated and established whether or not there is not at this point a better service provider, price or product which would justify a new procurement process and a reconsideration of the current service provider, product or price | | |
|---|---|---|
| Yes | No **X** | Uncertain |
| **Please explain or motivate your response above** | | |
| A new procurement process was followed, and a service provider was appointed. | | |

14

| Could any form of non-compliance have been prevented | | |
|---|---|---|
| Yes | No **X** | Uncertain |
| **Explain or motivate your response above** | | |
| The Municipality explored alternative avenues in order to deliver the service in a more cost-effective manner, this resulted in the delay in advertisement of the tender. | | |

15

| What remedies have been put in place to prevent any non-compliance being repeated | | |
|---|---|---|
| Yes **X** | No | Uncertain |
| **Explain or motivate your response above** | | |
| Procurement by appoint service provider during Tender process. | | |

16

| General or additional Comments of the Director Concerned | |
|---|---|
| ..... | 22/01/2026 |
| Signature of Director Concerned | Date |

17

| General Comments/Findings and recommendations of the CFO | |
|---|---|
| Value for money was obtained, no financial loss was experienced | |
| Signature of CFO | Date 22/01/2026 |

18

ANNEXURE A

| General Comments/Findings and or recommendations of the Chief Audit Executive |
|---|
| Signature of Chief Audit Executive Date 22/01/2026. |

19

| Final response of the Director Concerned for consideration by the Municipal Manager |
|---|
| Write off is recommended of value spent. |
| Signature of the Director concerned Date 22/01/2026 |

20

| General Comments and findings of the Municipal Manager |
|---|
| 1. |
| Signature of the Municipal Manager Date 22/1/2026 |

AUDITOR-GENERAL
SOUTH AFRICA

The Accounting Officer
Theewaterskloof Municipality
PO Box 24
Caledon
7230

24 October 2025

Reference: Communication No. 09 of 2025

Dear Mr. W Hendricks

**COMMUNICATION OF FINDINGS IDENTIFIED DURING THE AUDIT OF COMPLIANCE WITH LEGISLATION FOR THE YEAR ENDED 30 JUNE 2025**

**Background**

1. In performing the audit of compliance with legislation, we identified instances of non-compliance as described in the annexure. We have recorded the internal control deficiency that gave rise to the instances of non-compliance and our recommendation for correcting the instances of non-compliance for your consideration.
2. The finding will be included in the management report including your comments and our final response.

**Required**

3. You are requested to indicate whether you agree with the facts stated in the annexure including whether you agree with the identified internal control deficiency. Should you disagree, please provide us with documentary evidence to the contrary within 5 days from the date of this communication, as agreed in the engagement letter.
4. Please provide us with the reasons for the instances of non-compliance and the steps that will be taken to rectify the matter in future.

Yours sincerely

Masixole Velem
Senior Manager: Western Cape

Enquiries: Henno Pretorius
Cell phone: 064 907 4146
Telephone: (021) 528 4100
Email: hennop@agsa.co.za

**Acknowledgement of receipt by management:**

Received by _____ Date _____

**DETAILED AUDIT FINDING**

**Procurement processes and contract management**

**SCM: Reason for not following the official procurement processes (Deviation) not justifiable and incorrect classification of deviations**

**1. Unjustified deviations from normal Supply chain processes**

Section 2(1)(b) of the Supply Chain Management (SCM) regulations, *"each municipality and municipal entity must in terms of section 111 of the Act have and implement a supply chain management policy that –*

*(b) is fair, equitable, transparent, competitive and cost effective."*

Section 19 of the Municipal Supply Chain Management Regulations on Competitive bids states
*"A supply chain management policy must specify—*

*a) that goods or services above a transaction value of R300 000 (VAT included) may be procured by the municipality or municipal entity only through a competitive bidding process, subject to regulation 11(2); and*

*b) that no requirement for goods or services above an estimated transaction value of R300 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process."*

Section 17(1) of the Municipal Supply Chain Management Regulations states that:
*"A supply chain management policy must stipulate the conditions for the procurement processes of goods or*
*services through formal written price quotations, which must include conditions stating—*

*a) that quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the municipality or municipal entity;*

*b) that quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria in the supply chain management policy required by regulation 14(1)(b) and;*

*c) that if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer."*

Section 36 of the Municipal Supply Chain Management Regulations states that;

*(1.) "A supply chain management policy may allow the accounting officer –*

*(a.) to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*

*(i) In the case an emergency;*

*(ii) If such goods or services are produced or available from a single provider only;*

*(iii) For the acquisition of special works of art or historical objects where specifications are difficult to compile;*

*(iv) Acquisition of animals for zoos; or*

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

*(b.) to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely technical.*

*(2.) The accounting officer must record the reasons for any deviations in terms of sub-regulation (1) (a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements*

*(3.) In terms of the Supply Chain Management (SCM) regulations 5: "An accounting officer may in terms of section 79 or 1 06 of the Act sub delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of regulation 4(1), but any such sub delegation must be consistent with sub regulation (2) and regulation 4".*

Furthermore, paragraph 37 of the municipality's supply chain policy states that:
***"36. DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSESSNT***
***PROCESSES***

1. *The Accounting Officer may –*

a) *dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*
*(I) in an emergency; (An emergency is an unforeseeable sudden event with harmful or potential harmful consequences for the municipality which requires urgent action to address.)*

*Circumstances that warrant emergency dispensation, includes but are not limited to –*

a) *the possibility of human injury or death,*
b) *the prevalence of human suffering or deprivation of rights,*
c) *the possibility of damage to property, or suffering and death of livestock and animals, the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole, the possibility of serious damage occurring to the natural environment,*
d) *the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service,*
e) *the possibility that the security of the state could be compromised.*

2. *The Accounting Officer must record the reasons for any deviations in terms of subparagraphs 36(1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.*
3. *Subparagraph 36(2) does not apply to the procurement processes of goods and services contemplated in paragraph 11(2) of this policy."*

During our testing of this deviation, we identified several instances where the reason for the deviation was not found to be justifiable:

## Part A: Inadequate Justification for Procurement processes Deviations

| No | Name of supplier and service provided | Category | Actual value of contract | Deviation date of approval | Auditor's comment |
|---|---|---|---|---|---|
| 1. | **Mailtronic Direct Marketing - Printing, Sorting and Mailing of Municipal Accounts** | Any other exceptional case where it is impractical or impossible to follow the official procurement processes. | R765 599,43 | 09 January 2025 | The municipality deviated from SCM processes to procure printing and mailing services for municipal accounts for two months, after the previous contract ended. While the tender process was underway, the municipality should have planned and initiated the procurement processes process six months before the contract expiry in 30 June 2024. This deviation, therefore, stems from improper planning.<br><br>**Impact:** This results in non-compliance with regulation 19(a) as goods were procured without following a competitive bidding process.<br><br>Deviations were approved by the accounting officer even though it was not impractical obtain price quotations in contravention with regulation 36(1)(a). This results to irregular expenditure of R182 980,00 (expenditure current year). All future expenditure for this services should also be regarded as irregular expenditure. The non-compliance is material (recurring) and will be included in the audit report. |
| 2. | **PROVISION OF SECURITY SERVICES FOR THE COLLECTION, TRANSPORTATION AND DEPOSITING OF CASH - Fidelity Services Group** | Any other exceptional case where it is impractical or impossible to follow the official procurement processes. | R217 819,00 | 19 December 2024 | The municipality procured security services for collection, transportation and depositing of cash via a deviation process, citing that a tender was cancelled by the BAC due to tenderers not being eligible. A new tender process was started however the municipality was in need of the services hence the deviation. This stems from improper planning of the municipality's needs. Procurement processes for goods and services that are of continuous need to the public should commence within six months prior to the end of the contract. The municipality should have followed a quotations process, and the deviation was unjustified.<br><br>**Impact:** This results in non-compliance with regulation 17(1)(a) and (c) as goods were procured without obtaining the required price |

| No | Name of supplier and service provided | Category | Actual value of contract | Deviation date of approval | Auditor's comment |
|---|---|---|---|---|---|
| | | | | | quotations. Deviations were approved by the accounting officer even though it was not impractical obtain price quotations in contravention with regulation 36(1)(a). This results to irregular expenditure of R217 819,00. The non-compliance is material (recurring) and will be included in the audit report. |

**Part B**:

## 2. Deviations incorrectly categorised

### Auditors finding

Furthermore, we identified that the following deviations was incorrectly categorised as "Any other exceptional case where it is impractical or impossible to follow the official procurement process" under Regulation 36(1)(a), despite the circumstances clearly meeting the definition of an "Emergency". These deviations are therefore incorrectly classified in Note 57.7 of the AFS:

| Order date | Supplier | Details of goods or services supplied | Amount (R) | Reason for deviation |
|---|---|---|---|---|
| 1/10/2025 | Blue Falcon | Security Services - Emergency Deployment - 29, 30 December 2024 till 08 January 2025 | 1 159 200,00 | Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-08-30 | NEWPORT WATER SOLUTIONS (PTY) LTD | SERVICING OF FIRE EQUIPMENT | 120 101,76 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-09-26 | ADENCO CONSTRUCTION PTY LTD | Vandalism and stealing of cables Main supply in Villiersdorp | 102 550,08 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-10-29 | ADENCO CONSTRUCTION PTY LTD | Replace damaged 11m Pole on OH line in Ham street Villiersdorp | 91 191,19 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |

| | | | | |
|---|---|---|---|---|
| 2024-10-17 | SPEED VAC AND PLANT (PTY) LTD | The sewer network of Grabouw had a blockage and caused a spillage in the area. The service provider was tasked to unblock the sewer and contain the spill with the use of a Jetvac truck. | 61 828,90 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-11-08 | ADENCO CONSTRUCTION PTY LTD | Vandalism to the 11kv pole and cable vandalized | 48 483,65 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-11-08 | ADENCO CONSTRUCTION PTY LTD | Vandalism in Villiersdorp 3x poles | 46 167,97 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-09-26 | ADENCO CONSTRUCTION PTY LTD | In Ham street Villiersdorp an 11Kv pole and cable was vandalized. The pole and cable was stolen. | 40 145,63 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-08-15 | ADENCO CONSTRUCTION PTY LTD | In Ham street Villiersdorp an 11Kv pole and cable was damage. The pole and cable was stolen. Due to gale force wind and rain it was impossible to repair. | 34 365,45 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-11-08 | ARCCON | Vandalism a 11KV pole at Dennestreet, Caledon | 27 668,37 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |

| | | | | |
|---|---|---|---|---|
| 2024-11-05 | ADENCO CONSTRUCTION PTY LTD | Vandalism for Villiersdorp | 24 863,92 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-11-25 | MAXAL PROJECTS SA (PTY) LTD | Emergency callout strip and clean | 6 706,80 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-10-15 | ANDRAG AGRICO (PTY) LTD | hose rubber dual 100mm<br>clamp heavy duty<br>labour | 5 187,08 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| | | | **1 768 460,80** | |

**Impact**

- Material Non-compliance with Supply Chain Management regulations 17(1)(a) and (c) and 19 (a) resulting in irregular expenditure of R10 734 718.15. The irregular expenditure will also be assessed for expenditure management compliance to confirm if there was prevention of irregular expenditure.
- Incorrect classification misstatement of R1 768 460.80

**Internal control deficiency**

*Financial and performance management –*

*Review and monitor compliance with applicable laws and regulations*

- Reviews of procurement processes deviations are not performed adequately, as the reasons for bypassing the official procurement processes process are often unjustifiable.
- There is a lack of robust processes for reviewing and monitoring compliance with applicable expenditure management laws and regulations, contributing to irregular expenditure.
- The municipality lacks sufficient planning and monitoring controls to ensure deviations are justified and aligned with appropriate emergency protocols.

- Weaknesses in procurement processes oversight and insufficient planning lead to recurring non-compliance with Supply Chain Management (SCM) regulations.
- The municipality's failure to anticipate and plan for critical service needs, particularly high-demand services like town cleaning, highlights a significant deficiency in operational planning and forecasting.
- Lack of oversight mechanisms to ensure proper categorisation aligned with regulatory definitions.

*Financial and performance management –*

*Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.*

- Reviews of the classification of deviations and the financial statements were not performed adequately resulting in incorrect classification.

**Recommendation**

- Management should investigate the total population of deviations and adjust the financial statements to include the irregular expenditure of R10 734 718.15 and any other misstatement identified in the investigated population. Furthermore, management should ensure that all future payments on these unjustifiable deviations should also be regarded and treated as irregular expenditure. Management should update the financial statements to include the total irregular expenditure incurred in the current financial year in this regard.
- Management should establish robust procedures to review and monitor procurement processes deviations before approval, including independent verification of the categorisation.
- Management should strengthen their review and monitoring processes of compliance with expenditure management applicable laws and regulations to ensure that reasonable steps are taken to prevent irregular expenditure.
- A stricter approval process for deviations should be implemented, ensuring adequate justification and minimising recurrence of non-compliance.
- The municipality should revise its emergency procurement processes policies to ensure compliance with SCM regulations, even during disaster responses. Adopting a proactive approach to managing procurement processes timelines and engaging in parallel processes will help minimise irregularities and enhance transparency.
- Management should implement proper review processes on the classification of deviations in the financial statements.

**Management response**

| DESCRIPTION | RESPONSE |
|---|---|
| Does management agree with the finding (Yes/ No) | Part A – No<br>Part B - Yes |
| Detail reason for agreeing/ disagree with finding | **Part A**<br>The deviations and related motivations were reasonable due to the circumstances that existed at that particular time, and accordingly the said deviations were approved.<br><br>The Management still underscores the reality of the challenges experienced with the recruitment and selection of Senior Management during the year under review which had |

| DESCRIPTION | RESPONSE |
|---|---|
| | a direct impact on the functionality of the bid committees that created undue delays and forced deviations. A compounding factor was the uncertainty surrounding the Municipality's financial position and the risk of forfeiting external funding (conditional grants). |
| Management comment on internal control deficiencies and root cause indicated and detail reason for agreeing/ disagree with finding. | Part A – Management disagrees with finding<br>Part B – Management agrees with the internal control deficiency. |
| Detail corrective action to be taken and date. | Part A – N/A as management disagrees with the finding.<br>Part B – AFS note to be adjusted. |
| Does the finding affect an amount disclosed in the financial statements (Yes/ No) | Yes |
| If yes, what corrections will be made to the population | Part A – Management disagrees with finding<br>Part B – AFS note to be adjusted |
| If **yes** and no corrections will be made the reason, why such a conclusion has been reached should be indicated. | N/A |
| Position of official responsible to take corrective actions | Deputy Director: Finance |

Name: Annielle Martin
Position: Acting SCM Manager
Date:31/10/2025

**Auditor's conclusion:**

**Part A**

Management's responses are acknowledged. No additional supporting evidence was supplied to the auditors to justify the deviations. We therefore will conclude that the deviations are not justifiable.

Management indicated that no corrections is required in the financial statements, therefore the irregular expenditure of **R10 734 719.15** will be taken to uncorrected misstatements and the amount is material and results in a modification the audit opinion.

**Part B**

In respect of the irregular expenditure, we have not yet received the updated financial statements. Once received we will confirm if management adjusted for the finding.

**ITEM TITLE**

**SC86/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE FINANCE: IRREGULAR EXPENDITURE – DEVIATION FROM SCM PROCESS: PROVISION OF SECURITY SERVICES FOR THE COLLECTION, TRANSPORTATION AND DEPOSITING OF CASH**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE OF REPORT**

The purpose of this report is to inform the MPAC committee on the irregular expenditure with regards to the deviations for the procurement of Provision of security services for the collection, transportation and depositing of cash.

**BACKGROUND**

During the audit of Supply Chain Management, the AG found that the approved deviations by the accounting officer were unjustifiable, and a competitive process should have been followed to initiate the process earlier.

**DISCUSSION**

The provision of security services for the collection, transportation, and depositing of cash is essential to ensure the safety and protection of cashiers. Fidelity Cash Solutions was appointed through a TWK2 process, and their contract ended on 31 December 2024.

Tender FIN 02/2024/25 was advertised with a closing date of 18 October 2024. Two submissions were received—from Fidelity Cash Solutions and Sibakulu Trading (Pty) Ltd. It was recommended to the Bid Adjudication Committee (BAC) that the tender be cancelled, as both submissions were found to be non-eligible based on the technical evaluation conducted by the Manager: Income and Supply Chain. Both tenders were declared non-responsive, and Tender FIN 02/2024/25 was subsequently cancelled by the BAC on 13 December 2024. The process was delayed due to the late appointment of the BSC committee members.

A TWK2 process (FI 10/2024/25) commenced and was advertised on 22 November 2024. Only one quotation was received, from Fidelity Cash Solutions. However, the quoted amount exceeded the remaining balance of the R300,000 threshold. The quotation was therefore cancelled in accordance with Regulation 13(1)(c) of the 2022 Preferential Procurement Regulations, as provided for in Council's Supply Chain Management Policy.

Reg 13(1) states the following:
13. (1) an organ of state may, before the award of a tender, cancel a tender invitation If-
(c) no acceptable tender is received

A new tender process, FIN 06/2024/25, was then initiated and advertised for a second time.

Given the critical nature of the security services required, it was not feasible to follow a comparative TWK2 process while the second tender was already in progress, and another Twk2 process could not proceed. Therefore, it was recommended that a deviation from the standard SCM procedures be approved in order to appoint Fidelity Cash Solutions from 1 January 2025 until a formal appointment could be made.

Tender FIN 06/2024/25 was subsequently awarded to Fidelity Cash Solutions, with the appointment effective from 1 June 2025 until 31 May 2028.

The findings for the deviation are tabled below:

| No | Name of supplier and service provided | Category | Actual value of contract | Deviation date of approval | Auditor's comment |
|---|---|---|---|---|---|
| 1. | **PROVISION OF SECURITY SERVICES FOR THE COLLECTION, TRANSPORTATION AND DEPOSITING OF CASH - Fidelity Services Group** | Any other exceptional case where it is impractical or impossible to follow the official procurement processes. | R217 819,00 | 19 December 2024 | The municipality procured security services for collection, transportation and depositing of cash via a deviation process, citing that a tender was cancelled by the BAC due to tenderers not being eligible. A new tender process was started however the municipality was in need of the services hence the deviation. This stems from improper planning of the municipality's needs. Procurement processes for goods and services that are of continuous need to the public should commence within six months prior to the end of the contract. The municipality should have followed a quotations process, and the deviation was unjustified.<br><br>**Impact:** This results in non-compliance with regulation 17(1)(a) and (c) as goods were procured without obtaining the required price quotations. Deviations were approved by the accounting officer even though it was not impractical obtain price quotations in contravention with regulation 36(1)(a). This results to irregular expenditure of R217 819,00. The non-compliance is material (recurring) and will be included in the audit report. |

## FINANCIAL IMPLICATIONS (ITEM AUTHOR)

The irregular expenditure of R 217 819.00 has been recorded in 2024/2025 financial statements. Management should ensure that recurrence is prevented.

## LEGAL IMPLICATIONS (ITEM AUTHOR)

Section 32 of the MFMA

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result in Council Losing money and not receiving value for money. However, in this case Council did not suffer any losses or damages and received value for money.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 217 819.00 be written off for the 2024/2025 financial year.**

**RECOMMENDATION BY MANAGEMENT TO MPAC: 29 JANUARY 2026**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 217 819.00 be written off for the 2024/2025 financial year.**

**RECOMMENDATION BY MPAC TO COUNCIL: 18 FEBRUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander and seconded by Councillor TB Zimmermann, it was recommended as follows:

1. **In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 217 819.00 be written off for the 2024/2025 financial year.**

2. **The Municipal Public Accounts Committee noted the corrective measures put in place by awarding a tender until 31 May 2028.**

**RECOMMENDATION TO COUNCIL:**

**It is recommended**:

1. **That in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 217 819.00 be written off for the 2024/2025 financial year.**

2. **That Council noted the corrective measures put in place by awarding a tender until 31 May 2028.**

**RESOLVED BY COUNCIL: 19 MARCH 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor H Linnerts and seconded by Councillor P Stander, it was resolved as follows:

1. **That in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 217 819.00 be written off for the 2024/2025 financial year.**

2. **Council noted the corrective measures put in place by awarding a tender until 31 May 2028.**

*For finalization by the Acting Director: Finance, Mr A Riddles.*

**RECOMMENDATION TO COUNCIL:**

**Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.**

# Status Report– Preferential Procurement Regulations 2022

## In terms of SCM and MFMA requirements and remedial action required if necessary

1

| What was the initial Purpose |
|---|
| The Service for the PROVISION OF SECURITY SERVICES FOR THE COLLECTION, TRANSPORTATION AND DEPOSITING OF CASH |

2

| Initial Scope of Contract and if uncertain please explain |
|---|
| The Theewaterskloof Municipality requires the provision of service for the following:<br><br>The collection of Cash<br>The Transportation of cash<br>The Depositing of cash at the bank |

3

| Initial Contract Value and if uncertain please explain |
|---|
| Deviation: R217 819.00 |

4

| Initial Expiry Date and if uncertain please explain |
|---|
| 31 October 2024 Twk2 process (FI 09/2024/25). |

5

| Was normal SCM Process followed and complied with | | |
|---|---|---|
| Yes | no X | Uncertain |
| **Explain of motivate your response** | | |
| The provision of security services for the collection, transportation, and depositing of cash is essential to ensure the safety and protection of cashiers. Fidelity Cash Solutions was appointed through a TWK2 process, and their contract ended on 31 December 2024.<br><br>Tender FIN 02/2024/25 was advertised with a closing date of 18 October 2024. Two submissions were received—from Fidelity Cash Solutions and Sibakulu Trading (Pty) Ltd. It was recommended to the Bid Adjudication Committee (BAC) that the tender be cancelled, as both submissions were found to be ineligible based on the technical evaluation conducted by the Manager: Income and Supply Chain. Both tenders were declared non-responsive, and Tender FIN 02/2024/25 was subsequently cancelled by the BAC on 13 December 2024. The process was delayed due to the late appointment of the BSC committee members.<br><br>A TWK2 process (FI 10/2024/25) commenced and was advertised on 22 November 2024. Only one quotation was received, from Fidelity Cash Solutions. However, the quoted amount exceeded the remaining balance of the R300,000 threshold. The quotation was therefore cancelled in | | |

| |
|---|
| accordance with Regulation 13(1)(c) of the 2022 Preferential Procurement Regulations, as provided for in Council's Supply Chain Management Policy.<br><br>*Reg 13(1) states the following:*<br>*13. (1) an organ of state may, before the award of a tender, cancel a tender invitation If-*<br>*(c) no acceptable tender is received*<br>A new tender process, FIN 06/2024/25, was then initiated and advertised for a second time.<br><br>Given the critical nature of the security services required, it was not feasible to follow a comparative TWK2 process while the second tender was already in progress and another Twk2 process could not proceed. Therefore, it was recommended that a deviation from the standard SCM procedures be approved in order to appoint Fidelity Cash Solutions from 1 January 2025 until a formal appointment could be made.<br><br>Tender FIN 06/2024/25 was subsequently awarded to Fidelity Cash Solutions, with the appointment effective from 1 June 2025 until 31 May 2028. |

6

| **Has the purpose, scope or contract period been extended or expanded since the initial appointment of the service provider** | | |
|---|---|---|
| Yes | No x | Uncertain |
| **Explain or motivate your response** | | |
| A competitive process was followed. Tender FIN 06/2024/25 was finalised, and Fidelity Cash Solutions was appointed for the period 1 June 2025 to 31 May 2028. | | |

7

| **Was a formal contract or SLA initially entered into in terms of SCM and MFMA Requirements** | | |
|---|---|---|
| Yes X | No | Uncertain |
| **Explain or motivate your response** | | |
| Official order was generated for goods and services. | | |

8

| **Should a contract not have existed has it since been entered into and has all compliance requirements like as it applies in respect of the SCM process and or for purposes of deviations been complied with** | | |
|---|---|---|
| Yes **X** | No | Uncertain |
| **Motivate or explain your response** | | |

| |
|---|
| A competitive process was followed, and a service provider was appointed. SLA was signed. |

9

| **Did Council because of this transaction received best value for money i.e. in spite of non-compliance, if any with SCM or MFMA requirements** | | |
|---|---|---|
| Yes **X** | No | Uncertain |
| **Please explain or motivate your response above** | | |
| The provision of security services for the collection, transportation, and depositing of cash is essential to ensure the safety and protection of cashiers and to prevent theft of cash. Despite non-compliance by deviate from 1 January 2025 until date of appointment of service provider the Municipality received best value for money. | | |

10

| **Has the Municipality suffered any losses or damages as a result of non-compliance with any of the MFMA or SCM requirements** | | |
|---|---|---|
| Yes | No **X** | Uncertain |
| **Please explain or motivate your response above** | | |
| No losses or damages. Best for revenue enhancement, safety and prevention of theft of cash. | | |

11

| **Are you satisfied with the performance of the current service providers** | | |
|---|---|---|
| Yes **X** | No | Uncertain |
| **Please explain or motivate your response above** | | |
| The services were as required and satisfactory. | | |

12

| **Has the director investigated and established whether or not there is not at this point a better service provider, price or product which would justify a new procurement process and a reconsideration of the current service provider, product or price** | | |
|---|---|---|
| Yes | No **X** | Uncertain |
| **Please explain or motivate your response above** | | |
| A new procurement process was followed, and a service provider was appointed. | | |

14

| Could any form of non-compliance have been prevented | | |
|---|---|---|
| Yes | No **X** | Uncertain |
| **Explain or motivate your response above** | | |
| The Municipality explored alternative avenues in order to deliver the service in a more cost-effective manner, this resulted in the delay in advertisement of the tender. | | |

15

| What remedies have been put in place to prevent any non-compliance being repeated | | |
|---|---|---|
| Yes **X** | No | Uncertain |
| **Explain or motivate your response above** | | |
| Procurement by appoint service provider during Tender process. Appointment were made. | | |

16

| General or additional Comments of the Director Concerned | |
|---|---|
| ..... | 22/01/2026 |
| Signature of Director Concerned | Date |

17

| General Comments/Findings and recommendations of the CFO | |
|---|---|
| Value for money obtained | |
| Signature of CFO | Date 22/01/2026 |

18

| General Comments/Findings and or recommendations of the Chief Audit Executive | |
|---|---|
| | |
| Signature of Chief Audit Executive | Date 22/01/2026. |

19

| Final response of the Director Concerned for consideration by the Municipal Manager |
|---|
| Recommend for write off no financial loss experienced |

ANNEXURE A

| | |
|---|---|
| Signature of the Director concerned | Date 2026/01/21 |

20

| |
|---|
| **General Comments and findings of the Municipal Manager** |
| 1. |
| Signature of the Municipal Manager Date 22/1/2026 |

AUDITOR-GENERAL
SOUTH AFRICA

The Accounting Officer
Theewaterskloof Municipality
PO Box 24
Caledon
7230

24 October 2025

Reference: Communication No. 09 of 2025

Dear Mr. W Hendricks

**COMMUNICATION OF FINDINGS IDENTIFIED DURING THE AUDIT OF COMPLIANCE WITH LEGISLATION FOR THE YEAR ENDED 30 JUNE 2025**

**Background**

1. In performing the audit of compliance with legislation, we identified instances of non-compliance as described in the annexure. We have recorded the internal control deficiency that gave rise to the instances of non-compliance and our recommendation for correcting the instances of non-compliance for your consideration.
2. The finding will be included in the management report including your comments and our final response.

**Required**

3. You are requested to indicate whether you agree with the facts stated in the annexure including whether you agree with the identified internal control deficiency. Should you disagree, please provide us with documentary evidence to the contrary within 5 days from the date of this communication, as agreed in the engagement letter.
4. Please provide us with the reasons for the instances of non-compliance and the steps that will be taken to rectify the matter in future.

Yours sincerely

Masixole Velem
Senior Manager: Western Cape

Enquiries: Henno Pretorius
Cell phone: 064 907 4146
Telephone: (021) 528 4100
Email: hennop@agsa.co.za

**Acknowledgement of receipt by management:**

Received by _____ Date _____

**DETAILED AUDIT FINDING**

**Procurement processes and contract management**

**SCM: Reason for not following the official procurement processes (Deviation) not justifiable and incorrect classification of deviations**

1. **Unjustified deviations from normal Supply chain processes**

Section 2(1)(b) of the Supply Chain Management (SCM) regulations, *"each municipality and municipal entity must in terms of section 111 of the Act have and implement a supply chain management policy that –*

*(b) is fair, equitable, transparent, competitive and cost effective."*

Section 19 of the Municipal Supply Chain Management Regulations on Competitive bids states
*"A supply chain management policy must specify—*

*a) that goods or services above a transaction value of R300 000 (VAT included) may be procured by the municipality or municipal entity only through a competitive bidding process, subject to regulation 11(2); and*
*b) that no requirement for goods or services above an estimated transaction value of R300 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process."*

Section 17(1) of the Municipal Supply Chain Management Regulations states that:
*"A supply chain management policy must stipulate the conditions for the procurement processes of goods or*
*services through formal written price quotations, which must include conditions stating—*
*a) that quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the municipality or municipal entity;*
*b) that quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria in the supply chain management policy required by regulation 14(1)(b) and;*
*c) that if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer."*

Section 36 of the Municipal Supply Chain Management Regulations states that;

*(1.) "A supply chain management policy may allow the accounting officer –*
*(a.) to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*
*(i) In the case an emergency;*
*(ii) If such goods or services are produced or available from a single provider only;*
*(iii) For the acquisition of special works of art or historical objects where specifications are difficult to compile;*
*(iv) Acquisition of animals for zoos; or*
*(v) In any other exceptional case where it is impractical or impossible to follow the official procurement processes; and*
*(b.) to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely technical.*

*(2.) The accounting officer must record the reasons for any deviations in terms of sub-regulation (1) (a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements*

*(3.) In terms of the Supply Chain Management (SCM) regulations 5: "An accounting officer may in terms of section 79 or 1 06 of the Act sub delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of regulation 4(1), but any such sub delegation must be consistent with sub regulation (2) and regulation 4".*

Furthermore, paragraph 37 of the municipality's supply chain policy states that:
***"36. DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSESSNT***
***PROCESSES***

1. *The Accounting Officer may –*

a) *dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*
*(I) in an emergency; (An emergency is an unforeseeable sudden event with harmful or potential harmful consequences for the municipality which requires urgent action to address.)*

*Circumstances that warrant emergency dispensation, includes but are not limited to –*

a) *the possibility of human injury or death,*
b) *the prevalence of human suffering or deprivation of rights,*
c) *the possibility of damage to property, or suffering and death of livestock and animals, the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole, the possibility of serious damage occurring to the natural environment,*
d) *the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service,*
e) *the possibility that the security of the state could be compromised.*

2. *The Accounting Officer must record the reasons for any deviations in terms of subparagraphs 36(1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.*
3. *Subparagraph 36(2) does not apply to the procurement processes of goods and services contemplated in paragraph 11(2) of this policy."*

During our testing of this deviation, we identified several instances where the reason for the deviation was not found to be justifiable:

## Part A: Inadequate Justification for Procurement processes Deviations

| No | Name of supplier and service provided | Category | Actual value of contract | Deviation date of approval | Auditor's comment |
|---|---|---|---|---|---|
| 1. | **Mailtronic Direct Marketing - Printing, Sorting and Mailing of Municipal Accounts** | Any other exceptional case where it is impractical or impossible to follow the official procurement processes. | R765 599,43 | 09 January 2025 | The municipality deviated from SCM processes to procure printing and mailing services for municipal accounts for two months, after the previous contract ended. While the tender process was underway, the municipality should have planned and initiated the procurement processes process six months before the contract expiry in 30 June 2024. This deviation, therefore, stems from improper planning.<br><br>**Impact:** This results in non-compliance with regulation 19(a) as goods were procured without following a competitive bidding process.<br><br>Deviations were approved by the accounting officer even though it was not impractical obtain price quotations in contravention with regulation 36(1)(a). This results to irregular expenditure of R182 980,00 (expenditure current year). All future expenditure for this services should also be regarded as irregular expenditure. The non-compliance is material (recurring) and will be included in the audit report. |
| 2. | **PROVISION OF SECURITY SERVICES FOR THE COLLECTION, TRANSPORTATION AND DEPOSITING OF CASH - Fidelity Services Group** | Any other exceptional case where it is impractical or impossible to follow the official procurement processes. | R217 819,00 | 19 December 2024 | The municipality procured security services for collection, transportation and depositing of cash via a deviation process, citing that a tender was cancelled by the BAC due to tenderers not being eligible. A new tender process was started however the municipality was in need of the services hence the deviation. This stems from improper planning of the municipality's needs. Procurement processes for goods and services that are of continuous need to the public should commence within six months prior to the end of the contract. The municipality should have followed a quotations process, and the deviation was unjustified.<br><br>**Impact:** This results in non-compliance with regulation 17(1)(a) and (c) as goods were procured without obtaining the required price |

| No | Name of supplier and service provided | Category | Actual value of contract | Deviation date of approval | Auditor's comment |
|---|---|---|---|---|---|
| | | | | | quotations. Deviations were approved by the accounting officer even though it was not impractical obtain price quotations in contravention with regulation 36(1)(a). This results to irregular expenditure of R217 819,00. The non-compliance is material (recurring) and will be included in the audit report. |

**Part B**:

## 2. Deviations incorrectly categorised

### Auditors finding

Furthermore, we identified that the following deviations was incorrectly categorised as "Any other exceptional case where it is impractical or impossible to follow the official procurement process" under Regulation 36(1)(a), despite the circumstances clearly meeting the definition of an "Emergency". These deviations are therefore incorrectly classified in Note 57.7 of the AFS:

| Order date | Supplier | Details of goods or services supplied | Amount (R) | Reason for deviation |
|---|---|---|---|---|
| 1/10/2025 | Blue Falcon | Security Services - Emergency Deployment - 29, 30 December 2024 till 08 January 2025 | 1 159 200,00 | Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-08-30 | NEWPORT WATER SOLUTIONS (PTY) LTD | SERVICING OF FIRE EQUIPMENT | 120 101,76 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-09-26 | ADENCO CONSTRUCTION PTY LTD | Vandalism and stealing of cables Main supply in Villiersdorp | 102 550,08 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-10-29 | ADENCO CONSTRUCTION PTY LTD | Replace damaged 11m Pole on OH line in Ham street Villiersdorp | 91 191,19 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |

| | | | | |
|---|---|---|---|---|
| 2024-10-17 | SPEED VAC AND PLANT (PTY) LTD | The sewer network of Grabouw had a blockage and caused a spillage in the area. The service provider was tasked to unblock the sewer and contain the spill with the use of a Jetvac truck. | 61 828,90 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-11-08 | ADENCO CONSTRUCTION PTY LTD | Vandalism to the 11kv pole and cable vandalized | 48 483,65 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-11-08 | ADENCO CONSTRUCTION PTY LTD | Vandalism in Villiersdorp 3x poles | 46 167,97 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-09-26 | ADENCO CONSTRUCTION PTY LTD | In Ham street Villiersdorp an 11Kv pole and cable was vandalized. The pole and cable was stolen. | 40 145,63 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-08-15 | ADENCO CONSTRUCTION PTY LTD | In Ham street Villiersdorp an 11Kv pole and cable was damage. The pole and cable was stolen. Due to gale force wind and rain it was impossible to repair. | 34 365,45 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-11-08 | ARCCON | Vandalism a 11KV pole at Dennestreet, Caledon | 27 668,37 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |

| | | | | |
|---|---|---|---|---|
| 2024-11-05 | ADENCO CONSTRUCTION PTY LTD | Vandalism for Villiersdorp | 24 863,92 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-11-25 | MAXAL PROJECTS SA (PTY) LTD | Emergency callout strip and clean | 6 706,80 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-10-15 | ANDRAG AGRICO (PTY) LTD | hose rubber dual 100mm clamp heavy duty labour | 5 187,08 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| | | | **1 768 460,80** | |

**Impact**

- Material Non-compliance with Supply Chain Management regulations 17(1)(a) and (c) and 19 (a) resulting in irregular expenditure of R10 734 718.15. The irregular expenditure will also be assessed for expenditure management compliance to confirm if there was prevention of irregular expenditure.
- Incorrect classification misstatement of R1 768 460.80

**Internal control deficiency**

*Financial and performance management –*

*Review and monitor compliance with applicable laws and regulations*

- Reviews of procurement processes deviations are not performed adequately, as the reasons for bypassing the official procurement processes process are often unjustifiable.
- There is a lack of robust processes for reviewing and monitoring compliance with applicable expenditure management laws and regulations, contributing to irregular expenditure.
- The municipality lacks sufficient planning and monitoring controls to ensure deviations are justified and aligned with appropriate emergency protocols.

- Weaknesses in procurement processes oversight and insufficient planning lead to recurring non-compliance with Supply Chain Management (SCM) regulations.
- The municipality's failure to anticipate and plan for critical service needs, particularly high-demand services like town cleaning, highlights a significant deficiency in operational planning and forecasting.
- Lack of oversight mechanisms to ensure proper categorisation aligned with regulatory definitions.

*Financial and performance management –*

*Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.*

- Reviews of the classification of deviations and the financial statements were not performed adequately resulting in incorrect classification.

**Recommendation**

- Management should investigate the total population of deviations and adjust the financial statements to include the irregular expenditure of R10 734 718.15 and any other misstatement identified in the investigated population. Furthermore, management should ensure that all future payments on these unjustifiable deviations should also be regarded and treated as irregular expenditure. Management should update the financial statements to include the total irregular expenditure incurred in the current financial year in this regard.
- Management should establish robust procedures to review and monitor procurement processes deviations before approval, including independent verification of the categorisation.
- Management should strengthen their review and monitoring processes of compliance with expenditure management applicable laws and regulations to ensure that reasonable steps are taken to prevent irregular expenditure.
- A stricter approval process for deviations should be implemented, ensuring adequate justification and minimising recurrence of non-compliance.
- The municipality should revise its emergency procurement processes policies to ensure compliance with SCM regulations, even during disaster responses. Adopting a proactive approach to managing procurement processes timelines and engaging in parallel processes will help minimise irregularities and enhance transparency.
- Management should implement proper review processes on the classification of deviations in the financial statements.

**Management response**

| DESCRIPTION | RESPONSE |
|---|---|
| Does management agree with the finding (Yes/ No) | Part A – No<br>Part B - Yes |
| Detail reason for agreeing/ disagree with finding | **Part A**<br>The deviations and related motivations were reasonable due to the circumstances that existed at that particular time, and accordingly the said deviations were approved.<br><br>The Management still underscores the reality of the challenges experienced with the recruitment and selection of Senior Management during the year under review which had |

| DESCRIPTION | RESPONSE |
|---|---|
| | a direct impact on the functionality of the bid committees that created undue delays and forced deviations. A compounding factor was the uncertainty surrounding the Municipality's financial position and the risk of forfeiting external funding (conditional grants). |
| Management comment on internal control deficiencies and root cause indicated and detail reason for agreeing/ disagree with finding. | Part A – Management disagrees with finding<br>Part B – Management agrees with the internal control deficiency. |
| Detail corrective action to be taken and date. | Part A – N/A as management disagrees with the finding.<br>Part B – AFS note to be adjusted. |
| Does the finding affect an amount disclosed in the financial statements (Yes/ No) | Yes |
| If yes, what corrections will be made to the population | Part A – Management disagrees with finding<br>Part B – AFS note to be adjusted |
| If **yes** and no corrections will be made the reason, why such a conclusion has been reached should be indicated. | N/A |
| Position of official responsible to take corrective actions | Deputy Director: Finance |

Name: Annielle Martin
Position: Acting SCM Manager
Date:31/10/2025

**Auditor's conclusion:**

**Part A**

Management's responses are acknowledged. No additional supporting evidence was supplied to the auditors to justify the deviations. We therefore will conclude that the deviations are not justifiable.

Management indicated that no corrections is required in the financial statements, therefore the irregular expenditure of **R10 734 719.15** will be taken to uncorrected misstatements and the amount is material and results in a modification the audit opinion.

**Part B**

In respect of the irregular expenditure, we have not yet received the updated financial statements. Once received we will confirm if management adjusted for the finding.

**ITEM HEADING**

**SC87/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING: DEPARTMENT HUMAN SETTLEMENTS: IRREGULAR EXPENDITURE – ASLA CONSTRUCTION (PTY) LTD**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE / AIM OF REPORT**

The purpose of this report is to inform the Municipal Public Accounts Committee of the irregular expenditure incurred with regards to the Implementing Agent Agreement entered into between Theewaterskloof Municipality and Alsa Construction (Pty) Ltd.

**BACKGROUND**

Theewaterskloof Municipality entered into an agreement with ASLA Construction (DEV 06/2012/13 in December 2012. Due to various to AGSA finding on this contract the then CFO introduced SOP 02/2018/19, dated 19 March 2019 to put mechanisms in place in dealing with addendums to this agreement.

The initial agreement DEV 06/2012/13 between Asla and TWK was cancelled by mutual consent as agreed by Asla on the 19th of April 2022 due to various legal opinions and AG findings regarding the validity of the contract. The municipality proceeded to appoint Asla in terms of a deviation as contained in the Municipal Supply Chain Management Regulations (36) dated 12 May 2022. A Memorandum of Agreement (MOA), deriving from the Deviation appointment was entered into between TWK and Asla on the 9th of June 2022. During the 2023/24 audit the Auditor General indicated that it does not agree with the reasons stated in the Deviation to re-appoint Asla hence render the MOA between TWK and ASLA invalid and deemed all expenditure relating to this MOA as irregular. The AG further indicated the municipality must continue with this arrangement until the completion of the scope but must report all expenditure as irregular for condonement by Council.

The finding read as follows

"On 19 April 2022 the municipality cancelled the contract with ASLA and deviated from the supply chain management processes on 11 May 2022. A new contract was signed on 9 June 2022 for the same project, but the scope was reduced. The reason used by the municipality for the deviation was "any other exceptional case where it is impractical or impossible to follow the official procurement processes" because of the planning and work already done by ASLA on the project.

We found the deviation from the supply chain management processes not to be justifiable because by following a deviation process management attempted to regularize the expenditure, but the original contract for this project was already irregular.

Therefore, this is a non-compliance to SCM regulation 36(1)(a)(v), as the auditor determined that the deviation is not valid and the expenditure should remain irregular as in prior years until ASLA Construction (Pty) (Ltd) completes the planned projects".

**DISCUSSION**

As per the above, the municipality must annually report the expenditure on the Destiny Farm project, completed by Asla as irregular expenditure to the Municipal Public Accounts Committee for consideration and to Council for condonement.

Expenditure incurred for the 2024/25 financial year amounts to R 68 100 407.62 to be reported to the Municipal Public Accounts Committee for consideration and approval.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

R 68 100 407.62 irregular expenditure.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA states that any official of a municipality who deliberately or negligently committed, made or authorized an irregular expenditure is liable for that expenditure. A municipality must recover such expenditure from the person liable for that expenditure, unless Council certifies the irregular expenditure as irrecoverable, after the Municipal Public Accounts Committee has investigated and recommended it. Irregular expenditure for the purpose of this item means expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality and which has not been condoned in terms of such policy.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Non-Conformance to Auditor General Findings impacting the Annual Financial Statements.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 68 100 407.62 be written off as irrecoverable.**

**RECOMMENDATION BY MANAGEMENT TO MPAC: 29 JANUARY 2026**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 68 100 407.62 be written off as irrecoverable.**

**RECOMMENDATION BY MPAC TO COUNCIL: 18 FEBRUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander and seconded by Councillor D Jacobs, it was recommended as follows:

**That in view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 68 100 407.62 be written off as irrecoverable.**

**RECOMMENDATION TO COUNCIL:**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 68 100 407.62 be written off as irrecoverable.**

**DISCUSSION DURING MEETING:**

Alderman DA Appel:

How can we fix this situation going forward? Project was done on a deviation.

Mr A Riddles:

Not a finding – every year all expenditure must be explained to MPAC to consider. Continuous reporting on expenditure until Asla Construction completes the planned project.

Ms N Baliso:

Every expenditure will go to MPAC. Implementation Agent used competitive bidding prices.

Alderman S Fredericks:

That in future Management must ensure that they respond to the following question raised by the AG under Management response: "If the above finding affects an amount(s) disclosed in the financial statements – Please give an indication of whether a correcting journal entry shall be processed – Yes or No"

**RESOLVED BY COUNCIL: 19 MARCH 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor H Linnerts and seconded by Councillor C Cloete it was resolved as follows:

1. **That, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 68 100 407.62 be written off as irrecoverable.**

2. **Council further resolved that a site visit be conducted by the MPAC members, Officials of the Directorate Technical- and Infrastructure Implementation Services and the Department of Human Settlements.**

*For finalization by the Director: Economic Development and Planning, Ms. N Baliso.*

**RECOMMENDATION TO COUNCIL:**

**Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.**

ANNEXURE A

**Status Report on ASLA Construction in terms of SCM and MFMA requirements and remedial action required if necessary**

| Supplier | Service Description | Commencement date of contract |
|---|---|---|
| ASLA CONSTUCTION | Appointment of an Implementing Agent for Villiersdorp Housing Development | 09 June 2022 |

1

| What was the initial Purpose of the contract |
|---|
| The appointment of an Implementing Agent for the Low-Cost Housing Developments in the town of Villiersdorp |

2

| Initial Scope of Contract and if uncertain please explain |
|---|
| Berg en Dal insitu upgrade of 182 erven<br>Destiny Farm servicing of approximately 1800 erven, the construction of which, are not subject to the construction of a 2ML reservoir. Housing top structures as may be supported by the Department of Infrastructure (DOI) as well as related bulk services.<br>Relocation of people currently residing in informal settlements in Destiny<br>Upgrading of Phukom, Goniwe Park, Protea Heights and Westside in line with the Super-Blocking strategy of DOI |

3

| Initial Contract Value and if uncertain please explain |
|---|
| Contract value estimated at R 200 000 000.00 subject to funding approval from DOI |

4

| Initial Expiry Date and if uncertain please explain |
|---|
| 30 June 2025 |

5

| Was normal SCM Process followed and complied with | | |
|---|---|---|
| Yes X | no | Uncertain |
| Explain of motivate your response | | |

| |
|---|
| Deviation approval obtained (attached)<br>Signed MOA (Attached) |

6

| **Has the purpose, scope or contract period been extended or expanded since the initial appointment of the service provider** | | |
|---|---|---|
| Yes X | No | Uncertain |
| **Explain or motivate your response** | | |
| Various Addendums entered into due to various project changes | | |

7

| **Was a formal contract or SLA initially entered into in terms of SCM and MFMA Requirements** | | |
|---|---|---|
| Yes X | No | Uncertain |
| **Explain or motivate your response** | | |
| Deviation approval obtained (attached)<br>Signed MOA (Attached) | | |

8

| **Should a contract not have existed has it since been entered into and has all compliance requirements like as it applies in respect of the SCM process and or for purposes of deviations been complied with** | | |
|---|---|---|
| Yes X | No | Uncertain |
| **Motivate or explain your response** | | |
| Deviation approval obtained (attached)<br>Signed MOA (Attached) | | |

9

| **Did Council because of this transaction received best value for money i.e. in spite of non-compliance, if any with SCM or MFMA requirements** | | |
|---|---|---|
| Yes x | No | Uncertain |
| **Please explain or motivate your response above** | | |
| The council continue to receive value for the expenditure incurred in the project as Theewaterskloof municipality is delivering basic services and responsive to its constitutional mandate. | | |

ANNEXURE A

10

| Has the Municipality suffered any losses or damages as a result of non-compliance with any of the MFMA or SCM requirements | | |
|---|---|---|
| Yes | No X | Uncertain |
| **Please explain or motivate your response above** | | |
| The are no considerable losses reported and recorded as the municipality is fully complaint in term of MFMA and SCM regulations when executing the service to the affected communities. | | |

11

| Are you satisfied with the performance of the current service provider to the extent that the contract should be continued with | | |
|---|---|---|
| Yes X | No | Uncertain |
| **Please explain or motivate your response above** | | |
| The currently service provider is providing good services in line with the project implementation programme. | | |

12

| Has the director investigated and established whether or not there is not at this point a better service provider, price or product which would justify a new procurement process and a reconsideration of the current service provider, product or price | | |
|---|---|---|
| Yes X | No | Uncertain |
| **Please explain or motivate your response above** | | |
| The department to review the contract periodically until completion of scope | | |

14

| Could any form of non-compliance have been prevented | | |
|---|---|---|
| Yes | No X | Uncertain |
| **Explain or motivate your response above** | | |
| The municipality would have faced possible litigation if it did not appoint Asla Construction as a contract agreement was signed and financial commitments was already made. | | |

15

| What remedies have been put in place to prevent any non-compliance being repeated | | |
|---|---|---|
| Yes X | No | Uncertain |
| **Explain or motivate your response above** | | |

ANNEXURE A

| |
|---|
| Monthly contract reporting to be monitored to ensure compliance in terms of completion date of contracts. Adherence to SOP 02/2018/19 relating to processes to be followed when entering into Addendums with Asla. |

16

| **General or additional Comments of the Director Concerned** | |
|---|---|
| Signature of Director Concerned | Date 27/01/2026 |

17

| **General Comments/Findings and recommendations of the CFO** | |
|---|---|
| | |
| Signature of CFO | Date 28/01/2026 |

18

| **General Comments/Findings and or recommendations of the Chief Audit Executive** | |
|---|---|
| | |
| Signature of Chief Audit Executive | Date 28/01/2026. |

19

| **Final response of the Director Concerned for consideration by the Municipal Manager** | |
|---|---|
| | |
| Signature of the Director concerned | Date |

20

| **General Comments and findings of the Municipal Manager** | |
|---|---|
| 1. | |
| Signature of the Municipal Manager | Date 28/1/2026 |

AUDITOR-GENERAL
SOUTH AFRICA

The Accounting Officer
Theewaterskloof Municipality
PO Box 24
Caledon
7230

09 November 2023

Reference: Communication No.14 of 2023

Dear Mr. W Solomons-Johannes

**COMMUNICATION OF FINDINGS IDENTIFIED DURING THE AUDIT OF COMPLIANCE WITH LEGISLATION FOR THE YEAR ENDED 30 JUNE 2023**

**Background**

1. In performing the audit of compliance with legislation we identified instances of non-compliance as described in the annexure. We have recorded the internal control deficiency that gave rise to the instances of non-compliance and our recommendation for correcting the instances of non-compliance for your consideration. The effect of this instances of non-compliance could potentially be material.
2. The finding will be included in the management report including your comments and our final response.

**Required**

3. You are requested to indicate whether you agree with the facts stated in the annexure including whether you agree with the identified internal control deficiency. Should you disagree, please provide us with documentary evidence to the contrary within 5 days from the date of this communication, as agreed in the engagement letter.
4. Please provide us with the reasons for the instances of non-compliance and the steps that will be taken to rectify the matter in future.

Yours sincerely
Unathi Mnqanqeni
Senior Manager: Western Cape

Enquiries: Zukile Gungubele
Telephone: (021) 528 4100
Fax: (021) 528 4200
Email: ZukileG@agsa.co.za

**Acknowledgement of receipt by management:**

Received by _____ Date _____

**DETAILED AUDIT FINDING**

**Procurement and contract management – Deviation not justifiable – ASLA Construction (Pty) Ltd**

Section 1 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) defines irregular expenditure as "*expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of this Act, and which has not been condoned in terms of section 170*".

Section 110(2)(c) of the MFMA states that Chapter 11, Part 1: Supply chain management, states that: "*This Part, except where specifically provided otherwise, does not apply if a municipality or municipal entity contracts with another organ of state for the procurement of goods and services under a contract secured by that other organ of state, provided that the relevant supplier has agreed to such procurement*".

Regulation 32 of the Municipal Supply Chain Management Regulations (SCM Regulations) reads as follows:

*(1) A supply chain management policy may allow the accounting officer to procure goods or services for the municipality or municipal entity under a contract secured by another organ of state, but only if-*

*(a) the contract has been secured by that organ of state by means of a competitive bidding process applicable to that organ of state;*

*(b) the municipality or entity has no reason to believe that such contract was not validly procured;*

*(c) there are demonstrable discounts or benefits for the municipality or entity to do so; and*

*(d) that the other organ of state and the provider have consented to such procurement in writing.*

Regulation 36 of the Municipal Supply Chain Management Regulations (SCM Regulations) states:

***"36. Deviation from, and ratification of minor breaches of, procurement processes***

*(1) A supply chain management policy may allow the accounting officer—*
*(a) to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only—*
*(i) in an emergency;*
*(ii) if such goods or services are produced or available from a single provider only;*
*(iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;*
*(iv) acquisition of animals for zoos; or*
***(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes;*** *and*
*(b) to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature."*

On 13 December 2012 the municipality entered into a contract with ASLA Construction (Pty) Ltd through another organ of state, as per regulation 32 of the Municipal Supply Chain Management Regulations of 2005.

During 2018 a court ruling on the interpretation of SCM regulation 32 was made and the legal interpretation resulted in the application of regulation 32 in a procurement process, effectively meaning that if the accounting officer of the original contracting organ of state is willing to forfeit a

portion of its contract, in terms of contract value and quantity that has not already been utilised, to the accounting officer who is requesting to procure under that contract, he may do so.

In 2018 we issued a communication of audit finding where we indicated that management did not interpret the SCM regulation 32 correctly which then resulted in irregular expenditure for this project.

On 19 April 2022 the municipality cancelled the contract with ASLA and deviated from the supply chain management processes on 11 May 2022. A new contract was then signed on 9 June 2022 for the same project, but the scope was reduced. The reason used by the municipality for the deviation was "any other exceptional case where it is impractical or impossible to follow the official procurement processes" because of the planning and work already done by ASLA on the project.

We found the deviation from the supply chain management processes not to be justifiable because by following a deviation process management attempted to regularize the expenditure, but the original contract for this project was already irregular.

Therefore, this is a non-compliance to SCM regulation 36(1)(a)(v), as the auditor determined that the deviation is not valid and the expenditure should remain irregular as in prior years until ASLA Construction (Pty) (Ltd) completes the planned projects.

The non-compliance will result in irregular expenditure of R15 625 929, resulting in an understatement of the irregular expenditure note 53.3.

This irregular expenditure is material and will be included in management report, should the misstatement not be corrected it will be included in the Audit report.

Total payments made to ASLA Construction (Pty)Ltd for 2022/23:

| Payment number | Date | Amount |
|---|---|---|
| 25484 | 10 March 2023 | R 2 988 063.66 |
| 25513 | 17 March 2023 | R 2 780 449.56 |
| 25863 | 21 April 2023 | R 2 675 319.26 |
| 26283 | 26 May 2023 | R 3 228 579.36 |
| 26756 | 28 June 2023 | R 608 955.10 |
| 26734 | 22 June 2023 | R 3 344 561.81 |
| **TOTAL PAYMENT** | | **R15 625 928,75** |

Furthermore we identified that only R305 616 was disclosed in note 53.3 (Irregular Expenditure) of the current year AFS relating to the prior year amount in respect of regulation 32 awards but by inspection of the prior year general ledger (payment no.19982 dated 20/12/2021) a payment to the amount of R4 348 411 was made to ASLA.

This will result in a misstatement of the prior year figure of note 53.3 by R4 042 795.

**Internal control deficiency**

**Financial and Performance Management**

*Review and monitor compliance with applicable legislation*

Management followed a deviation process to ovoid future irregular expenditure.

**Recommendation**

Management should strengthen their review and monitoring processes of compliance with Municipal Supply Chain Regulations to ensure that the deviation process is followed as per SCM reg 36(1)(a) in order to prevent non-compliance to Municipal Supply Chain Management Regulations of 2005;

In relation to the irregular expenditure above, management should adjust the irregular expenditure note by increasing the total irregular expenditure by an amount of R15 625 929 for the current year and R R4 042 795 for the prior year.

All expenditure incurred for ASLA Construction for this project should be regarded as irregular expenditure and dealt with in accordance with section 32 of the MFMA.

**Management response**

| | | |
|---|---|---|
| **Management comment on audit finding:**<br><br>Management notes the finding and agrees with the finding. | | |
| **Management comment on internal control deficiencies:**<br><br>Management agrees with the internal control deficiencies. | | |
| **Management comment on recommendation:**<br><br>Management agrees with the recommendation. The AFS will be adjusted accordingly and taken to the section 32 (MPAC) committee as per recommendation. | | |
| **Remedial action** | | |
| What actions will be taken:<br>AFS to be adjusted. | By whom:<br>Act. CFO | By when:<br>Final submission of AFS |
| **If the above finding affects an amount(s) disclosed in the financial statements:** | | |
| Please give an indication of whether a correcting journal entry shall be processed | Yes | No |
| If yes, please indicate the accounting entry: | | |
| If no, please provide the reason why such a conclusion has been reached:<br><br>The misstatement relates to a disclosure item of which no journal is required. | | |

Name: Paul Mabhena
Position: Act. CFO
Date: 16/11/2023

**Auditor's conclusion:**

We inspected the adjusted financial statements for the irregular expenditure adjustment and no findings were identified. Finding will remain in the management report to highlight the internal control deficiency.

**ITEM TITLE**

**SC88/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING: IRREGULAR EXPENDITURE SIBAKULU SECURITY SERVICES**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE OF REPORT**

The purpose of this report is to inform the Municipal Public Accounts Committee of the irregular expenditure incurred with regards to the Security Services (Sibakulu) appointed for the safeguarding of the TRA units Erf 8078.

**BACKGROUND**

The Gypsy Queen land, forms part of the Greater Grabouw project which was approved by the Department of Infrastructure for pre-feasibility studies. The municipality is in the process of implementing the Waterworks Emergency Housing project on a portion of Erf 8078, in providing permanent TRA structures for 67 families affected by a fire disaster. The municipality appointed a contractor to construct the TRA units who have since vacated the site due to non-payment for completed works. The funding for the project is co-funded by the Provincial and National Department of Human Settlements however the project is delayed to the non-payment of the second tranche to the municipality resulting in the contractor abandoning site.

The structures remained vacant and vulnerable to being illegally occupied as there was no (previous appointment terminated) security on site. Members of the Waterworks Informal Settlement indicated that they would illegally occupy the incomplete units should the contractor not return to site.

The municipality re-advertised tender DEV 04/2023/24 and awarded it to a new contractor on the 27th of June 2024. The work was envisaged to commence on the 1st of August 2024, of which security becomes the liability of the contractor. The municipality proceeded to appoint security company on an emergency basis to protect the incomplete structures as an interim measure to secure erf 8078 while the contractor is yet to establish site. The request to deviate from the normal SCM procedures was granted by the Accounting Officer in line with Regulation 36 (1)(a)(i).

Approval was granted for 1-month period, but the service was extended by 3 additional months.

**DISCUSSION**

As per the Auditor General's communication of findings identified during the audit of compliance with legislation for the year ended 30 June 2025, stated the following:

"The municipality justified this deviation by procuring security services for one month prior to commencement of a construction contract to prevent community members from illegally occupying vacant structures. However, this deviation does not meet the criteria for any other exceptional case where it is impractical or impossible to follow the official procurement processes. The situation could have been managed through a formal quotation process, and failure to plan adequately for PPE needs led to the unjustifiable deviation"

The municipality responded as follows:

"The imminent threat of illegal invasion and vandalism of the TRU units in the absence of security prompted immediate emergency action to secure the units. The request was for a month to allow for security to be on site before the new contractor could establish site. The formal quotation process also takes more than 1 month before an award is made considering 2-week advertisement and the evaluation of the offers"

The AG, however, maintains that although the deviation was approved by the Accounting Officer it was not impractical to obtain price quotations in contravention with regulation 36(1)(a), which lead to irregular expenditure of R 3 546 433.26

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

R 3 546 433 .26 irregular expenditure.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA states that any official of a municipality who deliberately or negligently committed, made or authorized an irregular expenditure is liable for that expenditure. A municipality must recover such expenditure from the person liable for that expenditure, unless Council certifies the irregular expenditure as irrecoverable, after the Municipal Public Accounts Committee has investigated and recommended it. Irregular expenditure for the purpose of this item means expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality and which has not been condoned in terms of such policy.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Non-Conformance to Auditor General Findings impacting the Annual Financial Statements.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 3 546 433.26 be written off as irrecoverable.**

**RECOMMENDATION BY MANAGEMENT TO MPAC: 29 JANUARY 2026**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 3 546 433.26 be written off as irrecoverable.**

**RESOLVED BY MPAC: 18 FEBRUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander and seconded by Councillor TB Zimmermann, it was resolved as follows:

**That the agenda-item be referred back to be rewritten to include all the correct information after a proper reconciliation of all the amounts of Sibakulu Security Services were done by the SCM Department.**

1. *Agenda-item referred back.*
2. *For finalization by the Acting Director: Finance, Mr A Riddles.*

**RESOLVED BY MANAGEMENT: 21 MAY 2025**

**Management discussed the matter regarding the compilation of one agenda-item as per the resolution of MPAC of 18 February 2026 and it was resolved that all the agenda-items be resubmitted as is to MPAC for consideration as the items are for different financial years and different services rendered and therefore the items cannot be combined as one item.**

**RECOMMENDATION BY ITEM AUTHOR:**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 3 546 433.26 be written off as irrecoverable.**

**RECOMMENDATION FROM MPAC TO COUNCIL: 23 JUNE 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander, and seconded by Councillor D Jacobs it was resolved as follows:

1. **That Council does not write off the irregular expenditure at this stage and refers to the Disciplinary Board to conduct a full investigation into the circumstances surrounding the deviation approval process and possible negligence by officials.**

2. **That the internal Auditor, Mr A Opperman, reviews all documentation of Sibakulu Services of appointment and extension and report back to MPAC.**

**RESOLVED BY COUNCIL: 25 JUNE 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor M Gana, it was resolved as follows:

**Council does not write off the irregular expenditure at this stage and refers to the Disciplinary Board to conduct a full investigation into the circumstances surrounding the deviation approval process and possible negligence by officials.**

*For finalization by the Director: Economic Development and Planning, Ms N Baliso.*

**RECOMMENDATION TO COUNCIL:**

**Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.**

# Status Report on SIBAKULU SRCURITY in terms of SCM and MFMA requirements and remedial action required if necessary

| Supplier | Service Description | Commencement date of contract |
|---|---|---|
| Sibakulu Security | Provision of Security Services | 1 August 2024 |

1

| What was the initial Purpose of the contract |
|---|
| Provision of security services for the guarding for erf 8078 Grabouw, Gypsy Queen TRA site |

2

| Initial Scope of Contract and if uncertain please explain |
|---|
| Provision of security services for guarding of erf 8078 Grabouw. |

3

| Initial Contract Value and if uncertain please explain |
|---|
| Initial contract value R 1 629 561,50 |

4

| Initial Expiry Date and if uncertain please explain |
|---|
| 31 August 2024 |

5

| Was normal SCM Process followed and complied with | | |
|---|---|---|
| Yes | no **X** | Uncertain |
| **Explain of motivate your response** | | |
| SCM process could not be followed as an immediate response was needed to mitigate the illegal occupation and invasion of land earmarked for human settlements development | | |

6

| Has the purpose, scope or contract period been extended or expanded since the initial appointment of the service provider | | |
|---|---|---|
| Yes **X** | No | Uncertain |
| **Explain or motivate your response** | | |
| Service was required to be extended for 3 additional months | | |

ANNEXURE A

7

| Was a formal contract or SLA initially entered into in terms of SCM and MFMA Requirements | | |
|---|---|---|
| Yes **X** | No | Uncertain |
| **Explain or motivate your response** | | |
| Deviation approval obtained. (Attached) | | |

8

| Should a contract not have existed has it since been entered into and has all compliance requirements like as it applies in respect of the SCM process and or for purposes of deviations been complied with | | |
|---|---|---|
| Yes | No | Uncertain |
| **Motivate or explain your response** | | |
| Deviation approval was granted. | | |

9

| Did Council because of this transaction received best value for money i.e. in spite of non-compliance, if any with SCM or MFMA requirements | | |
|---|---|---|
| Yes **X** | No | Uncertain |
| **Please explain or motivate your response above** | | |
| Council received full value for money as land was protected from illegal occupation and invasion | | |

10

| Has the Municipality suffered any losses or damages as a result of non-compliance with any of the MFMA or SCM requirements | | |
|---|---|---|
| Yes | No **X** | Uncertain |
| **Please explain or motivate your response above** | | |
| Funding spent for the intended purpose and no losses or damages suffered. | | |

11

| **Are you satisfied with the performance of the current service provider to the extent that the contract should be continued with** | | |
|---|---|---|
| Yes **X** | No | Uncertain |
| **Please explain or motivate your response above** | | |
| Services satisfactory | | |

12

| **Has the director investigated and established whether or not there is not at this point a better service provider, price or product which would justify a new procurement process and a reconsideration of the current service provider, product or price** | | |
|---|---|---|
| Yes **X** | No | Uncertain |
| **Please explain or motivate your response above** | | |
| Security services tender advertised and awarded. | | |

14

| **Could any form of non-compliance have been prevented** | | |
|---|---|---|
| Yes | No X | Uncertain |
| **Explain or motivate your response above** | | |
| Protection of municipal assets (land) requires immediate action as invasion delays the implementation of human settlements projects. | | |

15

| **What remedies have been put in place to prevent any non-compliance being repeated** | | |
|---|---|---|
| Yes **X** | No | Uncertain |
| **Explain or motivate your response above** | | |
| Security services tender advertised and awarded. | | |

16

| **General or additional Comments of the Director Concerned** | |
|---|---|
| Signature of Director Concerned | Date 27/01/2026 |

17

| General Comments/Findings and recommendations of the CFO | |
|---|---|
| | |
| Signature of CFO | Date 28/01/2026 |

18

| General Comments/Findings and or recommendations of the Chief Audit Executive | |
|---|---|
| | |
| Signature of Chief Audit Executive | Date 28/01/2026 |

19

| Final response of the Director Concerned for consideration by the Municipal Manager | |
|---|---|
| | |
| Signature of the Director concerned | Date |

20

| General Comments and findings of the Municipal Manager | |
|---|---|
| | |
| Signature of the Municipal Manager | Date 28/1/2026 |

AUDITOR-GENERAL
SOUTH AFRICA

The Accounting Officer
Theewaterskloof Municipality
PO Box 24
Caledon
7230

24 October 2025

Reference: Communication No. 09 of 2025

Dear Mr. W Hendricks

**COMMUNICATION OF FINDINGS IDENTIFIED DURING THE AUDIT OF COMPLIANCE WITH LEGISLATION FOR THE YEAR ENDED 30 JUNE 2025**

**Background**

1. In performing the audit of compliance with legislation, we identified instances of non-compliance as described in the annexure. We have recorded the internal control deficiency that gave rise to the instances of non-compliance and our recommendation for correcting the instances of non-compliance for your consideration.
2. The finding will be included in the management report including your comments and our final response.

**Required**

3. You are requested to indicate whether you agree with the facts stated in the annexure including whether you agree with the identified internal control deficiency. Should you disagree, please provide us with documentary evidence to the contrary within 5 days from the date of this communication, as agreed in the engagement letter.
4. Please provide us with the reasons for the instances of non-compliance and the steps that will be taken to rectify the matter in future.

Yours sincerely

Masixole Velem
Senior Manager: Western Cape

Enquiries: Henno Pretorius
Cell phone: 064 907 4146
Telephone: (021) 528 4100
Email: hennop@agsa.co.za

**Acknowledgement of receipt by management:**

Received by _____ Date _____

**DETAILED AUDIT FINDING**

**Procurement processes and contract management**

**SCM: Reason for not following the official procurement processes (Deviation) not justifiable and incorrect classification of deviations**

### 1. Unjustified deviations from normal Supply chain processes

Section 2(1)(b) of the Supply Chain Management (SCM) regulations, *"each municipality and municipal entity must in terms of section 111 of the Act have and implement a supply chain management policy that –*

*(b) is fair, equitable, transparent, competitive and cost effective."*

Section 19 of the Municipal Supply Chain Management Regulations on Competitive bids states
*"A supply chain management policy must specify—*

*a) that goods or services above a transaction value of R300 000 (VAT included) may be procured by the municipality or municipal entity only through a competitive bidding process, subject to regulation 11(2); and*

*b) that no requirement for goods or services above an estimated transaction value of R300 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process."*

Section 17(1) of the Municipal Supply Chain Management Regulations states that:
*"A supply chain management policy must stipulate the conditions for the procurement processes of goods or*
*services through formal written price quotations, which must include conditions stating—*

*a) that quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the municipality or municipal entity;*

*b) that quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria in the supply chain management policy required by regulation 14(1)(b) and;*

*c) that if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer."*

Section 36 of the Municipal Supply Chain Management Regulations states that;

*(1.) "A supply chain management policy may allow the accounting officer –*

*(a.) to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*

*(i) In the case an emergency;*

*(ii) If such goods or services are produced or available from a single provider only;*

*(iii) For the acquisition of special works of art or historical objects where specifications are difficult to compile;*

*(iv) Acquisition of animals for zoos; or*

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

*(b.) to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely technical.*

*(2.) The accounting officer must record the reasons for any deviations in terms of sub-regulation (1) (a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements*

*(3.) In terms of the Supply Chain Management (SCM) regulations 5: "An accounting officer may in terms of section 79 or 1 06 of the Act sub delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of regulation 4(1), but any such sub delegation must be consistent with sub regulation (2) and regulation 4".*

Furthermore, paragraph 37 of the municipality's supply chain policy states that:
***"36. DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSESSNT***
***PROCESSES***

*1. The Accounting Officer may –*

*a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*
*(I) in an emergency; (An emergency is an unforeseeable sudden event with harmful or potential harmful consequences for the municipality which requires urgent action to address.)*

*Circumstances that warrant emergency dispensation, includes but are not limited to –*

*a) the possibility of human injury or death,*
*b) the prevalence of human suffering or deprivation of rights,*
*c) the possibility of damage to property, or suffering and death of livestock and animals, the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole, the possibility of serious damage occurring to the natural environment,*
*d) the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service,*
*e) the possibility that the security of the state could be compromised.*

*2. The Accounting Officer must record the reasons for any deviations in terms of subparagraphs 36(1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.*
*3. Subparagraph 36(2) does not apply to the procurement processes of goods and services contemplated in paragraph 11(2) of this policy."*

During our testing of this deviation, we identified several instances where the reason for the deviation was not found to be justifiable:

## Part A: Inadequate Justification for Procurement processes Deviations

| No | Name of supplier and service provided | Category | Actual value of contract | Deviation date of approval | Auditor's comment |
|---|---|---|---|---|---|
| 1. | **Security Services – Sibukele Security Services** | Any other exceptional case where it is impractical or impossible to follow the official procurement processes | R1 629 561,50 | 09 July 2024 | The municipality justified this deviation by procuring security services for one month prior to commencement of a construction contract to prevent community members from illegally occupying vacant structures.<br>However, this deviation does not meet the criteria for any other exceptional case where it is impractical or impossible to follow the official procurement processes. The situation could have been managed through a formal quotation process, and the failure to plan adequately for PPE needs led to the unjustifiable deviation.<br><br>**Impact:** This results in non-compliance with regulation 19(a) as goods were procured without following a competitive bidding process.<br><br>Deviations were approved by the accounting officer even though it was not impractical obtain price quotations in contravention with regulation 36(1)(a). This results in irregular expenditure of R1 629 561,50. The non-compliance is material (recurring) and will be included in the audit report. |
| 2. | **Appointment of a contractor to contractor to construct 32 units in Hillside Phase 1 Grabouw - Rhandzo Projects (Pty) Ltd** | Any other exceptional case where it is impractical or impossible to follow the official procurement processes | R6 242 016,00 | 11 July 2024 | The municipality deviated from SCM processes to procure construction services for constructing 32 housing units. The municipality while the tender process was underway, should have planned and initiated the request for tenders and thus made an award to the supplier on the basis that the conditions on the ground for the occupants of hostels were worsening thus the municipality had to act urgently to protect the community. The municipality should have continued to evaluate with the normal procurement processes process swiftly to enable the prompt awarding of the tender and timely commencement of the construction project. This deviation, therefore, stems from inadequate planning.<br><br>**Impact:** This results in non-compliance with regulation 19(a) as goods were procured without following a competitive bidding process. |

| No | Name of supplier and service provided | Category | Actual value of contract | Deviation date of approval | Auditor's comment |
|---|---|---|---|---|---|
| | | | | | Deviations were approved by the accounting officer even though it was not impractical obtain price quotations in contravention with regulation 36(1)(a)(v). This results to irregular expenditure of R2 260 982 (expenditure current year). All future expenditure for this services should also be regarded as irregular expenditure. The non-compliance is material (recurring) and will be included in the audit report. |

**Part B:**

## 2. Deviations incorrectly categorised

**Auditors finding**

Furthermore, we identified that the following deviations was incorrectly categorised as "Any other exceptional case where it is impractical or impossible to follow the official procurement process" under Regulation 36(1)(a), despite the circumstances clearly meeting the definition of an "Emergency". These deviations are therefore incorrectly classified in Note 57.7 of the AFS:

| Order date | Supplier | Details of goods or services supplied | Amount (R) | Reason for deviation |
|---|---|---|---|---|
| 1/10/2025 | Blue Falcon | Security Services - Emergency Deployment - 29, 30 December 2024 till 08 January 2025 | 1 159 200,00 | Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-08-30 | NEWPORT WATER SOLUTIONS (PTY) LTD | SERVICING OF FIRE EQUIPMENT | 120 101,76 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-09-26 | ADENCO CONSTRUCTION PTY LTD | Vandalism and stealing of cables Main supply in Villiersdorp | 102 550,08 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-10-29 | ADENCO CONSTRUCTION PTY LTD | Replace damaged 11m Pole on OH line in Ham street Villiersdorp | 91 191,19 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |

| | | | | |
|---|---|---|---|---|
| 2024-10-17 | SPEED VAC AND PLANT (PTY) LTD | The sewer network of Grabouw had a blockage and caused a spillage in the area. The service provider was tasked to unblock the sewer and contain the spill with the use of a Jetvac truck. | 61 828,90 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-11-08 | ADENCO CONSTRUCTION PTY LTD | Vandalism to the 11kv pole and cable vandalized | 48 483,65 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-11-08 | ADENCO CONSTRUCTION PTY LTD | Vandalism in Villiersdorp 3x poles | 46 167,97 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-09-26 | ADENCO CONSTRUCTION PTY LTD | In Ham street Villiersdorp an 11Kv pole and cable was vandalized. The pole and cable was stolen. | 40 145,63 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-08-15 | ADENCO CONSTRUCTION PTY LTD | In Ham street Villiersdorp an 11Kv pole and cable was damage. The pole and cable was stolen. Due to gale force wind and rain it was impossible to repair. | 34 365,45 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-11-08 | ARCCON | Vandalism a 11KV pole at Dennestreet, Caledon | 27 668,37 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |

| | | | | |
|---|---|---|---|---|
| 2024-11-05 | ADENCO CONSTRUCTION PTY LTD | Vandalism for Villiersdorp | 24 863,92 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-11-25 | MAXAL PROJECTS SA (PTY) LTD | Emergency callout strip and clean | 6 706,80 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-10-15 | ANDRAG AGRICO (PTY) LTD | hose rubber dual 100mm clamp heavy duty labour | 5 187,08 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| | | | **1 768 460,80** | |

**Impact**

- Material Non-compliance with Supply Chain Management regulations 17(1)(a) and (c) and 19 (a) resulting in irregular expenditure of R10 734 718.15. The irregular expenditure will also be assessed for expenditure management compliance to confirm if there was prevention of irregular expenditure.
- Incorrect classification misstatement of R1 768 460.80

**Internal control deficiency**

*Financial and performance management –*

*Review and monitor compliance with applicable laws and regulations*

- Reviews of procurement processes deviations are not performed adequately, as the reasons for bypassing the official procurement processes process are often unjustifiable.
- There is a lack of robust processes for reviewing and monitoring compliance with applicable expenditure management laws and regulations, contributing to irregular expenditure.
- The municipality lacks sufficient planning and monitoring controls to ensure deviations are justified and aligned with appropriate emergency protocols.

- Weaknesses in procurement processes oversight and insufficient planning lead to recurring non-compliance with Supply Chain Management (SCM) regulations.
- The municipality's failure to anticipate and plan for critical service needs, particularly high-demand services like town cleaning, highlights a significant deficiency in operational planning and forecasting.
- Lack of oversight mechanisms to ensure proper categorisation aligned with regulatory definitions.

*Financial and performance management –*

*Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.*

- Reviews of the classification of deviations and the financial statements were not performed adequately resulting in incorrect classification.

**Recommendation**

- Management should investigate the total population of deviations and adjust the financial statements to include the irregular expenditure of R10 734 718.15 and any other misstatement identified in the investigated population. Furthermore, management should ensure that all future payments on these unjustifiable deviations should also be regarded and treated as irregular expenditure. Management should update the financial statements to include the total irregular expenditure incurred in the current financial year in this regard.
- Management should establish robust procedures to review and monitor procurement processes deviations before approval, including independent verification of the categorisation.
- Management should strengthen their review and monitoring processes of compliance with expenditure management applicable laws and regulations to ensure that reasonable steps are taken to prevent irregular expenditure.
- A stricter approval process for deviations should be implemented, ensuring adequate justification and minimising recurrence of non-compliance.
- The municipality should revise its emergency procurement processes policies to ensure compliance with SCM regulations, even during disaster responses. Adopting a proactive approach to managing procurement processes timelines and engaging in parallel processes will help minimise irregularities and enhance transparency.
- Management should implement proper review processes on the classification of deviations in the financial statements.

**Management response**

| DESCRIPTION | RESPONSE |
|---|---|
| Does management agree with the finding (Yes/ No) | Part A – No<br>Part B - Yes |
| Detail reason for agreeing/ disagree with finding | **Part A**<br>The deviations and related motivations were reasonable due to the circumstances that existed at that particular time, and accordingly the said deviations were approved.<br><br>The Management still underscores the reality of the challenges experienced with the recruitment and selection of Senior Management during the year under review which had |

| DESCRIPTION | RESPONSE |
|---|---|
| | a direct impact on the functionality of the bid committees that created undue delays and forced deviations. A compounding factor was the uncertainty surrounding the Municipality's financial position and the risk of forfeiting external funding (conditional grants). |
| Management comment on internal control deficiencies and root cause indicated and detail reason for agreeing/ disagree with finding. | Part A – Management disagrees with finding<br>Part B – Management agrees with the internal control deficiency. |
| Detail corrective action to be taken and date. | Part A – N/A as management disagrees with the finding.<br>Part B – AFS note to be adjusted. |
| Does the finding affect an amount disclosed in the financial statements (Yes/ No) | Yes |
| If yes, what corrections will be made to the population | Part A – Management disagrees with finding<br>Part B – AFS note to be adjusted |
| If **yes** and no corrections will be made the reason, why such a conclusion has been reached should be indicated. | N/A |
| Position of official responsible to take corrective actions | Deputy Director: Finance |

Name: Annielle Martin
Position: Acting SCM Manager
Date:31/10/2025

**Auditor's conclusion:**

**Part A**

Management's responses are acknowledged. No additional supporting evidence was supplied to the auditors to justify the deviations. We therefore will conclude that the deviations are not justifiable.

Management indicated that no corrections is required in the financial statements, therefore the irregular expenditure of **R10 734 719.15** will be taken to uncorrected misstatements and the amount is material and results in a modification the audit opinion.

**Part B**

In respect of the irregular expenditure, we have not yet received the updated financial statements. Once received we will confirm if management adjusted for the finding.

Theewaterskloof Municipality

# THEEWATERSKLOOF MUNICIPALITY

## Office of the Director: Financial Services

### SUPPLY CHAIN MANAGEMENT POLICY

### REQUEST FOR DEVIATION FORM IN TERMS OF REGULATION 36

**Section A**

| Reg. 36 | Reason for Deviation | (Mark with X where applicable) |
|---|---|---|
| (1)(a)(i) | **In an Emergency; (An emergency is an unforeseeable sudden event with harmful or potential harmful consequences for the municipality which requires urgent action to address.)** | |
| | **Circumstances that warrant emergency dispensation**<br>Circumstances that warrant emergency dispensation includes but are not limited to - | |
| | a) the possibility of human injury or death, | |
| | b) the prevalence of human suffering or deprivation of rights, | |
| | c) the possibility of damage to property, or suffering and death of livestock and animals, the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole, the possibility of serious damage occurring to the natural environment, | |
| | d) the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service, | |
| | e) the possibility that the security of the state could be compromised. | |
| **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.** | | |
| **(ii)** | **Sole supplier** | |
| **(iii)** | **Acquisition of special works of art or historical objects where specifications are difficult to compile.** | |
| **(iv)** | **Acquisition of animals for zoos and/or nature and games reserves.** | |
| **(v)** | **Any other exceptional case where it is impractical or impossible to follow the official procurement processes.** | **X** |

**Section B**

**Furnish and motivate reasons for the required deviation:**

**Background:**

**Grabouw Gypsy Queen Erf 8078**

The Gypsy Queen land, forms part of the Greater Grabouw project which was approved by the Department of Infrastructure for pre-feasibility studies. The municipality is in the process of implementing the Waterworks Emergency Housing project on a portion of Erf 8078, in providing permanent TRA structures for 67 families affected by a fire disaster. The municipality appointed a contractor to construct the TRA units who has since vacated the site due to non-payment for works completed. The funding for the project is co-funded by the Provincial and National Department of Human Settlements however the project is delayed to the non-payment of the second tranche to the municipality resulting in the contractor abandoning site.

| |
|---|
| The structures remain vacant and is vulnerable of being illegally occupied as there is no (previous appointment terminated) security on site. Members of the Waterworks Informal Settlement indicated that they would illegally occupy the incomplete units should the contractor not return to site. |
| **Motivation:**<br>The municipality re-advertised tender DEV 04/2023/24 and awarded to a new contractor on the 27th of June 2024. The works is envisaged to commence on the 1st of August 2024, of which security becomes the liability of the contractor. The municipality will have to appoint a security company as an interim measure to secure erf 8078 while the contractor is yet to establish site.<br>**Recommendation**<br>Urgent provision of security services for the above-mentioned portions is critical to unlocking the human settlements backlog in the town of Grabouw. The department request that SIBAKULU Security who is currently in the area, to be appointed for a period of 1 months to safeguard Erf 8078 on an emergency basis. |

**Annexures:** Please attached all relevant proof, i.e. quotes, sole provider, etc.

**Section C**

| Financial Implication | | |
|---|---|---|
| **Vote Number** | **Available Budget** | **Deviation Amount** |
| **012112975890** | **R 1 385 907.00** | **R 898 736.50** |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

**Section D**

| Related Parties Declaration | | | | | | |
|---|---|---|---|---|---|---|
| **Does the requested and recommended officials have any relationship i.t.o Regulation 45 of the SCM Policy with this supplier?** | | | | | | |
| **Please indicate Yes / No** | **No** | | | | | |
| **If Yes, provide name and surname and tick the relevant relation as indicated below** | | | | | | |
| **Name and Surname** | | | | | | |
| **Spouse** | **Domestic Partner** | **Dependent Child** | **Nondependent Child** | **Grandchild** | **Grandparent** | **Parent** |
| | | | | | | |
| **Relative living in an Common Household** | **Brother** | **Sister** | **Parent-in-Law** | **Brother-in-Law** | **Sister-in-Law** | |
| | | | | | | |

**Section E**

| | | | |
|---|---|---|---|
| 1. Requested by Official: | S. Tebele | | 09/07/2024 |
| | Name | Signature | Date |
| 2. Recommended by Manager: | S. Tebele | | 09/07/2024 |
| | Name | Signature | Date |
| 3. Recommended by: Director/Deputy Dir./HOD | N. Baliso | Nano. Baliso | 09/07/2024 |
| | Name | Signature | Date |
| 4. Received by ICT/Fleet Management | | | |
| | Name | Signature | Date |
| 5. Recommended by: ICT/Fleet Management | | | |
| | Name | Signature | Date |
| 6. Received by SCM | A Martin | | 9/7/2024 |
| | Name | Signature | Date |
| 7. SCM Comments: | SCM doc's attached | | |
| Reviewed by: | A Martin | | 9/7/2024 |
| | Name | Signature | Date |
| 8. Received by Delegated Authority | | | |
| | Name | Signature | Date |
| 9. Approved/ Not Approved: | R. STEVENS | R. Stevens | 09.07.2024 |
| MM / Dir. / Dep. Dir. Financial Services | Name | Signature | Date |
| 10. Provide reason if not approved: | | | |
| 11. Received by SCM | | | |
| | Name | Signature | Date |

# QUOTE

Theewaterskloof Municipality PO Box 24, Caledon Western Cape 7230
South Africa
VAT Number: 4000846248

**Date**
4 Jul 2024

**Quote Number**
QU-0156

**VAT Number**
4450289774

Reg No: 2013/181185/07
Psira Reg:3040805
Sibakulu Trading (Pty) Ltd
Unit 1 On London Circle
Bracken Gate Business Park
Brackenfell
CAPE TOWN 7560

| Description | Quantity | Unit Price | VAT | Amount ZAR |
|---|---|---|---|---|
| Grabouw Gipsy Queen | | | | |
| Officer Day Land invasion:01-07-2024 to 31-07-2024 (14 x officers) | 434.00 | 457.50 | 15% | 198,555.00 |
| Day shift inspector Land invasion:01-07-2024 to 31-07-2024 (4 x officers) | 124.00 | 925.00 | 15% | 114,700.00 |
| Officer Night Land invasion:01-07-2024 to 31-07-2024 (14 x officers) | 434.00 | 457.50 | 15% | 198,555.00 |
| Night shift inspector Land invasion:01-07-2024 to 31-07-2024 (4 x Inspectors) | 124.00 | 925.00 | 15% | 114,700.00 |
| Armed Response Unit for Emergency Day&Night :01-07-2024 to 31-07-2024 (4 x officers) | 124.00 | 1,250.00 | 15% | 155,000.00 |
| | | | Subtotal | 781,510.00 |
| | | | TOTAL VAT | 117,226.50 |
| | | | **TOTAL ZAR** | **898,736.50** |

**Terms**

Banking Details: Standard Bank of South Africa
Account Name: Sibakulu Trading(Pty)Ltd
Account Number: 10108189781
Branch Name: Thibault Square
Branch Number: 051001

Production

SHANELL DUNSDON

09 JULY 2024 16:03

# Statement of Financial Performance Items

WC031 Theewaterskloof Municipality (All)

**FinYear** 2425 **mSCOA Config** 012112975890 **VAT Liability** 0%

**Project** 0PO 003 007 015 [KPA5/Bas/SO1/0356] - Operational:Typical Work Streams:Community Development:Housing Projects

**Function** 0FX 007 001 002 - Function:Housing:Core Function:Informal Settlements

**Fund** 0FD 001 001 001 002 - Fund:Operational:Revenue:General Revenue:Equitable Share

**Item** 0IE 003 003 041 - Expenditure:Contracted Services:Contractors:Safeguard and Security

**Region** 0RX 002 003 009 002 003 004 001 001 - DC3 Overberg:WC031 Theewaterskloof:Administrative or Head Office (Including Satellite Offices)

**Costing** 0CO 003 - Costing:Default

**Administrative Information**

| | |
|---|---|
| Description | Contracted Services - Security Services |
| Cost Centre | 2112 Informal Settlements |
| AFS Code | |
| AFS S-Code | |
| Program | |

**Budget Information**

| | | |
|---|---|---|
| Budget Title | Contracted Services - Contractors 04 | |
| Sub Title | Safeguard and Security 0148 | |
| Original | 1,385,907+ | Portion of Budget Available on WO |
| Adjustments | | |
| Total | 1,385,907+ | 0 |

**Unprocessed Accruals**

| | |
|---|---|
| On Order | (IN) |
| On Order | 0(EX) |
| GRN | 0 |
| Other | 0 |
| Available | 1,385,907.00+ |

| Fin Months | Budget | Adj.Budget | Total Budget | DEBITS | CREDITS | Available |
|---|---|---|---|---|---|---|
| Jul '24 | 115,492+ | 0 | 115,492+ | | | 115,492.00+ |
| Aug '24 | 115,492+ | 0 | 115,492+ | | | 230,984.00+ |
| Sep '24 | 115,492+ | 0 | 115,492+ | | | 346,476.00+ |
| Oct '24 | 115,492+ | 0 | 115,492+ | | | 461,968.00+ |
| Nov '24 | 115,492+ | 0 | 115,492+ | | | 577,460.00+ |
| Dec '24 | 115,495+ | 0 | 115,495+ | | | 692,955.00+ |
| Jan '25 | 115,492+ | 0 | 115,492+ | | | 808,447.00+ |
| Feb '25 | 115,492+ | 0 | 115,492+ | | | 923,939.00+ |
| Mar '25 | 115,492+ | 0 | 115,492+ | | | 1,039,431.00+ |
| Apr '25 | 115,492+ | 0 | 115,492+ | | | 1,154,923.00+ |
| May '25 | 115,492+ | 0 | 115,492+ | | | 1,270,415.00+ |
| Jun '25 | 115,492+ | 0 | 115,492+ | | | 1,385,907.00+ |
| Period 13 | | | | | | 1,385,907.00+ |
| Period 14 | | | | | | 1,385,907.00+ |
| Period 15 | | | | | | 1,385,907.00+ |
| **Totals** | **1,385,907+** | | **1,385,907+** | | | |

2425 012112975890 - Successfully displayed

View Add Change Delete

**ITEM HEADING**

**SC89/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING: IRREGULAR EXPENDITURE – ESRI SOUTH AFRICA (PTY) LTD**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE / AIM OF REPORT**

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible/alleged irregular expenses occurred to an amount of R731 264.31 funded by the Municipality, and that the Committee consider the report with explanatory template for the irregular expenditure in terms of Section 32 of the MFMA. The Committee can in terms of its mandate:

1. Investigate the irregular expenditure,
2. Make recommendations to the Council as to who, if any is liable for the irregular expenditure,
3. Recommend to the Council whether the irregular expenditure must be certified as irrecoverable and be written off,
4. Make recommendations if necessary for the implementation of measures to prevent future irregular expenditure and,
5. To report to Council on the effective functioning of processes and procedures/controls surrounding the prevention of unauthorized, irregular, fruitless and wasteful expenditure currently.

**BACKGROUND**

The following transaction was deemed as an irregular expenditure in terms of the Supply Chain Management Policy:

1. **ESRI SOUTH AFRICA (PTY) LTD.** – R731 264.31

**DISCUSSION**

Over the past six years, the Theewaterskloof Municipality has made significant investments in ESRI's Geographic Information System (GIS), including software, systems, and development, to ensure the platform is customized to meet the Municipality's specific needs. ESRI South Africa (Pty) Ltd, as the sole creator, developer, and distributor of ESRI GIS in South Africa (Annexure A), has the necessary expertise to support the Municipality in achieving its strategic objectives and maintaining its systems into the future.

To date, the Municipality has standardized its tools and sub-systems on ESRI GIS. The enterprise-wide GIS maintains a spatial record of all properties within the Municipality, supported by aerial photography. Access is provided across all municipal computers, with a limited version available to the public. Several applications have been developed using the GIS, such as the Afla system for managing Town Planning applications, the Billing Viewer, and other spatially based systems. These applications are used daily, for example, in processing Town Planning approvals, thereby ensuring practicality and business continuity.

The Municipality and ESRI entered into a three-year agreement, scheduled to conclude in June 2024. Recognizing the value of the system and avoiding a gap in service provision after the contract's expiry, the Municipality initiated the Supply Chain Management (SCM) process in February 2024.

The end user began the SCM process within the appropriate timeframe. However, the former Municipal Manager did not support proceeding with a formal tender process. After holding the nomination for the specification committee for an extended period without approval, he advised via email that a deviation should be pursued instead (Annexure A).

This deviation was not the result of administrative oversight or delays in initiating the process, but rather a directive from the former Municipal Manager, which influenced the course of action taken. It is important to highlight that the SCM unit did not support the initial deviation, as evidenced in the attached email titled *"Request for Deviation: ESRI."* This demonstrates that the decision to deviate from the formal tender process was not made with consensus. SCM consistently maintained its position in favour of following a formal procurement procedure, reinforcing the view that the deviation was not aligned with standard SCM protocols.

The AG report reflects a contract value of R414,208.15, while the actual expenditure amounted to R731,264.31. What the report does not clarify is that R414,208.15 covered the deviation period from July 2024 to December 2024. During this time, the Municipality initiated a formal competitive process; however, no responsive bids were received. As a result, the end user extended the deviation for a further six months, until June 2025, bringing the total expenditure to R731,264.31.

It should be noted that there were no issues with the performance of the service provider. The Municipality currently has a contract with ESRI through a competitive bidding process, with annual fees of ±R818995.50 including VAT, consistent with previous years. This demonstrates that Council received value for money.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The two approved deviations totaled R828,416.30, which exceeded the actual payment amount of R731,264.31. The variance arose because the Municipality did not utilize all the support hours initially quoted.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA stipulates that any municipal official who deliberately or negligently commits or authorizes irregular expenditure is liable for that expenditure. A municipality must recover such expenditure from the responsible official unless Council certifies it as irrecoverable, following investigation and recommendation by the Municipal Public Accounts Committee.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

None.

**RECOMMENDATION BY ITEM AUTHOR:**

**In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R731 264.31 for the financial year 2024/2025 be written off as irrecoverable.**

**RECOMMENDATION BY MANAGEMENT TO MPAC: 29 JANUARY 2026**

**In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R731 264.31 for the financial year 2024/2025 be written off as irrecoverable.**

**RECOMMENDATION BY MPAC TO COUNCIL: 18 FEBRUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander and seconded by Councillor TB Zimmermann, it was recommended as follows:

1. **In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R731 264.31 for the financial year 2024/2025 be written off as irrecoverable.**

2. **The Municipal Public Accounts Committee noted the corrective measures put in place by awarding a tender until 30 June 2028.**

**RECOMMENDATION TO COUNCIL:**

**It is recommended**:

1. **That in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R731 264.31 for the financial year 2024/2025 be written off as irrecoverable.**

2. **That Council noted the corrective measures put in place by awarding a tender until 30 June 2028.**

**RESOLVED BY COUNCIL: 19 MARCH 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander and seconded by Councillor H Linnerts it was resolved as follows:

1. **That in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R731 264.31 for the financial year 2024/2025 be written off as irrecoverable.**

2. **Council noted the corrective measures put in place by awarding a tender until 30 June 2028.**

*For finalization by the Director: Economic Development and Planning, Ms N Baliso.*

**RECOMMENDATION TO COUNCIL:**

**Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.**

# CHECKLIST

ANNEXURE A

**Status Report– NON – COMPLIANCE WITH SCM REGULATION 19 (a) – PROCUREMENT OF GOODS WITHOUT FOLLOWING A COMPETITIVE BIDDING PROCESS**

**In terms of SCM and MFMA requirements and remedial action required if necessary**

1

| **What was the initial Purpose** |
|---|
| Procure a GIS system to manage Town Planning applications, the Billing Viewer, and other spatially based systems |

2

| **Initial Scope of Contract and if uncertain please explain** |
|---|
| Procure a GIS system to manage Town Planning applications, the Billing Viewer, and other spatially based systems |

3

| **Initial Contract Value and if uncertain please explain** |
|---|
| R 414208.15 |

4

| **Initial Expiry Date and if uncertain please explain** |
|---|
| N/A |

5

| **Was normal SCM Process followed and complied with** | | |
|---|---|---|
| Yes | **No X** | Uncertain |
| **Explain of motivate your response** | | |
| Deviation from the formal procurement process. | | |

6

| **Has the purpose, scope or contract period been extended or expanded since the initial appointment of the service provider** | | |
|---|---|---|
| **Yes X** | No | Uncertain |
| **Explain or motivate your response** | | |
| Contract period extended. | | |

7

| **Was a formal contract or SLA initially entered into in terms of SCM and MFMA Requirements** | | |
|---|---|---|
| **Yes X** | No | Uncertain |
| **Explain or motivate your response** | | |
| Formal Contract via a an approved deviation. | | |

8

| Should a contract not have existed has it since been entered into and has all compliance requirements like as it applies in respect of the SCM process and or for purposes of deviations been complied with | | |
|---|---|---|
| **Yes X** | No | Uncertain |
| **Motivate or explain your response** | | |
| The three-year contract was awarded for a three-year term following a competitive bidding process. | | |

9

| Did Council because of this transaction received best value for money i.e. in spite of non-compliance, if any with SCM or MFMA requirements | | |
|---|---|---|
| **Yes X** | No | Uncertain |
| **Please explain or motivate your response above** | | |
| Service rendered by service provider | | |

10

| Has the Municipality suffered any losses or damages as a result of non-compliance with any of the MFMA or SCM requirements | | |
|---|---|---|
| Yes | **No X** | Uncertain |
| **Please explain or motivate your response above** | | |
| There were no issues with the performance of the service provider. The two approved deviations totaled R828,416.30, which exceeded the actual payment amount of R731,264.31. The variance arose because the Municipality did not utilize all the support hours initially quoted. Council has received value for money and did not suffer any financial loss or damages. | | |

11

| Are you satisfied with the performance of the current service providers | | |
|---|---|---|
| **Yes X** | No | Uncertain |
| **Please explain or motivate your response above** | | |
| Service provider performance satisfactory | | |

12

| Has the director investigated and established whether or not there is not at this point a better service provider, price or product which would justify a new procurement process and a reconsideration of the current service provider, product or price | | |
|---|---|---|
| **Yes X** | No | Uncertain |
| **Please explain or motivate your response above** | | |

| |
|---|
| It was investigated, however it was found that the Municipality has standardized its tools and sub-systems on ESRI GIS has the necessary expertise to support and assist the Municipality in its strategic intent and systems going forward. The Theewaterskloof Municipality made substantial investments in the ESRI GIS for over 6 years in software, systems and development. Investment were made to ensure that the system is customized according to the Municipality's needs. |

13

| **Could any form of non-compliance have been prevented** | | |
|---|---|---|
| **Yes X** | No | Uncertain |
| **Explain or motivate your response above** | | |
| The procurement process for a new service provider could have been finalised prior the conclusion of the contract dated June 2024. | | |

14

| **What remedies have been put in place to prevent any non-compliance being repeated** | | |
|---|---|---|
| **Yes X** | No | Uncertain |
| **Explain or motivate your response above** | | |
| The three-year (1 July 2025 – June 2028) contract was awarded for a three-year term following a competitive bidding process. | | |

15

| **General or additional Comments of the Director Concerned** |
|---|
| ..... |
| ..... |
| pp Signature of Director Concerned Date 26/01/2026 |

16

| **General Comments/Findings and recommendations of the CFO** |
|---|
| Value for money was obtained support write off. |
| Signature of CFO Date 26/01/2026 |

17

| **General Comments/Findings and or recommendations of the Chief Audit Executive** |
|---|
| Support - Sole Supplier |
| Signature of Chief Audit Executive Date 26/01/2026. |

18

| **Final response of the Director Concerned for consideration by the Municipal Manager** |
|---|
| SUPPORT THE RECOMMENDED WRITE OFF |

ANNEXURE A

| Signature of the Director concerned | Date 26/01/2026 |
|---|---|

19

| General Comments and findings of the Municipal Manager |
|---|
| 1. |
| Signature of the Municipal Manager Date 26/01/2026 |

# ANNEXURE A

## (email correspondence)

AUDITOR-GENERAL
SOUTH AFRICA

The Accounting Officer
Theewaterskloof Municipality
PO Box 24
Caledon
7230

24 October 2025

Reference: Communication No. 09 of 2025

Dear Mr. W Hendricks

**COMMUNICATION OF FINDINGS IDENTIFIED DURING THE AUDIT OF COMPLIANCE WITH LEGISLATION FOR THE YEAR ENDED 30 JUNE 2025**

**Background**

1. In performing the audit of compliance with legislation, we identified instances of non-compliance as described in the annexure. We have recorded the internal control deficiency that gave rise to the instances of non-compliance and our recommendation for correcting the instances of non-compliance for your consideration.
2. The finding will be included in the management report including your comments and our final response.

**Required**

3. You are requested to indicate whether you agree with the facts stated in the annexure including whether you agree with the identified internal control deficiency. Should you disagree, please provide us with documentary evidence to the contrary within 5 days from the date of this communication, as agreed in the engagement letter.
4. Please provide us with the reasons for the instances of non-compliance and the steps that will be taken to rectify the matter in future.

Yours sincerely

Masixole Velem
Senior Manager: Western Cape

Enquiries: Henno Pretorius
Cell phone: 064 907 4146
Telephone: (021) 528 4100
Email: hennop@agsa.co.za

**Acknowledgement of receipt by management:**

Received by _____ Date _____

**DETAILED AUDIT FINDING**

**Procurement processes and contract management**

**SCM: Reason for not following the official procurement processes (Deviation) not justifiable and incorrect classification of deviations**

**1. Unjustified deviations from normal Supply chain processes**

Section 2(1)(b) of the Supply Chain Management (SCM) regulations, *"each municipality and municipal entity must in terms of section 111 of the Act have and implement a supply chain management policy that –*

*(b) is fair, equitable, transparent, competitive and cost effective."*

Section 19 of the Municipal Supply Chain Management Regulations on Competitive bids states
*"A supply chain management policy must specify—*

*a) that goods or services above a transaction value of R300 000 (VAT included) may be procured by the municipality or municipal entity only through a competitive bidding process, subject to regulation 11(2); and*

*b) that no requirement for goods or services above an estimated transaction value of R300 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process."*

Section 17(1) of the Municipal Supply Chain Management Regulations states that:
*"A supply chain management policy must stipulate the conditions for the procurement processes of goods or*
*services through formal written price quotations, which must include conditions stating—*
*a) that quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the municipality or municipal entity;*
*b) that quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria in the supply chain management policy required by regulation 14(1)(b) and;*
*c) that if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer."*

Section 36 of the Municipal Supply Chain Management Regulations states that;

*(1.) "A supply chain management policy may allow the accounting officer –*

*(a.) to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*

*(i) In the case an emergency;*

*(ii) If such goods or services are produced or available from a single provider only;*

*(iii) For the acquisition of special works of art or historical objects where specifications are difficult to compile;*

*(iv) Acquisition of animals for zoos; or*

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

*(b.) to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely technical.*

*(2.) The accounting officer must record the reasons for any deviations in terms of sub-regulation (1) (a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements*

*(3.) In terms of the Supply Chain Management (SCM) regulations 5: "An accounting officer may in terms of section 79 or 1 06 of the Act sub delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of regulation 4(1), but any such sub delegation must be consistent with sub regulation (2) and regulation 4".*

Furthermore, paragraph 37 of the municipality's supply chain policy states that:
***"36. DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSESSNT***
***PROCESSES***

1. *The Accounting Officer may –*

a) *dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*
*(I) in an emergency; (An emergency is an unforeseeable sudden event with harmful or potential harmful consequences for the municipality which requires urgent action to address.)*

*Circumstances that warrant emergency dispensation, includes but are not limited to –*

a) *the possibility of human injury or death,*
b) *the prevalence of human suffering or deprivation of rights,*
c) *the possibility of damage to property, or suffering and death of livestock and animals, the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole, the possibility of serious damage occurring to the natural environment,*
d) *the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service,*
e) *the possibility that the security of the state could be compromised.*

2. *The Accounting Officer must record the reasons for any deviations in terms of subparagraphs 36(1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.*
3. *Subparagraph 36(2) does not apply to the procurement processes of goods and services contemplated in paragraph 11(2) of this policy."*

During our testing of this deviation, we identified several instances where the reason for the deviation was not found to be justifiable:

## Part A: Inadequate Justification for Procurement processes Deviations

| No | Name of supplier and service provided | Category | Actual value of contract | Deviation date of approval | Auditor's comment |
|---|---|---|---|---|---|
| 1. | **ESRI SOUTH AFRICA (PTY) LTD.** | Any other exceptional case where it is impractical or impossible to follow the official procurement processes | R414 208,15 | 13/08/2024 | The municipality deviated from the SCM process for the use of the GIS System to maintain a spatial record of all properties and infrastructure in the municipal area. A formal tender process was followed, but stopped by the previous municipal manager who instructed the finance department do go out on a deviation. The municipal manager do not have the authority to deviate from the formal procurement processes based on his preference. The tender process should have been followed.<br><br>**Impact:** This results in non-compliance with regulation 19(a) as goods were procured without following a competitive bidding process.<br><br>Deviations were approved by the accounting officer even though it was not impractical obtain price quotations in contravention with regulation 36(1)(a). This results to irregular expenditure of R731 264.31 (expenditure current year). All future expenditure for this services should also be regarded as irregular expenditure. The non-compliance is material (recurring) and will be included in the audit report. |

**Part B:**

## 2. Deviations incorrectly categorised

### Auditors finding

Furthermore, we identified that the following deviations was incorrectly categorised as "Any other exceptional case where it is impractical or impossible to follow the official procurement process" under Regulation 36(1)(a), despite the circumstances clearly meeting the definition of an "Emergency". These deviations are therefore incorrectly classified in Note 57.7 of the AFS:

| Order date | Supplier | Details of goods or services supplied | Amount (R) | Reason for deviation |
|---|---|---|---|---|
| 1/10/2025 | Blue Falcon | Security Services - Emergency Deployment - 29, 30 December 2024 till 08 January 2025 | 1 159 200,00 | Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-08-30 | NEWPORT WATER SOLUTIONS (PTY) LTD | SERVICING OF FIRE EQUIPMENT | 120 101,76 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-09-26 | ADENCO CONSTRUCTION PTY LTD | Vandalism and stealing of cables Main supply in Villiersdorp | 102 550,08 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-10-29 | ADENCO CONSTRUCTION PTY LTD | Replace damaged 11m Pole on OH line in Ham street Villiersdorp | 91 191,19 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |

| | | | | |
|---|---|---|---|---|
| 2024-10-17 | SPEED VAC AND PLANT (PTY) LTD | The sewer network of Grabouw had a blockage and caused a spillage in the area. The service provider was tasked to unblock the sewer and contain the spill with the use of a Jetvac truck. | 61 828,90 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-11-08 | ADENCO CONSTRUCTION PTY LTD | Vandalism to the 11kv pole and cable vandalized | 48 483,65 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-11-08 | ADENCO CONSTRUCTION PTY LTD | Vandalism in Villiersdorp 3x poles | 46 167,97 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-09-26 | ADENCO CONSTRUCTION PTY LTD | In Ham street Villiersdorp an 11Kv pole and cable was vandalized. The pole and cable was stolen. | 40 145,63 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-08-15 | ADENCO CONSTRUCTION PTY LTD | In Ham street Villiersdorp an 11Kv pole and cable was damage. The pole and cable was stolen. Due to gale force wind and rain it was impossible to repair. | 34 365,45 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-11-08 | ARCCON | Vandalism a 11KV pole at Dennestreet, Caledon | 27 668,37 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |

| | | | | |
|---|---|---|---|---|
| 2024-11-05 | ADENCO CONSTRUCTION PTY LTD | Vandalism for Villiersdorp | 24 863,92 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-11-25 | MAXAL PROJECTS SA (PTY) LTD | Emergency callout strip and clean | 6 706,80 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-10-15 | ANDRAG AGRICO (PTY) LTD | hose rubber dual 100mm clamp heavy duty labour | 5 187,08 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| | | | **1 768 460,80** | |

**Impact**

- Material Non-compliance with Supply Chain Management regulations 17(1)(a) and (c) and 19 (a) resulting in irregular expenditure of R10 734 718.15. The irregular expenditure will also be assessed for expenditure management compliance to confirm if there was prevention of irregular expenditure.
- Incorrect classification misstatement of R1 768 460.80

**Internal control deficiency**

*Financial and performance management –*

*Review and monitor compliance with applicable laws and regulations*

- Reviews of procurement processes deviations are not performed adequately, as the reasons for bypassing the official procurement processes process are often unjustifiable.
- There is a lack of robust processes for reviewing and monitoring compliance with applicable expenditure management laws and regulations, contributing to irregular expenditure.
- The municipality lacks sufficient planning and monitoring controls to ensure deviations are justified and aligned with appropriate emergency protocols.

- Weaknesses in procurement processes oversight and insufficient planning lead to recurring non-compliance with Supply Chain Management (SCM) regulations.
- The municipality's failure to anticipate and plan for critical service needs, particularly high-demand services like town cleaning, highlights a significant deficiency in operational planning and forecasting.
- Lack of oversight mechanisms to ensure proper categorisation aligned with regulatory definitions.

*Financial and performance management –*

*Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.*

- Reviews of the classification of deviations and the financial statements were not performed adequately resulting in incorrect classification.

**Recommendation**

- Management should investigate the total population of deviations and adjust the financial statements to include the irregular expenditure of R10 734 718.15 and any other misstatement identified in the investigated population. Furthermore, management should ensure that all future payments on these unjustifiable deviations should also be regarded and treated as irregular expenditure. Management should update the financial statements to include the total irregular expenditure incurred in the current financial year in this regard.
- Management should establish robust procedures to review and monitor procurement processes deviations before approval, including independent verification of the categorisation.
- Management should strengthen their review and monitoring processes of compliance with expenditure management applicable laws and regulations to ensure that reasonable steps are taken to prevent irregular expenditure.
- A stricter approval process for deviations should be implemented, ensuring adequate justification and minimising recurrence of non-compliance.
- The municipality should revise its emergency procurement processes policies to ensure compliance with SCM regulations, even during disaster responses. Adopting a proactive approach to managing procurement processes timelines and engaging in parallel processes will help minimise irregularities and enhance transparency.
- Management should implement proper review processes on the classification of deviations in the financial statements.

**Management response**

| DESCRIPTION | RESPONSE |
|---|---|
| Does management agree with the finding (Yes/ No) | Part A – No<br>Part B - Yes |
| Detail reason for agreeing/ disagree with finding | **Part A**<br>The deviations and related motivations were reasonable due to the circumstances that existed at that particular time, and accordingly the said deviations were approved.<br><br>The Management still underscores the reality of the challenges experienced with the recruitment and selection of Senior Management during the year under review which had |

| DESCRIPTION | RESPONSE |
|---|---|
| | a direct impact on the functionality of the bid committees that created undue delays and forced deviations. A compounding factor was the uncertainty surrounding the Municipality's financial position and the risk of forfeiting external funding (conditional grants). |
| Management comment on internal control deficiencies and root cause indicated and detail reason for agreeing/ disagree with finding. | Part A – Management disagrees with finding<br>Part B – Management agrees with the internal control deficiency. |
| Detail corrective action to be taken and date. | Part A – N/A as management disagrees with the finding.<br>Part B – AFS note to be adjusted. |
| Does the finding affect an amount disclosed in the financial statements (Yes/ No) | Yes |
| If yes, what corrections will be made to the population | Part A – Management disagrees with finding<br>Part B – AFS note to be adjusted |
| If **yes** and no corrections will be made the reason, why such a conclusion has been reached should be indicated. | N/A |
| Position of official responsible to take corrective actions | Deputy Director: Finance |

Name: Annielle Martin
Position: Acting SCM Manager
Date:31/10/2025

**Auditor's conclusion:**

**Part A**

Management's responses are acknowledged. No additional supporting evidence was supplied to the auditors to justify the deviations. We therefore will conclude that the deviations are not justifiable.

Management indicated that no corrections is required in the financial statements, therefore the irregular expenditure of **R10 734 719.15** will be taken to uncorrected misstatements and the amount is material and results in a modification the audit opinion.

**Part B**

In respect of the irregular expenditure, we have not yet received the updated financial statements. Once received we will confirm if management adjusted for the finding.

esri | THE SCIENCE OF WHERE

January 17, 2024

Re: Esri Distributor Certification for ESRI South Africa (Pty) Ltd.

To Whom It May Concern:

Environmental Systems Research Institute, Inc. (Esri), of Redlands, California, USA is the developer and manufacturer of the Esri family of software. We certify that ESRI South Africa (Pty) Ltd., an independent company, is our sole authorized distributor within South Africa, Lesotho, Mauritius, and Eswatini (Swaziland) and is authorized to demonstrate, promote, market, distribute, install, support, and provide instruction for certain Esri software and related materials.

ESRI South Africa (Pty) Ltd. is authorized to appoint other third-party persons or organizations on a nonexclusive basis to market, install and/or provide instruction for the Esri family of software within South Africa, Lesotho, Mauritius, and Eswatini (Swaziland). However, as Esri's sole authorized distributor within South Africa, Esri South Africa is the only entity that can provide full maintenance (including updates, and upgrades for the Esri software and technical support). Esri and ESRI South Africa (Pty) Ltd may also authorize the appointment of value-added resellers and OEMs for the sale of certain Esri software licenses and maintenance in combination with non-Esri hardware, software, or services.

This letter expires on December 31, 2026, unless otherwise notified by Esri in writing.

For further information, please contact Lorien Innes, International Country Manager at Esri at (909) 793-2853 or linnes@esri.com.

Sincerely,

Alejandra Merino
Manager, International Contracts
Environmental Systems Research Institute, Inc. (Esri)

cc: Lorien Innes, International Country Manager

CERTIFIED A TRUE COPY OF THE ORIGINAL
02/04/2024
MARIA ELIZABETH RUST
COMMISSIONER OF OATHS
EX-OFFICIO PROFESSIONAL GISc PRACTITIONER (PGP 0035)
INTERNATIONAL BUSINESS GATEWAY
CNR. NEW ROAD & 6TH ROAD
MIDRAND

380 New York Street
Redlands, California 92373-8100 USA

909 793 2853
info@esri.com

esri.com

## Donovan Swartland

**From:** Donovan Swartland
**Sent:** Monday, 26 February 2024 08:58
**To:** Nico La Grange
**Subject:** RE: Tender

Thanks Nico

**From:** Nico La Grange <nicola@twk.gov.za>
**Sent:** Monday, February 26, 2024 8:43 AM
**To:** Donovan Swartland <donovansw@twk.gov.za>
**Subject:** RE: Tender

Goeie more,

Sien dokument aangeheg met my kommentaar.

Dankie

**Nico la Grange**
*Accountant: Supply Chain Management*
*Directorate: Finance*

**THEEWATERSKLOOF MUNICIPALITY**
**Head Office:** Plein Street 6, Caledon, 7230
**Call Centre:** 028 214 3300 | **Emergency:** 080 021 4730 | **Email:** nicolal@twk.gov.za
**Website:** www.twk.gov.za | **Follow us on Facebook, X, Instagram:** @twkmun

Theewaterskloof
Municipality

**From:** Donovan Swartland <donovansw@twk.gov.za>
**Sent:** Tuesday, February 20, 2024 3:36 PM
**To:** Nico La Grange <nicola@twk.gov.za>
**Subject:** Tender

Hi Nico

Vind aangehegde soos bespreek.

Groete

**Donovan Swartland**
Senior Technician GIS
Directorate: Economic Development and Planning Services

## Donovan Swartland

**From:** Donovan Swartland
**Sent:** Monday, 18 March 2024 12:30
**To:** Namso Baliso
**Subject:** Tender
**Attachments:** Tender No TTP_01_2024_25 working document 2 18 March.docx

Hi Namso

Please find attach working document. Can you also go through it please.

Regards,

**Donovan Swartland**
Senior Technician GIS
Directorate: Economic Development and Planning Services

**THEEWATERSKLOOF MUNICIPALITY**
**Head Office.** 6 Pleiń Street, Caledon, 7230
**Call Centre.** 028 214 3300 | **Emergency.** 080 021 4730 | **Email.** donovansw@twk.gov.za
**Website.** www.twk.gov.za | **Follow us on Facebook, X, Instagram.** @twkmun

Theewaterskloof
Municipality

PRIVACY AND CONFIDENTIALITY DISCLAIMER: The Theewaterskloof Municipality and Staff are committed to ensuring that it safeguards personal/private information of data subjects and to respect their right to privacy in accordance with the provisions of the South African Constitution, the Protection of Personal Information Act, 2013 (POPIA) and the Promotion of Access to Information Act, 2000 (PAIA). This email message contains information which may be confidential, personal, private, or privileged in nature and is intended solely for use by the recipient and others authorized to receive it for the specific purpose for which it was sent. If you are not the intended recipient, you are prohibited from using, misusing, disseminating, altering, forwarding, storing, or copying the information, and are hereby notified that such action in relation to the contents of this information is unlawful which may result in your being held liable arising out of your non-compliance. If you have received this message in error, please notify the sender immediately and delete and/or destroy the message from your system.

**Donovan Swartland**

| | |
|---|---|
| **From:** | Kayalakhe Nontshiza |
| **Sent:** | Thursday, 28 March 2024 11:33 |
| **To:** | Janine Joorst |
| **Cc:** | Namso Baliso; Donovan Swartland |
| **Subject:** | FW: Tender |
| **Attachments:** | Tender No TTP_01_2024_25 working document 2 18 March.docx |

Good day Janine.

Please accept my gracious greetings.

Attached hereto please find the tender document for your attention and consideration. You should liaise with the chairperson of the BSC and discuss the content of the tender document.

NB! Mr Swartland you will recall that the abovementioned project was and still the subject of my suspension by Municipal Manager citing material misconduct during the previous tender process. My involvement in this matter may be easily construed as interfering with the investigation in Case Number WCP 102312 which is still pending at the South African Local Government Bargaining Council. My involvement thereto once again may be regarded as conflict of interest as the matter is subjudice.

With that being said, I will continue to provide an oversight role and assist where necessary.

Kind regards

KE Nontshiza

**From:** Donovan Swartland <donovansw@twk.gov.za>
**Sent:** Thursday, March 28, 2024 10:15 AM
**To:** Kayalakhe Nontshiza <kayalakheno@twk.gov.za>
**Subject:** FW: Tender

Hi Mr Nontshiza

Please find attach GIS tender document. It needs to go to spec committee which need to be carried in by a manager who takes responsibility for the tender. In the absence of a manager, I suppose it will be you. I can also attend as an observer who can assist.

Namso already went through the document (email below). I just need to complete the checklist.

Regards

**From:** Namso Baliso <namsoba@twk.gov.za>
**Sent:** Thursday, March 28, 2024 9:23 AM
**To:** Donovan Swartland <donovansw@twk.gov.za>
**Subject:** RE: Tender

Morning Donovan

I've gone through everything and it is well written, I am satisfied with the document. Sorry for the delay, and thank you.

Regards
Namso

**From:** Donovan Swartland <donovansw@twk.gov.za>
**Sent:** Monday, March 18, 2024 12:32 PM
**To:** Alex Kleinsmith <alexkl@twk.gov.za>
**Cc:** Namso Baliso <namsoba@twk.gov.za>
**Subject:** Tender

Hi Alex

Can you go through the attach tender and indicate IT's requirement please.

Regards,

**Donovan Swartland**
Senior Technician GIS
Directorate: Economic Development and Planning Services

**THEEWATERSKLOOF MUNICIPALITY**
**Head Office.** 6 Plein Street, Caledon, 7230
**Call Centre.** 028 214 3300 | **Emergency.** 080 021 4730 | **Email.** donovansw@twk.gov.za
**Website.** www.twk.gov.za | **Follow us on Facebook, X, Instagram.** @twkmun

Theewaterskloof
Municipality

PRIVACY AND CONFIDENTIALITY DISCLAIMER: The Theewaterskloof Municipality and Staff are committed to ensuring that it safeguards personal/private information of data subjects and to respect their right to privacy in accordance with the provisions of the South African Constitution, the Protection of Personal Information Act, 2013 (POPIA) and the Promotion of Access to Information Act, 2000 (PAIA). This email message contains information which may be confidential, personal, private, or privileged in nature and is intended solely for use by the recipient and others authorized to receive it for the specific purpose for which it was sent. If you are not the intended recipient, you are prohibited from using, misusing, disseminating, altering, forwarding, storing, or copying the information, and are hereby notified that such action in relation to the contents of this information is unlawful which may result in your being held liable arising out of your non-compliance. If you have received this message in error, please notify the sender immediately and delete and/or destroy the message from your system.

**From:** Annielle Martin <anniellema@twk.gov.za>
**Sent:** Thursday, April 4, 2024 2:07 PM
**To:** Wilfred Schrevian Evan Solomons-Johannes <wilfredso@twk.gov.za>
**Cc:** Aydon Windvogel <AydonWi@twk.gov.za>; Kayalakhe Nontshiza <kayalakheno@twk.gov.za>; Donovan Swartland <donovansw@twk.gov.za>; Annette Swart <AnnetteSw@twk.gov.za>
**Subject:** TTP 01/2024/2025: Nomination

Good day MM

Trust that you are well.

Please find attached nomination.

Regards

**From:** Donovan Swartland <donovansw@twk.gov.za>
**Sent:** Thursday, April 4, 2024 2:01 PM
**To:** Annielle Martin <anniellema@twk.gov.za>
**Cc:** Kayalakhe Nontshiza <kayalakheno@twk.gov.za>
**Subject:** Nomination

Hi Annielle

Olease find attach nomination form.

Regards,

**Donovan Swartland**
Senior Technician GIS
Directorate: Economic Development and Planning Services

**THEEWATERSKLOOF MUNICIPALITY**
**Head Office.** 6 Plein Street, Caledon, 7230
**Call Centre.** 028 214 3300 | **Emergency.** 080 021 4730 | **Email.** donovansw@twk.gov.za
**Website.** www.twk.gov.za | **Follow us on Facebook, X, Instagram.** @twkmun

Theewaterskloof
Municipality

PRIVACY AND CONFIDENTIALITY DISCLAIMER: The Theewaterskloof Municipality and Staff are committed to ensuring that it safeguards personal/private information of data subjects and to respect their right to privacy in accordance with the provisions of the South African Constitution, the Protection of Personal Information Act, 2013 (POPIA) and the Promotion of Access to Information Act, 2000 (PAIA). This email message contains information which may be confidential, personal, private, or privileged in nature and is intended solely for use by the recipient and others authorized to receive it for the specific purpose for which it was sent. If you are not the intended recipient, you are prohibited from using, misusing, disseminating, altering, forwarding, storing, or copying the information, and are hereby notified that such action in relation to the contents of this information is unlawful which may result in your being held liable arising out of your non-compliance. If you have received this message in error, please notify the sender immediately and delete and/or destroy the message from your system.

## Donovan Swartland

**From:** Namso Baliso
**Sent:** Wednesday, 10 April 2024 10:05
**To:** Donovan Swartland
**Cc:** Kayalakhe Nontshiza
**Subject:** FW: SOLE SUPPLIER:

Good day Donnie

The MM has advised that as ESRI is the sole supplier for the GIS tender, instead of calling for tenders, we do a deviation based on the Supply Chain Management Policy, Section 1 definitions and Section 36, plus from the ESRI website as contained below.

Please revise the tender as advised. Thank you.

Regards

Namso

**From:** Wilfred Schrevian Evan Solomons-Johannes <wilfredso@twk.gov.za>
**Sent:** Tuesday, April 9, 2024 5:41 PM
**To:** Namso Baliso <namsoba@twk.gov.za>
**Cc:** Municipal Manager <mm@twk.gov.za>; Annette Swart <AnnetteSw@twk.gov.za>; Aydon Windvogel <AydonWi@twk.gov.za>
**Subject:** SOLE SUPPLIER:

Section 1: Definitions: "Sole suppliers": It refers in instances where there is no competition and only one service provider exist in the market, with sole distribution rights and/or patent rights or manufacturer.

Section 36: Deviation From, And Ratification of Minor Breaches Of, Procurement Processes: (ii) if such goods or services are produced or available from a single source or sole provider only (as per definition).

https://www.esri-southafrica.com/wp-content/uploads/2022/01/Esri_South_Africa_Fact_Sheet_Company-info.pdf

https://imlive.s3.amazonaws.com/Federal%20Government/ID142030003213075343430652253078666820995/Sole_Source_Justification_and_Brand_Name_Specification_ArcGIS_20190627__100_Redacted.pdf

Kind Regards

**Wilfred Schrevian Evan Solomons-Johannes**
Municipal Manager
Directorate: Office of the Municipal Manager

**THEEWATERSKLOOF MUNICIPALITY**
**Head Office.** 6 Plein Street, Caledon, 7230
**Cell.** 084 711 7709 | 072 315 8898
**Call Centre.** 028 214 3300 | **Emergency.** 080 021 4730 | **Email.** wilfredso@twk.gov.za | **Email.** mm@twk.gov.za
**Website.** www.twk.gov.za | **Follow us on Facebook, X, Instagram.** @twkmun

**Donovan Swartland**

| | |
|---|---|
| **From:** | Aydon Windvogel |
| **Sent:** | Thursday, 11 April 2024 08:40 |
| **To:** | Kayalakhe Nontshiza; Annielle Martin |
| **Cc:** | Wilfred Schrevian Evan Solomons-Johannes; Municipal Manager; Annette Swart; Namso Baliso; Donovan Swartland; Hanro September |
| **Subject:** | RE: TTP 01/2024/2025: Nomination |

Good morning Kayalakhe:

The Office of the Municipal Manager has reviewed your submission.

The Municipal Manager has decided not to proceed with a competitive bidding process in respect of the services required by your department based on the following considerations –

The current supplier, Esri South Africa is the sole supplier Esri-technology. They provide a range of business solutions that scalable,
open and built on a platform that provides the foundation to deliver enterprise-wide GIS. ArcGIS enables everyone in an organisation to discover, use, make, and share maps and information, on any device, anywhere, and at any time. Esri South Africa assists customers in capturing, organising, integrating, and analysing spatial information through innovative GIS applications especially designed for their environment and advanced decision making. Geographic Information coupled with ArcGIS for Business, Mining, Utilities, Telecommunications, Local Authorities, Engineering, and Environmental Management is helping us to better understand the world in which we live and guides us to ensure sustainable development for many generations to come. Esri South Africa provides technology, data, solutions, and services that makes it possible for people to positively impact the future through a deeper, geographic understanding of our planet.

Against the above background the Municipal Manager has in terms of Section 36 (1)(a) of the Theewaterskloof Municipality: Supply Chain Management Policy, which provides for Deviation From, And Ratification of Minor Breaches Of, Procurement Processes, invoked subsection (ii) of the section that allows the Accounting Officer to dispense with official procurement processes "if such goods or services are produced or available from a single source or sole provider only (as per definition)". The definition of Sole supplier/provider is found in Section 1 of the Policy and reads as follows: "It refers in instances where there is no competition and only one service provider exist in the market, with sole distribution rights and/or patent rights or manufacturer".

Please liaise with the Supply Chain Management department regarding the deviation process.

Kind Regards,

**Aydon Windvogel**
Office Manager
Directorate: Office of the Municipal Manager

**THEEWATERSKLOOF MUNICIPALITY**
**Head Office.** 6 Plein Street, Caledon, 7230
**Cell.** 068 676 2927
**Call Centre.** 028 214 3300 | **Emergency.** 080 021 4730 | **Email.** aydonwi@twk.gov.za
**Website.** www.twk.gov.za | **Follow us on Facebook, X, Instagram.** @twkmun

Theewaterskloof
Municipality

PRIVACY AND CONFIDENTIALITY DISCLAIMER: The Theewaterskloof Municipality and Staff are committed to ensuring that it safeguards personal/private information of data subjects and to respect their right to privacy in accordance with the provisions of the South African Constitution, the Protection of Personal Information Act, 2013 (POPIA) and the Promotion of Access to Information Act, 2000 (PAIA). This email message contains information which may be confidential, personal, private, or privileged in nature and is intended solely for use by the recipient and others authorized to receive it for the specific purpose for which it was sent. If you are not the intended recipient, you are prohibited from using, misusing, disseminating, altering, forwarding, storing, or copying the information, and are hereby notified that such action in relation to the contents of this information is unlawful which may result in your being held liable arising out of your non-compliance. If you have received this message in error, please notify the sender immediately and delete and/or destroy the message from your system.

**From:** Annielle Martin <anniellema@twk.gov.za>
**Sent:** Thursday, April 4, 2024 2:07 PM
**To:** Wilfred Schrevian Evan Solomons-Johannes <wilfredso@twk.gov.za>
**Cc:** Aydon Windvogel <AydonWi@twk.gov.za>; Kayalakhe Nontshiza <kayalakheno@twk.gov.za>; Donovan Swartland <donovansw@twk.gov.za>; Annette Swart <AnnetteSw@twk.gov.za>
**Subject:** TTP 01/2024/2025: Nomination

Good day MM

Trust that you are well.

Please find attached nomination.

Regards

**From:** Donovan Swartland <donovansw@twk.gov.za>
**Sent:** Thursday, April 4, 2024 2:01 PM
**To:** Annielle Martin <anniellema@twk.gov.za>
**Cc:** Kayalakhe Nontshiza <kayalakheno@twk.gov.za>
**Subject:** Nomination

Hi Annielle

Olease find attach nomination form.

Regards,

**Donovan Swartland**
Senior Technician GIS
Directorate: Economic Development and Planning Services

**THEEWATERSKLOOF MUNICIPALITY**
**Head Office.** 6 Plein Street, Caledon, 7230
**Call Centre.** 028 214 3300 | **Emergency.** 080 021 4730 | **Email.** donovansw@twk.gov.za
**Website.** www.twk.gov.za | **Follow us on Facebook, X, Instagram.** @twkmun

Theewaterskloof
Municipality

PRIVACY AND CONFIDENTIALITY DISCLAIMER: The Theewaterskloof Municipality and Staff are committed to ensuring that it safeguards personal/private information of data subjects and to respect their right to privacy in accordance with the provisions of the South African Constitution, the Protection of Personal Information Act, 2013 (POPIA) and the Promotion of Access to Information Act, 2000 (PAIA). This email message contains information which may be confidential, personal, private, or privileged in nature and is intended solely for use by the recipient and others authorized to receive it for the specific purpose for which it was sent. If you are not the intended recipient, you are prohibited from using, misusing, disseminating, altering, forwarding, storing, or copying the information, and are hereby notified that such action in relation to the contents of this information is unlawful which may result in your being held liable arising out of your non-compliance. If you have received this message in error, please notify the sender immediately and delete and/or destroy the message from your system.

## Donovan Swartland

**From:** Wilfred Schrevian Evan Solomons-Johannes
**Sent:** Tuesday, 18 June 2024 16:26
**To:** Aydon Windvogel; Kayalakhe Nontshiza; Namso Baliso
**Cc:** Municipal Manager; Annette Swart; Donovan Swartland; Hanro September; Reynold Stevens; Paul Mabhena; Ashwille Riddles; Annielle Martin
**Subject:** RE: TTP 01/2024/2025: Nomination
**Attachments:** TTP 01/2024/2025: Nomination; RFB1183_Engagement_Model.pdf; 20230615 _RFB1183_List_of_Approved_Service_Providers_and_Contact_details.pdf; Annexure_A_List_of_ICT_Services_and_Definitions.pdf; RFB 1183 amended contact details.pdf; RFB 1183 Suppliers per Province 01112017.pdf

Dear **DIRECTOR NAMSO BALISO:**

I have reviewed determination to proceed with a deviation process.

Your attention is drawn that the following transversal tender is in place secured through SITA: State Information Technology Agency (SOC) Limited:

**RFB1183/2022: APPOINTMENT OF A PANEL OF SERVICE PROVIDERS FOR THE PROVISION OF IT SERVICES AND SKILLS FOR SITA AND GOVERNMENT DEPARTMENTS FOR A PERIOD OF FIVE (05) YEARS**

Kindly select Item 39 on RFB1183/2022 for ESRI South Africa (Pty.) Ltd. and select the available accredited suppliers.

**ATTACHED** hereto find the transversal tender documentation for ease of reference of visit https://rfq.sita.co.za/procurement/tenders/contracts.htm.

Kind Regards

**Wilfred Schrevian Evan Solomons-Johannes**
Municipal Manager
Directorate: Office of the Municipal Manager

**THEEWATERSKLOOF MUNICIPALITY**
**Head Office.** 6 Plein Street, Caledon, 7230
**Cell.** 084 711 7709 | 072 315 8898
**Call Centre.** 028 214 3300 | **Emergency.** 080 021 4730 | **Email.** wilfredso@twk.gov.za | **Email.** mm@twk.gov.za
**Website.** www.twk.gov.za | **Follow us on Facebook, X, Instagram.** @twkmun

Theewaterskloof
Municipality

PRIVACY AND CONFIDENTIALITY DISCLAIMER: The Theewaterskloof Municipality and Staff are committed to ensuring that it safeguards personal/private information of data subjects and to respect their right to privacy in accordance with the provisions of the South African Constitution, the Protection of Personal Information Act, 2013 (POPIA) and the Promotion of Access to Information Act, 2000 (PAIA). This email message contains information which may be confidential, personal, private, or privileged in nature and is intended solely for use by the recipient and others authorized to receive it for the specific purpose for which it was sent. If you are not the intended recipient, you are prohibited from using, misusing, disseminating, altering, forwarding, storing, or copying the information, and are hereby notified that such action in relation to the contents of this information is unlawful which may result in your being held liable arising out of your non-compliance. If you have received this message in error, please notify the sender immediately and delete and/or destroy the message from your system.

**From:** Aydon Windvogel <AydonWi@twk.gov.za>
**Sent:** Thursday, April 11, 2024 8:40 AM
**To:** Kayalakhe Nontshiza <kayalakheno@twk.gov.za>; Annielle Martin <anniellema@twk.gov.za>

**Cc:** Wilfred Schrevian Evan Solomons-Johannes <wilfredso@twk.gov.za>; Municipal Manager <mm@twk.gov.za>; Annette Swart <AnnetteSw@twk.gov.za>; Namso Baliso <namsoba@twk.gov.za>; Donovan Swartland <donovansw@twk.gov.za>; Hanro September <hanrose@twk.gov.za>
**Subject:** RE: TTP 01/2024/2025: Nomination

Good morning Kayalakhe:

The Office of the Municipal Manager has reviewed your submission.

The Municipal Manager has decided not to proceed with a competitive bidding process in respect of the services required by your department based on the following considerations –

The current supplier, Esri South Africa is the sole supplier Esri-technology. They provide a range of business solutions that scalable,
open and built on a platform that provides the foundation to deliver enterprise-wide GIS. ArcGIS enables everyone in an organisation to discover, use, make, and share maps and information, on any device, anywhere, and at any time. Esri South Africa assists customers in capturing, organising, integrating, and analysing spatial information through innovative GIS applications especially designed for their environment and advanced decision making. Geographic Information coupled with ArcGIS for Business, Mining, Utilities, Telecommunications, Local Authorities, Engineering, and Environmental Management is helping us to better understand the world in which we live and guides us to ensure sustainable development for many generations to come. Esri South Africa provides technology, data, solutions, and services that makes it possible for people to positively impact the future through a deeper, geographic understanding of our planet.

Against the above background the Municipal Manager has in terms of Section 36 (1)(a) of the Theewaterskloof Municipality: Supply Chain Management Policy, which provides for Deviation From, And Ratification of Minor Breaches Of, Procurement Processes, invoked subsection (ii) of the section that allows the Accounting Officer to dispense with official procurement processes "if such goods or services are produced or available from a single source or sole provider only (as per definition)". The definition of Sole supplier/provider is found in Section 1 of the Policy and reads as follows: "It refers in instances where there is no competition and only one service provider exist in the market, with sole distribution rights and/or patent rights or manufacturer".

Please liaise with the Supply Chain Management department regarding the deviation process.

Kind Regards,

**Aydon Windvogel**
Office Manager
Directorate: Office of the Municipal Manager

**THEEWATERSKLOOF MUNICIPALITY**
**Head Office.** 6 Plein Street, Caledon, 7230
**Cell.** 068 676 2927
**Call Centre.** 028 214 3300 | **Emergency.** 080 021 4730 | **Email.** aydonwi@twk.gov.za
**Website.** www.twk.gov.za | **Follow us on Facebook, X, Instagram.** @twkmun

Theewaterskloof
Municipality

PRIVACY AND CONFIDENTIALITY DISCLAIMER: The Theewaterskloof Municipality and Staff are committed to ensuring that it safeguards personal/private information of data subjects and to respect their right to privacy in accordance with the provisions of the South African Constitution, the Protection of Personal Information Act, 2013 (POPIA) and the Promotion of Access to Information Act, 2000 (PAIA). This email message contains information which may be confidential, personal, private, or privileged in nature and is intended solely for use by the recipient and others authorized to receive it for the specific purpose for which it was sent. If you are not the intended recipient, you are prohibited from using, misusing, disseminating, altering, forwarding, storing, or copying the information, and are hereby notified that such action in relation to the contents of this information is unlawful which may result in your being held liable arising out of your non-compliance. If you have received this message in error, please notify the sender immediately and delete and/or destroy the message from your system.

RESTRICTED

SITA

SITA SOC Ltd, 459 Tsitsa Street, Erasmuskloof, Pretoria, South Africa • PO Box 26100, Monument Park, 0105, South Africa
Tel: +27 12 482 3000 • Fax +27 12 367 5151 • Reg. No 1999/001899/30 • www.sita.co.za

Our Ref: SITA FAs
Enquiries: Cindy Kobe

ATTENTION TO: ACCOUNTING OFFICERS OF DEPARTMENTS

ACCOUNTING AUTHORITIES OF PUBLIC ENTITIES

CHIEF EXECUTIVE OFFICERS

CHIEF FINANCIAL OFFICERS OF DEPARTMENTS AND PUBLIC ENTITIES

HEADS OF SUPPLY CHAIN MANAGEMENT OF DEPARTMENTS AND PUBLIC ENTITIES

RE: STATUS UPDATE OF THE FOLLOWING THE THREE (3) FRAMEWORK AGREEMENTS BETWEEN SITA AND ONLY SOFTWARE MANUFATURES (OSMs): ORACLE FA, ESRI FA AND OPENTEXT FA.

This serves to notify all the Accounting Officers Departments and Constitutional Institutions and Accounting Authorities of Public Entities as well as the Chief Executive Officers and Chief Financial Officers of the status of the Framework Agreements mentioned above as follows:

| DESCRIPTION | CONTRACT EXPIRY DATE: | CURRENT STATUS | ESTIMATED NEW CONTRACT FINALIZATION DATE: |
|---|---|---|---|
| Oracle Framework Agreement for a period of five (5) years | 22 September 2024 | Approval stage | 31 March 2025 |
| ESRI framework agreement for a period of three (3) years | 31 October 2023 | Approval stage | 31 March 2025 |
| OpenText framework agreement for a period of five (5) years. | 28 February 2025 | Approval stage | 31 March 2025 |

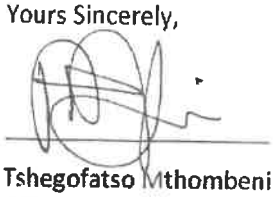
Please bring the contents of this communiqué to the attention of all employees within your respective Departments and / or Entities.

For any enquiries regarding this communiqué, please contact Ms Cindy Kobe per email at cindy.kobe@sita.co.za

**Executive Directors:**
Mr G Reddy (Managing Director Acting), Mr. MK Kgauwe (Chief Financial Officer)

**Company Secretary:**
Ms. B Laka

Yours Sincerely,



Tshegofatso Mthombeni

Executive: Supply Chain Management (Acting)

Date : 14 February 2025

**Executive Directors:**
Mr. G Reddy (Managing Director Acting), Mr. MK Kgauwe (Chief Financial Officer)

**Company Secretary:**
Ms. B Laka

**ITEM HEADING**

**SC90/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE CORPORATE SERVICES: DEPARTMENT ICT: NON-COMPLIANCE - PROCUREMENT FOR SERVICES FROM TELKOM SA**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE / AIM OF REPORT**

The purpose of this report is to inform the Municipal Public Accounts Committee of the Non-compliance - Procurement for services from Telkom SA.

**BACKGROUND**

During the statutory audit by the Auditor General of South Africa, it was identified that the municipality has been making use of Telkom for telecommunication services since 3 December 2018, when Telkom ceased to be an organ of state, without following the proper supply chain management process.

The total payments made to Telkom for the 2024/25 financial year amounted to R627 796.59:

**TELKOM SA SOC LTD:**

| Payment no. | Amount (R) | Date |
|---|---|---|
| 31172 | 55 432,00 | 27/07/2024 |
| 31613 | 54 675,30 | 27/08/2024 |
| 31991 | 54 859,10 | 27/09/2024 |
| 32049 | 54 859,14 | 27/10/2024 |
| 32411 | 55 686,85 | 27/11/2024 |
| 32952 | 54 992,70 | 27/12/2024 |
| 33165 | 54 868,76 | 27/01/2025 |
| 33428 | 55 718,32 | 26/02/2025 |
| 33668 | 55 822,82 | 27/03/2025 |
| 34013 | 48 461,28 | 28/04/2025 |
| 34512 | 41 078,13 | 27/05/2025 |
| 34512 | 41 342,19 | 27/06/2025 |
| **Grand Total** | **627 796,59** | |

**DISCUSSION**

Section 217(1) of the Constitution of South Africa states that, *"When an organ of state in the national, provincial, or local sphere of government contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive, and cost-effective."*

Chapter 1 of the Municipal Supply Chain Management Regulations states:

*"Each municipality and each municipal entity must in terms of section 111 of the Act, have and implement a supply chain management policy that —*

- *gives effect to section 217 of the Constitution.*
- *is fair, equitable, transparent, competitive and cost-effective"*

Section 110 (2)(a) of MFMA exempts municipalities from complying with the SCM system if a municipality or municipal entity contracts with another organ of state for the provision of goods or services to the municipality or municipal entity.

A municipality/ municipal entity can only apply this exemption if the supplier is an organ of state as defined in the Constitution. "Organ of state" is defined to mean:

1. any department of state or administration in the national, provincial or local sphere of government; or
2. any other functionary or institution—
    i. exercising power or performing a function in terms of the Constitution or a provincial constitution; or
    ii. exercising a public power or performing a public function in terms of any legislation, but does not include a court or a judicial officer;"

Telkom is not a public entity or a state-owned entity, as envisaged in the PFMA. Section 11 of the Companies Act states that if a company is listed in Schedule 2 or 3 of the PFMA, the expression "SOC Ltd" must be included in its name. Telkom is only SOC for the purposes of the Companies Act.

SCM COMMENT:

When the finding was raised during the 2023/24 statutory audit, a collective contention was put on record by various stakeholders. This approach was not concluded to the satisfaction of all stakeholders, as the Municipality was still waiting for final guidance on this matter.

National Treasury has prepared a draft circular to clarify the meaning of "Organ of State" as contemplated in section 110 of the MFMA. Although the formal circular has not been issued, the Municipality took preventive actions by terminating the contract with Telkom for all related services.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

No financial losses were incurred as the procured services provided were utilised.

Management should ensure that the procurement of telecommunication services from Telkom SA is regularised or terminated when no longer required.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 217(1) of the Constitution of South Africa

Chapter 1 of the Municipal Supply Chain Management Regulations

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to comply with procurement prescripts in accordance with the Constitution of South Africa and Municipal Supply Chain Regulation could lead to irregular expenditure and the Council not receiving value for money. However, in this case, the Council did not suffer any financial losses or damage and value for money was received as services were utilised.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is recommended that, in light of the fact that there is no reason to suspect theft or fraud, Council has received value for money, Council did not suffer any losses, and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R627 796.59 be written off for the financial year 2024/2025.**

**The identified Telkom SA telecommunication services be terminated where they are no longer needed, or regularised where they are required to go forward.**

**RECOMMENDATION BY MANAGEMENT TO MPAC: 29 JANUARY 2026**

**It is recommended that, in light of the fact that there is no reason to suspect theft or fraud, Council has received value for money, Council did not suffer any losses, and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R627 796.59 be written off for the financial year 2024/2025.**

**The identified Telkom SA telecommunication services be terminated where they are no longer needed, or regularised where they are required to go forward.**

**RECOMMENDATION BY MPAC TO COUNCIL: 18 FEBRUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander and seconded by Councillor TB Zimmermann, it was recommended as follows:

1. **That in light of the fact that there is no reason to suspect theft or fraud, Council has received value for money, Council did not suffer any losses, and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R627 796.59 be written off for the financial year 2024/2025.**

2. **That the identified Telkom SA telecommunication services be terminated where they are no longer needed, or regularised where they are required to go forward.**

3. **That a dissatisfaction letter be drafted to the Auditor-General by Mr GW Hermanus, to be signed by all 4 MPAC Members, clarifying the position of Telkom to prevent a repeat finding.**

**RECOMMENDATION TO COUNCIL:**

**It is recommended:**

1. **That in light of the fact that there is no reason to suspect theft or fraud, Council has received value for money, Council did not suffer any losses, and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R627 796.59 be written off for the financial year 2024/2025.**

2. **That the identified Telkom SA telecommunication services be terminated where they are no longer needed, or regularised where they are required to go forward.**

3. **That a dissatisfaction letter be drafted to the Auditor-General by Mr GW Hermanus, to be signed by all 4 MPAC Members, clarifying the position of Telkom to prevent a repeat finding.**

**RESOLVED BY COUNCIL: 19 MARCH 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander and seconded by Alderman DA Appel it was resolved as follows:

1. **That in light of the fact that there is no reason to suspect theft or fraud, Council has received value for money, Council did not suffer any losses, and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R627 796.59 be written off for the financial year 2024/2025.**

2. **That the identified Telkom SA telecommunication services be terminated where they are no longer needed, or regularised where they are required to go forward.**

3. **That a dissatisfaction letter be drafted to the Auditor-General by the Acting Accounting Officer, Mr GW Hermanus, to be signed by all 4 MPAC Members, clarifying the position of Telkom to prevent a repeat finding.**

*For finalization by the Director: Corporate Services, Mr GW Hermanus.*

**RECOMMENDATION TO COUNCIL:**

**Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.**

AUDITOR-GENERAL
SOUTH AFRICA

The Accounting Officer
Theewaterskloof Municipality
PO Box 24
Caledon
7230

23 October 2025

Reference: COMAF No.08 of 2025

Dear Mr. W Hendricks

**COMMUNICATION OF FINDINGS IDENTIFIED DURING THE AUDIT OF COMPLIANCE WITH LEGISLATION FOR THE YEAR ENDED 30 JUNE 2025**

**Background**

1. In performing the audit of compliance with legislation we identified instances of non-compliance as described in the annexure. We have recorded the internal control deficiency that gave rise to the instances of non-compliance and our recommendation for correcting the instances of non-compliance for your consideration. The effect of these instances of non-compliance could potentially be material.
2. The finding will be included in the management report including your comments and our final response.

**Required**

3. You are requested to indicate whether you agree with the facts stated in the annexure including whether you agree with the identified internal control deficiency. Should you disagree, please provide us with documentary evidence to the contrary within 5 days from the date of this communication, as agreed in the engagement letter.
4. Please provide us with the reasons for the instances of non-compliance and the steps that will be taken to rectify the matter in future.

Yours sincerely

Masixole Velem
Senior Manager: Western Cape

Enquiries: Beauty Myende
Telephone: (021) 528 4100
Email: BeautyM@agsa.co.za

**Acknowledgement of receipt by management:**

Received by

Date

## DETAILED AUDIT FINDING

### Non-compliance - Procurement for services from Telkom SA

**Audit finding:**

Section 217(1) of the Constitution of South Africa states that, *"When an organ of state in the national, provincial, or local sphere of government contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive, and cost-effective."*

Chapter 1 of the Municipal Supply Chain Management Regulations states:

*"Each municipality and each municipal entity must in terms of section 111 of the Act, have and implement a supply chain management policy that —*

*(a) gives effect to section 217 of the Constitution.*
*(b) is fair, equitable, transparent, competitive and cost effective"*

Section 110 (2)(a) of MFMA exempt municipalities and municipalities from complying with the SCM system if a municipality or municipal entity contracts with another organ of state for the provision of goods or services to the municipality or municipal entity.

A municipality/ municipal entity can only apply this exemption if the supplier is an organ of state as defined in the Constitution. "Organ of state" is defined to mean:

a) any department of state or administration in the national, provincial or local sphere of government; or

b) any other functionary or institution—

   i) exercising power or performing a function in terms of the Constitution or a provincial constitution; or

   ii) exercising a public power or performing a public function in terms of any legislation, but does not include a court or a judicial officer;"

Telkom is not a public entity or a state-owned entity, as envisaged in the PFMA. Section 11 of the Companies Act states that if a company is listed in schedule 2 or 3 of the PFMA, the expression "SOC Ltd" must be included in its name. Telkom is only a SOC for the purposes of the Companies Act.

During our audit process we identified that the municipality makes use of Telkom for telecommunication services since **3 December 2018**, when Telkom seized to be an organ of state, without following the proper supply chain management processes.

The total payments made to Telkom for the 2024/25 financial year amounted to R627 796.59:

**TELKOM SA SOC LTD:**

| Payment no. | Amount (R) | Date |
|---|---|---|
| 31172 | 55 432,00 | 27/07/2024 |
| 31613 | 54 675,30 | 27/08/2024 |
| 31991 | 54 859,10 | 27/09/2024 |
| 32049 | 54 859,14 | 27/10/2024 |
| 32411 | 55 686,85 | 27/11/2024 |
| 32952 | 54 992,70 | 27/12/2024 |
| 33165 | 54 868,76 | 27/01/2025 |
| 33428 | 55 718,32 | 26/02/2025 |
| 33668 | 55 822,82 | 27/03/2025 |

| | | |
|---|---|---|
| 34013 | 48 461,28 | 28/04/2025 |
| 34512 | 41 078,13 | 27/05/2025 |
| 34512 | 41 342,19 | 27/06/2025 |
| **Grand Total** | **627 796,59** | |

This was already communicated to management in the prior financial year, and management did disclose the payments since 3 December 2018 till 30 June 2024 as irregular expenditure. Management, however, did not stop to making use of Telkom and procure the services through the formal procurement processes.

It was also confirmed that there is no contract in place with Telkom and the municipality acknowledged the irregular expenditure from 2018 however still continued to transact with the supplier which results in undermining the legislative process.

**Impact**

- It was also confirmed that there is no contract in place with Telkom and the municipality acknowledged the irregular expenditure from 2018 however still continued to transact with the supplier which results in undermining the legislative process.
- Non-compliance with section 217(1) of the Constitution and Section 111 of the MFMA, due to the Municipality not following a fair, equitable, transparent, competitive, and cost-effective process for procurement of telecommunication services.
- The total payments made to Telkom for 2024/25 of R627 796.59 should be regarded as irregular expenditure and dealt with in accordance with section 32 of the MFMA.

**Internal control deficiency**

Financial and performance management

*Review and monitor compliance with applicable legislation*

Management neglected to stop the services from Telkom and did not procure the services through the formal procurement processes. The non-disclosure of the irregular expenditure in the current year was an oversight from the Supply Chain Management Unit.

**Recommendation**

- Management should enhance its review and approval processes to ensure that all transactions involving irregular expenditure are identified, recorded in the irregular expenditure register, and properly disclosed in the financial statements. Management should amend the financial statements accordingly.
- The Chief Financial Officer should implement regular monitoring and reconciliation processes for procurement and expenditure records to ensure compliance with the MFMA. This should include cross-referencing payment records with the irregular expenditure register and the notes to the financial statements.
- Management must stop the current services with Telkom and follow a new procurement process for the services to prevent incurring further irregular expenditure.

**Management response**

| DESCRIPTION | RESPONSE |
|---|---|
| Does management agree with the finding (Yes/ No) | Yes |
| Detail reason for agreeing/ disagree with finding | Management is in agreement with the finding. |
| Management comment on internal control deficiencies and root cause indicated and detail reason for agreeing/ disagree with finding. | When the finding was raised during the 2023/24 statutory audit, a collective contention was put on record by various stakeholders. This approach was not concluded to the satisfaction of all stakeholders, as the Municipality was still waiting for final guidance on this matter. |
| Detail corrective action to be taken and date. | National Treasury has prepared a draft circular to clarify the meaning of "Organ of State" as contemplated in section 110 of the MFMA. Although the formal circular has not been issued, the Municipality took preventative actions by terminating the contract with Telkom for all related services. |
| Does the finding affect an amount disclosed in the financial statements (Yes/ No) | Yes |
| If yes, what corrections will be made to the population | Irregular Expenditure note in the AFS to be updated. |
| **If yes** and no corrections will be made the reason, why such a conclusion has been reached should be indicated. | N/A |
| Position of official responsible to take corrective actions | Deputy Director: Finance |

Name: Chris Bloemfontein
Position: ICT
Date: 28 October 2025

**Auditor's conclusion:**

Management's agreement of the finding has been acknowledged.

We have not yet received the updated financial statements. Once received we will confirm if management adjusted for the finding. If management did not make the adjustment, we will carry the misstatement over to our uncorrected misstatements working paper and will include it in the table of the management representation letter. If the amount in aggregate with other amounts result in a material misstatement it will have an effect on the audit opinion.

Re: TELKOM/BCX Migrations

Reply Reply All Forward

503

Good day Christopher

The lines on the spreadsheet have all been cancelled/ceased and should not receive any billing
Line 0218593463(Account 110392730002)cease order to be backdated and you will receive a watermarked final bill within the next 60 days of the cancellation date. All balances & credits will be adjusted & will appear on the final bill

**BCX appreciates your business**

Please do not hesitate to contact us on 0800229662 option 2 for any further enquiries. To receive the best service, we kindly request that you do not reply to an individual's e-mail address. Please send your reply, enquiry, or request directly to CCC@ourservicedesk.com and the first available consultant will assist you.

**Merlin Padiachy| Corporate Customer Care**

T: 0800229662 Option 2 | E: CCC@ourservicedesk.com

BCX

On 2025/08/29 09:48, Christopher Bloemfontein wrote:

Good morning

Thank you for your email. Just to confirm, the Telkom copper lines on the excel document has been terminated and the Municipality will not be billed moving forward?

Regards,

**From:** ccc@ourservicedesk.com <ccc@ourservicedesk.com>
**Sent:** Friday, 29 August 2025 09:06
**To:** Christopher Bloemfontein <christopherbl@twk.gov.za>
**Subject:** Fwd: RE: RE: RE: TELKOM/BCX Migrations

Good day Christopher

Remaining service 0218593463 - cease order generated and to be backdated to 04/04/2025

310764994A AM128000 Cease PSTN 0218593463

**BCX appreciates your business**

Please do not hesitate to contact us on 0800229662 option 2 for any further enquiries. To receive the best service, we kindly request that you do not reply to an individual's e-mail address. Please send your reply, enquiry, or request directly to CCC@ourservicedesk.com and the first available consultant will assist you.

Regards,

**From:** Petula Fortuin <petulafo@twk.gov.za>
**Sent:** Monday, 29 December 2025 22:09
**To:** Christopher Bloemfontein <christopherbl@twk.gov.za>; Anarood Plaatjies <anaroodpl@twk.gov.za>
**Cc:** Annielle Martin <anniellema@twk.gov.za>
**Subject:** RE: Telkom

**From:** ccc@ourservicedesk.com <ccc@ourservicedesk.com>
**Sent:** Wednesday, 21 January 2026 14:53
**To:** Christopher Bloemfontein <christopherbl@twk.gov.za>
**Cc:** Maphefa Rasekgala <maphefara@twk.gov.za>; Anarood Plaatjies <anaroodpl@twk.gov.za>; Annielle Martin <anniellema@twk.gov.za>; Petula Fortuin <petulafo@twk.gov.za>
**Subject:** Fwd: FW: Telkom

Good day Christopher

I'm confirming receipt of your email.

Please kindly be advised the below service have been cancelled.

0218593463 - 110392730002 - cancelled
310764994A AI4128000 Cease PSTN 0218593463 ---28/08/2025 Done

The below accounts are active - Kindly advise whether we should proceed to cancel?

112208790001 - active
116662530001 - active
112254960001 - active
112245910001 - active
112167990001 - active
111825270001 - active
119000321046 - active
110391720001 - active

**BCX appreciates your business**

Please do not hesitate to contact us on 0800229662 option 2 for any further enquiries. To receive the best service, we kindly request that you do not reply to an individual's e-mail address. Please send your reply, enquiry, or request directly to CCC@ourservicedesk.com and the first available consultant will assist you.

**Michelle Baartman| Corporate Customer Care**

T: 0800229662 Option 2 | E: CCC@ourservicedesk.com

BCX

## Christopher Bloemfontein

**From:** ccc@ourservicedesk.com
**Sent:** Thursday, 22 January 2026 07:10
**To:** Christopher Bloemfontein
**Cc:** Maphefa Rasekgala; Anarood Plaatjies; Annielle Martin; Ashwille Riddles; Paul Mabhena; Petula Fortuin
**Subject:** Telkom

505

Good day

Your application below is acknowledged.

Please find the below references created for your request,

AI4191454 Voice
AI4191457 Data

**BCX appreciates your business**

Please do not hesitate to contact us on 0800229662 option 2 for any further enquiries. To receive the best service, we kindly request that you do not reply to an individual's e-mail address. Please send your reply, enquiry, or request directly to CCC@ourservicedesk.com and the first available consultant will assist you.

**Theunis Brandt| Corporate Customer Care**
T: 0800229662 Option 2 | E: CCC@ourservicedesk.com

BCX

On 2026/01/21 15:42, Christopher Bloemfontein wrote:

> Please proceed to cancel.

On 2026/01/21 13:55, Christopher Bloemfontein wrote:

Good afternoon
We previously submitted a notice to cancel services on our Telkom account; however, we continue to receive billing charges. Kindly investigate this matter and provide feedback on the status of the cancellations and the reasons for the continued billing.
See below cancelation as reference.



906

**ITEM HEADING**

**SC91/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING: IRREGULAR EXPENDITURE: URBAN-ECON ECONOMISTS (PTY) LTD**

*[English version of the report is the original.]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE / AIM OF REPORT**

The purpose of this report is to inform the Municipal Public Accounts Committee of a potential irregular expenditure amounting to R59 340.00 possibly incurred during the 2024/2025 financial year in relation to the appointment of Urban-Econ Economists (Pty) Ltd for the development of the Theewaterskloof Tourism Strategy.

The report further seeks the Committee's consideration of the circumstances that led to the potential irregular expenditure and to recommend the written-off by Council in terms of Section 32 of the Municipal Finance Management Act (MFMA).

**BACKGROUND**

The development of an updated Theewaterskloof Tourism Strategy was identified as a strategic priority to support tourism-led local economic development within the municipal area. Following the approval of the 2024/2025 budget, the Directorate, in collaboration with Supply Chain Management (SCM), developed detailed procurement specifications outlining the objectives, deliverables, timelines, and evaluation criteria. The procurement process was conducted in accordance with the Municipality's SCM Policy, and quotations were invited under the TWK 2 process.

Urban-Econ Economists (Pty) Ltd was duly appointed, and a formal contract was concluded on 09 April 2024 for the development of the Tourism Strategy. The transaction was later classified as irregular expenditure as per the SCM monthly monitoring and reporting processes for the 2024/2025 financial year, with the following details:

| Service Provider | Financial Year | Project Description | Contract Ref | Amount (R) | Status |
|---|---|---|---|---|---|
| Urban-Econ Economists (Pty) Ltd | 2024/2025 | Development of Tourism Strategy for TWK | LED 24/25/0010-04 | 59 340.00 | Subject to Audit Outcome |

**DISCUSSION**

The irregular expenditure arose as a result of administrative delays and governance-related challenges, particularly delays from senior management consultation sessions and payment arrangements, and not due to non-compliance with SCM prescripts, negligence, or any form of misconduct.

In terms of the contract, Urban-Econ Economists (Pty) Ltd was required to present the draft Tourism Strategy to the senior management committee, the relevant Economic Development Portfolio Committee, and to Council to ensure alignment and obtain strategic input. However, due to administrative delays and challenges experienced in scheduling management engagements, the requested presentation to senior management in May 2024 could not take place. At the time, the Municipal Manager was unable to confirm a suitable date, resulting in unavoidable delays in the progression of the project.

Despite the aforementioned delays, the service provider had already completed substantial portions of the work and submitted invoices for services rendered. Further delays were compounded by the Municipality's financial constraints, which led the Finance Department to formally request payment holiday arrangements from the service provider to be on 11 July 2024. Urban-Econ responded in good faith by agreeing to postpone the work until the Municipality's financial position improved and outstanding payment made.

On 05 August 2024, the Directorate sought guidance from Supply Chain Management regarding the continuation of the contract. SCM advised that, as there were no changes to the original specifications of the contract and a budget provision existed in the 2024/2025 financial year, the service provider could proceed to finalise the project. Based on this advice, the project continued without re-advertising, resulting in the expenditure being classified as irregular from a technical compliance perspective.

The management engagement session was eventually held on 10 October 2024, after which the project proceeded to completion. Importantly, the Municipality received the contracted deliverables in full, the Tourism Strategy supports Council's strategic objectives, and no financial loss or damages were incurred. There is no evidence of fraud, corruption, or personal benefit, and the expenditure was incurred in the best interest of the Municipality.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The irregular expenditure amounts to R59 340.00 and has been recognised in the 2024/2025 financial year. Where required, the Accounting Officer may motivate the regularisation of the expenditure during the adjustment budget process. No additional financial impact is anticipated, as the expenditure relates to work already completed within an approved budget framework.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

The irregular expenditure arose as a result of administrative delays and governance-related challenges, particularly delays from senior management consultation sessions and payment arrangements, and not due to non-compliance with SCM prescripts, negligence, or any form of misconduct.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failure to manage and regularise irregular expenditure in accordance with the MFMA may expose the Municipality to:

- Adverse audit outcomes.
- Reputational risk; and
- Weakening of internal control perceptions.

These risks are mitigated in this instance by the following:

2. The procurement process was initially compliant.
3. The irregularity resulted from administrative and payment delays.
4. There is no indication of fraud or misconduct; and
5. The Municipality received full value for money.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is recommended that, in light of the fact that there is no reason to suspect theft or fraud, Council has received value for money, did not suffer any financial losses, and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R59 340.00 be written off for the financial year 2024/2025.**

**RECOMMENDATION BY MANAGEMENT TO MPAC: 29 JANUARY 2026**

**It is recommended that, in light of the fact that there is no reason to suspect theft or fraud, Council has received value for money, did not suffer any financial losses, and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R59 340.00 be written off for the financial year 2024/2025.**

**RECOMMENDATION BY MPAC TO COUNCIL: 18 FEBRUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander and seconded by Councillor D Jacobs, it was recommended as follows:

**That in light of the fact that there is no reason to suspect theft or fraud, Council has received value for money, did not suffer any financial losses, and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R59 340.00 be written off for the financial year 2024/2025.**

**RECOMMENDATION TO COUNCIL:**

**It is recommended that, in light of the fact that there is no reason to suspect theft or fraud, Council has received value for money, did not suffer any financial losses, and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R59 340.00 be written off for the financial year 2024/2025.**

**DISCUSSION DURING MEETING:**

Councillor TP Lemina:

The content of the following sentence under "Discussion" contradicts each other and can it be clarified:

"The irregular expenditure arose as a result of administrative delays and governance-related challenges, particularly delays from senior management consultation sessions and payment arrangements, and not due to non-compliance with SCM prescripts, negligence, or any form of misconduct."

Councillor P Stander:

MPAC interrogates and investigates the matter but does not discuss the content of an agenda-item. The Officials must answer the questions.

Alderman DA Appel:

AG findings like this happen because of administrative delays and it was not because of the work not done.

**RESOLVED BY COUNCIL: 19 MARCH 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor H Linnerts and seconded by Alderman C Clayton it was resolved as follows:

**That, in light of the fact that there is no reason to suspect theft or fraud, Council has received value for money, did not suffer any financial losses, and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R59 340.00 be written off for the financial year 2024/2025.**

**The following soft mitigation risks are the reason for the decision taken:**

**b. The procurement process was initially compliant.**
**c. The irregularity resulted from administrative and payment delays.**

*For finalization by the Director: Economic Development and Planning, Ms N Baliso.*

**RECOMMENDATION TO COUNCIL:**

**Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.**

ANNEXURE A

# Status Report on Urban Econ (Pty) Ltd. in terms of SCM and MFMA requirements and remedial action required if necessary

| Supplier | Service Description | Commencement date of contract |
|---|---|---|
| Urban Econ (Pty) Ltd | The development of a tourism strategy for Theewaterskloof Municipality | 09 April 2024 |

1

| What was the initial Purpose of the contract |
|---|
| The purpose of the service level agreement with Urban Econ (Pty) Ltd was to review the Theewaterskloof Municipal Tourism Strategy of 2017. |

2

| Initial Scope of Contract and if uncertain, please explain |
|---|
| The development of an updated Theewaterskloof Tourism Strategy was identified as a strategic priority to support tourism-led local economic development within the municipal area. Following the approval of the 2024/2025 budget, the Directorate, in collaboration with Supply Chain Management (SCM), developed detailed procurement specifications outlining the objectives, deliverables, timelines, and evaluation criteria. The procurement process was conducted in accordance with the Municipality's SCM Policy, and quotations were invited under the TWK 2 process. |

3

| Initial Contract Value and if uncertain please explain |
|---|
| R 198 720.00 |

4

| Initial Expiry Date and if uncertain please explain |
|---|
| *Completion date for the contract was 30 June 2025.* |

5

| Was normal SCM Process followed and complied with | | | | | |
|---|---|---|---|---|---|
| YES | Yes | NO | | UNCERTAIN | |
| Explain of motivate your response | | | | | |
| Due to the approved budget, a formal quotation process was followed i.e. TWK 2 Process | | | | | |

6

| Has the purpose, scope or contract period been extended or expanded since the initial appointment of the service provider | | | | | |
|---|---|---|---|---|---|
| YES | | NO | X | UNCERTAIN | |
| Explain or motivate your response | | | | | |
| The scope and purpose remained the same from the appointment until the completion of the work. | | | | | |

7

| Was a formal contract or SLA initially entered in terms of SCM and MFMA Requirements | | | | | |
|---|---|---|---|---|---|
| YES | X | NO | | UNCERTAIN | |
| **Explain or motivate your response** | | | | | |
| Following the approval of the 2024/2025 budget, the Directorate, in collaboration with Supply Chain Management, developed **detailed procurement specifications** outlining the objectives, deliverables, timelines, and evaluation criteria. | | | | | |

8

| Should a contract not have existed has it since been entered into and has all compliance requirements like as it applies in respect of the SCM process and or for purposes of deviations been complied with | | | | | |
|---|---|---|---|---|---|
| YES | | NO | | UNCERTAIN | |
| **Motivate or explain your response** | | | | | |
| The contract had a defined scope and timeframe, with a completion date of 30 June 2025. The contract value was based on the approved budget allocation and aligned with the work required to deliver the agreed outputs. | | | | | |

9

| Did Council because of this transaction received best value for money i.e., in spite of non-compliance, if any with SCM or MFMA requirements | | | | | |
|---|---|---|---|---|---|
| YES | X | NO | | UNCERTAIN | |
| **Please explain or motivate your response above** | | | | | |
| - Despite delays experienced during implementation—primarily due to senior management consultation challenges and payment arrangements—the Municipality received full value for money.<br>- All contracted deliverables were provided in accordance with the approved scope of work;<br>- There is no evidence of fraud, corruption, negligence, or financial misconduct; and<br>- The Municipality did not suffer any financial loss or damages as a result of the transaction.<br>- The draft Tourism Strategy has been tabled to Council for consideration and approval, demonstrating tangible value derived from the services rendered. | | | | | |

10

| Has the Municipality suffered any losses or damages because of non-compliance with any of the MFMA or SCM requirements | | | | | |
|---|---|---|---|---|---|
| YES | | NO | X | UNCERTAIN | |
| **Please explain or motivate your response above** | | | | | |

- The Municipality did not suffer any losses or damages as a result of any non-compliance with MFMA or SCM requirements.
- Any irregularity that arose was of a technical nature and resulted from delays in internal processes rather than from procedural breaches, misconduct, or poor contract management.

11

| **Are you satisfied with the performance of the current service provider to the extent that the contract should be continued with** | | | | | |
|---|---|---|---|---|---|
| **YES** | X | **NO** | | **UNCERTAIN** | |
| **Please explain or motivate your response above** | | | | | |
| - The performance of Urban-Econ Economists (Pty) Ltd was assessed as satisfactory and effective. The service provider demonstrated professionalism and flexibility, particularly during periods of delayed payments and administrative uncertainty.<br>- Furthermore, the service provider contributed to cost efficiencies, resulting in savings to the Municipality, which reinforces the conclusion that the appointment was both appropriate and beneficial.<br>- | | | | | |

12

| **Has the director investigated and established whether or not there is not at this point a better service provider, price or product which would justify a new procurement process and a reconsideration of the current service provider, product or price** | | | | | |
|---|---|---|---|---|---|
| **YES** | | **NO** | | **UNCERTAIN** | |
| **Please explain or motivate your response above** | | | | | |
| The Directorate considered whether a better service provider, price, or product could have justified the initiation of a new procurement process. However, it was established that:<br>• The scope of work had not changed.<br>• Approximately 80% of the work had already been completed, and<br>• Initiating a new procurement process at that stage would not have been economically viable and would have resulted in unnecessary delays and potential duplication of costs. | | | | | |

13

| **Could any form of non-compliance have been prevented** | | | | | |
|---|---|---|---|---|---|
| **YES** | X | **NO** | | **UNCERTAIN** | |
| **Explain or motivate your response above** | | | | | |
| It is acknowledged that certain aspects of the non-compliance could have been prevented had the Municipality been able to adhere to agreed timelines, particularly in relation to senior management engagement and payment schedules.<br>These delays were largely attributable to broader institutional and cash flow challenges and were outside the direct control of the LED Directorate. | | | | | |

14

| **What remedies have been put in place to prevent any non-compliance being repeated** | | | | | |
|---|---|---|---|---|---|
| **YES** | X | **NO** | | **UNCERTAIN** | |
| **Explain or motivate your response above** | | | | | |

ANNEXURE A

To prevent a recurrence of similar instances, the following remedial measures have been identified:

- Strengthening internal coordination to ensure timeous senior management consultations.
- Improved communication between Finance, SCM, and line departments regarding payment scheduling; and
- Ensuring service providers are paid within prescribed timeframes, subject to cash flow availability.

While cash flow management remains a corporate function, departments will continue to engage proactively to mitigate implementation delays.

15

**General or additional Comments of the Deputy Director: Economic Development and Planning Concerned**

None Sufficient Motivation for Written off by Council.

Signature of Deputy Director Concerned:

KAYALAKHE NONTSHIZA
DEPUTY DIRECTOR: ECONOMIC DEVELOPMENT AND PLANNING
Date: 26/01/2026

16

**General Comments/Findings and recommendations of the CFO**

Poor Value for money not obtained, No financial Loss

Name of CFO:

ANNEXURE A

Signature of CFO: _____ Date: 26/01/2026

17

**General Comments/Findings and or recommendations of the Chief Audit Executive**

Value for money was received as the Strategy document was completed for TWK use.

Name of Chief Audit Executive: ANTON OPPERMAN

Signature of Chief Audit Executive: _____ Date: 26/01/2026

18

**Final response of the Deputy Director Concerned for consideration by the Municipal Manager**

RECOMMEND FOR WRITTEN OFF BY COUNCIL.

Signature of the Deputy Director concerned:

KAYALAKHE NONTSHIZA
Deputy Director: Economic Development & Planning
Date: 26/01/2026

19

**General Comments and Findings of the Municipal Manager**

Recommendations Approved

Signature of the Municipal Manager:

**WALTER HENDRICKS**
**MUNICIPAL MANAGER**
**DATE:**

20.

**Shanell Newman**

---

**From:** Nicolette Amsterdam
**Sent:** Thursday, January 15, 2026 10:02 AM
**To:** Enrico Shortles; Warren Moses; Elana Lotriet; Landile Litholi
**Cc:** Kayalakhe Nontshiza; Namso Baliso; Elvira Gardiner; Shaniel De Jager
**Subject:** FW: COMAF 9 and Irregular payments 2024/25: MPAC
**Attachments:** COMAF 09 of 2024-25 - Deviations found not justifiable -Development.docx; COMAF 09 of 2024-25 - Deviations found not justifiable - Esri.docx

**ToBeClassified:** <XMLToBeClassified><Site>TWKMUN</Site><FileNumber></FileNumber><FolderMonitorPath>C:\Users\namsoba\COLLAB\EMAILFILING\TWKMUN\</FolderMonitorPath><TemplateID>17</TemplateID><FolderName>TWKMUN</FolderName></XMLToBeClassified>

Good morning All

This email serves as a reminder of the request below.

Many thanks

Nickey

**From:** Namso Baliso <namsoba@twk.gov.za>
**Sent:** Friday, December 19, 2025 8:36 AM
**To:** Enrico Shortles <enricosh@twk.gov.za>; Warren Moses <warrenmo@twk.gov.za>; Elana Lotriet <elanalo@twk.gov.za>; Landile Litholi <LandileLi@twk.gov.za>
**Cc:** Kayalakhe Nontshiza <kayalakheno@twk.gov.za>; Nicolette Amsterdam <NicoletteAm@twk.gov.za>; Shaniel De Jager <shanielge@twk.gov.za>
**Subject:** FW: COMAF 9 and Irregular payments 2024/25: MPAC

Dear Colleagues

May I please request preparation and submission of reports to MPAC in the new year, for the attached items.

@Enrico Shortles Esri deviation also attached,

**Sibikulu**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Sibakulu | 2023/2024 | Grabouw Gipsy Queen (01/09/2024 to 30/09/2024 | Development | INV-0577 | 14/09/2024 | 31748 | 11/10/2024 | R879 215,26 |
| Sibakulu | 2024/2025 | Grabouw Gipsy Queen (01/10/2024 to 31/10/2024 | Development | INV-0604 | 15/10/2024 | 32945 | 31/01/2025 | R898 736,50 |
| Sibakulu | 2024/2025 | Grabouw Gipsy Queen (01/12/2024 to 31/12/2024) | Development | INV - 0662 | 17/12/2024 | 33415 | 28/03/2025 | R898 736,50 |
| Sibakulu | 2024/2025 | Grabouw Gipsy Queen (01/11/2024 to 30/11/2024) | Development | INV-0616 | 12/11/2024 | 33415 | 28/03/2025 | R869 745,00 |

**ASLA**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Asla | 2024/2025 | Berg en Dal Sewer pump station Claim no 13 | Development | 16106 | 2024/07/22 | 33204 | 2025/03/25 | R840 401,26 |
| Asla | 2024/2025 | Berg en Dal Sewer pump station Claim no 14B | Development | 16152 | 2024/08/22 | 33204 | 2025/03/25 | R70 291,90 |
| Asla | 2024/2025 | Berg en Dal Sewer pump station Claim no 14 (1) | Development | 16178 | 2024/08/22 | 33204 | 2025/03/25 | R138 997,89 |
| Asla | 2024/2025 | Berg en Dal (Claim 14 A(2) | Development | 16179 | 2024/08/22 | 32712 | 2025/01/23 | R1 049 691,03 |
| Asla | 2024/2025 | Berg en Dal | Development | | | 33018 | 2025/02/24 | R986 541,55 |
| Asla | 2024/2025 | Berg en Dal | Development | | | 33018 | 2025/02/24 | R63 149,48 |

If any enquiries don't hesitate to call SCM

Regards,

**Annielle Martin**
Supply Chain Management
Directorate: Financial Services

**THEEWATERSKLOOF MUNICIPALITY**
**Head Office.** 6 Plein Street, Caledon, 7230
**Call Centre.** 028 214 3300 | **Emergency.** 080 021 4730 | **Email.** anniellema@twk.gov.za
**Website.** www.twk.gov.za | **Follow us on Facebook, X, Instagram.** @twkmun

Theewaterskloof
Municipality

PRIVACY AND CONFIDENTIALITY DISCLAIMER: The Theewaterskloof Municipality and Staff are committed to ensuring that it safeguards personal/private information of data subjects and to respect their right to privacy in accordance with the provisions of the South African Constitution, the Protection of Personal Information Act, 2013 (POPIA) and the Promotion of Access to Information Act, 2000 (PAIA). This email message contains information which may be confidential, personal, private, or privileged in nature and is intended solely for use by the recipient and others authorized to receive it for the specific purpose for which it was sent. If you are not the intended recipient, you are prohibited from using, misusing, disseminating, altering, forwarding, storing, or copying the information, and are hereby notified that such action in relation to the contents of this information is unlawful which may result in your being held liable arising out of your non-compliance. If you have received this message in error, please notify the sender immediately and delete and/or destroy the message from your system.

Regards,

**Annielle Martin**
Supply Chain Management
Directorate: Financial Services

**THEEWATERSKLOOF MUNICIPALITY**
**Head Office.** 6 Plein Street, Caledon, 7230
**Call Centre.** 028 214 3300 | **Emergency.** 080 021 4730 | **Email.** anniellema@twk.gov.za
**Website.** www.twk.gov.za | **Follow us on Facebook, X, Instagram.** @twkmun

Theewaterskloof
Municipality

521

AUDITOR-GENERAL
SOUTH AFRICA

The Accounting Officer
Theewaterskloof Municipality
PO Box 24
Caledon
7230

24 October 2025

Reference: Communication No. 09 of 2025

Dear Mr. W Hendricks

**COMMUNICATION OF FINDINGS IDENTIFIED DURING THE AUDIT OF COMPLIANCE WITH LEGISLATION FOR THE YEAR ENDED 30 JUNE 2025**

**Background**

1. In performing the audit of compliance with legislation, we identified instances of non-compliance as described in the annexure. We have recorded the internal control deficiency that gave rise to the instances of non-compliance and our recommendation for correcting the instances of non-compliance for your consideration.
2. The finding will be included in the management report including your comments and our final response.

**Required**

3. You are requested to indicate whether you agree with the facts stated in the annexure including whether you agree with the identified internal control deficiency. Should you disagree, please provide us with documentary evidence to the contrary within 5 days from the date of this communication, as agreed in the engagement letter.
4. Please provide us with the reasons for the instances of non-compliance and the steps that will be taken to rectify the matter in future.

Yours sincerely

Masixole Velem
Senior Manager: Western Cape


Enquiries: Henno Pretorius
Cell phone: 064 907 4146
Telephone: (021) 528 4100
Email: hennop@agsa.co.za


**Acknowledgement of receipt by management:**

Received by _____ Date _____

**DETAILED AUDIT FINDING**

**Procurement processes and contract management**

**SCM: Reason for not following the official procurement processes (Deviation) not justifiable and incorrect classification of deviations**

**1. Unjustified deviations from normal Supply chain processes**

Section 2(1)(b) of the Supply Chain Management (SCM) regulations, *"each municipality and municipal entity must in terms of section 111 of the Act have and implement a supply chain management policy that –*

*(b) is fair, equitable, transparent, competitive and cost effective."*

Section 19 of the Municipal Supply Chain Management Regulations on Competitive bids states
*"A supply chain management policy must specify—*

*a) that goods or services above a transaction value of R300 000 (VAT included) may be procured by the municipality or municipal entity only through a competitive bidding process, subject to regulation 11(2); and*

*b) that no requirement for goods or services above an estimated transaction value of R300 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process."*

Section 17(1) of the Municipal Supply Chain Management Regulations states that:
*"A supply chain management policy must stipulate the conditions for the procurement processes of goods or*
*services through formal written price quotations, which must include conditions stating—*
*a) that quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the municipality or municipal entity;*
*b) that quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria in the supply chain management policy required by regulation 14(1)(b) and;*
*c) that if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer."*

Section 36 of the Municipal Supply Chain Management Regulations states that;

*(1.) "A supply chain management policy may allow the accounting officer –*

*(a.) to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*

*(i) In the case an emergency;*
*(ii) If such goods or services are produced or available from a single provider only;*
*(iii) For the acquisition of special works of art or historical objects where specifications are difficult to compile;*
*(iv) Acquisition of animals for zoos; or*
*(v) In any other exceptional case where it is impractical or impossible to follow the official procurement processes; and*

*(b.) to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely technical.*

*(2.) The accounting officer must record the reasons for any deviations in terms of sub-regulation (1) (a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements*

*(3.) In terms of the Supply Chain Management (SCM) regulations 5: "An accounting officer may in terms of section 79 or 1 06 of the Act sub delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of regulation 4(1), but any such sub delegation must be consistent with sub regulation (2) and regulation 4".*

Furthermore, paragraph 37 of the municipality's supply chain policy states that:
***"36. DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSESSNT PROCESSES***

*1. The Accounting Officer may –*

*a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*
*(I) in an emergency; (An emergency is an unforeseeable sudden event with harmful or potential harmful consequences for the municipality which requires urgent action to address.)*

*Circumstances that warrant emergency dispensation, includes but are not limited to –*

*a) the possibility of human injury or death,*
*b) the prevalence of human suffering or deprivation of rights,*
*c) the possibility of damage to property, or suffering and death of livestock and animals, the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole, the possibility of serious damage occurring to the natural environment,*
*d) the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service,*
*e) the possibility that the security of the state could be compromised.*

*2. The Accounting Officer must record the reasons for any deviations in terms of subparagraphs 36(1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.*
*3. Subparagraph 36(2) does not apply to the procurement processes of goods and services contemplated in paragraph 11(2) of this policy."*

During our testing of this deviation, we identified several instances where the reason for the deviation was not found to be justifiable:

## Part A: Inadequate Justification for Procurement processes Deviations

| No | Name of supplier and service provided | Category | Actual value of contract | Deviation date of approval | Auditor's comment |
|---|---|---|---|---|---|
| 1 | **Security Services – Sibukele Security Services** | Any other exceptional case where it is impractical or impossible to follow the official procurement processes | R1 629 561,50 | 09 July 2024 | The municipality justified this deviation by procuring security services for one month prior to commencement of a construction contract to prevent community members from illegally occupying vacant structures.<br>However, this deviation does not meet the criteria for any other exceptional case where it is impractical or impossible to follow the official procurement processes. The situation could have been managed through a formal quotation process, and the failure to plan adequately for PPE needs led to the unjustifiable deviation.<br><br>**Impact:** This results in non-compliance with regulation 19(a) as goods were procured without following a competitive bidding process.<br><br>Deviations were approved by the accounting officer even though it was not impractical obtain price quotations in contravention with regulation 36(1)(a). This results in irregular expenditure of R1 629 561,50. The non-compliance is material (recurring) and will be included in the audit report. |
| 2. | **Appointment of a contractor to contractor to construct 32 units in Hillside Phase 1 Grabouw - Rhandzo Projects (Pty) Ltd** | Any other exceptional case where it is impractical or impossible to follow the official procurement processes | R6 242 016,00 | 11 July 2024 | The municipality deviated from SCM processes to procure construction services for constructing 32 housing units. The municipality while the tender process was underway, should have planned and initiated the request for tenders and thus made an award to the supplier on the basis that the conditions on the ground for the occupants of hostels were worsening thus the municipality had to act urgently to protect the community. The municipality should have continued to evaluate with the normal procurement processes process swiftly to enable the prompt awarding of the tender and timely commencement of the construction project. This deviation, therefore, stems from inadequate planning.<br><br>**Impact:** This results in non-compliance with regulation 19(a) as goods were procured without following a competitive bidding process. |

| No | Name of supplier and service provided | Category | Actual value of contract | Deviation date of approval | Auditor's comment |
|---|---|---|---|---|---|
| | | | | | Deviations were approved by the accounting officer even though it was not impractical obtain price quotations in contravention with regulation 36(1)(a)(v). This results to irregular expenditure of R2 260 982 (expenditure current year). All future expenditure for this services should also be regarded as irregular expenditure. The non-compliance is material (recurring) and will be included in the audit report. |
| 3. | **Transport Of Containerised Municipal Solid Waste And Chipping Of Garden Waste For The Period From 01 July 2024 Untill 30 June 2027 - Enviroserv Waste Management (Pty) Ltd** | Any other exceptional case where it is impractical or impossible to follow the official procurement processes | R1 267 496,00 | 28 June 2024 | The municipality deviated from SCM processes to procure the services for waste management for three years, citing the impracticality due to lack of a functional BAC. This deviation, therefore, stems from improper planning.<br><br>**Impact:** This results in non-compliance with regulation 19(a) as goods were procured without following a competitive bidding process.<br><br>Deviations were approved by the accounting officer even though it was not impractical obtain price quotations in contravention with regulation 36(1). This results to irregular expenditure of R400 555 (expenditure current year). All future expenditure for this services should also be regarded as irregular expenditure. The non-compliance is material (recurring) and will be included in the audit report. |
| 4. | **Water Ultrafiltration Plants at Caledon, Greyton, Voorstekraal and Bereaville - Ikusasa Chemicls (Pty) Ltd** | Any other exceptional case where it is impractical or impossible to follow the official procurement processes. | R1 200 000,00 | 31 December 2024 | The municipality deviated from SCM processes to procure water purification services, citing the impracticality of approaching other service providers due to the previous contract coming to an end and for possible cost-savings and other service providers are not familiar with the plants and the requirements thereof as the construction was completed and implemented by Ikusasa Chemicals. However, the service provider does not offer specialized services. The municipality should have followed a normal |

| No | Name of supplier and service provided | Category | Actual value of contract | Deviation date of approval | Auditor's comment |
|---|---|---|---|---|---|
| | | | | | procurement processes process from other service providers on their database.<br><br>**Impact:** This results in non-compliance with regulation 19(a) as goods were procured without following a competitive bidding process. Deviations were approved by the accounting officer even though it was not impractical obtain tenders in contravention with regulation 36(1)(a). The total expenditure in this regard which should be regarded as irregular expenditure amounted to R3 150 622. The non-compliance is material (recurring) and will be included in the audit report. |
| 5. | **Mailtronic Direct Marketing - Printing, Sorting and Mailing of Municipal Accounts** | Any other exceptional case where it is impractical or impossible to follow the official procurement processes. | R765 599,43 | 09 January 2025 | The municipality deviated from SCM processes to procure printing and mailing services for municipal accounts for two months, after the previous contract ended. While the tender process was underway, the municipality should have planned and initiated the procurement processes process six months before the contract expiry in 30 June 2024. This deviation, therefore, stems from improper planning.<br><br>**Impact:** This results in non-compliance with regulation 19(a) as goods were procured without following a competitive bidding process.<br><br>Deviations were approved by the accounting officer even though it was not impractical obtain price quotations in contravention with regulation 36(1)(a). This results to irregular expenditure of R182 980,00 (expenditure current year). All future expenditure for this services should also be regarded as irregular expenditure. The non-compliance is material (recurring) and will be included in the audit report. |
| 6. | **PROVISION OF SECURITY SERVICES FOR THE COLLECTION, TRANSPORTATION** | Any other exceptional case where it is impractical or impossible | R217 819,00 | 19 December 2024 | The municipality procured security services for collection, transportation and depositing of cash via a deviation process, citing that a tender was cancelled by the BAC due to tenderers not being eligible. A new tender process was started however the municipality was in need of the |

| No | Name of supplier and service provided | Category | Actual value of contract | Deviation date of approval | Auditor's comment |
|---|---|---|---|---|---|
| | **AND DEPOSITING OF CASH - Fidelity Services Group** | to follow the official procurement processes. | , | | services hence the deviation. This stems from improper planning of the municipality's needs. Procurement processes for goods and services that are of continuous need to the public should commence within six months prior to the end of the contract. The municipality should have followed a quotations process, and the deviation was unjustified.<br><br>**Impact:** This results in non-compliance with regulation 17(1)(a) and (c) as goods were procured without obtaining the required price quotations. Deviations were approved by the accounting officer even though it was not impractical obtain price quotations in contravention with regulation 36(1)(a). This results to irregular expenditure of R217 819,00. The non-compliance is material (recurring) and will be included in the audit report. |
| 7. | **Monitoring and Armed Response for alarms in TWK - Specialised AGRI Protection Services** | Any other exceptional case where it is impractical or impossible to follow the official procurement processes. | R183 443,52 | 29 January 2025 | The municipality deviated from SCM processes to procure armed response services to prevent significant damage to critical infrastructure. A formal tender was advertised but due to lack of a BAC, the municipality deviated and appointed the current service provider to minimize the capital costs associated with taking over the premises in all towns. In the past the municipality sourced BAC members from other municipalities. This deviation is therefore, because of the municipality's improper planning not unjustifiable.<br><br>**Impact:** This results in non-compliance with regulation 17(1)(a) and (c) as goods were procured without obtaining the required price quotations.<br><br>Deviations were approved by the accounting officer even though it was not impractical obtain price quotations in contravention with regulation 36(1)(a). This results to irregular expenditure of R182 854 (expenditure current year). All future expenditure for these services should also be regarded as irregular expenditure. The non-compliance is material (recurring) and will be included in the audit report. |

| No | Name of supplier and service provided | Category | Actual value of contract | Deviation date of approval | Auditor's comment |
|---|---|---|---|---|---|
| 8. | **Monitoring and Armed Response for alarms in TWK - Specialised AGRI Protection Services** | Any other exceptional case where it is impractical or impossible to follow the official procurement processessnt processes. | R144 900,00 | 11 August 2024 | The municipality deviated from SCM processes to procure armed response services to prevent significant damage to critical infrastructure. A formal tender was advertised but due to lack of a BAC, the municipality deviated and appointed the current service provider to minimize the capital costs associated with taking over the premises in all towns. In the past the municipality sourced BAC members from other municipalities. This deviation is therefore, because of the municipality's improper planning not unjustifiable.<br><br>**Impact:** This results in non-compliance with regulation 17(1)(a) and (c) as goods were procured without obtaining the required price quotations.<br><br>Deviations were approved by the accounting officer even though it was not impractical obtain price quotations in contravention with regulation 36(1)(a). This results to irregular expenditure of R144 900,00. The non-compliance is material (recurring) and will be included in the audit report. |
| 9. | **Drafting of egal opinions - Bradley Conradie Halton** | Any other exceptional case where it is impractical or impossible to follow the official procurement processes | R6 325,00 | 29 January 2025 | The municipality deviated from the SCM process to procure legal services from the service provider citing the potential risk to the municipality it was vitally important to use a service provider with proven local government experience as well as someone who knows the dynamics of the municipality through previous work done.<br><br>However, the deviation is unjustifiable because alternative service providers were available, and a proper procurement process should have been followed as this was not an emergency.<br><br>**Impact:** This results in non-compliance with regulation 17(1)(a) and (c) as goods were procured without obtaining the required price quotations.<br><br>Deviations were approved by the accounting officer even though it was not impractical obtain price quotations in contravention with regulation 36(1)(a). This results |

| No | Name of supplier and service provided | Category | Actual value of contract | Deviation date of approval | Auditor's comment |
|---|---|---|---|---|---|
| | | | | | irregular expenditure of R69 000,00. The non-compliance not individually material but will be evaluated with other instances of non-compliance. |
| 10. | **WFK SERVICES (PTY) LTD.** | Any other exceptional case where it is impractical or impossible to follow the official procurement processes | R417 880,00 | 29/09/2024 | The municipality deviated from the SCM process to lease plant for Caledon Landfill site. A formal tender process was followed, but due to lack of a BAC, the municipality deviated and appointed the current service provider to adhere to the landfill site license requirements. In the past the municipality sourced BAC members from other municipalities. This deviation is therefore, because of the municipality's improper planning not justifiable.<br><br>**Impact:** This results in non-compliance with regulation 19(a) as goods were procured without following a competitive bidding process.<br><br>Deviations were approved by the accounting officer even though it was not impractical to follow the formal tender processes. This results to irregular expenditure of R317 480.50 (expenditure current year). All future expenditure for this services should also be regarded as irregular expenditure. The non-compliance is material (recurring) and will be included in the audit report. |
| 11. | **ESRI SOUTH AFRICA (PTY) LTD.** | Any other exceptional case where it is impractical or impossible to follow the official procurement processes | R414 208,15 | 13/08/2024 | The municipality deviated from the SCM process for the use of the GIS System to maintain a spatial record of all properties and infrastructure in the municipal area. A formal tender process was followed, but stopped by the previous municipal manager who instructed the finance department do go out on a deviation. The municipal manager do not have the authority to deviate from the formal procurement processes based on his preference. The tender process should have been followed.<br><br>**Impact:** This results in non-compliance with regulation 19(a) as goods were procured without following a competitive bidding process.<br><br>Deviations were approved by the accounting officer even though it was not impractical obtain price quotations in contravention with regulation |

| No | Name of supplier and service provided | Category | Actual value of contract | Deviation date of approval | Auditor's comment |
|---|---|---|---|---|---|
| | | | | | 36(1)(a). This results to irregular expenditure of R731 264.31 (expenditure current year). All future expenditure for this services should also be regarded as irregular expenditure. The non-compliance is material (recurring) and will be included in the audit report. |
| 12. | **UBUNTU TECHNOLOGY (PTY) LTD** | Any other exceptional case where it is impractical or impossible to follow the official procurement processes | R322 491,28 | 29/11/2024 | The municipality deviated from the SCM process for the core Sophos network firewall device, which was scheduled to reach its end-of-life on December 15, 2024. The reason for deviation was that the procurement process was "extensively discussed in ICT Steering Committee meetings, which led to delays in the final decision-making, as we sought the most suitable solution given the municipality's current financial challenges". This seems more like improper planning to ensure that the correct processes were followed.<br><br>**Impact:** This results in non-compliance with regulation 19(a) as goods were procured without following a competitive bidding process.<br><br>Deviations were approved by the accounting officer even though it was not impractical obtain price quotations in contravention with regulation 36(1)(a). This results to irregular expenditure of R322 491.28. The non-compliance is material (recurring) and will be included in the audit report. |
| 13. | **WB TIPPER TRUCK AND PLANT HIRE (PTY) LTD** | Any other exceptional case where it is impractical or impossible to follow the official procurement processes | R314 697,50 | 08/11/2024 | The municipality deviated from the SCM process to lease plant for the Landfill site. A formal tender process was followed, but due to lack of a BAC, the municipality deviated and appointed the current service provider to adhere to the landfill site license requirements. In the past the municipality sourced BAC members from other municipalities. This deviation is therefore, because of the municipality's improper planning not justifiable.<br><br>**Impact:** This results in non-compliance with regulation 19(a) as goods were procured without following a competitive bidding process. |

| No | Name of supplier and service provided | Category | Actual value of contract | Deviation date of approval | Auditor's comment |
|---|---|---|---|---|---|
| | | | | | Deviations were approved by the accounting officer even though it was not impractical to follow the formal tender processes. This results to irregular expenditure of R314 697.50. The non-compliance is material (recurring) and will be included in the audit report. |
| 14. | **TWK Communications** | Any other exceptional case where it is impractical or impossible to follow the official procurement processes | R93 176,73 | 08/07/2024 | The municipality deviated from the SCM process for internet services which came to an end on 30 June 2024. The motivation for deviating was that it will require intensive hand over and infrastructure planning. A formal tender process has begun, but it seems the process was started too late resulting in the deviation. This deviation is therefore, because of the municipality's improper planning not justifiable.<br><br>**Impact:** This results in non-compliance with regulation 19(a) as goods were procured without following a competitive bidding process.<br><br>Deviations were approved by the accounting officer even though it was not impractical to follow the formal tender processes. This results to irregular expenditure of R547 443.95 (expenditure current year). All future expenditure for this services should also be regarded as irregular expenditure.. The non-compliance is material (recurring) and will be included in the audit report. |
| 15. | **Wispernet** | Any other exceptional case where it is impractical or impossible to follow the official procurement processes | R56 925,00 | 02/07/2024 | The municipality deviated from the SCM process for internet fibre line 100MB installed at Head Office Data Centre and 200MB fibre line at Operational Command Centre. The current contract comes to an end on 30 June 2024. The motivation for deviating was that a transition period is of 3 months are required. A formal tender process has begun, but it seems the process was started too late resulting in the deviation. This deviation is therefore, because of the municipality's improper planning not justifiable.<br><br>**Impact: Impact:** This results in non-compliance with regulation 17(1)(a) and (c) as goods were procured without obtaining the required price quotations. |

| No | Name of supplier and service provided | Category | Actual value of contract | Deviation date of approval | Auditor's comment |
|---|---|---|---|---|---|
| | | | | | Deviations were approved by the accounting officer even though it was not impractical to follow the formal tender processes. This results to irregular expenditure of R229 571.05 (expenditure current year). All future expenditure for this services should also be regarded as irregular expenditure.. The non-compliance is material (recurring) and will be included in the audit report. |
| 16. | **BIDVEST SERVICES (PTY) LTD** | Any other exceptional case where it is impractical or impossible to follow the official procurement processes | R18 630,00 | 22/08/2024 | The municipality deviated from the SCM process for sanitary bins. The argument for the deviation was that the municipality currently pay the current service provider way less than any other bidder, but by not going out on the formal quotation process, this can not be sure and it is unfair to other bidders by not giving them a equal change to bid.<br><br>**Impact: Impact:** This results in non-compliance with regulation 17(1)(a) and (c) as goods were procured without obtaining the required price quotations.<br><br>Deviations were approved by the accounting officer even though it was not impractical to follow the formal tender processes. This results to irregular expenditure of R32 500.06 (expenditure current year). All future expenditure for this services should also be regarded as irregular expenditure.. The non-compliance is material (recurring) and will be included in the audit report. |
| | **Total contract value** | | **R13 295 169.11** | | This amount is the total of the amounts as per the Deviation register of the Municipality |
| | **Total irregular expenditure (actual expenditure 2024/25)** | | **R10 734 719.15** | | The auditors used the GL to identify the expenditure incurred in the current year. Management should ensure that the correct expenditure are used for recording of the irregular expenditure and proof should be supplied to the auditors iro the adjustment. |

**Part B:**

## 2. Deviations incorrectly categorised

### Auditors finding

Furthermore, we identified that the following deviations was incorrectly categorised as "Any other exceptional case where it is impractical or impossible to follow the official procurement process" under Regulation 36(1)(a), despite the circumstances clearly meeting the definition of an "Emergency". These deviations are therefore incorrectly classified in Note 57.7 of the AFS:

| Order date | Supplier | Details of goods or services supplied | Amount (R) | Reason for deviation |
|---|---|---|---|---|
| 1/10/2025 | Blue Falcon | Security Services - Emergency Deployment - 29, 30 December 2024 till 08 January 2025 | 1 159 200,00 | Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-08-30 | NEWPORT WATER SOLUTIONS (PTY) LTD | SERVICING OF FIRE EQUIPMENT | 120 101,76 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-09-26 | ADENCO CONSTRUCTION PTY LTD | Vandalism and stealing of cables Main supply in Villiersdorp | 102 550,08 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-10-29 | ADENCO CONSTRUCTION PTY LTD | Replace damaged 11m Pole on OH line in Ham street Villiersdorp | 91 191,19 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |

| | | | | |
|---|---|---|---|---|
| 2024-10-17 | SPEED VAC AND PLANT (PTY) LTD | The sewer network of Grabouw had a blockage and caused a spillage in the area. The service provider was tasked to unblock the sewer and contain the spill with the use of a Jetvac truck. | 61 828,90 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-11-08 | ADENCO CONSTRUCTION PTY LTD | Vandalism to the 11kv pole and cable vandalized | 48 483,65 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-11-08 | ADENCO CONSTRUCTION PTY LTD | Vandalism in Villiersdorp 3x poles | 46 167,97 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-09-26 | ADENCO CONSTRUCTION PTY LTD | In Ham street Villiersdorp an 11Kv pole and cable was vandalized. The pole and cable was stolen. | 40 145,63 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-08-15 | ADENCO CONSTRUCTION PTY LTD | In Ham street Villiersdorp an 11Kv pole and cable was damage. The pole and cable was stolen. Due to gale force wind and rain it was impossible to repair. | 34 365,45 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-11-08 | ARCCON | Vandalism a 11KV pole at Dennestreet, Caledon | 27 668,37 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |

| | | | | |
|---|---|---|---|---|
| 2024-11-05 | ADENCO CONSTRUCTION PTY LTD | Vandalism for Villiersdorp | 24 863,92 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-11-25 | MAXAL PROJECTS SA (PTY) LTD | Emergency callout strip and clean | 6 706,80 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| 2024-10-15 | ANDRAG AGRICO (PTY) LTD | hose rubber dual 100mm clamp heavy duty labour | 5 187,08 | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes |
| | | | **1 768 460,80** | |

**Impact**

- Material Non-compliance with Supply Chain Management regulations 17(1)(a) and (c) and 19 (a) resulting in irregular expenditure of R10 734 718.15. The irregular expenditure will also be assessed for expenditure management compliance to confirm if there was prevention of irregular expenditure.
- Incorrect classification misstatement of R1 768 460.80

**Internal control deficiency**

*Financial and performance management –*

*Review and monitor compliance with applicable laws and regulations*

- Reviews of procurement processes deviations are not performed adequately, as the reasons for bypassing the official procurement processes process are often unjustifiable.
- There is a lack of robust processes for reviewing and monitoring compliance with applicable expenditure management laws and regulations, contributing to irregular expenditure.
- The municipality lacks sufficient planning and monitoring controls to ensure deviations are justified and aligned with appropriate emergency protocols.

- Weaknesses in procurement processes oversight and insufficient planning lead to recurring non-compliance with Supply Chain Management (SCM) regulations.
- The municipality's failure to anticipate and plan for critical service needs, particularly high-demand services like town cleaning, highlights a significant deficiency in operational planning and forecasting.
- Lack of oversight mechanisms to ensure proper categorisation aligned with regulatory definitions.

*Financial and performance management –*

*Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.*

- Reviews of the classification of deviations and the financial statements were not performed adequately resulting in incorrect classification.

**Recommendation**

- Management should investigate the total population of deviations and adjust the financial statements to include the irregular expenditure of R10 734 718.15 and any other misstatement identified in the investigated population. Furthermore, management should ensure that all future payments on these unjustifiable deviations should also be regarded and treated as irregular expenditure. Management should update the financial statements to include the total irregular expenditure incurred in the current financial year in this regard.
- Management should establish robust procedures to review and monitor procurement processes deviations before approval, including independent verification of the categorisation.
- Management should strengthen their review and monitoring processes of compliance with expenditure management applicable laws and regulations to ensure that reasonable steps are taken to prevent irregular expenditure.
- A stricter approval process for deviations should be implemented, ensuring adequate justification and minimising recurrence of non-compliance.
- The municipality should revise its emergency procurement processes policies to ensure compliance with SCM regulations, even during disaster responses. Adopting a proactive approach to managing procurement processes timelines and engaging in parallel processes will help minimise irregularities and enhance transparency.
- Management should implement proper review processes on the classification of deviations in the financial statements.

**Management response**

| DESCRIPTION | RESPONSE |
|---|---|
| Does management agree with the finding (Yes/ No) | Part A – No<br>Part B - Yes |
| Detail reason for agreeing/ disagree with finding | **Part A**<br>The deviations and related motivations were reasonable due to the circumstances that existed at that particular time, and accordingly the said deviations were approved.<br><br>The Management still underscores the reality of the challenges experienced with the recruitment and selection of Senior Management during the year under review which had |

| DESCRIPTION | RESPONSE |
|---|---|
| | a direct impact on the functionality of the bid committees that created undue delays and forced deviations. A compounding factor was the uncertainty surrounding the Municipality's financial position and the risk of forfeiting external funding (conditional grants). |
| Management comment on internal control deficiencies and root cause indicated and detail reason for agreeing/ disagree with finding. | Part A – Management disagrees with finding<br>Part B – Management agrees with the internal control deficiency. |
| Detail corrective action to be taken and date. | Part A – N/A as management disagrees with the finding.<br>Part B – AFS note to be adjusted. |
| Does the finding affect an amount disclosed in the financial statements (Yes/ No) | Yes |
| If yes, what corrections will be made to the population | Part A – Management disagrees with finding<br>Part B – AFS note to be adjusted |
| If **yes** and no corrections will be made the reason, why such a conclusion has been reached should be indicated. | N/A |
| Position of official responsible to take corrective actions | Deputy Director: Finance |

Name: Annielle Martin
Position: Acting SCM Manager
Date:31/10/2025

**Auditor's conclusion:**

**Part A**

Management's responses are acknowledged. No additional supporting evidence was supplied to the auditors to justify the deviations. We therefore will conclude that the deviations are not justifiable.

Management indicated that no corrections is required in the financial statements, therefore the irregular expenditure of **R10 734 719.15** will be taken to uncorrected misstatements and the amount is material and results in a modification the audit opinion.

**Part B**

In respect of the irregular expenditure, we have not yet received the updated financial statements. Once received we will confirm if management adjusted for the finding.

Municipality

# THEEWATERSKLOOF MUNICIPALITY

## CONTRACT

**THIS FORM MUST BE FILLED IN DUPLICATE BY BOTH THE SUCCESSFUL BIDDER (PART 1) AND PURCHASER (PART 2). BOTH FORMS MUST BE SIGNED IN THE ORIGINAL SO THAT SUCCESSFUL BIDDER AND THE PURCHASER WOULD BE IN POSSESSION OF ORIGINALLY SIGN CONTRACTS FOR THEIR RESPECTIVE RECORDS**

### PART 1 (TO BE FILLED IN BY THE BIDDER)

1. I hereby undertake to supply all or any of the goods and/or works described in the bid documents to the **THEEWATERSKLOOF MUNICIPALITY** in accordance with the requirements and specifications stipulated in **QUOTATION NO: BF 01/2023/24 THE DEVELOPMENT OF A TOURISM STRATEGY FOR THEEWATERSKLOOF MUNICIPALITY** the validity period indicated calculated from the closing time of bid.

2. The following documents shall be deemed to form and be read and construed as part of this agreement.

   (i) Bidding documents, viz
   - Invitation to bid
   - Form of Offer
   - Tax Compliance Status Pin Certificate;
   - Pricing schedule(s);
   - Scope of Works;
   - PCO Certificate;
   - Chainsaw Certificates;
   - Horticulturist Certificate;
   - Preference claims in terms of the Preferential Procurement Regulations 2022;
   - MBD 4 (Declaration of Interest), MBD 6.1 (Preference Points), MBD 8 (Declaration of Bidder's Past Supply Chain Management) and MBD 9 (Certificate of Independent Bid Determination);
   - The General Conditions of Contract for construction works will apply to this quotation inclusive of the mandatory Sec. 37 (2) Agreement between client and bidder.
   - General Conditions of contract (GCC).

3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) rate(s) quoted cover all the goods and / or works specified in the bidding documents; that the price(s) rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) calculations will be at my own risk.

4. I accept full responsibility for the proper execution and fulfillment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfillment of this contract.

5. I declare that I have no participation in any collusive practices with any bidder or other party regarding this or any other bid.

6. I confirm that I am duly authorized to sign this contract.

| | | | |
|---|---|---|---|
| NAME (PRINT) | Alexandra Kempthorne | | |
| CAPACITY | Director / Shareholder | WITNESSES | |
| SIGNATURE | [signature] | 1. | [signature] |
| NAME OF FIRM | Urban-Econ Development Economist (Pty) Ltd. | 2. | [signature] |
| DATE | 9th April 2024 | DATE | 09/04/2024 |

**PART 2 (TO BE FILLED IN BY THE PURCHASER)**

1. I, Namso Baliso in my capacity as Acting Director: Economic Development and Planning Services accepts your bid for the supply of goods/works indicated hereunder and/or further specified in the annexure(s).
2. An official order will be send to you after the contract has been signed by both parties.

| ITEM NO. | DESCRIPTION | ESTIMATED QUANTITY | UNIT PRICE EXCL VAT R c | PRICE EXCL VAT R c |
|---|---|---|---|---|
| 1. | Establishment of Project Steering committee, ToR document & Preliminary sector report | 1 | 1,200 00 | 19,200 00 |
| 2. | Situation Analysis | 1 | 850 00 | 68,000 00 |
| 3. | Strategic framework | 1 | 850 00 | 34,000 00 |
| 4. | Monitoring & evaluation framework | 1 | 850 00 | 13,600 00 |
| 5. | Implementation plan | 1 | 850 00 | 20,400 00 |
| 6. | Theewaterskloof Tourism Strategy final draft | 1 | 1,100 00 | 17,600 00 |
| | *NB: Prices must be inclusive of all associated costs. | | Sub Total | 172,800 00 |
| | | | Vat @ 15% | 25,920 00 |
| | | | Total | 198,720 00 |

3. I undertake to make payment for the goods/works delivered in accordance with the terms and conditions of the contract, within 30 (thirty) days after receipt of an invoice accompanied by the delivery note.

   **The project must be completed within forty-five (45) working days from date of official order.**

4. I confirm that I am duly authorized to sign this contract.

SIGNED AT CALEDON ON 09 APRIL 2024

NAME (PRINT) NAMSO BALISO

SIGNATURE [signature]

OFFICIAL STAMP

WITNESSES

1. .....

2. .....

DATE .....

5. Mediation

5.1 Each party shall submit a list with 3 (three) names of knowledgeable persons, with expertise relating to the particular field in which the dispute arose, as potential mediators from which one mediator shall be selected by agreement between the parties. Should the parties fail to reach agreement on the choice of the mediator within 5 (five) working days from the day on which it has become apparent that the matter cannot be settled through negotiation, any of the parties may request the Institute for Mediation and Arbitration of South Africa to appoint a mediator.

5.2 The mediator shall in his sole discretion determine the form of representations to be made, provided that in making this determination, the mediator shall consult the disputing parties and may be guided by their common reasonable desire on the form in which the said representations are to be made. All representations by the parties shall be made without prejudice.

5.3 The mediator shall within a period of 10 (ten) working days after receipt of the representations of the parties endeavor to facilitate an agreement between them or determine a procedure or framework within which they can negotiate to resolve the dispute or difference. All representations by the parties shall be made without prejudice.

5.4 Any such negotiated agreement shall be in writing, signed by both parties and be binding on the parties. Failing agreement between the parties the dispute shall be resolved by the submission thereof to arbitration.

5.5 The parties agree to contribute equally to the cost of the mediator and each party shall bear any other costs separately regardless of the outcome of the mediation.

# GOVERNMENT PROCUREMENT

# GENERAL CONDITIONS OF CONTRACT

## JULY 2010

## TABLE OF CLAUSES


1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information inspection
6. Patent Rights
7. Performance security
8. Inspections, tests and analyses
9. Packing
10. Delivery and documents
11. Insurance
12. Transportation
13. Incidental Services
14. Spare parts
15. Warranty
16. Payment
17. Prices
18. Variation orders
19. Assignment
20. Subcontracts
21. Delays in the supplier's performance
22. Penalties
23. Termination for default
24. Anti-dumping and countervailing duties and rights
25. Force Majeure
26. Termination for insolvency
27. Settlement of Disputes
28. Limitation of Liability
29. Governing language
30. Applicable law
31. Notices
32. Taxes and duties
33. Transfer of contracts
34. Amendments of contracts
35. Prohibition of restrictive practices

## General Conditions of Contract

### 1. Definitions

1. The following terms shall be interpreted as indicated:

1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.

1.2 "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.

1.3 "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.

1.4 "Corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.

1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.

1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.

1.7 "Day" means calendar day.

1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.

1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.

1.10 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the goods are so delivered and a valid receipt is obtained.

1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.

1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.

1.14 "GCC" means the General Conditions of Contract.

1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.

1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the goods covered by the bid will be manufactured.

1.17 "Local content" means that portion of the bidding price, which is not included in the imported content provided that local manufacture does take place.

1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.

1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.

1.20 "Project site," where applicable, means the place indicated in bidding documents.

1.21 "Purchaser" means the organization purchasing the goods.

1.22 "Republic" means the Republic of South Africa.

1.23 "SCC" means the Special Conditions of Contract.

1.24 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.

1.25 "Supplier" means the successful bidder who is awarded the contract to maintain and administer the required and specified service(s) to the State.

1.26 "Tort" means in breach of contract.

1.27 "Turnkey" means a procurement process where one service provider assumes total responsibility for all aspects of the project and delivers the full end product / service required by the contract.

1.28 "Written" or "in writing" means hand-written in ink or any form of electronic or mechanical writing.

**2. Application**

2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services (excluding professional services related to the building and construction industry), sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.

2.2 Where applicable, special conditions of contract are also laid down to cover specific goods, services or works.

2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

**3. General**

3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.

3.2 Invitations to bid are usually published in locally distributed news media and on the municipality/municipal entity website.

**4. Standards**

4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.

**5. Use of Contract Documents and information inspection**

5.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.

5.2The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.

5.3Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.

5.4The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

**6. Patent Rights**

6.1The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.

6.2When a supplier developed documentation / projects for the municipality / municipal entity, the intellectual, copy and patent rights or ownership of such documents or projects will vest in the municipality / municipal entity.

**7. Performance Security**

7.1Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.

7.2The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.

7.3The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:

(a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or

(b) a cashier's or certified cheque.

7.4The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified.

**8. Inspections Tests and Analyses**

8.1 All pre-bidding testing will be for the account of the bidder.

8.2If it is a bid condition that goods to be produced or services to be rendered should at any stage be subject to inspections, tests and analyses, the bidder or contractor's premises shall be open, at all reasonable hours, for inspection by a representative of the purchaser or organization acting on behalf of the purchaser.

8.3If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.

8.4If the inspections, tests and analyses referred to in clauses 8.2and 8.3 show the goods to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.

8.5Where the goods or services referred to in clauses 8.2 and 8.3do not comply with the contract requirements, irrespective of whether such goods or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.

8.6Goods and services which are referred to in clauses 8.2 and 8.3and which do not comply with the contract requirements may be rejected.

8.7Any contract goods may on or after delivery be inspected, tested or analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected goods shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with goods, which do comply with the requirements of the contract. Failing such removal the rejected goods shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute goods forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected goods, purchase such goods as may be necessary at the expense of the supplier.

8.8The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 22 of GCC.

**9. Packing**

9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.

9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, and in any subsequent instructions ordered by the purchaser.

**10. Delivery and Documents**

10.1Delivery of the goods and arrangements for shipping and clearance obligations, shall be made by the supplier in accordance with the terms specified in the contract.

**11. Insurance**

11.1The goods supplied under the contract shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified.

**12. Transportation**

12.1Should a price other than an all-inclusive delivered price be required, this shall be specified.

**13. Incidental Services**

13.1The supplier may be required to provide any or all of the following services, including additional services, if any:

(a) Performance or supervision of on-site assembly and/or commissioning of the supplied goods;
(b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
(c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
(d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and

(e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

13.2Prices charged by the supplier for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the supplier for similar services.

**14. Spare Parts**

14.1As specified, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:

(a)such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and
(b)in the event of termination of production of the spare parts:
(i) advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
(ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

**15. Warranty**

15.1The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.

15.2This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise.

15.3The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.

15.4Upon receipt of such notice, the supplier shall, within the period specified and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.

15.5If the supplier, having been notified, fails to remedy the defect(s) within the period specified, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

**16. Payment**

16.1The method and conditions of payment to be made to the supplier under this contract shall be specified.

16.2The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfilment of other obligations stipulated in the contract.

16.3Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.

16.4Payment will be made in Rand unless otherwise stipulated.

**17. Prices**

17.1Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized or in the purchaser's request for bid validity extension, as the case may be.

**18. Variation Orders**

18.1 In cases where the estimated value of the envisaged changes in purchase does not vary more than 15% of the total value of the original contract, the contractor may be instructed to deliver the goods or render the services as such. In cases of measurable quantities, the contractor may be approached to reduce the unit price, and such offers may be accepted provided that there is no escalation in price.

**19. Assignment**

19.1The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.

**20. Subcontracts**

20.1The supplier shall notify the purchaser in writing of all subcontracts awarded under this contract if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

**21. Delays in the Supplier's Performance**

21.1Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.

21.2If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.

21.3The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the goods are required, or the supplier's services are not readily available.

21.4Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 22.2 without the application of penalties.

21.5Upon any delay beyond the delivery period in the case of a goods contract, the purchaser shall, without cancelling the contract, be entitled to purchase goods of a similar quality and up to the same quantity in substitution of the goods not supplied inconformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

**22. Penalties**

22.1Subject to GCC Clause 25, if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.

**23. Termination for Default**

23.1The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:

(a)If the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;

(b)If the supplier fails to perform any other obligation(s) under the contract; or(c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

23.2In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner, as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.

23.3Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.

23.4If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the supplier as having no objection and proceed with the restriction.

23.5Any restriction imposed on any person by the purchaser will, at the discretion of the purchaser, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the purchaser actively associated.

23.6If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:

(i) the name and address of the supplier and / or person restricted by the purchaser;
(ii) the date of commencement of the restriction
(iii) the period of restriction; and
(iv) the reasons for the restriction.

These details will be loaded in the National Treasury's central database of suppliers or persons prohibited from doing business with the public sector.

23.7 If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person's name be endorsed on the Register for Tender Defaulters. When a person's name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than 10 years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website

**24. Anti-dumping and Countervailing Duties and Rights**

24.1When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favorable difference shall on demand be paid forthwith by the supplier to the purchaser or the purchaser may deduct such amounts from moneys (if any) which may otherwise be due to the supplier in regard to goods or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him.

**25. Force Majeure**

25.1Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

25.2If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

**26. Termination for Insolvency**

26.1 The purchaser may at any time terminate the contract by giving written notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the supplier, provided that such termination will not prejudice or effect any right of action or remedy, which has accrued or will accrue thereafter to the purchaser.

**27. Settlement of Disputes**

27.1If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

27.2If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.

27.3Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.

27.4Notwithstanding any reference to mediation and/or court proceedings herein,

(a)the parties shall continue to perform their respective obligations under the contract unless they otherwise agree;
and
(b)the purchaser shall pay the supplier any monies due the supplier for goods delivered and / or services rendered according to the prescripts of the contract.

**28. Limitation of Liability**

28.1Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;

(a)the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

(b)the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

**29. Governing Language**

29.1The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.

**30. Applicable Law**

30.1The contract shall be interpreted in accordance with South African laws, unless otherwise specified.

**31. Notices**

31.1Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice.

31.2The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

**32. Taxes and Duties**

32.1A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.

32.2A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.

32.3No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid SARS must have certified that the tax matters of the preferred bidder are in order.

32.4No contract shall be concluded with any bidder whose municipal rates and taxes and municipal services charges are in arrears.

**33. Transfer of Contracts**

33.1The contractor shall not abandon, transfer, cede assign or sublet contract or part thereof without the written permission of the purchaser

**34. Amendment of Contracts**

34.1No agreement to amend or vary a contract or order or the conditions, stipulations or provisions thereof shall be valid and of any force unless such agreement to amend or vary is entered into in writing and signed by the contracting parties. Any waiver of the requirement that the agreement to amend or vary shall be in writing, shall also be in writing.

**35. Prohibition of Restrictive Practices**

35.1In terms of section 4 (1) (b) (ii) of the Competition Act No. 89 of restrictive practices 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder(s) is/ are or a contractor(s) was / were involved in collusive bidding.

35.2If a bidder(s) or contractor(s) based on reasonable grounds or evidence obtained by the purchaser has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in section 59 of the Competition Act No 89 Of 1998.

35.3If a bidder(s) or contractor(s) has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy

provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10)years and / or claim damages from the bidder(s) or contractor(s)concerned.

Theewaterskloof Municipality

THEEWATERSKLOOF MUNISIPALITEIT : THEEWATERSKLOOF MUNICIPALITY

OFFICIAL ORDER

**Order**
G0004418

Billing Address:
PO Box 24
Caledon, 7230
Tel: 028 214 3300

Delivery : 6 PLEIN STREET
CALEDON
7230

VAT Registration number:4000846248

SUPPLIER NAME: URBAN-ECON DEVELOPMENT ECONOMI [U00031 ]
SUPPLIER TEL NO: 021 447 3449
SUPPLIER FAX NO: 021 447 3459
PHYSICAL ADDRESS: SUITE 20-10F BUILDING 20
THE WAVERLY BUSINESS PARK
DATE: 20240509

DIRECTORATE: Economic Development and Plann
COST CENTRE: LED
NAME: Fadana B
REQ NO: 38613

| DESCRIPTION | QUANTITY | UNIT PRICE EXCL. | AMOUNT EXCL. | AMOUNT INC |
|---|---|---|---|---|
| Establishment of project steering committee, Tor document & preliminary sector report | 1.00 | 19200.00 | 19200.00 | 22080. |
| situation analysis | 1.00 | 68000.00 | 68000.00 | 78200. |
| Strategic Framework | 1.00 | 34000.00 | 34000.00 | 39100. |
| Monitoring & Evaluation Framework | 1.00 | 13600.00 | 13600.00 | 15640. |
| Implementation plan | 1.00 | 20400.00 | 20400.00 | 23460. |
| Theewaterskloof tourism strategy final draft | 1.00 | 17600.00 | 17600.00 | 20240. |
| | | GRAND TOTAL | 172800.00 | 198720. |

APPROVED BY: Signature: Parnell Name In Print: PARNELL Z Date: 2024/05/09

This order is an official commitment.
The order number must be reflected on your delivery notes, correspondence and Invoices.
For all orders above R3 000, your VAT registration number must be reflected on the invoice.
Payments will be done within 30 days, from the date the invoice is received.

555

## Busisiwe Fadana

**From:** Busisiwe Fadana
**Sent:** Monday, 06 May 2024 08:26
**To:** Namso Baliso
**Cc:** Kayalakhe Nontshiza; Elana Lotriet
**Subject:** FW: DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING: DEPARTMENT LED: QUARTER THREE [3] REPORT ON TOURISM INITIATIVES[English version of the report is the original]: Update Referred Item
**Attachments:** URBAN -ECON CONTRACT.pdf
**Importance:** High
**Categories:** Red Category

Good day Miss Baliso

I hope this mail finds you in good spirit .

Based on the comments below from management meeting , please refer to point number 5 which state that "That no money will be spend on the appointment of Consultants"

A TWK 2 for the **Development of the tourism strategy** for Theewaterskloof Municipality was advertised on the 11th of March 2024 and Urban- Econ signed the contract on the 6th of April to do the strategy .

The process has started and urban _Econ has already submitted an inception report and are busy organising stakeholder engagement sessions with tourism private sector. The tourism strategy is budgeted for 2023/2024 financial year.

Based on the comment from management a decision was taken not to appoint consultants, I would like to know what are the implications of the current contract signed with Urban -Econ. Your advice on this matter is urgently needed and it would be appreciated if I can receive your feedback by Wednesday the 8th of May 2024 before Urban - Econ continue with stakeholder engagement session.

Regards,

**Busisiwe Fadana**
Senior Administrator : Tourism & Marketing
Directorate: Economic Development and Planning

**THEEWATERSKLOOF MUNICIPALITY**
**Head Office.** 6 Plein Street, Caledon, 7230
**Call Centre.** 028 214 3300 | **Emergency.** 080 021 4730 | **Email.** Busisiwefa@twk.gov.za
**Website.** www.twk.gov.za | **Follow us on Facebook, X, Instagram.** @twkmun

Theewaterskloof
Municipality

**From:** collab@twk.gov.za <collab@twk.gov.za>
**Sent:** Friday, May 3, 2024 11:02 AM

**To:** Busisiwe Fadana <busisiwefa@twk.gov.za>
**Subject:** DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING: DEPARTMENT LED: QUARTER THREE [3] REPORT ON TOURISM INITIATIVES[English version of the report is the original]: Update Referred Item
**Importance:** High

| | |
|---|---|
| **From** | Marelize Faul |
| **To** | **Busisiwe Fadana** |
| **Item** | 4680221 - DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING: DEPARTMENT LED: QUARTEI report is the original] |
| **Due Date** | 01/05/2024 20:20 |
| **Task** | T3690/351 - Update Referred Item |
| **Object Ref** | 4680221 |
| **Item Nommer/Item Number** | 00 |
| **Item Titel/Item Title** | **DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNIN( REPORT ON TOURISM INITIATIVES** |
| | *[English version of the report is the original]* |
| **Komitee/Committee** | Management Meeting |
| **Departement/Department** | Directorate Economic Development and Planning |
| **Lêer Nommer/File Number** | 17/16/2/R;9/2/2; |
| **Doel/Purpose** | The purpose of the report is to table a report to Management and t the tourism initiatives implemented in quarter three (3) as per (SDBIP) for the 2023/2024 financial year. |
| **Agtergrond/Background** | Tourism has been a growth sector and is recognized as a sector with high po jobs. The development of the tourism sector in Theewaterskloof depends lar collaboration and support from the local Municipality, to develop competitive |
| | The potential of an area to develop as a sought-after tourist destination is la resources that are offered (tourism products, visitor facilities and infrastruc tourist community. Ultimately, of course, the success of this match is strongl |
| **Bespreking/Discussion** | As per the approved Service Delivery Budget Implementation Plan (SDBI reported: |

| KPI Number | KPI Name | Description of Unit Measurement | Target | Source of Evidence | |
|---|---|---|---|---|---|
| D324 | Submit status reports on tourism initiatives to Portfolio Committee | Number of reports submitted | 4 | Proof of submission | Accum |

- Tourism initiative for this quarter was scheduled for 19 -20 March for
- The initiaive was customer service training in partnership with The S
- The training target cashiers, petro attendants and SMME'S
- The aim of this training is to capacitate front line workers from the customer service as they are the first line workers to deal with visitors
- The training was advertised through social media and SMME's on ou

- Due to SEDA not getting enough quoatations for service providers th

| | | | | | |
|---|---|---|---|---|---|
| D334 | Submit 100% of completed signage applications to Reginal Tourism Liaison Committee (RTLC) | % Signage application submitted | 100% | Proof of submission | Stand Alone |

- Regional tourism Liaison Committee (RTLC) is a body comprised of municipal tourism officials from local municipalities from the Overber and Tourism – Tourism Directorate, as well as the local tourism assoc
- The Regional Tourism Liaison Committee is a statutory committee wh
- Local Tourism Organizations, i.e., the Municipality, is responsible for p from the other organizations, in terms of applicable warrants, therea Liaison Committee (RTLC) for consideration and approval.
- The Regional Tourism Liaison Committee (RTLC) meeting is conduc tabled and reviewed and approved by this committee.

**RADFODALE**

- Radfodale application was approved
- The RTLC concluded that the signage for Moffat will be removed until
- Upon inspection it was discovered that Moffat does not meet the requi and Viljoenshoop road .

**VLEISSTAAT DELI**

- Application received for a roadside stall on R43 Hermanus road in Bo
- Site inspection was consucted to determine if the establishment meet
- All supporting documents were submitted , zoning certificate, health c
- Regional Tourism Liason meeting will be held on the 5th of April 2024

| | |
|---|---|
| **Wetlike Implikasies (Item Outeur)/Legal Implications (Item Author)** | Not applicable |
| **Finansiële Implikasies (Item Outeur)/Financial Implications (Item Author)** | Not applicable |
| **Risiko Bestuur Implikasie (Item Outeur)/ Risk Management Implication (Item Author)** | Not applicable |
| **Verwys na Wyks Kommittee/ Direct to Ward Committee?** | No |
| **Reason** | - |
| **Aanbeveling/Recommendation** | **RECOMMENDATION BY ITEM AUTHOR:** |

**It is recommended that Management takes note of the report on the 2023/2024 financial year.**

| | |
|---|---|
| **Interne Oudit Implikasies (Departementeel)/Internal Implications (Departmental)** | No comments. |
| **Finansiele Implikasies (Departementeel)/Financial Implications (Departmental)** | None |
| **Regs Implikasies (Departementeel)/Legal Implications (Departmental)** | Recommendation is supported. |
| **Risiko Bestuur Implikasies (Departementeel)/Risk Management Implications (Departmental)** | Noted |
| **Management Meeting Outcome** | Refer to Author |
| **RECOMMENDATION FROM MANAGEMENT** | **RESOLVED BY MANAGEMENT: 25 APRIL 2024** |

1. **Management noted that a tourism desk top exercise wa per the daily updates, in Theewaterskloof Municipality be used for tourism/marketing purposes.**

2. **Management noted the comment of the Municipal Mana of the Municipal Manager and should have been Theewaterskloof Municipality.**

**It is resolved:**

3. **That the agenda-item be deferred.**

4. **That the Tourism / Destination marketing which was d the Office of the Municipal Manager on different media daily updates since December 2023 and include in the r**

5. **That no money will be spend on the appointment of Con**

6. **That students of Boland College be used for the field surveys to collect an**

7. **That the SEDA agreement will not be signed by the M (What services did we paid for?; What has been done b was monies paid to SEDA?)**

8. **That the funds spend at the World Travel Indaba at the for the exhibition stall of Cape Agulhas- and Theewate Municipality was responsible for 50% of the cost, unauthorized/irregular expenditure as the SCM regu Manager also raised the question of who gave the Offici**

9. **That the costs incurred for the Tourism Indaba in Du Manager as Senior Officials must attend these kind of m Municipality and not Junior Officials.**

1. *Agenda-item be deferred.*
2. *For finalization by the Acting Director: Economic Development*

- 559

## Busisiwe Fadana

**From:** Busisiwe Fadana
**Sent:** Tuesday, 21 May 2024 15:38
**To:** Marelize Faul
**Cc:** Kayalakhe Nontshiza; Elana Lotriet; Namso Baliso
**Subject:** RE: Tourism Strategy

Good day Marelize

As per our discussion earlier , can I please request a date for presentation of the tourism strategy to management . Two possible dates are 6th & 7Th June 2024 , both days from 09h00-11h30

Regards,
Busisiwe

**From:** Kayalakhe Nontshiza <kayalakheno@twk.gov.za>
**Sent:** Monday, May 20, 2024 3:25 PM
**To:** Busisiwe Fadana <busisiwefa@twk.gov.za>
**Cc:** Elana Lotriet <elanalo@twk.gov.za>
**Subject:** FW: Tourism Strategy

FYA

**From:** Namso Baliso <namsoba@twk.gov.za>
**Sent:** Monday, May 20, 2024 3:04 PM
**To:** Kayalakhe Nontshiza <kayalakheno@twk.gov.za>
**Cc:** Nicolette Amsterdam <NicoletteAm@twk.gov.za>
**Subject:** Tourism Strategy

Dear Gaba

At the Management Meeting it was instructed that the appointed service provider for the development of the Tourism Strategy be required to present to Management on the scope of work they will undertake.

I propose that we initially meet with the unit to be apprised of the inception meeting that took place with the service provider as we were both on leave, and then we can follow up with organising the required meeting. Thank you.

Regards,

**Namso Baliso**
Acting Director: Economic Development & Planning
Directorate: Economic Development & Planning Services

**THEEWATERSKLOOF MUNICIPALITY**
**Head Office.** 6 Plein Street, Caledon, 7230
**Call Centre.** 028 214 3300 | **Emergency.** 080 021 4730 | **Email.** namsoba@twk.gov.za
**Website.** www.twk.gov.za | **Follow us on Facebook, X, Instagram.** @twkmun

**Busisiwe Fadana**

**From:** Busisiwe Fadana
**Sent:** Thursday, 23 May 2024 15:19
**To:** Kayalakhe Nontshiza; Marelize Faul
**Cc:** Elana Lotriet; Namso Baliso; Wilfred Schrevian Evan Solomons-Johannes
**Subject:** RE: Request for Urban Econ Presentation to Management Committee

Good day Marelize

I would like to check if there is any feedback regarding the below request .

Your assistance will be greatly appreciated .

Regards,
Busisiwe

**From:** Kayalakhe Nontshiza <kayalakheno@twk.gov.za>
**Sent:** Wednesday, May 22, 2024 8:49 AM
**To:** Marelize Faul <marelizefa@twk.gov.za>
**Cc:** Busisiwe Fadana <busisiwefa@twk.gov.za>; Elana Lotriet <elanalo@twk.gov.za>
**Subject:** Request for Urban Econ Presentation to Management Committee

Greetings Marelize

I trust this day finds you well.

Pursuant from our telephone conversation we had yesterday, I wish to inform you that part of the project milestones in our Tourism Development Review Strategy undertaken by our Service Provider, Urban Econ is to present their project plan, project milestones and embedded timelines on how they will embark on the journey to review our Tourism Development Strategy within Theewaterskloof municipal Area.

Our request for presentation by the service provider emanates from the fulfilment of the about requirement.

We would appreciate it if we may be given a time slot of approximately 20 minutes to allow management team members to entertain the presentation from Urban Econ.

Thanking you in advance for your approval and looking forward to your prompt response henceforth.

Kind regards

**Kayalakhe Nontshiza**
Deputy Director Economic Development and Planning
Directorate: Economic Development and Planning

**THEEWATERSKLOOF MUNICIPALITY**

- 561

**Busisiwe Fadana**

**From:** Busisiwe Fadana
**Sent:** Tuesday, 28 May 2024 07:37
**To:** Marelize Faul; Kayalakhe Nontshiza
**Cc:** Elana Lotriet; Namso Baliso; Wilfred Schrevian Evan Solomons-Johannes
**Subject:** RE: Request for Urban Econ Presentation to Management Committee

Good day Marelize

I just wanted to check if there is any feedback from the MM. Urban – Econ need confirmation so they can start with their travelling arrangements .

Regards,
Busisiwe

**From:** Marelize Faul <marelizefa@twk.gov.za>
**Sent:** Thursday, May 23, 2024 3:58 PM
**To:** Busisiwe Fadana <busisiwefa@twk.gov.za>; Kayalakhe Nontshiza <kayalakheno@twk.gov.za>
**Cc:** Elana Lotriet <elanalo@twk.gov.za>; Namso Baliso <namsoba@twk.gov.za>; Wilfred Schrevian Evan Solomons-Johannes <wilfredso@twk.gov.za>
**Subject:** RE: Request for Urban Econ Presentation to Management Committee

Good afternoon:

The matter was referred to the Municipal Manager for the granting of approval or not.

Still waiting for his feedback.

Regards
Marelize

**From:** Busisiwe Fadana <busisiwefa@twk.gov.za>
**Sent:** Thursday, May 23, 2024 3:19 PM
**To:** Kayalakhe Nontshiza <kayalakheno@twk.gov.za>; Marelize Faul <marelizefa@twk.gov.za>
**Cc:** Elana Lotriet <elanalo@twk.gov.za>; Namso Baliso <namsoba@twk.gov.za>; Wilfred Schrevian Evan Solomons-Johannes <wilfredso@twk.gov.za>
**Subject:** RE: Request for Urban Econ Presentation to Management Committee

Good day Marelize

I would like to check if there is any feedback regarding the below request .

Your assistance will be greatly appreciated .

Regards,
Busisiwe

## Busisiwe Fadana

**From:** Busisiwe Fadana
**Sent:** Wednesday, 04 September 2024 09:28
**To:** Marelize Faul
**Cc:** Elana Lotriet; Morne October
**Subject:** RE: Request for Urban Econ Presentation to Management Committee

Good day Marelize

I would like to check if we can get a slot for Urban -econ presentation on the tourism strategy on the 25th of September preferable a teams meeting.

Your assistance will be highly appreciated .

Regards,
Busisiwe

**From:** Marelize Faul <marelizefa@twk.gov.za>
**Sent:** Thursday, May 23, 2024 3:58 PM
**To:** Busisiwe Fadana <busisiwefa@twk.gov.za>; Kayalakhe Nontshiza <kayalakheno@twk.gov.za>
**Cc:** Elana Lotriet <elanalo@twk.gov.za>; Namso Baliso <namsoba@twk.gov.za>; Wilfred Schrevian Evan Solomons-Johannes <wilfredso@twk.gov.za>
**Subject:** RE: Request for Urban Econ Presentation to Management Committee

Good afternoon:

The matter was referred to the Municipal Manager for the granting of approval or not.

Still waiting for his feedback.

Regards
Marelize

**From:** Busisiwe Fadana <busisiwefa@twk.gov.za>
**Sent:** Thursday, May 23, 2024 3:19 PM
**To:** Kayalakhe Nontshiza <kayalakheno@twk.gov.za>; Marelize Faul <marelizefa@twk.gov.za>
**Cc:** Elana Lotriet <elanalo@twk.gov.za>; Namso Baliso <namsoba@twk.gov.za>; Wilfred Schrevian Evan Solomons-Johannes <wilfredso@twk.gov.za>
**Subject:** RE: Request for Urban Econ Presentation to Management Committee

Good day Marelize

I would like to check if there is any feedback regarding the below request .

Your assistance will be greatly appreciated .

Regards,
Busisiwe

**From:** Kayalakhe Nontshiza <kayalakheno@twk.gov.za>
**Sent:** Wednesday, May 22, 2024 8:49 AM

URBAN-ECON
Development Economists

# TAX INVOICE

Theewaterskloof Municipality
Theewaterskloof Municipality Head Office,
6 Plein Street
PO Box 24
Caledon
7230
VAT Number: 4000846248

**Invoice Date**
15 May 2024

**Invoice Number**
24/25/0010-01

**Reference**
Theewaterskloof Municipality
Tourism Strategy. PO: BF
01/2023/24

**VAT Number**
4350262194

Urban-Econ Development
Economists (Pty) Ltd
Postnet Suite 290
Private Bag X06
Waterkloof
PRETORIA GAUTENG 0145

| Description | Quantity | Unit Price | VAT | Amount ZAR |
|---|---|---|---|---|
| Deliverable 1: Inception Report | 1.00 | 43,200.00 | 15% | 43,200.00 |
| | | | Subtotal | 43,200.00 |
| | | | Total Tax @ 15% | 6,480.00 |
| | | | **Total Amount Due ZAR** | **49,680.00** |

**Due Date: 14 Jun 2024**

Bank: First National Bank
Acc: 6239 3641 462
Branch: 252 445

Terms: If this account is not paid within 30 days of date, interest will be charged at 2% per month thereafter.

URBAN-ECON
Development Economists

# TAX INVOICE

Theewaterskloof Municipality
Theewaterskloof Municipality Head Office,
6 Plein Street
PO Box 24
Caledon
7230
VAT Number: 4000846248

**Invoice Date**
31 May 2024

**Invoice Number**
24/25/0010-02

**Reference**
Theewaterskloof Municipality
Tourism Strategy. PO: BF
01/2023/24

**VAT Number**
4350262194

Urban-Econ Development
Economists (Pty) Ltd
Postnet Suite 290
Private Bag X06
Waterkloof
PRETORIA GAUTENG 0145

| Description | Quantity | Unit Price | VAT | Amount ZAR |
|---|---|---|---|---|
| Deliverable 2: Situational Analysis | 1.00 | 77,760.00 | 15% | 77,760.00 |
| | | | Subtotal | 77,760.00 |
| | | | Total Tax @ 15% | 11,664.00 |
| | | | **Total Amount Due ZAR** | **89,424.00** |

**Due Date: 30 Jun 2024**

Bank: First National Bank
Acc: 6239 3641 462
Branch: 252 445

Terms: If this account is not paid within 30 days of date, interest will be charged at 2% per month thereafter.

MUNISIPALITEIT THEEWATERSKLOOF
BETAAL SERTIFIKAAT
Ek sertifiseer dat:
Die dienste/goedere soos hierin gespesifiseer, aan my/ons gelewer is en dat die pryse/fooie regmatig volgens ooreenkoms/kontrak is.
06/06/2024
Handtekening Datum

**Busisiwe Fadana**

| | |
|---|---|
| **From:** | Busisiwe Fadana |
| **Sent:** | Thursday, 11 July 2024 08:01 |
| **To:** | Alex Kempthorne; Tania Jacobs; Chanel Barnard |
| **Cc:** | Namso Baliso; Kayalakhe Nontshiza; Elana Lotriet; Petula Fortuin |
| **Subject:** | OUTSTANDING INVOICE |
| **Attachments:** | URBAN -ECON.pdf |

Good day Alex and team

Please find the attached correspondence from the Municipality regarding the outstanding invoices .
Apologies for the inconvenience .

Regards,

**Busisiwe Fadana**
Senior Administrator : Tourism & Marketing
Directorate: Economic Development and Planning

**THEEWATERSKLOOF MUNICIPALITY**
**Head Office.** 6 Plein Street, Caledon, 7230
**Call Centre.** 028 214 3300 | **Emergency.** 080 021 4730 | **Email.** Busisiwefa@twk.gov.za
**Website.** www.twk.gov.za | **Follow us on Facebook, X, Instagram.** @twkmun

Theewaterskloof
Municipality

Theewaterskloof
Municipality

**Office of the Municipal Manager**
6 Plein Street
P.O. Box 24
Caledon
7230
Telephone: +27 (28) 2143300
Fax: +27 (28) 2141289
Website: www.twk.gov.za

Enquiries: Me P Fortuin
**E-mail: petulafo@twk.gov.za**

08 July 2024

Alexandria Kempthorne
Urban – Econ Development Economists (pty)Ltd
Postnet Suite 290
Private Bag X06
Waterkloof
Pretoria Gauteng 0145

**Dear Sir / Madam**

**PAYMENT POSTPONEMENT FOR OUTSTANDING INVOICES – ACCOUNT**

Your outstanding invoice to Theewaterskloof Municipality as reference: Order number G0004418 .

We are writing to inform you that Theewaterskloof Municipality is currently undertaking a comprehensive cash recovery plan. Due to unforeseen circumstances, our municipality has encountered financial challenges that necessitated a structured recovery plan to ensure payments being done to creditors, for the outstanding invoices submitted for payment. Considering this, we respectfully request your cooperation in arranging payment postponement for your account.

We understand the importance of maintaining trust and transparency with our valued creditors. Therefore, we want to assure you that despite these challenges, we are committed to honouring all outstanding invoices. Our financial recovery plan includes measures to ensure that all payments are made in a timely and orderly manner.

Due to our current financial restructuring, we propose to make payments for the above-mentioned account between the period of July 2024 and September 2024.

We value the relationship we have built with your organization and appreciate your patience during this period.
We also appreciate your understanding and look forward to your favourable response.

Thank you for your continued support and cooperation.

Yours sincerely,

pp R Stevens ( Acting Municipal Manager )
Theewaterskloof Municipality

- 567

**Busisiwe Fadana**

| | |
|---|---|
| **From:** | Busisiwe Fadana |
| **Sent:** | Tuesday, 06 August 2024 10:57 |
| **To:** | Nico La Grange |
| **Cc:** | Elana Lotriet |
| **Subject:** | TOURISM STRATEGY : URBAN -ECON |

Good day Nico

As per our discussion yesterday , Urban- Econ is the service provider that was appointed to do a tourism strategy in the last financial year 2023/2024. The strategy was not completed because there was a delay to do workshops with management , portfolio and council because management could not give us a date in time as well as financial issue In the municipality that has led to us not being able to pay the supplier for the work they have done and submitted . The supplier has been paid for the invoices they have submitted .

As you mentioned we will continue with the project in this financial year 2024/2025 as there is a budget line for tourism strategy. There will be no addition to the specification that was agreed on with the supplier based on the contract they signed , this is to finish up the work and get a final tourism strategy . Below is the budget line from the vote book .

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 2116 | LED | 1 | 2116 | 0 | 7512 | 0 | 12116075120 | Contracted Services - Research and Advisory | WC03: Strate |

Regards,
Busisiwe Fadana
Senior Development Officer : Tourism & Marketing
Theewaterskloof Municipality
6 Plein Street
Caledon
7230
Tel : 028214 3310
Email: Busisiwefa@twk.gov.za

# QUARTELY CONTRACT REPORTING

(JULY -SEPTEMBER 2024)

**Type of Document/ Tipe document:** Monthly Contract Reporting

**Document prepared by/Dokument voorberei deur:**

Name/ Naam: **Busisiwe Fadana**

.....
(Signature/Handtekening)

10/12/2024
DATE/DATUM

**Document checked by/Dokument nagesien deur:**

Name/Naam: **Elana Lotriet (Manager: Local Economic Development )**

.....
(Signature/Handtekening)

10/12/2024
DATE/DATUM

**Document supported by/Dokument ondersteun deur:**

Name/Naam: **Namso Baliso (Acting Director: Economic Development & Planning)**

.....
(Signature/Handtekening)

10/12/2024
DATE/DATUM

**Document signed by/Dokument onderteken deur**
**(Acting Municipal Manager / Munisipale Bestuurder and / or Delegated Authority)**

Name/Naam:**R Stevens**

.....
(Signature/Handtekening)

11:12:2024
DATE/DATUM

**DIRECTORATE: ECONOMIC DEVELOPMENT AND PLANNING SERVICES:**

# QUARTELY REPORTING

# PERFORMANCE OF CONTRACTORS:

**(JULY - SEPTEMBER 2024)**

---

## 1. AIM OF REPORT

To present a report to the Accounting Officer in terms of the contract and performance management of the Directorate: Economic Development and Planning Contractors **(Local Economic Development)** for the month of July, August & September 2024

## 2. BACKGROUND

Section 116(2) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) states that the accounting officer of a municipality or municipal entity must:

Take all reasonable steps to ensure that a contract or agreement procured through the Supply Chain Management Policy of the municipality or municipal entity is properly enforced.

Monitor monthly the performance of the contract under the contract agreement.

Establish capacity in the administration of the municipality or municipal entity-

(i) To assist the accounting officer in carrying out the duties set out in paragraphs(a) and (b); and
(ii) To oversee the day-to-day management of the contract agreement; and

Regularly report to Council of the municipality or the board of directors of the entity, as may be appropriate, on the management of the contract or agreement and the performance of the contract.

## 3. DISCUSSION

### 3.1. The following reporting templates is attached to this document:

- ***Urban -Econ development economist (PTY)LTD***

## 4. FINANCIAL RESPONSIBILITIES

The ineffective management of contracts can jeopardize the expenditure pattern of the organization and create a scenario where the municipality does not get value for money.

## 5. RISK MANAGEMENT

As per Blockages

## 6. RECOMMENDATION TO THE ACCOUNTING OFFICER

The Accounting Officer takes note of the content of the report.

R STEVENS
ACTING MUNICIPAL MANAGER

11.12.2024
DATE

| | | | | | | |
|---|---|---|---|---|---|---|
| **Contract Manager** | *Busisiwe Fadana* | | **Contract Owner** | *E lotriet* | | |
| **Directorate** | **Planning & Economic Development** | | | | **Funding Source** | |
| **Complete Tender No. & Description** | *BF01/2023/24* | | | | **Own** | **Other** |
| **Service Provider** | ***URBAN ECON DEVELOPMENT ECONOMIST*** | | | | *OWN (Capital)* | |
| **Commencement Date** | *09/04/2024* | **Total Contract Amount (Vat excl.)** | ***R198 720,00*** | **Value of Expansions Approved (Vat excl.)** | *350000* | |
| **Completion Date** | *30/06/2024* | | | | ***Not Required*** | |
| **Adjusted Contract Amount** | *R 0,00* | **Adjusted Completion Date** | 30/03/2025 | | **Project on Time** | No |
| **Date of Report** | **08 September 2024** | | | | | |
| **Report Numbers** | ***2*** | = | | = | | |
| **Indicate the Empowerment Goals that were set for this contract in terms of Clause 2(a) of the SCM Policy** | *No empowerment goals set out in this contract due to the nature and scope of work of services procured. E.g consulting services* | | | | | |
| **Overall performance including Rand Value in terms of the Empowerment Goals** | (R0.00) - not applicable due to the nature and scope of work of contracted services. | | | | | |
| **Overall Performance Incl. quality of work to date** | Work and performance is on standard. | | | | | |
| **Blockages and Problems** | There is slow progress regarding internal consultation such as Management ,portfolio and council workshop due to other commitments in the organisation . | | | | | |
| **Recommended Action and Resolutions required to unblock blockages & problems** | Improve cordination with internal structures within the municipality . | | | | | |
| **Actual Amount Paid to Date (Vat excl.)** | *R 139 308,00* | | | | | |
| **Number of Invoices /Certificates** | *1* | | | | | |
| **Disputed Invoices / Certificates** | *N/A* | *N/A* | | *N/A* | | |

# QUARTLEY CONTRACT REPORTING

(October - December 2024)

**Type of Document/ Tipe document:** Quartley Contract Reporting

**Document prepared by/Dokument voorberei deur:**

Name/ Naam: **Busisiwe Fadana**

.....
(Signature/Handtekening)

17/12/24
DATE/DATUM

**Document checked by/Dokument nagesien deur:**

Name/Naam: **Enrico Shortles (Acting Deputy Director: Development & Planning)**

.....
(Signature/Handtekening)

17/12/2024
DATE/DATUM

**Document signed by/Dokument onderteken deur**
**(Acting Municipal Manager / Munisipale Bestuurder and / or Delegated Authority)**

Name/Naam:**R Stevens**

.....
(Signature/Handtekening)

23/12/24
DATE/DATUM

**DIRECTORATE: ECONOMIC DEVELOPMENT AND PLANNING SERVICES:**

# QUARTLEY REPORTING

# PERFORMANCE OF CONTRACTORS:

**(October – December 2024)**

---

## 1. AIM OF REPORT

To present a report to the Accounting Officer in terms of the contract and performance management of the Directorate: Economic Development and Planning Contractors **(Local Economic Development)** for the month of October , November & December 2024

## 2. BACKGROUND

Section 116(2) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) states that the accounting officer of a municipality or municipal entity must:

Take all reasonable steps to ensure that a contract or agreement procured through the Supply Chain Management Policy of the municipality or municipal entity is properly enforced.

Monitor monthly the performance of the contract under the contract agreement.

Establish capacity in the administration of the municipality or municipal entity-

(i) To assist the accounting officer in carrying out the duties set out in paragraphs(a) and (b); and
(ii) To oversee the day-to-day management of the contract agreement; and

Regularly report to Council of the municipality or the board of directors of the entity, as may be appropriate, on the management of the contract or agreement and the performance of the contract.

## 3. DISCUSSION

### 3.1. The following reporting templates is attached to this document:

- ***Urban -Econ development economist (PTY)LTD***

## 4. FINANCIAL RESPONSIBILITIES

The ineffective management of contracts can jeopardize the expenditure pattern of the organization and create a scenario where the municipality does not get value for money.

## 5. RISK MANAGEMENT

As per Blockages

## 6. RECOMMENDATION TO THE ACCOUNTING OFFICER

The Accounting Officer takes note of the content of the report.

R STEVENS
ACTING MUNICIPAL MANAGER

23/12/24
DATE

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Contract Manager** | *Busisiwe Fadana* | | **Contract Owner** | | *E lotriet* | | |
| **Directorate** | **Planning & Economic Development** | | | | | **Funding Source** | |
| **Complete Tender No. & Description** | *BF01/2023/24* | | | | | **Own** | **Other** |
| **Service Provider** | ***URBAN ECON DEVELOPMENT ECONOMIST*** | | | | | *OWN (Capital)* | |
| **Commencement Date** | *09/04/2024* | **Total Contract Amount (Vat excl.)** | ***R198 720,00*** | **Value of Expansions Approved (Vat excl.)** | | *350000* | |
| **Completion Date** | *30/06/2024* | | | | | ***Not Required*** | |
| **Adjusted Contract Amount** | *R 0,00* | **Adjusted Completion Date** | | 30/03/2025 | | **Project on Time** | No |
| **Date of Report** | **17 December 2024** | | | | | | |
| **Report Numbers** | **2** | - | | - | | | |
| **Indicate the Empowerment Goals that were set for this contract in terms of Clause 2(a) of the SCM Policy** | *No empowerment goals set out in this contract due to the nature and scope of work of services procured. E.g consulting services* | | | | | | |
| **Overall performance including Rand Value in terms of the Empowerment Goals** | (R0.00) - not applicable due to the nature and scope of work of contracted services. | | | | | | |
| **Overall Performance Incl. quality of work to date** | Work and performance is on standard. | | | | | | |
| **Blockages and Problems** | Outstanding cnsultation with Prtfolio committee and council workshopw will be conducted between February & March 2025 | | | | | | |
| **Recommended Action and Resolutions required to unblock blockages & problems** | Improve cordination with internal structures within the municipality . | | | | | | |
| **Actual Amount Paid to Date (Vat excl.)** | *R 139 308,00* | | | | | | |
| **Number of Invoices /Certificates** | *1* | | | | | | |
| **Disputed Invoices / Certificates** | *N/A* | *N/A* | | *N/A* | | | |

# QUARTLEY CONTRACT REPORTING
(JANUARY -MARCH 2025)

**Type of Document/ Tipe document:** Quartley Contract Reporting

**Document prepared by/Dokument voorberei deur:**

Name/Naam: **Busisiwe Fadana**

.....
(Signature/Handtekening)

02-04-2025
DATE/DATUM

**Document checked by/Dokument nagesien deur:**
(Manager : Manager Local economic Development

Name/Naam: **Elana Lotriet**

.....
(Signature/Handtekening)

02.04.2025.
DATE/DATUM

**Document Verified by/Dokument verifieer deur:**
(Deputy Director: Economic Development & Planning)

Name/Naam: **Kayalakhe Nontshiza**

.....
(Signature/Handtekening)

02/04/2025
DATE/DATUM

**Document supported by/Dokument ondersteun deur:**
**(Acting Director: Economic Development & Planning)**

Name/Naam: **Enrico Shorties**

.....
(Signature/Handtekening)

2/4/2025
DATE/DATUM

**Document signed by/Dokument onderteken deur:**
**(Acting Municipal Manager / Waarnemende Munisipale Bestuurder and / or Delegated Authority)**
Name/Naam: **Walter Hendricks**

.....
(Signature/Handtekening)

4-4-2025
DATE/DATUM

DIRECTORATE: ECONOMIC DEVELOPMENT AND PLANNING SERVICES:

# QUARTELY REPORTING

# PERFORMANCE OF CONTRACTORS:

**(JANUARY - MARCH 2025)**

---

## 1. AIM OF REPORT

To present a report to the Accounting Officer in terms of the contract and performance management of the Directorate: Economic Development and Planning Contractors **(Local Economic Development)** for the month of January - March 2025.

## 2. BACKGROUND

Section 116(2) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) states that the accounting officer of a municipality or municipal entity must:

Take all reasonable steps to ensure that a contract or agreement procured through the Supply Chain Management Policy of the municipality or municipal entity is properly enforced.

Monitor monthly the performance of the contract under the contract agreement.

Establish capacity in the administration of the municipality or municipal entity-

(i) To assist the accounting officer in carrying out the duties set out in paragraphs(a) and (b); and
(ii) To oversee the day-to-day management of the contract agreement; and

Regularly report to Council of the municipality or the board of directors of the entity, as may be appropriate, on the management of the contract or agreement and the performance of the contract.

## 3. DISCUSSION

### 3.1. The following reporting templates is attached to this document:

- ***Urban -Econ development economist (PTY)LTD***

## 4. FINANCIAL RESPONSIBILITIES

The ineffective management of contracts can jeopardize the expenditure pattern of the organization and create a scenario where the municipality does not get value for money.

**5. RISK MANAGEMENT**

See attached report

**6. RECOMMENDATION TO THE ACCOUNTING OFFICER**

The Accounting Officer takes note of the content of the report.

**W Hendricks**
**ACTING MUNICIPAL MANAGER**

3.4.2025
**DATE**

| | | | | | | |
|---|---|---|---|---|---|---|
| **Contract Manager** | *Busisiwe Fadana* | **Contract Owner** | *Kayalakhe Nontshiza* | | | |
| **Directorate** | **Planning & Economic Development** | | | | **Funding Source** | |
| **Complete Tender No. & Description** | *BF01/2023/24* | | | | **Own** | **Other** |
| **Service Provider** | ***URBAN ECON DEVELOPMENT ECONOMIST*** | | | | *OWN (Capital)* | |
| **Commencement Date** | *09/04/2024* | **Total Contract Amount (Vat excl.)** | ***R198 720,00*** | **Value of Expansions Approved (Vat excl.)** | *350000* | |
| **Completion Date** | *30/06/2024* | | | | ***Not Required*** | |
| **Adjusted Contract Amount** | *R 0,00* | **Adjusted Completion Date** | | *30/03/2025* | **Project on Time** | No |
| **Date of Report** | **01 April 2025** | | | | | |
| **Report Numbers** | ***4*** | | | | | |
| **Indicate the Empowerment Goals that were set for this contract in terms of Clause 2(a) of the SCM Policy** | *No empowerment goals set out in this contract due to the nature and scope of work of services procured. E.g consulting services* | | | | | |
| **Overall performance including Rand Value in terms of the Empowerment Goals** | (R0.00) - not applicable due to the nature and scope of work of contracted services. | | | | | |
| **Overall Performance Incl. quality of work to date** | Work and performance is of good standard. | | | | | |
| **Blockages and Problems** | Concil workshop is scheduled and confirmed to be on the 10th of April 2025, Urban -Econ will be presenting to councillors and other senior managers the Draft Tourism Strategy | | | | | |
| **Recommended Action and Resolutions required to unblock blockages & problems** | Improve cordination with internal structures within the municipality | | | | | |
| **Actual Amount Paid to Date (Vat excl.)** | *R 139 308,00* | | | | | |
| **Number of invoices /Certificates** | *1* | | | | | |
| **Disputed Invoices / Certificates** | *N/A* | *N/A* | | *N/A* | | |

# QUARTELY CONTRACT REPORTING

(April-June 2025)

**Type of Document/ Tipe document:** Quartley Contract Reporting

**Document prepared by/Dokument voorberei deur:**

Name/ Naam: **Busisiwe Fadana**

.....
(Signature/Handtekening)

23/07/2025
DATE/DATUM

**Document checked by/Dokument nagesien deur:**
**(Manager: Local Economic Development )**
Name/Naam: **ELANA LOTRIET**

.....
(Signature/Handtekening)

23/07/2025
DATE/DATUM

**Document verified by/ document verifier deur:**
**Deputy Director : Economic Development & Planning)**
Name/Naam: **KAYALAKHE NONTSHIZA**

.....
(Signature/Handtekening)

28/07/2025
DATE/DATUM

**Document supported by/Dokument ondersteun deur:**
**(Director : Economic Development & Planning)**

Name/Naam: **Namso Baliso**

.....
(Signature/Handtekening)

23/07/2025
DATE/DATUM

**Document signed by/Dokument onderteken deur**
**(Municipal Manager / Waarnemende Munisipale Bestuurder and / or Delegated Authority)**
Name/Naam: **WALTER HENDRICKS**

.....
(Signature/Handtekening)

23.7.2025
DATE/DATUM

**DIRECTORATE: ECONOMIC DEVELOPMENT AND PLANNING SERVICES:**

# QUARTELYREPORTING

# PERFORMANCE OF CONTRACTORS:

**(April-June2025)**

---

## 1. AIM OF REPORT

To present a report to the Accounting Officer in terms of the contract and performance management of the Directorate: Economic Development and Planning Contractors **(Local Economic Development)** for the month of April-June 2025.

## 2. BACKGROUND

Section 116(2) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) states that the accounting officer of a municipality or municipal entity must:

Take all reasonable steps to ensure that a contract or agreement procured through the Supply Chain Management Policy of the municipality or municipal entity is properly enforced.

Monitor monthly the performance of the contract under the contract agreement.

Establish capacity in the administration of the municipality or municipal entity-

(i) To assist the accounting officer in carrying out the duties set out in paragraphs(a) and (b); and
(ii) To oversee the day-to-day management of the contract agreement; and

Regularly report to Council of the municipality or the board of directors of the entity, as may be appropriate, on the management of the contract or agreement and the performance of the contract.

## 3. DISCUSSION

### 3.1. The following reporting templates is attached to this document:

- ***Urban -Econ development economist (PTY)LTD***

## 4. FINANCIAL RESPONSIBILITIES

The ineffective management of contracts can jeopardize the expenditure pattern of the organization and create a scenario where the municipality does not get value for money.

## 5. RISK MANAGEMENT

See attached report

## 6. RECOMMENDATION TO THE ECONOMIC DEVELOPMENT AND PLANNING PORTFOLIO COMMITTEE & COUNCIL

The Accounting Officer takes note of the content of the report.

---

**W Hendricks**
**MUNICIPAL MANAGER**

03.7.2025

**DATE**

| | | | | | | |
|---|---|---|---|---|---|---|
| **Contract Manager** | *Busisiwe Fodana* | | **Contract Owner** | | | |
| **Directorate** | **Planning & Economic Development** | | | | **Funding Source** | |
| **Complete Tender No. & Description** | *BF01/2023/24* | | | | *Own* | *Other* |
| | | | | | *OWN (Capital)* | |
| **Service Provider** | ***URBAN ECON DEVELOPMENT ECONOMIST*** | | | | *350000* | |
| **Commencement Date** | *09/04/2024* | **Total Contract Amount (Vat excl.)** | *R198 720,00* | **Value of Expansions Approved (Vat excl.)** | **Not Required** | |
| **Completion Date** | *30/06/2024* | | | | | |
| **Adjusted Contract Amount** | *R 0,00* | **Adjusted Completion Date** | 30/03/2025 | | **Project on Time** | No |
| **Date of Report** | 22 July 2025 | | | | | |
| **Report Numbers** | 5 | : | | : | | |
| **Indicate the Empowerment Goals that were set for this contract in terms of Clause 2(a) of the SCM Policy** | *No empowerment goals set out in this contract due to the nature and scope of work of services procured. E.g consulting services* | | | | | |
| **Overall performance including Rand Value in terms of the Empowerment Goals** | (R0.00) - not applicable due to the nature and scope of work of contracted services. | | | | | |
| **Overall Performance incl. quality of work to date** | Work and performance is of good standard. | | | | | |
| **Blockages and Problems** | None | | | | | |
| **Recommended Action and Resolutions required to unblock blockages & problems** | :NONE | | | | | |
| **Actual Amount Paid to Date (Vat excl.)** | *R 139 308,00* | | | | | |
| **Number of Invoices /Certificates** | *1* | | | | | |
| **Disputed Invoices / Certificates** | *N/A* | *N/A* | | *N/A* | | |

**ITEM TITLE**

**SC92/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE FINANCE: 2024/2025: NON – COMPLIANCE WITH SCM REGULATION 22 (1)(b)(i) – ADVERTISING OF LONG – TERM CONTRACTS FOR LESS THAN 30 DAYS**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE OF REPORT**

The purpose of this report is to inform the MPAC committee on the Non – Compliance with SCM Regulation 22 (1)(B)(I) – Advertising of Long – Term Contracts for less than 30 Days

**BACKGROUND**

During the audit of procurement and contract management, it was identified that certain contracts of a long-term nature (exceeding one year) were advertised for periods shorter than the minimum 30 days required by law. This practice contravenes the applicable legislative framework governing municipal supply chain management.

The insufficient advertising period prevented other potential suppliers from participating, leading to a non-compliant and unfair procurement process. The following tenders are affected:

| Tender number | Description | No of days Advertised | Contract Amount | Total Expenditure | Supplier |
|---|---|---|---|---|---|
| COR 04/2024/25 | THE APPOINTMENT OF AN INTERNET SERVICE PROVIDER FOR ALL THEEWATERSKLOOF MUNICIPAL SITES, AS AND WHEN REQUIRED, FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2028 | 23 Days [09 April – 02 May 2025] | R594 290 | R0 | Vodacom |
| FIN 06/2024/25 | PROVISION OF SERVICES FOR THE COLLECTION, TRANSPORTATION AND DEPOSITING OF CASH FOR THE PERIOD FROM 1 JULY 2025 UNTIL 30 JUNE 2028 | 28 Days [28 February – 28 March 2025] | R1 831 269,39 | R0 | Fidelity Cash Solutions (Pty) Ltd |

| | | | | | |
|---|---|---|---|---|---|
| TPM 04/2024/25 | The Supply, Delivery and Installation of a Capped Geographic Information System (GIS) Enterprise License Agreement and Support/Maintenance from 01 July 2025 to 30 June 2028. | 21 Days [14 March – 04 April 2025] | R2 632 990,55 | R0 | ESRI South Africa (Pty) Ltd |
| ENG 08/2024/25 | The Web Based monitoring of all water and sewage infrastructure in the Theewaterskloof Area | 23 Days [08 August – 30 August 2024] | R2 841 603,89 | R0 | Bigetron (Pty) Ltd |
| COR 01/2024/25 | SUPPLY AND DELIVERY OF PHOTOCOPY PAPER TO VARIOUS MUNICIPAL AND TRAFFIC OFFICES OF THEEWATERSKLOOF MUNICIPALITY FOR THE PERIOD FROM 1 JULY 2024 TO 30 JUNE 2027 | 23 Days [24 April – 17 May 2024] | R835 716,50 | R108 103,45 | Office for You (Pty) Ltd |
| FIN 01/2024/25 | PROVISION OF PRINTING, SORTING, AND MAILING OF ACCOUNTS FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2027 | 21 Days [13 September 2024 – 04 October 2024] | R3 224 691,05 | R263 279,00 | CAB HOLDINGS (Pty) Ltd |
| | | | **TOTAL** | **R371 382,45** | |

**DISCUSSION**

Section 217(1) of the Constitution of the Republic of South Africa, Act No. 56 of 1996 states: *"When an organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost-effective."*

Regulations 22(1)(b)(i) of the MFMA Supply Chain Management (SCM) Regulations states:

*"(1) A supply chain management policy must determine the procedure for the invitation of competitive bids, and must stipulate*

*(b) the information a public advertisement must contain, which must include—*

*(i) the closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included), or which are of a long-term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper, subject to sub regulation."*

Regulation 1 of SCM Regulations defines *a long-term contract:* "long-term contract" means a contract with a duration period exceeding one year.

**SCM COMMENT:**

The finding is based on the terms "long-term contract" and "contract of a long-term nature"

Long term contract is defined in the approved SCM Policy as part of the definitions as follows: "means a contract with a duration period exceeding one year and is less than three years"

Although a contract of a long-term nature is not defined in our policy, it is commonly defined in SCM as follows: "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"

The above is further substantiated and defined in paragraph 21(1)(b)(i) of the approved SCM Policy that states the following: (1)"the procedure for the invitation of competitive bids, is as follows: — (b) the information contained in a public advertisement, must include –

(i) the closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included), or which are of a **long-term nature** with a **contract duration period exceeding three years**, or 14 days in any other case, from the date on which the advertisement is in a newspaper, subject to paragraph 21(2) of this policy".

It is clear from the above, and all other relevant SCM-related legislation, that *long-term contracts* (duration period exceeds 1 year, and less than 3 years) and *contracts of a long-term nature* (duration period exceeds 3 years) have a different meaning and are not the same and therefore cannot be implemented the same as well.

Further to the above, it is also important to note that:

The transaction value for the tenders in question does not exceed R10 million (VAT included), and the contract duration period does not exceed three years (contracts of a long-term nature), therefore, the advertisement period of 30 days is not applicable. If tender does not comply with the two above-mentioned compliance criteria, the minimum advertising period is 14 days. The tenders were advertised for more than 14 days, therefore, compliant with council's approved SCM Policy.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

No irregular expenditure was incurred as the SCM Policy was correctly implemented and applied.

The irregular expenditure of R 371 382.45 has been recorded in 2024/25 financial statements. Management should ensure that recurrence is prevented.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result in Council Losing money and not receiving value for money. However, in this case Council did not suffer any losses or damages and received value for money.

**RECOMMENDATION BY ITEM AUTHOR:**

1. **It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 371 382.45 be written off for the financial year 2024/2025.**

2. **The Auditor-General and Internal Audit Department incorrectly interpreted / applied paragraph 21(1)(b) of the approved Council's SCM Policy. A finding should've not been raised for these tenders.**

**RECOMMENDATION BY MANAGEMENT TO MPAC: 12 FEBRUARY 2026**

1. **It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 371 382.45 be written off for the financial year 2024/2025.**

2. **The Auditor-General and Internal Audit Department incorrectly interpreted / applied paragraph 21(1)(b) of the approved Council's SCM Policy. A finding should've not been raised for these tenders.**

**DISCUSSION DURING MEETING:**

Councillor P Stander – The supporting documents attached answered a lot of the questions. The administration must ensure that the Bid Committee Meetings are properly established and that all tenders are advertised within the correct time periods.

Mr A Opperman requested that point 2 of the recommendation be removed.

**RECOMMENDATION BY MPAC TO COUNCIL: 29 APRIL 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander and seconded by Councillor DJ Jacobs, it was recommended as follows:

**In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 371 382.45 be written off for the financial year 2024/2025.**

**RECOMMENDATION TO COUNCIL:**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 371 382.45 be written off for the financial year 2024/2025.**

**RESOLVED BY COUNCIL: 28 MAY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman DA Appel and seconded by Alderman MR Nongxaza, it was resolved as follows:

**In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, Council resolved that the irregular expenditure in the amount of R371 382.45 be written off for the financial year 2024/2025.**

*For finalization by the Acting Director: Finance, Mr A Riddles.*

**RECOMMENDATION TO COUNCIL:**

**Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.**

ANNEXURE A

## Status Report– NON – COMPLIANCE WITH SCM REGULATION 22 (1)(b)(i) – ADVERTISING OF LONG – TERM CONTRACTS FOR LESS THAN 30 DAYS

**In terms of SCM and MFMA requirements and remedial action required if necessary**

1

| **What was the initial Purpose** |
|---|
| SCM REGULATION 22 (1)(b)(i) – ADVERTISING OF LONG – TERM CONTRACTS FOR LESS THAN 30 DAYS<br>PARAGRAPH 21(1)(b)(i) of Council's approved SCM Policy |

2

| **Initial Scope of Contract and if uncertain please explain** |
|---|
| Long term tenders were advertised for less than 30 days |

3

| **Initial Contract Value and if uncertain please explain** |
|---|
| R 371 382.45 |

4

| **Initial Expiry Date and if uncertain please explain** |
|---|
| N/A |

5

| **Was normal SCM Process followed and complied with** | | |
|---|---|---|
| **Yes X** | no | Uncertain |
| **Explain of motivate your response** | | |
| Tenders were advertised within the prescripts of the approved SCM Policy | | |

6

| **Has the purpose, scope or contract period been extended or expanded since the initial appointment of the service provider** | | |
|---|---|---|
| Yes | No x | Uncertain |
| **Explain or motivate your response** | | |
| N/A | | |

7

| **Was a formal contract or SLA initially entered into in terms of SCM and MFMA Requirements** | | |
|---|---|---|
| **Yes X** | No | Uncertain |
| **Explain or motivate your response** | | |

| |
|---|
| Competitive Bidding process was followed, and award has been made. |

8

| **Should a contract not have existed has it since been entered into and has all compliance requirements like as it applies in respect of the SCM process and or for purposes of deviations been complied with** | | |
|---|---|---|
| Yes | No x | Uncertain |
| **Motivate or explain your response** | | |
| | | |

9

| **Did Council because of this transaction received best value for money i.e. in spite of non-compliance, if any with SCM or MFMA requirements** | | |
|---|---|---|
| Yes X | No | Uncertain |
| **Please explain or motivate your response above** | | |
| Competitive Bidding process was followed, and award has been made.<br>No - service provider was prejudiced by the process. | | |

10

| **Has the Municipality suffered any losses or damages as a result of non-compliance with any of the MFMA or SCM requirements** | | |
|---|---|---|
| Yes | **No X** | Uncertain |
| **Please explain or motivate your response above** | | |
| | | |

11

| **Are you satisfied with the performance of the current service providers** | | |
|---|---|---|
| **Yes X** | No | Uncertain |
| **Please explain or motivate your response above** | | |
| SCM have not received any information regarding poor performances | | |

12

| Has the director investigated and established whether or not there is not at this point a better service provider, price or product which would justify a new procurement process and a reconsideration of the current service provider, product or price | | |
|---|---|---|
| Yes | No | Uncertain |
| **Please explain or motivate your response above** | | |
| N/A | | |

14

| Could any form of non-compliance have been prevented | | |
|---|---|---|
| Yes | No | Uncertain |
| **Explain or motivate your response above** | | |
| N/A | | |

15

| What remedies have been put in place to prevent any non-compliance being repeated | | |
|---|---|---|
| Yes | No | Uncertain |
| **Explain or motivate your response above** | | |
| N/A | | |

16

| General or additional Comments of the Director Concerned | |
|---|---|
| ..... | ..... |
| Signature of Director Concerned | Date |

17

| General Comments/Findings and recommendations of the CFO | |
|---|---|
| SCM policy was applied correctly and implemented (Recommend Write-off) | |
| Signature of CFO | Date 22/01/2026 |

18

ANNEXURE A

| General Comments/Findings and or recommendations of the Chief Audit Executive |
| --- |
| Seems no negligence from SCM, but VFM. (SCM Comment.) |
| Signature of Chief Audit Executive Date 23/01/2026. |

19

| Final response of the Director Concerned for consideration by the Municipal Manager |
| --- |
| SCM DOES NOT AGREE WITH FINDING, SCM POLICY CORRECTLY ~~APPIED~~ Applied AND IMPLEMENTED. (Write off) |
| Signature of the Director concerned Date 22/01/2026 |

20

| General Comments and findings of the Municipal Manager |
| --- |
| 1. |
| Signature of the Municipal Manager Date 27/1/2026 |

593

AUDITOR-GENERAL
SOUTH AFRICA

The Accounting Officer
Theewaterskloof Municipality
PO Box 24
Caledon
7230

03 October 2025

Reference: Communication No. 01 of 2025

Dear Mr. W Hendricks

**COMMUNICATION OF FINDINGS IDENTIFIED DURING THE AUDIT OF COMPLIANCE WITH LEGISLATION FOR THE YEAR ENDED 30 JUNE 2025**

**Background**

1. In performing the audit of compliance with legislation we identified non-compliance with legislation as described in the annexure. We have recorded the internal control deficiency that gave rise to the non-compliance and our recommendation for correcting the non-compliance for your consideration.
2. The finding will be included in the management report including your comments and our final response.

**Required**

3. You are requested to indicate whether you agree with the facts stated in the annexure including whether you agree with the identified internal control deficiency. Should you disagree, please provide us with documentary evidence to the contrary within 5 days from the date of this communication, as agreed in the engagement letter.
4. Please provide us with the reasons for the instances of non-compliance and the steps that will be taken to rectify the matter in future.

Yours sincerely

Masixole Velem
Senion Manager: Western Cape

Enquiries: Beauty Myende
Telephone: (021) 528 4100
E-Mail: BeautyM@agsa.co.za

594

**Acknowledgement of receipt by management:**

Received by _____ Date _____

## DETAILED AUDIT FINDING

### Non-compliance with SCM Regulation 22(1)(b)(i) – Advertising of Long-Term Contracts for Less Than 30 Days

### Audit finding

Section 217(1) of the Constitution of the Republic of South Africa , Act No. 56 of 1996 states: *"When an organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost-effective."*

Regulations 22(1)(b)(i) of the MFMA Supply Chain Management (SCM) Regulations states:
*"(1) A supply chain management policy must determine the procedure for the invitation of competitive bids, and must stipulate*
*(b) the information a public advertisement must contain, which must include—*
*(i) the closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included), or which are of a long-term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper, subject to sub regulation."*

Regulation 1 of SCM Regulations defines ***a long-term contract:*** "long-term contract" means a contract with a duration period exceeding one year.

During the audit of procurement and contract management, it was identified that certain contracts of a long-term nature (exceeding one year) were advertised for periods shorter than the minimum 30 days required by law. This practice contravenes the applicable legislative framework governing municipal supply chain management.

The insufficient advertising period prevented other potential suppliers from participating, leading to a non-compliant and unfair procurement process. The following tenders are affected:

| Tender number | Description | No of days Advertised | Contract Amount | Total Expenditure | Supplier |
|---|---|---|---|---|---|
| COR 04/2024/25 | THE APPOINTMENT OF AN INTERNET SERVICE PROVIDER FOR ALL THEEWATERSKLOOF MUNICIPAL SITES, AS AND WHEN REQUIRED, FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2028 | 23 Days [09 April – 02 May 2025] | R594 290 | R0 | Vodacom |
| FIN 06/2024/25 | PROVISION OF SERVICES FOR THE COLLECTION, TRANSPORTATION AND DEPOSITING OF CASH FOR THE PERIOD FROM 1 JULY 2025 UNTIL 30 JUNE 2028 | 28 Days [28 February – 28 March 2025] | R1 831 269,39 | R0 | Fidelity Cash Solutions (Pty) Ltd |
| TPM 04/2024/25 | The Supply, Delivery and Installation of a Capped Geographic Information System (GIS) Enterprise License Agreement and Support/Maintenance from 01 July 2025 to 30 June 2028. | 21 Days [14 March – 04 April 2025] | R2 632 990,55 | R0 | ESRI South Africa (Pty) Ltd |
| ENG 08/2024/25 | The Web Based monitoring of all water and sewage infrastructure in the Theewaterskloof Area | 23 Days [08 August – 30 August 2024] | R2 841 603,89 | R0 | Bigetron (Pty) Ltd |

| | | | | | |
|---|---|---|---|---|---|
| COR 01/2024/25 | SUPPLY AND DELIVERY OF PHOTOCOPY PAPER TO VARIOUS MUNICIPAL AND TRAFFIC OFFICES OF THEEWATERSKLOOF MUNICIPALITY FOR THE PERIOD FROM 1 JULY 2024 TO 30 JUNE 2027 | 23 Days [24 April – 17 May 2024] | R835 716,50 | R108 103,45 | Office for You (Pty) Ltd |
| FIN 01/2024/25 | PROVISION OF PRINTING, SORTING, AND MAILING OF ACCOUNTS FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2027 | 21 Days [13 September 2024 – 04 October 2024] | R3 224 691,05 | R263 279,00 | CAB HOLDINGS (Pty) Ltd |
| | | | **TOTAL** | **R371 382,45** | |

Furthermore, we identified that the Municipality's Supply Chain Management Policy par.22 defines contracts of a long-term nature as contracts with a duration period exceeding three years. This is in contravention with the Supply Chain Management Regulations.

**Impact**

Non-compliance with the above legislation results in:

- Material non-compliance with the SCM Regulations and will be reported on in the auditor's report. The deviation compliance rate is 25%.
- Irregular expenditure of R371 382,45 as defined by the MFMA. This will also be assessed for expenditure management compliance
- Reduced competitiveness, potentially disadvantaging capable service providers.
- Legal challenges from bidders who were not afforded sufficient time to respond.
- Reputational damage and erosion of public trust in municipal governance.

**Internal control deficiency**

**Leadership**

*Establish and communicate policies and procedures to enable and support the understanding and execution of internal control objectives, processes and responsibilities*

- The supply chain management policy was incorrectly compiled due to misinterpretation of the Supply Chain Management Regulations.

**Financial and Performance Management**

*Review and monitor compliance with applicable laws and regulations.*

- The reasons for shortening the advertising period were due to misinterpretation of the Supply Chain Management Regulations.

**Recommendation**

- Management should strengthen their review and monitoring processes of compliance with Municipal Supply Chain Regulations to ensure that all contracts of a long-term nature are advertised for at least 30 days. This will improve compliance with Municipal Supply Chain Management Regulations and promote fair competition among suppliers.
- Management should amend the Municipalities Supply Chain Management Policy to be in line with the Regulations

- The expenditure incurred (current and future) in respect of the affected contracts should be recorded in the financial year applicable and regarded as irregular expenditure and dealt with in accordance with Section 32 of the MFMA.

**Management response**

| DESCRIPTION | RESPONSE |
|---|---|
| Does management agree with the finding (Yes/ No) | No |
| Detail reason for disagreeing with finding | We acknowledge receipt of the audit finding regarding non-compliance with the MFMA Supply Chain Management (SCM) Regulations, specifically the finding that several long-term contracts were advertised for periods shorter than the required 30 days. We appreciate the thoroughness of the audit process and the opportunity to respond to this finding.<br><br>While we agree that the MFMA SCM Regulations define a "long-term contract" as any contract exceeding one year in duration, which mandates a minimum advertising period of 30 days, we respectfully **disagree** with the finding that there was non-compliance in the application of the procurement process by the Supply Chain Management Unit. Our position is based on the fact that the officials involved adhered strictly to the provisions of the Theewaterskloof Municipality Supply Chain Management Policy (2024-2025), Attached As **Annexure CoAF 1.1,** which was approved by Council.<br><br>Specifically, Paragraph 21(1)(b)(i) of the SCM Policy states that the closure date for bids "may not be less than 30 days in the case of transactions over R10 million (VAT Included), or which are of a long-term nature with a contract duration period exceeding three years, or 14 days in any other case." For the contracts cited in the audit finding, which have been durations between one and three years, the policy stipulates a minimum advertising period of 14 days. This provision was correctly followed by our staff during the procurement process.<br><br>Furthermore, the procurement processes never prejudice any bidder as s217 of the constitution has been applied throughout and the SCM policy adopted by Council was correctly applied through the standard operating procedures in the procurement process.<br><br>**The SCM policy provisions have also been applied consistently as per previous financial years audited - since 2017** |
| Management comment on internal control deficiencies | Management recognizes and accepts that the audit finding accurately identifies a critical root cause: the discrepancy between definitions and advertising periods outlined in our municipal SCM Policy and the requirements of the national MFMA SCM Regulations. This policy's definition of a "contract with a long-term nature" as exceeding three years, rather than one year as per the regulations, has inadvertently led to this misalignment, Therefore it is not a procurement process |

| DESCRIPTION | RESPONSE |
|---|---|
| | finding rather a policy finding as the application remains accurate by the SCM team |
| Detail corrective action to be taken | In light of the discrepancy, which does not affect the disagreement to the audit finding, *management* will immediately consider and **take steps** to amend the SCM Policy (2025-2026), specifically revising the definition of "long-term contract" and "contract with a long-term nature", as well as the associated advertising period clauses in Paragraph 21, to align fully with SCM Regulations. We will also implement internal control measures to monitor compliance during this transition and prevent recurring discrepancies prospectively.<br><br>The SCM policy provisions have also been applied consistently as per previous financial years audited. |
| Does the finding affect an amount disclosed in the financial statements (Yes/ No) | No |
| If yes, what corrections will be made to the population | N/A |
| If **yes** and no corrections will be made the reason, why such a conclusion has been reached should be indicated. | N/A |
| Position of official responsible to take corrective actions | Director – Financial Services |
| Does management agree with the root cause indicated | No |

Name: P Mabhena
Position: CFO
Date: 07 Oct 2025

**Auditor's conclusion:**

Management's response has been acknowledged. The finding remains valid as the shortened advertising period limited the opportunity for other potential suppliers to participate, thereby impacting on the fairness and competitiveness of the procurement process. Managements policy cannot supersede the supply chain management regulations and therefore the material non-compliance will be reported on in the auditor report.

Management indicated that no corrections is required in the financial statements , therefore the irregular expenditure of R371 382,45 will be taken to uncorrected misstatements and aggregated with other uncorrected misstatements and will include it as uncorrected in the table of the management representation letter. If the amount in aggregate with other amounts result in a material misstatement it will have an effect on the audit opinion.

**ITEM HEADING**

**SC93/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE TECHNICAL- AND INFRASTRUCTURE IMPLEMENTATION SERVICES: IRREGULAR EXPENDITURE – NOT JUSTIFIABLE DEVIATION (ENVIROSERV WASTE MANAGEMENT (PTY) LTD)**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE / AIM OF REPORT**

The purpose of this report is to inform the Municipal Public Accounts Committee on the irregular expenditure with regards to the Transport of Containerised Municipal Solid Waste and Chipping of Garden Waste for the Period from 01 July 2024 until 30 June 2027 – Enviroserv Waste Management (Pty) Ltd.

**BACKGROUND**

**2024/25 AG Findings:** "*The municipality deviated from SCM processes to procure the services for waste management for three years, citing the impracticality due to lack of a functional BAC. This deviation, therefore, stems from improper planning.*

***Impact:***
*This results in non-compliance with regulation 19(a) as goods were procured without following a competitive bidding process.*

*Deviations were approved by the accounting officer even though it was not impractical to obtain price quotations in contravention with regulation 36(1). This results in an irregular expenditure of R400 555 (expenditure in the current year). All future expenditure on these services should also be regarded as irregular expenditure. The non-compliance is material (recurring) and will be included in the audit report."*

**DISCUSSION**

As per attachment.

**COMMENTS FROM THE OFFICE OF THE MUNICIPAL MANAGER**

I note the value for money confirmation.

**COMMENTS FROM THE DIRECTORATE TECHNICAL AND INFRASTRUCTURE IMPLEMENTATION SERVICES**

Recommendation is supported.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The irregular expenditure of R400 555 has been recorded in 2024/2025 financial statements. Management should ensure that recurrence is prevented.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA states that any official of a municipality who deliberately or negligently committed, made or authorized an irregular expenditure is liable for that expenditure. A municipality must recover such expenditure from the person liable for that expenditure, unless Council certifies the irregular expenditure as irrecoverable, after the Municipal Public Accounts Committee has investigated and recommended it. Irregular expenditure for the purpose of this item means expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality and which has not been condoned in terms of such policy.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result in Council Losing money and not receiving value for money. However, in this case Council did not suffer any losses or damages and received value for money.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is therefore recommended that in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R400 555 for the financial year 2024/2025 be written off.**

**RECOMMENDATION BY MANAGEMENT TO MPAC: 26 FEBRUARY 2026**

**It is therefore recommended that in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R400 555 for the financial year 2024/2025 be written off.**

**RECOMMENDATION BY MPAC TO COUNCIL: 29 APRIL 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander and seconded by Councillor DJ Jacobs, it was recommended as follows:

**In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R400 555 for the financial year 2024/2025 be written off.**

**RECOMMENDATION TO COUNCIL:**

**It is therefore recommended that in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R400 555 for the financial year 2024/2025 be written off.**

**RESOLVED BY COUNCIL: 28 MAY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman DA Appel and seconded by Alderman MR Nongxaza, it was resolved as follows:

**In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, Council resolved that the irregular expenditure in the amount of R400 555 be written off for the financial year 2024/2025.**

*For finalization by the Director: Technical- and Infrastructure Implementation Services, Mr H Matthee.*

**RECOMMENDATION TO COUNCIL:**

**Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.**

# Status Report on contract no. ENG 04/2024/25 In terms of SCM and MFMA requirements and remedial action required if necessary

| Supplier | Service Description | Commencement date of contract |
|---|---|---|
| EnviroServ Waste Management (Pty) Ltd. | ENG 04/2024/25 - Transport of Containerised Municipal Solid Waste and Chipping of Garden Waste for the Period from 01 July 2024 Until 30 June 2027. | 01 July 2024 – 31 January 2025 |

## 1. What was the initial Purpose of the contract

The Technical Services Directorate of the Theewaterskloof Municipality proposes to haul all waste off loaded at their Transfer Stations at Grabouw, Caledon and Villiersdorp and at their Public Drop-off at Botrivier Tesselaarsdal and Greyton to the licensed landfill at Karwyderskraal or Caledon Landfill. The dried sludge from the WWTW as well as Hazardous waste received from the public at facilities must be transported and disposed of at a hazardous license site. One of the objectives is also to divert green waste from Solid waste facilities by chipping for composting. The operation of the Transfer stations and drop offs does not form part of this contract.

## 2. Initial Scope of Contract and if uncertain please explain

**OVERVIEWS OF THE SERVICE**

The service consists of the hauling by road of all waste from the Transfer Stations at Grabouw, Villiersdorp, Caledon and RSE and the Public Drop-off at Botrivier, Greyton and Tesselaarsdal to the Karwyderskraal Landfill. Dried sludge form Wastewater Treatment Facilities and hazardous waste received from the public must be disposed of at a suitably licensed site. It is envisaged that the Greyton Drop Off did commence and Caledon and RSE Transfer stations . All General Waste will be transported to Karwyderskraal Landfill after. The Municipality also intends to procure service to haul solid waste from different towns by 30m$^3$ haulage trucks to Caledon Landfill. The Municipality will notify the Contractor when waste has to be hauled from these towns to Caledon Landfill. The service provider needs to chip all green waste diverted from waste stream and load it in containers that will be hauled to Grabouw or Karwyderskraal for composting. The service provider needs to guide the Municipality in diverting different size green waste for chipping.

**GENERAL INTENT**

The general intent of this Contract is that the Contractor shall procure all items necessary for the rendering of the service in accordance with the terms of Contract, in a workman-like and expeditious manner.

The Engineer/Employer shall have the right to verify that the service is carried out in accordance with this Contract and to approve or reject the quality of service rendered by the Contractor or approved subcontractors.

**EXTENTS OF THE SERVICE**

The Service in general includes but is not restricted to the following:

1. Remove full containers from loading bays and replace it with empty containers,
2. Transport full containers to Karwyderskraal or Caledon Landfill, dispose of the loads and return the empty containers,
3. Transport dried sludge from WWTW to appropriately licensed Landfill (a site licensed to receive hazardous waste).
4. Transport all household hazardous waste received from community to appropriately licensed Landfill (a site licensed to receive hazardous waste).
5. Chip all diverted green waste and load it into containers for transport.
6. Transport chipped green waste to Karwyderskraal or Grabouw, as indicated by Employer.
7. Supply and maintain containers.

## 3. Initial Contract Value and if uncertain please explain

R 1 102 170.97 (Excl. VAT).

| 4. **Initial Expiry Date and if uncertain please explain** |
|---|
| 31 January 2025. |

| 5. **Was normal SCM Process followed and complied with** | | |
|---|---|---|
| Yes | | |

**Explain of motivate your response**

Tender ENG 01/2024/25 was submitted on 18 March 2024 to the SCM department to arrange a Bid Specification Committee sitting for 25 March 2024 as per Procurement Plan directive.

The following dates sets out the procurement process.

| Description | Projected Procurement Plan Dates | Actual Procurement Plan Dates | Days behind Schedule |
|---|---|---|---|
| Submission | 04 March 2024 | 18 March 2024 | 14 days (SCM informed the contract manager that the tender document format must change to a service tender document.) |
| Bid Specification Committee | 11 March 2024 | 02 April 2024 | 22 days |
| Advertisement | 14 March 2024 | 11 April 2024 | 28 days |
| Closing | 19 April 2024 | 17 May 2024 | 28 days |
| Technical Submission | 03 May 2024 | 20 May 2024 | 17 days |
| Bid Evaluation Committee | 20 May 2024 | 18 June 2024 | 29 days |
| Bid Evaluation Committee | 20 May 2024 | 20 June 2024 | 31 days |
| Bid Evaluation Committee | 20 May 2024 | 08 October 2024 | 141 days |
| Bid Evaluation Committee | 20 May 2024 | 10 December 2024 | 204 days |
| Bid Adjudication Committee | 24 May 2024 | 13 December 2024 | 203 days |
| Approve Bid Adjudication Committee Minutes | N/A | 14 January 2025 | It took 32 days to get the minutes signed. |
| Letter of Appointment | N/A | 15 January 2025 | It took SCM 303 days / 10 months to make an appointment. |

It took the SCM department 204 days or 6 months to get pass the Bid Evaluation Committee and 303 days / 10 months to make an appointment.

Also note that two bid evaluation committee meetings took place in June 2024 and then the next one only took place in October 2024, four months later. The municipality would have had a tenderer in July 2024, if the June BEC was successful and the BAC took place on 28 June 2024.

The calling of additional tender as alluded to by the AG could not realise due to that the fact that the previous tender process was not concluded and the process was still open.

It is reiterated that No recommendation for award could be made by June 2024 as stated above. and subsequently the deviation process was used for an award to avoid legal implication as stated in the motivation for deviation. This falls in the ambit of a normal SCM process.

| 6. **Has the purpose, scope or contract period been extended or expanded since the initial appointment of the service provider** | | |
|---|---|---|
| No | | |

**Explain or motivate your response**

N/A

| 7. **Was a formal contract or SLA initially entered into in terms of SCM and MFMA Requirements** | | |
|---|---|---|
| Yes | | |
| **Explain or motivate your response** | | |
| The conditions and provisions of the Tender No. ENG 01/2024/25 document, as advertised, was used as the basis of the contract. | | |
| 8. **Should a contract not have existed has it since been entered into and has all compliance requirements like as it applies in respect of the SCM process and or for purposes of deviations been complied with** | | |
| Yes | | |
| **Motivate or explain your response** | | |
| Tender number ENG 01/2024/25 was awarded and the new contract start date was 01 February 2025. | | |
| 9. **Did Council because of this transaction received best value for money i.e. in spite of non-compliance, if any with SCM or MFMA requirements** | | |
| Yes | | |
| **Please explain or motivate your response above** | | |
| We confirm that the most advantageous combination of cost, quality and sustainability was achieved and Council received best value for money. | | |
| 10. **Has the Municipality suffered any losses or damages as a result of non-compliance with any of the MFMA or SCM requirements** | | |
| No . | | |
| **Please explain or motivate your response above** | | |
| N/A | | |
| 11. **Are you satisfied with the performance of the current service provider to the extent that the contract should be continued with.** | | |
| Yes | | |
| **Please explain or motivate your response above** | | |
| Works was executed in terms of the contractual conditions. | | |
| 12. **Has the director investigated and established whether or not there is not at this point a better service provider, price or product which would justify a new procurement process and a reconsideration of the current service provider, product or price** | | |
| Yes | | |
| **Please explain or motivate your response above** | | |
| Tender number ENG 01/2024/25 was advertised and awarded that justified the process followed is still best procurement option. | | |
| 14. **Could any form of non-compliance have been prevented** | | |
| Yes | | |
| **Explain or motivate your response above** | | |
| Refer to point 5 motivation above. | | |

**15. What remedies have been put in place to prevent any non-compliance being repeated**

**Explain or motivate your response above**

Once off exceptional case where the tender was ready to be awarded and therefore future remedies are not necessary as a rule.

**16. General or additional Comments of the Director Concerned**

- The legal department confirmed the following: "It is confirmed that I have reviewed the contract. It complies in all respects with the relevant council resolutions, tender conditions and deviation award and legal requirements as provided to me by the Contract Manager and that the rights of Council are thereby protected. There is no apparent reason why the contract cannot be signed by the relevant delegated authority".
- That the irregular expenditure amounting to R 400 555 be written off in terms of section 32(2)(b) of the MFMA.
- No evidence of fraud, corruption or theft has been reported and accordingly I am unaware of any reason to suspect that theft, corruption or fraud took place.
- That the remedial steps mentioned above be noted and accepted as sufficient and appropriate steps to prevent future irregular expenditure of this nature.

Signature of Director Concerned — Date: 3.2.2026

**17. General Comments/Findings and recommendations of the CFO**

Signature of CFO — Date: 26-02-2026

**18. General Comments/Findings and or recommendations of the Chief Audit Executive**

Signature of Chief Audit Executive — Date: 26/02/2026

**19. Final response of the Director Concerned for consideration by the Municipal Manager**

Signature of the Director concerned — Date: 26/2/2026

**20. General Comments and findings of the Municipal Manager**

Annexure A – Approved Deviation

Annexure B – Bid Adjudication Minutes and Letter of Appointment

Annexure A – Approved Deviation

Theewaterskloof Municipality

# THEEWATERSKLOOF MUNICIPALITY

## Office of the Director: Financial Services

## SUPPLY CHAIN MANAGEMENT POLICY

## REQUEST FOR DEVIATION FORM IN TERMS OF REGULATION 36

### Section A

| Reg. 36 | Reason for Deviation | (Mark with X where applicable) |
|---|---|---|
| (1)(a)(i) | **In an Emergency; (An emergency is an unforeseeable sudden event with harmful or potential harmful consequences for the municipality which requires urgent action to address.)** | |
| | **Circumstances that warrant emergency dispensation**<br>Circumstances that warrant emergency dispensation includes but are not limited to - | |
| | a) the possibility of human injury or death, | |
| | b) the prevalence of human suffering or deprivation of rights, | |
| | c) the possibility of damage to property, or suffering and death of livestock and animals, the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole, the possibility of serious damage occurring to the natural environment, | |
| | d) the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service, | |
| | e) the possibility that the security of the state could be compromised. | |
| **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.** | | |
| (ii) | **Sole supplier** | |
| (iii) | **Acquisition of special works of art or historical objects where specifications are difficult to compile.** | |
| (iv) | **Acquisition of animals for zoos and/or nature and games reserves.** | |
| (v) | **Any other exceptional case where it is impractical or impossible to follow the official procurement processes.** | X |

### Section B

**Furnish and motivate reasons for the required deviation:**

**Background:**

The municipality advertised a tender for the Transport of Containerised Municipal Solid Waste and Chipping of Garden Waste for the Period from 01 July 2021 till 30 June 2024. This contract comes to an end on 30 June 2024.

**Legal Implications:**

Theewaterskloof Municipality must comply in terms of National Water Act (36 of 1998).

In terms of the National Environmental Management Act, 1998 (Act No, 107 of 1998), a person (or Accounting Officer i.e. Municipal Manager) convicted of an offence/charge of unlawfully and intentionally or negligently significantly polluting or degrading or detrimentally affecting the environment in terms of the aforementioned legislation is liable to a fine not exceeding R10 million or to imprisonment for a period not exceeding 10 years, or to both such fine and imprisonment.

*"Control of emergency incidents*

*S30. (1) In this section—*

*(a) "incident" means an unexpected sudden occurrence. including a major emission, fire or explosion leading to serious danger to the public or potentially serious pollution of or detriment to the environment. Whether immediate or delayed.*

*(b) "responsible person.. includes any person who~*

*(i) is responsible for the incident;*

*(ii) owns any hazardous substance involved in the incident; or 5*

*(iii ) was in control of any hazardous substance involved in the incident at the time of the incident;*

*(c) .'relevant authority" means—*

*(i) a municipality with jurisdiction over the area in which an incident occurs:*

Now considering the beforementioned the following is prescribed in terms of chapter 7 of the National Environmental Management Act 1998 Section 28:

*S28(1) Every person who causes, has caused or may cause significant pollution or degradation of the environment must take reasonable measures to prevent such pollution or degradation from occurring, continuing or recurring, or, in so far as such harm to the environment is authorised by law or cannot reasonably be avoided or stopped, to minimise and rectify such pollution or degradation of the environment.*

*(2) Without limiting the generality of the duty in subsection (1), the persons on whom subsection (1) imposes an obligation to take reasonable measures. include an owner of land or premises, a person in control of land or premises or a person who has a right to use the land or premises on which or in which—*

*(a) any activity or process is or was performed or undertaken; or*

*(b) any other situation exists,*

*which causes. has caused or is likely to cause significant pollution or degradation of the environment.*

*(3) The measures required in terms of subsection (1) may include measures*

*(a) investigate, assess and evaluate the impact on the environment:*

*(b) inform and educate employees about the environmental risks of their work and the manner in which their tasks must be performed in order to avoid causing significant pollution or degradation of the environment:*

*(c) cease, modify or control any act, activity or process causing the pollution or degradation.*

*(d) contain or prevent the movement of pollutants or the causant of degradation:*

*(e) eliminate any source of the pollution or degradation: or*

*(f) remedy the effects of the pollution or degradation."*

**Discussion:**

Taking the procurement plan into consideration, the contract manager advertised the new tender ENG 01/2024/25 for the Transport of Containerised Municipal Solid Waste and Chipping of Garden Waste for the Period from 01 July 2024 Until 30 June 2027. The invitation to tender was advertised on Municipal Website, Notice Board, e-tender, Hermanus Times and TransOverberg on Thursday, 11 April 2024. Seven (7) tenders were received on the closing date Friday, 17 May 2024. Tender validity period is 120 days which indicates an expiry date of 14 September 2024.

The following tenders was received on closing date:

| No. | Name of Bidder | All Inclusive Corrected Tendered Amounts "R" (Year 1 + 2 + 3) |
|---|---|---|
| 1 | DP Truckhire (Pty) Ltd. | 24 088 303.78 |
| 2 | EnviroServ Waste Management (Pty) Ltd. | 28 686 981.90 |
| 3 | Khabokedi Waste Management (Pty) Ltd. | 28 963 018.42 |
| 4 | Waste Carriers (Pty) Ltd. | 33 672 489.59 |
| 5 | Waste-Mart (Pty) Ltd. | 39 060 501.43 |
| 6 | Amila Investment (Pty) Ltd. | 129 414 556.01 |
| 7 | Intersect Business Solutions | 10 070 691.90 |

The Bid Evaluation Committee was held on 20 June 2024 and found the following:

- DP Truckhire (Pty) Ltd. withdrew themselves from the tender process and therefore will not be taken further into consideration.
- Intersect Business Solutions failed to pay the tender participation fee and therefore will not be taken further into consideration.
- That only 5 tenderers will proceed further.

***"RECOMMENDATION BY BID EVALUATION COMMITTEE ON 20 JUNE 2024***

1. *The Bid Evaluation Committee recommends that:*

2. *Tender No: **ENG 01/2024/25**: for the Transport of Containerised Municipal Solid Waste for The Period From 01 July 2024 Until 30 June 2027, be awarded to **EnviroServ Waste Management (Pty) Ltd.** for the estimated amount of **R 28 686 981.90** (Twenty Eight Million Six Hundred Eighty Six Thousand Nine Hundred Eighty One Rand Ninety Cents) VAT incl. for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy."*

In the absence, dated 27 June 2024, of a Bid Adjudication Committee in terms of Regulation 29 of the municipality's SCM Policy and the urgency of the appointment for this service which will have an impact on the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service, the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole, the possibility of serious damage occurring to the natural environment, we suggest that it is an exceptional case where it is impractical or impossible to follow the official procurement processes.

In terms of the competitive procurement process followed including the BEC recommendation we decided to only ask EnviroServ Wate Management (Pty) Ltd. for a quotation as they scored the highest points in terms of the PPR of 2022. They submitted an estimated quotation on a month to month basis whereby we have the right to stop the contract at any stage depending on when the municipality will have a Bid Adjudication Committee in terms of Regulation 29 of the municipality's SCM Policy.

It is therefore recommended to deviate from the normal SCM procedures in terms of Regulation 36(1)(v) of the SCM Procurement Policy, to appoint EnviroServ Wate Management (Pty) Ltd. for the Transport of Containerised Municipal Solid Waste and Chipping of Garden Waste on a month-to-month basis in terms of the exact conditions of tender no. ENG 01/2024/25 as advertised inclusive of the reasons stated."

## Section C

| Financial Implication | | |
|---|---|---|
| **Vote Number** | **Available Budget** | **Estimated Deviation Amount** |
| 01/5510/1/7568/0 | R 313 317.00 (Excl. VAT) | R 1 102 170.97 (Excl. VAT) |
| 01/5510/2/7568/0 | R 995 824.00 (Excl. VAT) | |
| 01/5510/3/7568/0 | R 865 920.00 (Excl. VAT) | |
| 01/5510/4/7568/0 | R 527 594.00 (Excl. VAT) | |
| 01/5510/5/7568/0 | R 897 192.00 (Excl. VAT) | |
| 01/5510/7/7568/0 | R 303 869.00 (Excl. VAT) | |

## Section D

| Related Parties Declaration | | | | | | |
|---|---|---|---|---|---|---|
| Does the requested and recommended official have any relationship i.t.o Regulation 45 of the SCM Policy with this supplier? | | | | | | |
| Please indicate Yes / No | No | | | | | |
| If Yes, provide name and surname and tick the relevant relation as indicated below | | | | | | |
| Name and Surname | | | | | | |
| **Spouse** | **Domestic Partner** | **Dependent Child** | **Nondependent Child** | **Grandchild** | **Grandparent** | **Parent** |
| | | | | | | |
| **Relative living in an Common Household** | **Brother** | **Sister** | **Parent-in-Law** | **Brother-in-Law** | **Sister-in-Law** | |
| | | | | | | |

## Section E

| | | | |
|---|---|---|---|
| 1. Recommended by Manager: | J Prins | ff | 27/06/24 |
| | Name | Signature | Date |
| 2. Recommended by: | D Damons | | 07/06/24 |
| Deputy Dir. | Name | Signature | Date |
| 3. Recommended by: | H Matthee | | 07/06/24 |
| Act. Director | Name | Signature | Date |

4. **SCM Comments:**

1. An Contract be entered into between the Municipality and EnviroServ Wate Management (Pty) Ltd.
2. Please note that none of the company directors / trustees / members / shareholders of EnviroServ Wate Management (Pty) Ltd. are a government employee nor a restricted supplier, as checked and verified on the Central Supplier Database (CSD). Proof thereof attached.
3. The tenderers Tax Compliance Status Pin Certificate was verified on the website of SARS and was found to be active. Proof thereof attached.
4. The tenderer is registered on the municipality's database of prospective providers. Proof thereof attached.
5. The tenderer is registered on the Central Supplier Database (CSD). Proof thereof attached.

| | | | |
|---|---|---|---|
| Reviewed by: | A Martin | | 28/6/24 |
| | Name | Signature | Date |
| 5. Approved/Not Approved: | R Stevens | R.S. | 28.6.2024 |
| Act. Municipal Manager | Name | Signature | Date |
| 6. Provide reason if not approved: | | | |

ENG 01/24/25 Tender is awaiting BAC

**Annexures:**

- Annexure A: Budget
- Annexure B: Quotations from EnviroServ Waste Management (Pty) Ltd.
- Annexure C: SCM Documentation
- Annexure D: BEC Report

Annexure B – Bid Adjudication Minutes and Letter of Appointment

613

# THEEWATERSKLOOF MUNICIPALITY

# BID ADJUDICATION COMMITTEE MEETING

## MINUTES

## 13 DECEMBER 2024

# THEEWATERSKLOOF MUNICIPALITY

**MINUTES OF A BID ADJUDICATION COMMITTEE MEETING HELD 13 DECEMBER 2024 AT 10:00 IN THE COUNCIL CHAMBERS.**

---

## A. OPENING AND WELCOMING

The Chairperson, Mr. P Mabhena, welcomed everybody.

## B. ATTENDANCE REGISTER

### B.1 Present

Mr P Mabhena
Mr H Matthee
Mr W Solomons-Johannes
Mrs N Baliso
Ms Z Parnell
Ms A Martin (Observer)
Mr J Prins (Observer)
Ms J Van Niekerk (Observer)
Mr H September (Administration)

### B.2. Application(s) for leave of absence:

Mr GW Hermanus (Leave)
Mr N La Grange (Sick Leave)

## C. AGENDA-ITEM FOR DISCUSSION

### C.1 Directorate: Technical Services

**ENG 01/2024/25- TRANSPORT OF CONTAINERISED MUNICIPAL SOLID WASTE AND CHIPPING OF GARDEN WASTE FOR THE PERIOD FROM 01 JULY 2024 UNTIL 30 JUNE 2027.**

Theewaterskloof
Municipality

## SUPPLY CHAIN MANAGEMENT AND END USER EVALUATION REPORT FOR

## TENDER NO.: ENG 01/2024/25:

## TRANSPORT OF CONTAINERISED MUNICIPAL SOLID WASTE AND CHIPPING OF GARDEN WASTE FOR THE PERIOD FROM 01 JULY 2024 UNTIL 30 JUNE 2027.

### 1. AIM OF REPORT

To present to the Bid Adjudication Committee the Supply Chain Management and Technical Tender Evaluation Report for the Transport of Containerized Municipal Solid Waste and Chipping Garden Waste for The Period From 01 July 2024 Until 30 June 2027.

### 2. TENDER DETAILS

The invitation to tender was advertised on Municipal Website, Notice Board, e-tender, Hermanus Times and TransOverberg on Thursday, 11 April 2024. Seven (7) tenders were received on the closing date Friday, 17 May 2024. Tender validity period is 120 days which indicates an expiry date of 14 September 2024. On the 04th of September 2024 an extension of validity was requested from bidders. Five (5) bidders accepted the extension of validity from 14September 2024 till 30 November 2024.An extension of validity was requested on the 14th of November 2024 to extend validity from 30 November 2024 till 31 January 2024. No response was received from **Intersect Business Solutions**. Proof of extension of validity is attached to **Annexure J**. The tender was advertised for 37 days.

**Table 1: List of tenders received.**

| No | Name of Bidder | All Inclusive Tendered Amounts "R" | All Inclusive Corrected Tendered Amounts "R" | Year 1 Estimated Total (Reduced BOQ) "R" | (Add 4.9% from Year 1) - Year 2 Estimated Total "R" | (Add 4.9% from Year 2) - Year 3 Estimated Total "R" | All Inclusive Corrected Tendered Amounts "R" (Year 1 + 2 + 3) |
|---|---|---|---|---|---|---|---|
| 1 | DP Truckhire (Pty) Ltd. | 73,052,653.00 | 72,933,135.49 | 7,648,535.00 | 8,023,313.22 | 8,416,455.56 | 24,088,303.78 |
| 2 | EnviroServ Waste Management (Pty) Ltd. | 87,166,656.27 | 87,166,656.28 | 9,108,710.48 | 9,555,037.30 | 10,023,234.12 | 28,686,981.90 |
| 3 | Khabokedi Waste Management (Pty) Ltd. | 87,906,212.82 | 87,906,139.07 | 9,196,357.79 | 9,646,979.32 | 10,119,681.31 | 28,963,018.42 |
| 4 | Waste Carriers (Pty) Ltd. | 36,739,189.33 | 105,647,934.55 | 10,691,712.36 | 11,215,606.26 | 11,765,170.97 | 33,672,489.59 |
| 5 | Waste-Mart (Pty) Ltd. | 118,380,355.14 | 118,380,342.11 | 12,402,517.63 | 13,010.240.99 | 13,647,742.80 | 39,060,501.43 |
| 6 | Amila Investment (Pty) Ltd. | 377,581,055.00 | 389,895,213.92 | 41,091,800.00 | 43,105,298.20 | 45,217,457.81 | 129,414,556.01 |
| 7 | Intersect Business Solutions | 369,821,050.94 | 30,123,846.20 | 3,175,895.11 | 3,331,513.97 | 3,494,758,15 | 10,002,167.23 |

**Note:**

- The Pricing Schedule (Section 6 of the tender document) required tenderers to quote prices for items 1.1 to 10.6, the total of which, inclusive of 15% VAT, is reflected as "Year 1 Estimated Total". From this figure, tenderers were required to calculate their totals for year 2 and 3 by adding 4.9% year on year to their year 1 and 2 totals. In doing so, tenderers were able to determine their total offer for the full three year period. Refer to Annexure I for corrected details.

- The quantities listed in Schedule 6 was however the total quantity for the three year period instead of the quantity for one year. This error in the pricing schedule resulted in the tender values ranging between R 73m and R377m.

- In order to correct this error, the three-year quantities were divided by three to determine the cost per year for each item at the rate/unit quoted. For evaluation purposes the totals for year 2 and 3 are derived from year 1 with the addition of 4.9% year on year. The results of this are reflected in Table 1 above.

- DP Truckhire (Pty) Ltd. withdrew themselves from the tender process as per attached proof and therefore will not be taken further into consideration.

- Intersect Business Solutions failed to respond to request for extension from 30 November 2024 till 31 January 2025, therefore they will be excluded from further evaluation.

## 3. EVALUATION

The procedure for the evaluation of tenders is:

Step 1: Test for eligibility
Step 2: Test for responsiveness
Step 3: Test for administrative compliance
Step 4: Score financial offer, evaluation points for preferencing and calculate total tender evaluation points to the lowest. Rank tender offers from the highest number of tender evaluation points to the lowest. Recommend tenderer with the highest number of tender evaluation points for the award of the contract, unless there are compelling and justifiable reasons not to do so

### Step 1: Test for Eligibility

- Only those bidders who have paid the tender participation fee are eligible to submit tenders;
- Only those bidders who submitted proof of previous experience for completed projects are eligible to submit tenders.
- Only those bidders who comply with the pricing instruction are eligible to submit tenders.

**Table 2: Eligibility**

| No. | Name of Bidder | Paid Tender Participation Fee | Submitted Proof of Previous Experience for Completed Projects | Complies With the Pricing Instruction |
|---|---|---|---|---|
| 1 | EnviroServ Waste Management (Pty) Ltd. | Yes | Yes | Yes |
| 2 | Khabokedi Waste Management (Pty) Ltd. | Yes | Yes | Yes |
| 3 | Waste Carriers (Pty) Ltd. | Yes | Yes | Yes |
| 4 | Waste-Mart (Pty) Ltd. | Yes | Yes | Yes |
| 5 | Amila Investment (Pty) Ltd. | Yes **Note 1** | Yes | Yes |

**Note 1:**
Tenderer Amila Investment (Pty) Ltd. failed to submit Proof of Payment of Tender Participation Fee. With test for Eligibility and taking administrative compliance and in terms of employers undertaking into consideration, it was found that the aforementioned is not material in nature and requested from the bidder to submit Proof of Payment of Tender Participation Fee, which they did, proof thereof attached.

- As seen from table 2 and taking Note 1 into consideration, it is evident that the tenders received from EnviroServ Waste Management (Pty) Ltd., Khabokedi Waste Management (Pty) Ltd., Waste Carriers (Pty) Ltd., Waste-Mart (Pty) Ltd. and Amila Investment (Pty) Ltd. were found to be Eligible for further evaluation.

**Step 2: Test for Responsiveness**

Tenders will be considered non-responsive if, inter alia: (This is a requirement on submission of tender document)

- The tenderer has failed to comply with the Special Conditions of Contract as advertised.
- The tenderer does not comply with the Pricing Instruction and Pricing Schedule as advertised.
- The tenderer did not sign and complete the Form of Offer; and
- The tenderer has failed to comply with the Additional Conditions of tender Point No. 5.1. invalid from a-d.

**Table 3: Test for Responsiveness**

| No. | Description | Complies With Special Conditions of Contract | Complies With Pricing Instruction and Pricing Schedule | Signed And Completed Form of Offer | Complies With Additional Conditions of Tender |
|---|---|---|---|---|---|
| 1 | EnviroServ Waste Management (Pty) Ltd. | Yes | Yes | Yes | Yes |
| 2 | Khabokedi Waste Management (Pty) Ltd. | Yes | Yes | Yes | Yes |
| 3 | Waste Carriers (Pty) Ltd. | Yes | Yes | Yes | Yes |
| 4 | Waste-Mart (Pty) Ltd. | Yes | Yes | Yes | Yes |
| 5 | Amila Investment (Pty) Ltd. | Yes | Yes | Yes | Yes |

- As seen from table 3 it is evident that the tenders received EnviroServ Waste Management (Pty) Ltd., Khabokedi Waste Management (Pty) Ltd., Waste Carriers (Pty) Ltd., Waste-Mart (Pty) Ltd. and Amila Investment (Pty) Ltd. were found to be responsive for further evaluation.

**Step 3: Test for Administrative Compliance**

Tenders will be found non-compliant if, inter alia: (These documents may be requested)

- The tenderer has failed to complete and sign and attach requested information to all Schedules not excluded in responsive criteria.
- The Tenderer has failed to submit a municipal account of where the head office of the company is registered or in case where the premises is leased, the tenderer has failed to provide a copy of the lease of the premise.
- The tenderer has failed to submit a valid Tax Clearance Certificate or Pin; a valid Certificate or Pin may be requested.
- The tenderer has failed to submit a valid certified B-BBEE certificate, QSE or EME affidavit, whereas points were claimed, and a copy of certificate or affidavit was supplied, a valid certified copy of the B-BBEE certificate, QSE or EME Affidavit may be requested.
- The tenderer has failed to clarify or submit any supporting documentation within the time for submission stated in the employers written request.
- The tenderer has failed to submit proof good standing from the Department of Labour related to good standing with regards to COIDA payments. A Certified copy of the proof of good standing may be requested.
- The tenderer has failed to submit proof of payment of the tender participation fee. Proof may be requested.
- The Tenderer submitted 3 x reference letters, but do not comply with the criteria in 2.1.2 under eligibility, reference letters may be requested

**Table 4: Test for Administrative Compliance summary**

| Compliance Criteria | EnviroServ Waste Management (Pty) Ltd. | Khabokedi Waste Management (Pty) Ltd. | Waste Carriers (Pty) Ltd. | Waste-Mart (Pty) Ltd. | Amila Investment (Pty) Ltd. |
|---|---|---|---|---|---|
| **Schedule 1:** Tax Clearance Certificate Requirements (MBD 2) | Comply (Exp: 12/07/2024) **Note 3** | Comply (Exp: 23/04/2025) | Comply (Exp: 22/11/2024) **Note 4** | Comply (Exp: 09/02/2025) | Comply (Exp: 29/11/2024) |
| **Schedule 2A:** Declaration of Interest (MBD 4) | Comply | Comply | Comply | Comply | Comply |
| **Schedule 2B:** Declaration for Procurement Above R10 Million (All Applicable Taxes Included) (MBD 5) | Comply | Comply | Comply | Comply | Comply |
| **Schedule 3:** Preference Points Claim Form in Terms of the Preferential Procurement Reg. 2022 (MBD 6.1) | Comply (B-BBEE – 10) (Locality - 4) | Comply (B-BBEE – 10) (Locality - 4) | Comply (B-BBEE – 0) (Locality – 4) | Comply (B-BBEE – 10) (Locality – 4) | Comply (B-BBEE – 10) (Locality – 0) |
| **Schedule 4:** Declaration of Bidders past Supply Chain Management Practices (MBD 8) | Comply | Comply | Comply | Comply | Comply |
| **Schedule 5:** Certificate of Independent Bid Determination (MBD 9) | Comply | Comply | Comply | Comply | Comply |
| **Schedule 6:** Form of Indemnity | Comply | Comply | Comply | Comply | Comply |
| **Schedule 7:** Compulsory Enterprise Questionnaire | Comply | Comply | Comply **Note 4** | Comply | Comply |
| **Schedule 8:** Address Schedule | Comply | Comply | Comply | Comply | Comply |
| **Schedule 9:** Record of Addenda | N/A | N/A | N/A | N/A | N/A |
| **Schedule 10:** Authorized Signatory (Company, Close Corporation or Partnership) | Comply | Comply | Comply | Comply | Comply |
| **Schedule 11:** Tender Participation Fee | Comply | Comply | Comply | Comply | Comply **Note 5** |
| **Schedule 12:** B-BBEE Proof | Comply | Comply | Comply **Note 4** | Comply | Comply |
| **Schedule 13:** Municipal Account / Lease Agreement | Comply | Comply | Comply | Comply | Comply |
| **Schedule 14:** Previous Experience on Similar Contracts Completed | Comply | Comply | Comply | Comply | Comply |

| | | | | | |
|---|---|---|---|---|---|
| **Schedule 15:** Letter Of Good Standing with Relevant Authorities | Comply **Note 2** | Comply **Note 3** | Comply **Note 4** | Comply | Comply **Note 5** |
| **Schedule 16:** Public Liability | Comply | Comply | Comply | Comply | Comply |
| **Schedule 17:** Schedule of Plant Available | Comply | Comply | Comply | Comply | Comply **Note 5** |

**Note 2:**
Tenderer EnviroServ Waste Management (Pty) Ltd. submitted a valid tax compliance/clearance certificate and valid Letter of Good Standing with the Relevant Authorities that expired during the evaluation process. With test for administrative compliance and in terms of employers undertaking it was found that the aforementioned is not material in nature and requested the bidder to submit an updated valid tax compliance/clearance certificate and Letter of Good Standing with the Relevant Authorities, which they did. Proof can be found attached.

**Note 3:**
Tenderer Khabokedi Waste Management (Pty) Ltd. submitted an expired Letter of Good Standing with the Relevant Authorities. With test for administrative compliance and in terms of employers undertaking it was found that the aforementioned is not material in nature and requested the bidder to submit an updated valid Letter of Good Standing with the Relevant Authorities, which they did. Proof can be found attached.

**Note 4:**
Tenderer Waste Carriers (Pty) Ltd. tax compliance pin certificate expired during evaluation.Tenderer Waste Carriers (Pty) Ltd. failed to sign the Compulsory Enterprise Questionnaire schedule, submitted an expired B-BBEE Certificate and submitted an expired Letter of Good Standing with the Relevant Authorities. With test for administrative compliance and in terms of employers undertaking it was found that the aforementioned is not material in nature and requested the bidder to submit a valid tax compliance pin certificate, signed Compulsory Enterprise Questionnaire schedule and an updated valid Letter of Good Standing with the Relevant Authorities, which they did. Proof can be found attached.

**Note 5:**
Tenderer Amila Investments (Pty) Ltd. submitted an expired Letter of Good Standing With The Relevant Authorities and completed but failed to sign the Schedule Of Plant Available. With test for administrative compliance and in terms of employers undertaking it was found that the aforementioned is not material in nature to exclude the bidder from the evaluation process, however it will be requested from the bidder to submit a valid updated Letter Of Good Standing With The Relevant Authorities and sign the Schedule Of Plant Available should they be found to be the recommended bidder.

- As seen from table 4 and taking Notes 2,3, 4 and 5 into consideration, it is evident that the tenders received from EnviroServ Waste Management (Pty) Ltd., Khabokedi Waste Management (Pty) Ltd., Waste Carriers (Pty) Ltd., Waste-Mart (Pty) Ltd. and Amila Investments (Pty) Ltd. were found to be administratively compliant for further evaluation.

**Step 4: Score financial offer, evaluation points for preferencing and calculate total tender evaluation points to the lowest. Rank tender offers from the highest number of tender evaluation points to the lowest. Recommend tenderer with the highest number**

**of tender evaluation points for the award of the contract, unless there are compelling and justifiable reasons not to do so.**

The score for financial offer is calculated using the 80/20 preference point system for each responsive tender under consideration:

$$Ps = 80\left(1 - \frac{Pt - P\min}{P\min}\right)$$ **80/20**

Where
Ps = Points scored for price of bid under consideration;
Pt = Price of bid under consideration; and
Pmin = Price of lowest acceptable bid.

Up to 20 tender evaluation points will be awarded in respect of the Specific Goals in accordance the Preferential Procurement Regulations of 2022.

**THEEWATERSKLOOF MUNICIPALITY**

**Awarding of points: Value Added All Inclusive**

| No | Supplier | Amount All Inclusive | Financial Proposal | B-BBEE points | Locality | Total | |
|---|---|---|---|---|---|---|---|
| | | | **80.00** | **10.00** | **10.00** | | **Rank** |
| 1 | EnviroServ Waste Management (Pty) Ltd. | 28 686 981.90 | 80.00 | 10 | 4 | 94.00 | 1 |
| 2 | Khabokedi Waste Management (Pty) Ltd. | 28 963 018.42 | 79.23 | 10 | 4 | 93.23 | 2 |
| 3 | Waste Carriers (Pty) Ltd. | 33 672 489.59 | 66.10 | 0 | 4 | 70.10 | 3 |
| 4 | Waste-Mart (Pty) Ltd. | 39 060 501.43 | 51.07 | 10 | 4 | 65.07 | 4 |
| 5 | Amila Investment (Pty) Ltd. | 129 414 556.01 | -200.90 | 10 | 0 | -190.90 | 5 |

1* Minimum Price

## 4. FINANCIAL IMPLICATION

Funds available in the approved budget for the 2024/25, 2025/26 and 2026/27 financial periods and works / goods will be funded out of mSCOA Confiq/s:

| Vote description | Vote number | 2024/25 | 2025/26 | 2026/27 |
|---|---|---|---|---|
| Contracted Services-Haulage- Refuse | 01/5510/1/7568/0 | 183 302.34 | 328 983.00 | 345 432.00 |
| Contracted Services-Haulage- Refuse | 01/5510/2/7568/0 | 426 589.40 | 1 045 615.00 | 1 097 896.00 |
| Contracted Services-Haulage- Refuse | 01/5510/3/7568/0 | 856 526.64 | 909 216.00 | 954 677.00 |
| Contracted Services-Haulage- Refuse | 01/5510/4/7568/0 | 366 981.95 | 553 974.00 | 581 673.00 |
| Contracted Services-Haulage- Refuse | 01/5510/5/7568/0 | 327 572.84 | 942 052.00 | 989 155.00 |
| Contracted Services-Haulage- Refuse | 01/5510/7/7568/0 | 259 517.59 | 319 062.00 | 335 015.00 |

| | | | | |
|---|---|---|---|---|
| | | 2 420 490.76 | 4 098 902.00 | 4 303 848.00 |

## 5. LEGAL IMPLICATION

Must comply with the pre-scribed sections as set out in the MFMA, SCM Regulation, TWK SCM Policy and PPR of 2022.

## 6. RECOMMENDATION BY END-USER AND SCM ON 04 June 2024

End-User and SCM confirms that the tenders comply with the Supply Chain Management Regulations and recommends that:

1. Tender No: **ENG 01/2024/25**: for the Transport of Containerised Municipal Solid Waste for The Period From 01 July 2024 Until 30 June 2027, be awarded to **EnviroServ Waste Management (Pty) Ltd.** for the estimated amount of **R 28 686 981.90** (Twenty Eight Million Six Hundred Eighty Six Thousand Nine Hundred Eighty One Rand Ninety Cents) VAT incl. for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

2. The award is based on the below rates for year 1. Year 2 and 3 rates are subject to increase with the average CPI over a twelve month period.

| ITEM | DESCRIPTION | | |
|---|---|---|---|
| 1 | **To Karwyderskraal Landfill from Transfer Stations/ Drop-offs at: (Provisional Quantities)** (per container) | UNIT | RATE/ UNIT |
| 1.1 | Villiersdorp | No. | 2,348.34 |
| 1.2 | Grabouw | No. | 1,897.82 |
| 2.3 | Botrivier | No. | 1,447.30 |
| 1.4 | Tesselaarsdal | No. | 3,871.53 |
| 1.5 | Greyton | No. | 2,541.42 |
| 1.6 | Genadendal | No. | 2,434.15 |
| 1.7 | Caledon | No. | 1,812.00 |
| 1.8 | Riviersonderend | No. | 2,970.49 |
| 2 | **To Caledon Landfill from Transfer Stations/ Drop-offs at: (Provisional Quantities)** (per container) | UNIT | RATE/ UNIT |
| 2.1 | Villiersdorp | No. | 1,833.46 |
| 2.2 | Grabouw | No. | 1,876.36 |
| 2.3 | Botrivier | No. | 1,382.94 |
| 2.4 | Tesselaarsdal | No. | 2,648.68 |
| 2.5 | Greyton | No. | 1,769.10 |
| 2.6 | Genadendal | No. | 1,661.83 |
| 2.7 | Riviersonderend | No. | 2,056.57 |
| 2.8 | Caledon | No. | 1,001.07 |
| 3 | **Transport Chipped Garden Waste from Waste Facilities to Grabouw Compost Plant:** (Provisional Quantities, per container) | UNIT | RATE/ UNIT |
| 3.1 | Villiersdorp | No. | 1,769.10 |
| 3.2 | Caledon | No. | 1,884.94 |
| 3.3 | Riviersonderend | No. | 3,000.52 |

| | | | |
|---|---|---|---|
| 3.4 | Greyton/ Genadendal | No. | 2,541.42 |
| 4 | **Transport Chipped Garden Waste from Waste Facilities to Karwyderskraal** (Provisional Quantities, per container) | **UNIT** | **RATE/ UNIT** |
| 4.1 | Villiersdorp | No. | 2,348.34 |
| 4.2 | Caledon | No. | 1,897.82 |
| 4.3 | Riviersonderend | No. | 2,970.49 |
| 4.4 | Greyton/ Genadendal | No. | 2,541.42 |
| 4.5 | Grabouw | No. | 1,897.82 |
| 5 | **Mechanical Chipping** of garden waste and loading of chipped material into 30m³ containers at: (Provisional Quantities, per 30m³ container) | **UNIT** | **RATE/ UNIT** |
| 5.1 | Villiersdorp | No. | 13,344.00 |
| 5.2 | Grabouw | No. | 13,344.00 |
| 5,2,1 | Grabouw General Worker | Months | 13,344.00 |
| 5.3 | Riviersonderend | No. | 13,344.00 |
| 5.4 | Caledon | No. | 13,344.00 |
| 5.5 | Greyton/Genadendal | No. | 13,344.00 |
| 5.6 | Botrivier | No. | 13,344.00 |
| 5,6,1 | Botrivier General Worker | Months | 13,344.00 |
| 6 | Cart Away Tyres from Caledon Landfill in 30m³ containers **to authorised site or Approved authorities.** (Provisional Quantities, per 30m³ container) | No. | 2,627.23 |
| 7 | **To a Hazardous Licensed Waste Site from Waste Water Treatment Plants at:** (Provisional Quantities, per container) | **UNIT** | **RATE/ UNIT** |
| 7.1 | Villiersdorp | No. | 3,614.09 |
| 7.2 | Grabouw | No. | 2,755.95 |
| 7.3 | Botrivier | No. | 3,185.02 |
| 7.4 | Caledon | No. | 3,699.90 |
| 7.5 | Greyton/Genadendal | No. | 4,322.05 |
| 7.6 | Riviersonderend | No. | 4,794.02 |
| 8 | **Haulage of Solid Waste in 30m³ Tipper Trucks From the various towns to Karwyderskraal.** (Provisional Quantities) | **UNIT** | **RATE/ UNIT** |
| 8.1 | Villiersdorp | No. | 5,856.00 |
| 8.2 | Grabouw | No. | 4,148.00 |
| 8.3 | Botrivier | No. | 3,050.00 |
| 8.4 | Caledon | No. | 4,148.00 |
| 8.5 | Greyton/Genadendal | No. | 6,710.00 |
| 8.6 | Riviersonderend | No. | 7,930.00 |
| 9 | **Haulage of Solid Waste in 30m³ Tipper Trucks From the various towns to Caledon Landfill.** | **UNIT** | **RATE/ UNIT** |
| 9.1 | Villiersdorp | No. | 5,490.00 |
| 9.2 | Grabouw | No. | 5,368.00 |
| 9.3 | Botrivier | No. | 3,660.00 |
| 9.4 | Caledon | No. | 3,050.00 |
| 9.5 | Greyton/Genadendal | No. | 4,270.00 |
| 9.6 | Riviersonderend | No. | 5,856.00 |
| 10 | | **UNIT** | **RATE/ UNIT** |

| | Transporting and Disposal of Domestic Hazardous Waste at suitable licensed site. | | |
|---|---|---|---|
| 10.1 | Villiersdorp | No. | 7,855.41 |
| 10.2 | Grabouw | No. | 6,997.27 |
| 10.3 | Botrivier | No. | 7,426.34 |
| 10.4 | Caledon | No. | 7,941.22 |
| 10.5 | Greyton/Genadendal | No. | 8,563.37 |
| 10.6 | Riviersonderend | No. | 9,035.34 |

3. It is further recommended that should **EnviroServ Waste Management (Pty) Ltd.** fail to deliver, that the tender will be awarded to **Khabokedi Waste Management (Pty) Ltd.** for the amount of **R 28 963 018.42** (Twenty Eight Million Nine Hundred Sixty Three Thousand Eighteen Rand And Forty Two Cents) VAT Incl. for scoring the second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

4. It is further recommended that should **Khabokedi Waste Management (Pty) Ltd.** fail to deliver, that the tender will be awarded to **Waste Carriers (Pty) Ltd.** in the amount of **R 33 672 489.59** (Thirty Three Million Six Hundred Seventy Two Thousand Four Hundred Eighty Nine Rand And Fifty Nine Cents) VAT inclusive for scoring the third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

5. The award is subject to the availability of funds.

6. Addenda be entered between the Municipality and the recommended tenderers.

7. An SLA will be entered between the Municipality and the recommended tenderers.

8. The register for Tender Defaulters and the Database of Restricted Suppliers have been checked via National Treasury's website and found that the tenderers is not listed.

9. None of the tenderers directors / trustees / members / shareholders of the suppliers are linked to any state entity, as checked and verified on the Central Supplier Database (CSD). Proof thereof attached.

10. The tenderers Tax Clearance Certificates was verified on the website of SARS and was found to be active. Proof thereof attached.

11. The tenderers are registered on the municipality's database of prospective providers. Proof thereof attached.

12. The tenderers are registered on the Central Supplier Database (CSD). Proof thereof attached.

## 7. RECOMMENDATION BY BID EVALUATION COMMITTEE ON 18 JUNE 2024

1. The Bid Evaluation Committee referred the Evaluation Report back to SCM for changes.

## 8. RECOMMENDATION BY BID EVALUATION COMMITTEE ON 20 June 2024

Bid Evaluation Committee confirms that the tenders comply with the Supply Chain Management Regulations and recommends that:

1 Tender No: **ENG 01/2024/25**: for the Transport of Containerised Municipal Solid Waste for The Period From 01 July 2024 Until 30 June 2027, be awarded to **EnviroServ Waste Management (Pty) Ltd.** for the estimated amount of **R 28 686 981.90** (Twenty Eight Million Six Hundred Eighty Six Thousand Nine Hundred Eighty One Rand Ninety Cents) VAT incl. for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

2. The award is based on the below rates for year 1. Year 2 and 3 rates are subject to increase with the average CPI over a twelve month period.

| ITEM | DESCRIPTION | | |
|---|---|---|---|
| 1 | **To Karwyderskraal** Landfill from Transfer Stations/ Drop-offs at: (Provisional Quantities) (per container) | UNIT | RATE/ UNIT |
| 1.1 | Villiersdorp | No. | 2,348.34 |
| 1.2 | Grabouw | No. | 1,897.82 |
| 2.3 | Botrivier | No. | 1,447.30 |
| 1.4 | Tesselaarsdal | No. | 3,871.53 |
| 1.5 | Greyton | No. | 2,541.42 |
| 1.6 | Genadendal | No. | 2,434.15 |
| 1.7 | Caledon | No. | 1,812.00 |
| 1.8 | Riviersonderend | No. | 2,970.49 |
| 2 | **To Caledon Landfill** from Transfer Stations/ Drop-offs at: (Provisional Quantities) (per container) | UNIT | RATE/ UNIT |
| 2.1 | Villiersdorp | No. | 1,833.46 |
| 2.2 | Grabouw | No. | 1,876.36 |
| 2.3 | Botrivier | No. | 1,382.94 |
| 2.4 | Tesselaarsdal | No. | 2,648.68 |
| 2.5 | Greyton | No. | 1,769.10 |
| 2.6 | Genadendal | No. | 1,661.83 |
| 2.7 | Riviersonderend | No. | 2,056.57 |
| 2.8 | Caledon | No. | 1,001.07 |
| 3 | Transport Chipped Garden Waste from Waste Facilities to **Grabouw Compost Plant**: (Provisional Quantities, per container) | UNIT | RATE/ UNIT |
| 3.1 | Villiersdorp | No. | 1,769.10 |
| 3.2 | Caledon | No. | 1,884.94 |
| 3.3 | Riviersonderend | No. | 3,000.52 |
| 3.4 | Greyton/ Genadendal | No. | 2,541.42 |
| 4 | Transport Chipped Garden Waste from Waste Facilities **to Karwyderskraal** (Provisional Quantities, per container) | UNIT | RATE/ UNIT |
| 4.1 | Villiersdorp | No. | 2,348.34 |
| 4.2 | Caledon | No. | 1,897.82 |
| 4.3 | Riviersonderend | No. | 2,970.49 |
| 4.4 | Greyton/ Genadendal | No. | 2,541.42 |
| 4.5 | Grabouw | No. | 1,897.82 |

| 5 | **Mechanical Chipping** of garden waste and loading of chipped material into 30m³ containers at: (Provisional Quantities, per 30m³ container) | UNIT | RATE/ UNIT |
|---|---|---|---|
| 5.1 | Villiersdorp | No. | 13,344.00 |
| 5.2 | Grabouw | No. | 13,344.00 |
| 5,2,1 | Grabouw General Worker | Months | 13,344.00 |
| 5.3 | Riviersonderend | No. | 13,344.00 |
| 5.4 | Caledon | No. | 13,344.00 |
| 5.5 | Greyton/Genadendal | No. | 13,344.00 |
| 5.6 | Botrivier | No. | 13,344.00 |
| 5,6,1 | Botrivier General Worker | Months | 13,344.00 |
| 6 | Cart Away Tyres from Caledon Landfill in 30m³ containers **to authorised site or Approved authorities.** (Provisional Quantities, per 30m³ container) | No. | 2,627.23 |
| 7 | To a Hazardous Licensed Waste Site from Waste **Water Treatment Plants at:** (Provisional Quantities, per container) | UNIT | RATE/ UNIT |
| 7.1 | Villiersdorp | No. | 3,614.09 |
| 7.2 | Grabouw | No. | 2,755.95 |
| 7.3 | Botrivier | No. | 3,185.02 |
| 7.4 | Caledon | No. | 3,699.90 |
| 7.5 | Greyton/Genadendal | No. | 4,322.05 |
| 7.6 | Riviersonderend | No. | 4,794.02 |
| 8 | **Haulage of Solid Waste in 30m³ Tipper Trucks From the various towns to Karwyderskraal.** (Provisional Quantities) | UNIT | RATE/ UNIT |
| 8.1 | Villiersdorp | No. | 5,856.00 |
| 8.2 | Grabouw | No. | 4,148.00 |
| 8.3 | Botrivier | No. | 3,050.00 |
| 8.4 | Caledon | No. | 4,148.00 |
| 8.5 | Greyton/Genadendal | No. | 6,710.00 |
| 8.6 | Riviersonderend | No. | 7,930.00 |
| 9 | **Haulage of Solid Waste in 30m³ Tipper Trucks From the various towns to Caledon Landfill.** | UNIT | RATE/ UNIT |
| 9.1 | Villiersdorp | No. | 5,490.00 |
| 9.2 | Grabouw | No. | 5,368.00 |
| 9.3 | Botrivier | No. | 3,660.00 |
| 9.4 | Caledon | No. | 3,050.00 |
| 9.5 | Greyton/Genadendal | No. | 4,270.00 |
| 9.6 | Riviersonderend | No. | 5,856.00 |
| 10 | Transporting and Disposal of Domestic Hazardous Waste at suitable licensed site | UNIT | RATE/ UNIT |
| 10.1 | Villiersdorp | No. | 7,855.41 |
| 10.2 | Grabouw | No. | 6,997.27 |
| 10.3 | Botrivier | No. | 7,426.34 |
| 10.4 | Caledon | No. | 7,941.22 |
| 10.5 | Greyton/Genadendal | No. | 8,563.37 |
| 10.6 | Riviersonderend | No. | 9,035.34 |

3. It is further recommended that should **EnviroServ Waste Management (Pty) Ltd.** fail to deliver, that the tender will be awarded to **Khabokedi Waste Management (Pty) Ltd.** for the amount of **R 28 963 018.42** (Twenty Eight Million Nine Hundred Sixty Three Thousand Eighteen Rand And Forty Two Cents) VAT Incl. for scoring the second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

4. It is further recommended that should **Khabokedi Waste Management (Pty) Ltd.** fail to deliver, that the tender will be awarded to **Waste Carriers (Pty) Ltd.** in the amount of **R 33 672 489.59** (Thirty Three Million Six Hundred Seventy Two Thousand Four Hundred Eighty Nine Rand And Fifty Nine Cents) VAT inclusive for scoring the third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

5. The award is subject to the availability of funds.

6. Addenda be entered between the Municipality and the recommended tenderers.

7. An SLA will be entered between the Municipality and the recommended tenderers.

8. The register for Tender Defaulters and the Database of Restricted Suppliers have been checked via National Treasury's website and found that the tenderers is not listed.

9. None of the tenderers directors / trustees / members / shareholders of the suppliers are linked to any state entity, as checked and verified on the Central Supplier Database (CSD). Proof thereof attached.

10. The tenderers Tax Clearance Certificates was verified on the website of SARS and was found to be active. Proof thereof attached.

11. The tenderers are registered on the municipality's database of prospective providers. Proof thereof attached.

12. The tenderers are registered on the Central Supplier Database (CSD). Proof thereof attached.

## 9. RECOMMENDATION BY END-USER AND SCM:

End-User and SCM confirms that the tenders comply with the Supply Chain Management Regulations and recommends that:

1. Tender No: **ENG 01/2024/25**: for the Transport of Containerised Municipal Solid Waste for The Period From 01 July 2024 Until 30 June 2027, be awarded to **EnviroServ Waste Management (Pty) Ltd.** for the estimated amount of **R 28 686 981.90** (Twenty Eight Million Six Hundred Eighty Six Thousand Nine Hundred Eighty One Rand Ninety Cents) VAT incl. for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

2. The award is based on the below rates for year 1. Year 2 and 3 rates are subject to increase with the average CPI over a twelve month period.

| ITEM | DESCRIPTION | UNIT | RATE/ UNIT |
|---|---|---|---|
| 1 | **To Karwyderskraal** Landfill from Transfer Stations/ Drop-offs at: (Provisional Quantities) (per container) | | |
| 1.1 | Villiersdorp | No. | 2,348.34 |
| 1.2 | Grabouw | No. | 1,897.82 |
| 2.3 | Botrivier | No. | 1,447.30 |
| 1.4 | Tesselaarsdal | No. | 3,871.53 |
| 1.5 | Greyton | No. | 2,541.42 |
| 1.6 | Genadendal | No. | 2,434.15 |
| 1.7 | Caledon | No. | 1,812.00 |
| 1.8 | Riviersonderend | No. | 2,970.49 |
| 2 | **To Caledon Landfill** from Transfer Stations/ Drop-offs at: (Provisional Quantities) (per container) | UNIT | RATE/ UNIT |
| 2.1 | Villiersdorp | No. | 1,833.46 |
| 2.2 | Grabouw | No. | 1,876.36 |
| 2.3 | Botrivier | No. | 1,382.94 |
| 2.4 | Tesselaarsdal | No. | 2,648.68 |
| 2.5 | Greyton | No. | 1,769.10 |
| 2.6 | Genadendal | No. | 1,661.83 |
| 2.7 | Riviersonderend | No. | 2,056.57 |
| 2.8 | Caledon | No. | 1,001.07 |
| 3 | Transport Chipped Garden Waste from Waste Facilities to **Grabouw Compost Plant**: (Provisional Quantities, per container) | UNIT | RATE/ UNIT |
| 3.1 | Villiersdorp | No. | 1,769.10 |
| 3.2 | Caledon | No. | 1,884.94 |
| 3.3 | Riviersonderend | No. | 3,000.52 |
| 3.4 | Greyton/ Genadendal | No. | 2,541.42 |
| 4 | Transport Chipped Garden Waste from Waste Facilities to **Karwyderskraal** (Provisional Quantities, per container) | UNIT | RATE/ UNIT |
| 4.1 | Villiersdorp | No. | 2,348.34 |
| 4.2 | Caledon | No. | 1,897.82 |
| 4.3 | Riviersonderend | No. | 2,970.49 |
| 4.4 | Greyton/ Genadendal | No. | 2,541.42 |
| 4.5 | Grabouw | No. | 1,897.82 |
| 5 | **Mechanical Chipping** of garden waste and loading of chipped material into 30m³ containers at: (Provisional Quantities, per 30m³ container) | UNIT | RATE/ UNIT |
| 5.1 | Villiersdorp | No. | 13,344.00 |
| 5.2 | Grabouw | No. | 13,344.00 |
| 5,2,1 | Grabouw General Worker | Months | 13,344.00 |
| 5.3 | Riviersonderend | No. | 13,344.00 |
| 5.4 | Caledon | No. | 13,344.00 |
| 5.5 | Greyton/Genadendal | No. | 13,344.00 |
| 5.6 | Botrivier | No. | 13,344.00 |
| 5,6,1 | Botrivier General Worker | Months | 13,344.00 |
| 6 | Cart Away Tyres from Caledon Landfill in 30m³ containers **to authorised site or Approved** | No. | 2,627.23 |

| | | | |
|---|---|---|---|
| | **authorities.** (Provisional Quantities, per 30m³ container) | | |
| 7 | To a Hazardous Licensed Waste Site from Waste **Water Treatment Plants at:** (Provisional Quantities, per container) | UNIT | RATE/ UNIT |
| 7.1 | Villiersdorp | No. | 3,614.09 |
| 7.2 | Grabouw | No. | 2,755.95 |
| 7.3 | Botrivier | No. | 3,185.02 |
| 7.4 | Caledon | No. | 3,699.90 |
| 7.5 | Greyton/Genadendal | No. | 4,322.05 |
| 7.6 | Riviersonderend | No. | 4,794.02 |
| 8 | **Haulage of Solid Waste in 30m³ Tipper Trucks From the various towns to Karwyderskraal.** (Provisional Quantities) | UNIT | RATE/ UNIT |
| 8.1 | Villiersdorp | No. | 5,856.00 |
| 8.2 | Grabouw | No. | 4,148.00 |
| 8.3 | Botrivier | No. | 3,050.00 |
| 8.4 | Caledon | No. | 4,148.00 |
| 8.5 | Greyton/Genadendal | No. | 6,710.00 |
| 8.6 | Riviersonderend | No. | 7,930.00 |
| 9 | **Haulage of Solid Waste in 30m³ Tipper Trucks From the various towns to Caledon Landfill.** | UNIT | RATE/ UNIT |
| 9.1 | Villiersdorp | No. | 5,490.00 |
| 9.2 | Grabouw | No. | 5,368.00 |
| 9.3 | Botrivier | No. | 3,660.00 |
| 9.4 | Caledon | No. | 3,050.00 |
| 9.5 | Greyton/Genadendal | No. | 4,270.00 |
| 9.6 | Riviersonderend | No. | 5,856.00 |
| 10 | Transporting and Disposal of Domestic Hazardous Waste at suitable licensed site. | UNIT | RATE/UNIT |
| 10.1 | Villiersdorp | No. | 7,855.41 |
| 10.2 | Grabouw | No. | 6,997.27 |
| 10.3 | Botrivier | No. | 7,426.34 |
| 10.4 | Caledon | No. | 7,941.22 |
| 10.5 | Greyton/Genadendal | No. | 8,563.37 |
| 10.6 | Riviersonderend | No. | 9,035.34 |

3. It is further recommended that should **EnviroServ Waste Management (Pty) Ltd.** fail to deliver, that the tender will be awarded to **Khabokedi Waste Management (Pty) Ltd.** for the amount of **R 28 963 018.42** (Twenty Eight Million Nine Hundred Sixty Three Thousand Eighteen Rand And Forty Two Cents) VAT Incl. for scoring the second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

4. It is further recommended that should **Khabokedi Waste Management (Pty) Ltd.** fail to deliver, that the tender will be awarded to **Waste Carriers (Pty) Ltd.** in the amount of **R 33 672 489.59** (Thirty Three Million Six Hundred Seventy Two Thousand Four Hundred Eighty Nine Rand And Fifty Nine Cents) VAT inclusive for scoring the third

highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

5. The award is subject to the availability of funds.

6. Addenda be entered between the Municipality and the recommended tenderers.

7. An SLA will be entered between the Municipality and the recommended tenderers.

8. The register for Tender Defaulters and the Database of Restricted Suppliers have been checked via National Treasury's website and found that the tenderers is not listed.

9. None of the tenderers directors / trustees / members / shareholders of the suppliers are linked to any state entity, as checked and verified on the Central Supplier Database (CSD). Proof thereof attached.

10. The tenderers Tax Clearance Certificates was verified on the website of SARS and was found to be active. Proof thereof attached.

11. The tenderers are registered on the municipality's database of prospective providers. Proof thereof attached.

12. The tenderers are registered on the Central Supplier Database (CSD). Proof thereof attached.

## 10. RECOMMENDATION BY BID EVALUATION COMMITTEE: 08 OCTOBER 2024

Bid Evaluation Committee confirm-s that the tenders complies with the Supply Chain Management Regulations and recommends that:

1. Tender No: **ENG 01/2024/25**: for the Transport of Containerised Municipal Solid Waste for The Period From 01 July 2024 Until 30 June 2027, be awarded to **EnviroServ Waste Management (Pty) Ltd.** for the estimated amount of **R 28 686 981.90** (Twenty Eight Million Six Hundred Eighty Six Thousand Nine Hundred Eighty One Rand Ninety Cents) VAT incl. for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

2. The award is based on the below rates for year 1. Year 2 and 3 rates are subject to increase with the average CPI over a twelve month period.

| ITEM | DESCRIPTION | | |
|---|---|---|---|
| 1 | To Karwyderskraal Landfill from Transfer Stations/ Drop-offs at: (Provisional Quantities) (per container) | UNIT | RATE/ UNIT |
| 1.1 | Villiersdorp | No. | 2,348.34 |
| 1.2 | Grabouw | No. | 1,897.82 |
| 2.3 | Botrivier | No. | 1,447.30 |
| 1.4 | Tesselaarsdal | No. | 3,871.53 |
| 1.5 | Greyton | No. | 2,541.42 |
| 1.6 | Genadendal | No. | 2,434.15 |
| 1.7 | Caledon | No. | 1,812.00 |
| 1.8 | Riviersonderend | No. | 2,970.49 |
| 2 | | UNIT | RATE/ UNIT |

| | | | |
|---|---|---|---|
| | **To Caledon Landfill** from Transfer Stations/ Drop-offs at: (Provisional Quantities) (per container) | | |
| 2.1 | Villiersdorp | No. | 1,833.46 |
| 2.2 | Grabouw | No. | 1,876.36 |
| 2.3 | Botrivier | No. | 1,382.94 |
| 2.4 | Tesselaarsdal | No. | 2,648.68 |
| 2.5 | Greyton | No. | 1,769.10 |
| 2.6 | Genadendal | No. | 1,661.83 |
| 2.7 | Riviersonderend | No. | 2,056.57 |
| 2.8 | Caledon | No. | 1,001.07 |
| 3 | Transport Chipped Garden Waste from Waste Facilities to **Grabouw Compost Plant**: (Provisional Quantities, per container) | UNIT | RATE/ UNIT |
| 3.1 | Villiersdorp | No. | 1,769.10 |
| 3.2 | Caledon | No. | 1,884.94 |
| 3.3 | Riviersonderend | No. | 3,000.52 |
| 3.4 | Greyton/ Genadendal | No. | 2,541.42 |
| 4 | Transport Chipped Garden Waste from Waste Facilities to **Karwyderskraal** (Provisional Quantities, per container) | UNIT | RATE/ UNIT |
| 4.1 | Villiersdorp | No. | 2,348.34 |
| 4.2 | Caledon | No. | 1,897.82 |
| 4.3 | Riviersonderend | No. | 2,970.49 |
| 4.4 | Greyton/ Genadendal | No. | 2,541.42 |
| 4.5 | Grabouw | No. | 1,897.82 |
| 5 | **Mechanical Chipping** of garden waste and loading of chipped material into 30m³ containers at: (Provisional Quantities, per 30m³ container) | UNIT | RATE/ UNIT |
| 5.1 | Villiersdorp | No. | 13,344.00 |
| 5.2 | Grabouw | No. | 13,344.00 |
| 5,2,1 | Grabouw General Worker | Months | 13,344.00 |
| 5.3 | Riviersonderend | No. | 13,344.00 |
| 5.4 | Caledon | No. | 13,344.00 |
| 5.5 | Greyton/Genadendal | No. | 13,344.00 |
| 5.6 | Botrivier | No. | 13,344.00 |
| 5,6,1 | Botrivier General Worker | Months | 13,344.00 |
| 6 | Cart Away Tyres from Caledon Landfill in 30m³ containers **to authorised site or Approved authorities.** (Provisional Quantities, per 30m³ container) | No. | 2,627.23 |
| 7 | To a Hazardous Licensed Waste Site from Waste **Water Treatment Plants at:** (Provisional Quantities, per container) | UNIT | RATE/ UNIT |
| 7.1 | Villiersdorp | No. | 3,614.09 |
| 7.2 | Grabouw | No. | 2,755.95 |
| 7.3 | Botrivier | No. | 3,185.02 |
| 7.4 | Caledon | No. | 3,699.90 |
| 7.5 | Greyton/Genadendal | No. | 4,322.05 |
| 7.6 | Riviersonderend | No. | 4,794.02 |
| 8 | **Haulage of Solid Waste in 30m³ Tipper Trucks From the various towns to Karwyderskraal.** (Provisional Quantities) | UNIT | RATE/ UNIT |

| | | | |
|---|---|---|---|
| 8.1 | Villiersdorp | No. | 5,856.00 |
| 8.2 | Grabouw | No. | 4,148.00 |
| 8.3 | Botrivier | No. | 3,050.00 |
| 8.4 | Caledon | No. | 4,148.00 |
| 8.5 | Greyton/Genadendal | No. | 6,710.00 |
| 8.6 | Riviersonderend | No. | 7,930.00 |
| 9 | **Haulage of Solid Waste in 30m³ Tipper Trucks From the various towns to Caledon Landfill.** | **UNIT** | **RATE/ UNIT** |
| 9.1 | Villiersdorp | No. | 5,490.00 |
| 9.2 | Grabouw | No. | 5,368.00 |
| 9.3 | Botrivier | No. | 3,660.00 |
| 9.4 | Caledon | No. | 3,050.00 |
| 9.5 | Greyton/Genadendal | No. | 4,270.00 |
| 9.6 | Riviersonderend | No. | 5,856.00 |
| 10 | **Transporting and Disposal of Domestic Hazardous Waste at suitable licensed site.** | **UNIT** | **RATE/ UNIT** |
| 10.1 | Villiersdorp | No. | 7,855.41 |
| 10.2 | Grabouw | No. | 6,997.27 |
| 10.3 | Botrivier | No. | 7,426.34 |
| 10.4 | Caledon | No. | 7,941.22 |
| 10.5 | Greyton/Genadendal | No. | 8,563.37 |
| 10.6 | Riviersonderend | No. | 9,035.34 |

3. It is further recommended that should **EnviroServ Waste Management (Pty) Ltd.** fail to deliver, that the tender will be awarded to **Khabokedi Waste Management (Pty) Ltd.** for the amount of **R 28 963 018.42** (Twenty Eight Million Nine Hundred Sixty Three Thousand Eighteen Rand And Forty Two Cents) VAT Incl. for scoring the second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

4. It is further recommended that should **Khabokedi Waste Management (Pty) Ltd.** fail to deliver, that the tender will be awarded to **Waste Carriers (Pty) Ltd.** in the amount of **R 33 672 489.59** (Thirty Three Million Six Hundred Seventy Two Thousand Four Hundred Eighty Nine Rand And Fifty Nine Cents) VAT inclusive for scoring the third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

5. The award is subject to the availability of funds.

6. Addenda be entered between the Municipality and the recommended tenderers.

7. An SLA will be entered between the Municipality and the recommended tenderers.

8. The register for Tender Defaulters and the Database of Restricted Suppliers have been checked via National Treasury's website and found that the tenderers is not listed.

9. None of the tenderers directors / trustees / members / shareholders of the suppliers are linked to any state entity, as checked and verified on the Central Supplier Database (CSD). Proof thereof attached.

10. The tenderers Tax Clearance Certificates was verified on the website of SARS and was found to be active. Proof thereof attached.

11. The tenderers are registered on the municipality's database of prospective providers. Proof thereof attached.

12. The tenderers are registered on the Central Supplier Database (CSD). Proof thereof attached.

**11. RECOMMENDATION BY END-USER AND SCM 10 DECEMBER 2024:**

End-User and SCM confirms that the tenders comply with the Supply Chain Management Regulations and recommends that:

1. Tender No: **ENG 01/2024/25**: for the Transport of Containerised Municipal Solid Waste for The Period From 01 July 2024 Until 30 June 2027, be awarded to **EnviroServ Waste Management (Pty) Ltd.** for the estimated amount of **R 28 686 981.90** (Twenty Eight Million Six Hundred Eighty Six Thousand Nine Hundred Eighty One Rand Ninety Cents) VAT incl. for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

2. The award is based on the below rates for year 1. Year 2 and 3 rates are subject to increase with the average CPI over a twelve month period.

| ITEM | DESCRIPTION | | |
|---|---|---|---|
| 1 | To Karwyderskraal Landfill from Transfer Stations/ Drop-offs at: (Provisional Quantities) (per container) | UNIT | RATE/ UNIT |
| 1.1 | Villiersdorp | No. | 2,348.34 |
| 1.2 | Grabouw | No. | 1,897.82 |
| 2.3 | Botrivier | No. | 1,447.30 |
| 1.4 | Tesselaarsdal | No. | 3,871.53 |
| 1.5 | Greyton | No. | 2,541.42 |
| 1.6 | Genadendal | No. | 2,434.15 |
| 1.7 | Caledon | No. | 1,812.00 |
| 1.8 | Riviersonderend | No. | 2,970.49 |
| 2 | To Caledon Landfill from Transfer Stations/ Drop-offs at: (Provisional Quantities) (per container) | UNIT | RATE/ UNIT |
| 2.1 | Villiersdorp | No. | 1,833.46 |
| 2.2 | Grabouw | No. | 1,876.36 |
| 2.3 | Botrivier | No. | 1,382.94 |
| 2.4 | Tesselaarsdal | No. | 2,648.68 |
| 2.5 | Greyton | No. | 1,769.10 |
| 2.6 | Genadendal | No. | 1,661.83 |
| 2.7 | Riviersonderend | No. | 2,056.57 |
| 2.8 | Caledon | No. | 1,001.07 |
| 3 | Transport Chipped Garden Waste from Waste Facilities to **Grabouw Compost Plant**: (Provisional Quantities, per container) | UNIT | RATE/ UNIT |
| 3.1 | Villiersdorp | No. | 1,769.10 |
| 3.2 | Caledon | No. | 1,884.94 |

| | | | |
|---|---|---|---|
| 3.3 | Riviersonderend | No. | 3,000.52 |
| 3.4 | Greyton/ Genadendal | No. | 2,541.42 |
| 4 | **Transport Chipped Garden Waste from Waste Facilities to Karwyderskraal** (Provisional Quantities, per container) | **UNIT** | **RATE/ UNIT** |
| 4.1 | Villiersdorp | No. | 2,348.34 |
| 4.2 | Caledon | No. | 1,897.82 |
| 4.3 | Riviersonderend | No. | 2,970.49 |
| 4.4 | Greyton/ Genadendal | No. | 2,541.42 |
| 4.5 | Grabouw | No. | 1,897.82 |
| 5 | **Mechanical Chipping** of garden waste and loading of chipped material into 30m³ containers at: (Provisional Quantities, per 30m³ container) | **UNIT** | **RATE/ UNIT** |
| 5.1 | Villiersdorp | No. | 13,344.00 |
| 5.2 | Grabouw | No. | 13,344.00 |
| 5,2,1 | Grabouw General Worker | Months | 13,344.00 |
| 5.3 | Riviersonderend | No. | 13,344.00 |
| 5.4 | Caledon | No. | 13,344.00 |
| 5.5 | Greyton/Genadendal | No. | 13,344.00 |
| 5.6 | Botrivier | No. | 13,344.00 |
| 5,6,1 | Botrivier General Worker | Months | 13,344.00 |
| 6 | Cart Away Tyres from Caledon Landfill in 30m³ containers **to authorised site or Approved authorities.** (Provisional Quantities, per 30m³ container) | No. | 2,627.23 |
| 7 | To a Hazardous Licensed Waste Site from Waste **Water Treatment Plants at:** (Provisional Quantities, per container) | **UNIT** | **RATE/ UNIT** |
| 7.1 | Villiersdorp | No. | 3,614.09 |
| 7.2 | Grabouw | No. | 2,755.95 |
| 7.3 | Botrivier | No. | 3,185.02 |
| 7.4 | Caledon | No. | 3,699.90 |
| 7.5 | Greyton/Genadendal | No. | 4,322.05 |
| 7.6 | Riviersonderend | No. | 4,794.02 |
| 8 | **Haulage of Solid Waste in 30m³ Tipper Trucks From the various towns to Karwyderskraal.** (Provisional Quantities) | **UNIT** | **RATE/ UNIT** |
| 8.1 | Villiersdorp | No. | 5,856.00 |
| 8.2 | Grabouw | No. | 4,148.00 |
| 8.3 | Botrivier | No. | 3,050.00 |
| 8.4 | Caledon | No. | 4,148.00 |
| 8.5 | Greyton/Genadendal | No. | 6,710.00 |
| 8.6 | Riviersonderend | No. | 7,930.00 |
| 9 | **Haulage of Solid Waste in 30m³ Tipper Trucks From the various towns to Caledon Landfill.** | **UNIT** | **RATE/ UNIT** |
| 9.1 | Villiersdorp | No. | 5,490.00 |
| 9.2 | Grabouw | No. | 5,368.00 |
| 9.3 | Botrivier | No. | 3,660.00 |
| 9.4 | Caledon | No. | 3,050.00 |
| 9.5 | Greyton/Genadendal | No. | 4,270.00 |
| 9.6 | Riviersonderend | No. | 5,856.00 |

| 10 | Transporting and Disposal of Domestic Hazardous Waste at suitable licensed site. | UNIT | RATE/ UNIT |
|---|---|---|---|
| 10.1 | Villiersdorp | No. | 7,855.41 |
| 10.2 | Grabouw | No. | 6,997.27 |
| 10.3 | Botrivier | No. | 7,426.34 |
| 10.4 | Caledon | No. | 7,941.22 |
| 10.5 | Greyton/Genadendal | No. | 8,563.37 |
| 10.6 | Riviersonderend | No. | 9,035.34 |

3. It is further recommended that should **EnviroServ Waste Management (Pty) Ltd.** fail to deliver, that the tender will be awarded to **Khabokedi Waste Management (Pty) Ltd.** for the amount of **R 28 963 018.42** (Twenty Eight Million Nine Hundred Sixty Three Thousand Eighteen Rand And Forty Two Cents) VAT Incl. for scoring the second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

4. It is further recommended that should **Khabokedi Waste Management (Pty) Ltd.** fail to deliver, that the tender will be awarded to **Waste Carriers (Pty) Ltd.** in the amount of **R 33 672 489.59** (Thirty Three Million Six Hundred Seventy Two Thousand Four Hundred Eighty Nine Rand And Fifty Nine Cents) VAT inclusive for scoring the third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

5. The award is subject to the availability of funds.

6. Addenda be entered between the Municipality and the recommended tenderers.

7. An SLA will be entered between the Municipality and the recommended tenderers.

8. The register for Tender Defaulters and the Database of Restricted Suppliers have been checked via National Treasury's website and found that the tenderers is not listed.

9. None of the tenderers directors / trustees / members / shareholders of the suppliers are linked to any state entity, as checked and verified on the Central Supplier Database (CSD). Proof thereof attached.

10. The tenderers Tax Clearance Certificates was verified on the website of SARS and was found to be active. Proof thereof attached.

11. The tenderers are registered on the municipality's database of prospective providers. Proof thereof attached.

12. The tenderers are registered on the Central Supplier Database (CSD). Proof thereof attached.

## 12. RECOMMENDATION BY BID EVALUATION COMMITTEE 10 DECEMBER 2024

Bid Evaluation Committee confirm-s that the tenders complies with the Supply Chain Management Regulations and recommends that:

1. Tender No: **ENG 01/2024/25**: for the Transport of Containerised Municipal Solid Waste for The Period From 01 July 2024 Until 30 June 2027, be awarded to **EnviroServ Waste Management (Pty) Ltd.** for the estimated amount of **R 28 686 981.90** (Twenty Eight Million Six Hundred Eighty Six Thousand Nine Hundred Eighty One Rand Ninety Cents) VAT incl.

for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

2. The award is based on the below rates for year 1. Year 2 and 3 rates are subject to increase with the average CPI over a twelve month period.

| ITEM | DESCRIPTION | | |
|---|---|---|---|
| 1 | **To Karwyderskraal Landfill from Transfer Stations/ Drop-offs at: (Provisional Quantities) (per container)** | **UNIT** | **RATE/ UNIT** |
| 1.1 | Villiersdorp | No. | 2,348.34 |
| 1.2 | Grabouw | No. | 1,897.82 |
| 2.3 | Botrivier | No. | 1,447.30 |
| 1.4 | Tesselaarsdal | No. | 3,871.53 |
| 1.5 | Greyton | No. | 2,541.42 |
| 1.6 | Genadendal | No. | 2,434.15 |
| 1.7 | Caledon | No. | 1,812.00 |
| 1.8 | Riviersonderend | No. | 2,970.49 |
| 2 | **To Caledon Landfill from Transfer Stations/ Drop-offs at: (Provisional Quantities) (per container)** | **UNIT** | **RATE/ UNIT** |
| 2.1 | Villiersdorp | No. | 1,833.46 |
| 2.2 | Grabouw | No. | 1,876.36 |
| 2.3 | Botrivier | No. | 1,382.94 |
| 2.4 | Tesselaarsdal | No. | 2,648.68 |
| 2.5 | Greyton | No. | 1,769.10 |
| 2.6 | Genadendal | No. | 1,661.83 |
| 2.7 | Riviersonderend | No. | 2,056.57 |
| 2.8 | Caledon | No. | 1,001.07 |
| 3 | Transport Chipped Garden Waste from Waste Facilities to **Grabouw Compost Plant**: (Provisional Quantities, per container) | **UNIT** | **RATE/ UNIT** |
| 3.1 | Villiersdorp | No. | 1,769.10 |
| 3.2 | Caledon | No. | 1,884.94 |
| 3.3 | Riviersonderend | No. | 3,000.52 |
| 3.4 | Greyton/ Genadendal | No. | 2,541.42 |
| 4 | Transport Chipped Garden Waste from Waste Facilities **to Karwyderskraal** (Provisional Quantities, per container). | **UNIT** | **RATE/ UNIT** |
| 4.1 | Villiersdorp | No. | 2,348.34 |
| 4.2 | Caledon | No. | 1,897.82 |
| 4.3 | Riviersonderend | No. | 2,970.49 |
| 4.4 | Greyton/ Genadendal | No. | 2,541.42 |
| 4.5 | Grabouw | No. | 1,897.82 |
| 5 | **Mechanical Chipping** of garden waste and loading of chipped material into 30m³ containers at: (Provisional Quantities, per 30m³ container) | **UNIT** | **RATE/ UNIT** |
| 5.1 | Villiersdorp | No. | 13,344.00 |
| 5.2 | Grabouw | No. | 13,344.00 |
| 5,2,1 | Grabouw General Worker | Months | 13,344.00 |
| 5.3 | Riviersonderend | No. | 13,344.00 |

| | | | |
|---|---|---|---|
| 5.4 | Caledon | No. | 13,344.00 |
| 5.5 | Greyton/Genadendal | No. | 13,344.00 |
| 5.6 | Botrivier | No. | 13,344.00 |
| 5,6,1 | Botrivier General Worker | Months | 13,344.00 |
| 6 | Cart Away Tyres from Caledon Landfill in 30m³ containers **to authorised site or Approved authorities.** (Provisional Quantities, per 30m³ container) | No. | 2,627.23 |
| 7 | To a Hazardous Licensed Waste Site from Waste **Water Treatment Plants at:** (Provisional Quantities, per container) | UNIT | RATE/ UNIT |
| 7.1 | Villiersdorp | No. | 3,614.09 |
| 7.2 | Grabouw | No. | 2,755.95 |
| 7.3 | Botrivier | No. | 3,185.02 |
| 7.4 | Caledon | No. | 3,699.90 |
| 7.5 | Greyton/Genadendal | No. | 4,322.05 |
| 7.6 | Riviersonderend | No. | 4,794.02 |
| 8 | **Haulage of Solid Waste in 30m³ Tipper Trucks From the various towns to Karwyderskraal.** (Provisional Quantities) | UNIT | RATE/ UNIT |
| 8.1 | Villiersdorp | No. | 5,856.00 |
| 8.2 | Grabouw | No. | 4,148.00 |
| 8.3 | Botrivier | No. | 3,050.00 |
| 8.4 | Caledon | No. | 4,148.00 |
| 8.5 | Greyton/Genadendal | No. | 6,710.00 |
| 8.6 | Riviersonderend | No. | 7,930.00 |
| 9 | **Haulage of Solid Waste in 30m³ Tipper Trucks From the various towns to Caledon Landfill.** | UNIT | RATE/ UNIT |
| 9.1 | Villiersdorp | No. | 5,490.00 |
| 9.2 | Grabouw | No. | 5,368.00 |
| 9.3 | Botrivier | No. | 3,660.00 |
| 9.4 | Caledon | No. | 3,050.00 |
| 9.5 | Greyton/Genadendal | No. | 4,270.00 |
| 9.6 | Riviersonderend | No. | 5,856.00 |
| 10 | Transporting and Disposal of Domestic Hazardous Waste at suitable licensed site. | UNIT | RATE/ UNIT |
| 10.1 | Villiersdorp | No. | 7,855.41 |
| 10.2 | Grabouw | No. | 6,997.27 |
| 10.3 | Botrivier | No. | 7,426.34 |
| 10.4 | Caledon | No. | 7,941.22 |
| 10.5 | Greyton/Genadendal | No. | 8,563.37 |
| 10.6 | Riviersonderend | No. | 9,035.34 |

3. It is further recommended that should **EnviroServ Waste Management (Pty) Ltd.** fail to deliver, that the tender will be awarded to **Khabokedi Waste Management (Pty) Ltd.** for the amount of **R 28 963 018.42** (Twenty Eight Million Nine Hundred Sixty Three Thousand Eighteen Rand And Forty Two Cents) VAT Incl. for scoring the second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

4. It is further recommended that should **Khabokedi Waste Management (Pty) Ltd.** fail to deliver, that the tender will be awarded to **Waste Carriers (Pty) Ltd.** in the amount of **R 33 672 489.59** (Thirty Three Million Six Hundred Seventy Two Thousand Four Hundred Eighty Nine Rand And Fifty Nine Cents) VAT inclusive for scoring the third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

5. The award is subject to the availability of funds.

6. Addenda be entered between the Municipality and the recommended tenderers.

7. An SLA will be entered between the Municipality and the recommended tenderers.

8. The register for Tender Defaulters and the Database of Restricted Suppliers have been checked via National Treasury's website and found that the tenderers is not listed.

9. None of the tenderers directors / trustees / members / shareholders of the suppliers are linked to any state entity, as checked and verified on the Central Supplier Database (CSD). Proof thereof attached.

10. The tenderers Tax Clearance Certificates was verified on the website of SARS and was found to be active. Proof thereof attached.

11. The tenderers are registered on the municipality's database of prospective providers. Proof thereof attached.

12. The tenderers are registered on the Central Supplier Database (CSD). Proof thereof attached.

**13. RESOLVED BY THE BID ADJUDICATION COMMITTEE- 13 DECEMBER 2024:**

After the chairman had given the Bid Adjudication Committee an opportunity to thoroughly discuss the agenda item, and proposed by Mrs. N. Baliso and seconded by Mr. H. Matthee, it was resolved as follows:

1. Tender No: **ENG 01/2024/25**: for the Transport of Containerised Municipal Solid Waste for The Period From 01 July 2024 Until 30 June 2027, be awarded to **EnviroServ Waste Management (Pty) Ltd.** for the estimated amount of **R 28 686 981.90** (Twenty Eight Million Six Hundred Eighty Six Thousand Nine Hundred Eighty One Rand Ninety Cents) VAT incl. for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

2. The award is based on the below rates for year 1. Year 2 and 3 rates are subject to increase with the average CPI over a twelve month period.

| ITEM | DESCRIPTION | | |
|---|---|---|---|
| 1 | To Karwyderskraal Landfill from Transfer Stations/ Drop-offs at: (Provisional Quantities) (per container) | UNIT | RATE/ UNIT |
| 1.1 | Villiersdorp | No. | 2,348.34 |
| 1.2 | Grabouw | No. | 1,897.82 |
| 2.3 | Botrivier | No. | 1,447.30 |
| 1.4 | Tesselaarsdal | No. | 3,871.53 |
| 1.5 | Greyton | No. | 2,541.42 |

| | | | |
|---|---|---|---|
| 1.6 | Genadendal | No. | 2,434.15 |
| 1.7 | Caledon | No. | 1,812.00 |
| 1.8 | Riviersonderend | No. | 2,970.49 |
| 2. | **To Caledon Landfill** from Transfer Stations/ Drop-offs at: (Provisional Quantities) (per container). | UNIT | RATE/ UNIT |
| 2.1 | Villiersdorp | No. | 1,833.46 |
| 2.2 | Grabouw | No. | 1,876.36 |
| 2.3 | Botrivier | No. | 1,382.94 |
| 2.4 | Tesselaarsdal | No. | 2,648.68 |
| 2.5 | Greyton | No. | 1,769.10 |
| 2.6 | Genadendal | No. | 1,661.83 |
| 2.7 | Riviersonderend | No. | 2,056.57 |
| 2.8 | Caledon | No. | 1,001.07 |
| 3 | Transport Chipped Garden Waste from Waste Facilities to **Grabouw Compost Plant**: (Provisional Quantities, per container) | UNIT | RATE/ UNIT |
| 3.1 | Villiersdorp | No. | 1,769.10 |
| 3.2 | Caledon | No. | 1,884.94 |
| 3.3 | Riviersonderend | No. | 3,000.52 |
| 3.4 | Greyton/ Genadendal | No. | 2,541.42 |
| 4 | Transport Chipped Garden Waste from Waste Facilities **to Karwyderskraal** (Provisional Quantities, per container) | UNIT | RATE/ UNIT |
| 4.1 | Villiersdorp | No. | 2,348.34 |
| 4.2 | Caledon | No. | 1,897.82 |
| 4.3 | Riviersonderend | No. | 2,970.49 |
| 4.4 | Greyton/ Genadendal | No. | 2,541.42 |
| 4.5 | Grabouw | No. | 1,897.82 |
| 5 | **Mechanical Chipping** of garden waste and loading of chipped material into 30m³ containers at: (Provisional Quantities, per 30m³ container) | UNIT | RATE/ UNIT |
| 5.1 | Villiersdorp | No. | 13,344.00 |
| 5.2 | Grabouw | No. | 13,344.00 |
| 5,2,1 | Grabouw General Worker | Months | 13,344.00 |
| 5.3 | Riviersonderend | No. | 13,344.00 |
| 5.4 | Caledon | No. | 13,344.00 |
| 5.5 | Greyton/Genadendal | No. | 13,344.00 |
| 5.6 | Botrivier | No. | 13,344.00 |
| 5,6,1 | Botrivier General Worker | Months | 13,344.00 |
| 6 | Cart Away Tyres from Caledon Landfill in 30m³ containers **to authorised site or Approved authorities.** (Provisional Quantities, per 30m³ container) | No. | 2,627.23 |
| 7 | To a Hazardous Licensed Waste Site from Waste **Water Treatment Plants at:** (Provisional Quantities, per container) | UNIT | RATE/ UNIT |
| 7.1 | Villiersdorp | No. | 3,614.09 |
| 7.2 | Grabouw | No. | 2,755.95 |
| 7.3 | Botrivier | No. | 3,185.02 |
| 7.4 | Caledon | No. | 3,699.90 |
| 7.5 | Greyton/Genadendal | No. | 4,322.05 |

| | | | |
|---|---|---|---|
| 7.6 | Riviersonderend | No. | 4,794.02 |
| 8 | **Haulage of Solid Waste in 30m³ Tipper Trucks From the various towns to Karwyderskraal. (Provisional Quantities)** | **UNIT** | **RATE/ UNIT** |
| 8.1 | Villiersdorp | No. | 5,856.00 |
| 8.2 | Grabouw | No. | 4,148.00 |
| 8.3 | Botrivier | No. | 3,050.00 |
| 8.4 | Caledon | No. | 4,148.00 |
| 8.5 | Greyton/Genadendal | No. | 6,710.00 |
| 8.6 | Riviersonderend | No. | 7,930.00 |
| 9 | **Haulage of Solid Waste in 30m³ Tipper Trucks From the various towns to Caledon Landfill.** | **UNIT** | **RATE/ UNIT** |
| 9.1 | Villiersdorp | No. | 5,490.00 |
| 9.2 | Grabouw | No. | 5,368.00 |
| 9.3 | Botrivier | No. | 3,660.00 |
| 9.4 | Caledon | No. | 3,050.00 |
| 9.5 | Greyton/Genadendal | No. | 4,270.00 |
| 9.6 | Riviersonderend | No. | 5,856.00 |
| 10 | **Transporting and Disposal of Domestic Hazardous Waste at suitable licensed site.** | **UNIT** | **RATE/ UNIT** |
| 10.1 | Villiersdorp | No. | 7,855.41 |
| 10.2 | Grabouw | No. | 6,997.27 |
| 10.3 | Botrivier | No. | 7,426.34 |
| 10.4 | Caledon | No. | 7,941.22 |
| 10.5 | Greyton/Genadendal | No. | 8,563.37 |
| 10.6 | Riviersonderend | No. | 9,035.34 |

3. It is further recommended that should **EnviroServ Waste Management (Pty) Ltd.** fail to deliver, that the tender will be awarded to **Khabokedi Waste Management (Pty) Ltd.** for the amount of **R 28 963 018.42** (Twenty Eight Million Nine Hundred Sixty Three Thousand Eighteen Rand And Forty Two Cents) VAT Incl. for scoring the second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

4. It is further recommended that should **Khabokedi Waste Management (Pty) Ltd.** fail to deliver, that the tender will be awarded to **Waste Carriers (Pty) Ltd.** in the amount of **R 33 672 489.59** (Thirty Three Million Six Hundred Seventy Two Thousand Four Hundred Eighty Nine Rand And Fifty Nine Cents) VAT inclusive for scoring the third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

5. The award is subject to the availability of funds.

6. Addenda be entered between the Municipality and the recommended tenderers.

7. An SLA will be entered between the Municipality and the recommended tenderers.

8. The register for Tender Defaulters and the Database of Restricted Suppliers have been checked via National Treasury's website and found that the tenderers is not listed.

9. None of the tenderers directors / trustees / members / shareholders of the suppliers are linked to any state entity, as checked and verified on the Central Supplier Database (CSD). Proof thereof attached.

10. The tenderers Tax Clearance Certificates was verified on the website of SARS and was found to be active. Proof thereof attached.

11. The tenderers are registered on the municipality's database of prospective providers. Proof thereof attached.

12. The tenderers are registered on the Central Supplier Database (CSD). Proof thereof attached.

13. The award is subject to approval of Municipal Manager.

**14. ANNEXURES**

Annexure A: Advert
Annexure B: Tenders Received
Annexure C: Budget
Annexure D: Sars Website Proof
Annexure E: End User Report
Annexure F: Register for Tender Defaulters and Database of Restricted Suppliers
Annexure G: Database Registrations
Annexure H: Documents Requested from Tenderers
Annexure I: Price Breakdown Per Tenderer
Annexure J: Proof Extension of Validity
Annexure K: Checklist

**ENG 01/2024/25- TRANSPORT OF CONTAINERISED MUNICIPAL SOLID WASTE AND CHIPPING OF GARDEN WASTE FOR THE PERIOD FROM 01 JULY 2024 UNTIL 30 JUNE 2027.**

D. **ADJOURNMENT**

**The meeting adjourned at 11:00**

**COMPILED AND MAINTAINED BY:** ..... **DATE:** 09/01/2025
**H. SEPTEMBER**
**ADMINISTRATION**

**APPROVE MINUTES & RESOLUTION** ..... **DATE:** 13/01/2025
**N BALISO**
**MEMBER**

**APPROVE MINUTES & RESOLUTION** ..... **DATE:** 10/01/2025
**Z PARNELL**
**MEMBER**

10.01.2025

**APPROVE MINUTES & RESOLUTION** ..... **DATE:** .....
**W SOLOMONS-JOHANNES**
**MEMBER**

**APPROVE MINUTES & RESOLUTION** ..... **DATE:** .....
**H MATTHEE**
**MEMBER**

14/1/25

**APPROVE MINUTES & RESOLUTION** ..... **DATE:** 14/01/2025
**P MABHENA**
**CHAIRPERSON**

**APPROVE MINUTES & RESOLUTION** ..... **DATE:** 14/1/25
**J AMANSURE**
**ACTING MUNICIPAL MANAGER**

Theewaterskloof Municipality

Theewaterskloof Municipality Head Office
6 Plein Street
P.O.Box 24
Caledon
7230
Telephone: +27 (28) 2143300
Fax: +27 (28) 2141289
Website: www.twk.gov.za

Ref. No.: ENG 01/2024/25
Contact: H. September
Date: 15 January 2025
Email: francoisd@enviroserv.co.za

Attention: Mr. A. Oosthuizen / Mr. F. Du Plessis
**Enviroserv Waste Management (Pty) Ltd.**
3 Brickfield Road
Meadowdale
Germiston
1401

Dear Sir.,

**TENDER NO: ENG 01/2024/25 – TRANSPORT OF CONTAINRISED MUNICIPAL SOLID WASTE AND CHIPPING OF GARDEN WASTE FOR THE PERIOD FROM 01 JULY 2024 UNTIL 30 JUNE 2027**

We have pleasure informing you of a resolution taken by our Bid Adjudication Committee on 13 December 2024 to award the above mentioned Tender to **EnviroServ Waste Management (Pty) Ltd.** for the estimated amount of **R 28 686 981.90** (Twenty Eight Million Six Hundred Eighty Six Thousand Nine Hundred Eighty One Rand Ninety Cents) Vat incl.

The award is based on the below rates for Year 1. Year 2 and Year 3 Rates are subject to increase with the average CPI over a twelve month period.

| ITEM | DESCRIPTION | | |
|---|---|---|---|
| 1 | **To Karwyderskraal Landfill from Transfer Stations/ Drop-offs at: (Provisional Quantities) (per container)** | **UNIT** | **RATE/ UNIT** |
| 1.1 | Villiersdorp | No. | 2,348.34 |
| 1.2 | Grabouw | No. | 1,897.82 |
| 2.3 | Botrivier | No. | 1,447.30 |
| 1.4 | Tesselaarsdal | No. | 3,871.53 |
| 1.5 | Greyton | No. | 2,541.42 |
| 1.6 | Genadendal | No. | 2,434.15 |
| 1.7 | Caledon | No. | 1,812.00 |
| 1.8 | Riviersonderend | No. | 2,970.49 |
| 2 | **To Caledon Landfill from Transfer Stations/ Drop-offs at: (Provisional Quantities) (per container)** | **UNIT** | **RATE/ UNIT** |
| 2.1 | Villiersdorp | No. | 1,833.46 |
| 2.2 | Grabouw | No. | 1,876.36 |
| 2.3 | Botrivier | No. | 1,382.94 |
| 2.4 | Tesselaarsdal | No. | 2,648.68 |
| 2.5 | Greyton | No. | 1,769.10 |

Theewaterskloof
Municipality

Theewaterskloof Municipality Head Office
6 Plein Street
P.O.Box 24
Caledon
7230
Telephone: +27 (28) 2143300
Fax: +27 (28) 2141289
Website: www.twk.gov.za

| | | | |
|---|---|---|---|
| 2.6 | Genadendal | No. | 1,661.83 |
| 2.7 | Riviersonderend | No. | 2,056.57 |
| 2.8 | Caledon | No. | 1,001.07 |
| **3** | **Transport Chipped Garden Waste from Waste Facilities to Grabouw Compost Plant**: (Provisional Quantities, per container) | **UNIT** | **RATE/ UNIT** |
| 3.1 | Villiersdorp | No. | 1,769.10 |
| 3.2 | Caledon | No. | 1,884.94 |
| 3.3 | Riviersonderend | No. | 3,000.52 |
| 3.4 | Greyton/ Genadendal | No. | 2,541.42 |
| **4** | **Transport Chipped Garden Waste from Waste Facilities to Karwyderskraal** (Provisional Quantities, per container) | **UNIT** | **RATE/ UNIT** |
| 4.1 | Villiersdorp | No. | 2,348.34 |
| 4.2 | Caledon | No. | 1,897.82 |
| 4.3 | Riviersonderend | No. | 2,970.49 |
| 4.4 | Greyton/ Genadendal | No. | 2,541.42 |
| 4.5 | Grabouw | No. | 1,897.82 |
| **5** | **Mechanical Chipping** of garden waste and loading of chipped material into 30m³ containers at: (Provisional Quantities, per 30m³ container) | **UNIT** | **RATE/ UNIT** |
| 5.1 | Villiersdorp | No. | 13,344.00 |
| 5.2 | Grabouw | No. | 13,344.00 |
| 5,2,1 | Grabouw General Worker | Months | 13,344.00 |
| 5.3 | Riviersonderend | No. | 13,344.00 |
| 5.4 | Caledon | No. | 13,344.00 |
| 5.5 | Greyton/Genadendal | No. | 13,344.00 |
| 5.6 | Botrivier | No. | 13,344.00 |
| 5,6,1 | Botrivier General Worker | Months | 13,344.00 |
| 6 | Cart Away Tyres from Caledon Landfill in 30m³ containers **to authorised site or Approved authorities.** (Provisional Quantities, per 30m³ container) | No. | 2,627.23 |
| **7** | **To a Hazardous Licensed Waste Site from Waste Water Treatment Plants at:** (Provisional Quantities, per container | **UNIT** | **RATE/ UNIT** |
| 7.1 | Villiersdorp | No. | 3,614.09 |
| 7.2 | Grabouw | No. | 2,755.95 |
| 7.3 | Botrivier | No. | 3,185.02 |
| 7.4 | Caledon | No. | 3,699.90 |
| 7.5 | Greyton/Genadendal | No. | 4,322.05 |
| 7.6 | Riviersonderend | No. | 4,794.02 |

Theewaterskloof Municipality

Theewaterskloof Municipality Head Office
6 Plein Street
P.O.Box 24
Caledon
7230
Telephone: +27 (28) 2143300
Fax: +27 (28) 2141289
Website: www.twk.gov.za

| | | | |
|---|---|---|---|
| 8 | **Haulage of Solid Waste in 30m³ Tipper Trucks From the various towns to Karwyderskraal.** (Provisional Quantities) | **UNIT** | **RATE/ UNIT** |
| 8.1 | Villiersdorp | No. | 5,856.00 |
| 8.2 | Grabouw | No. | 4,148.00 |
| 8.3 | Botrivier | No. | 3,050.00 |
| 8.4 | Caledon | No. | 4,148.00 |
| 8.5 | Greyton/Genadendal | No. | 6,710.00 |
| 8.6 | Riviersonderend | No. | 7,930.00 |
| 9 | **Haulage of Solid Waste in 30m³ Tipper Trucks From the various towns to Caledon Landfill.** | **UNIT** | **RATE/ UNIT** |
| 9.1 | Villiersdorp | No. | 5,490.00 |
| 9.2 | Grabouw | No. | 5,368.00 |
| 9.3 | Botrivier | No. | 3,660.00 |
| 9.4 | Caledon | No. | 3,050.00 |
| 9.5 | Greyton/Genadendal | No. | 4,270.00 |
| 9.6 | Riviersonderend | No. | 5,856.00 |
| 10 | **Transporting and Disposal of Domestic Hazardous Waste at suitable licensed site.** | **UNIT** | **RATE/ UNIT** |
| 10.1 | Villiersdorp | No. | 7,855.41 |
| 10.2 | Grabouw | No. | 6,997.27 |
| 10.3 | Botrivier | No. | 7,426.34 |
| 10.4 | Caledon | No. | 7,941.22 |
| 10.5 | Greyton/Genadendal | No. | 8,563.37 |
| 10.6 | Riviersonderend | No. | 9,035.34 |

The award is subject to the availability of funds.

An Addendum/SLA will be entered between the Municipality and **Enviroserv Waste Management (Pty) Ltd.**

Kindly note that this award is conditional and subject to an appeal of 21 calendar days from date of this notice, for the unsuccessful tenderers, after which we will inform you again in writing for the contract to be concluded to confirm your official appointment.

We however trust that the relationship will be mutually beneficial in order for us to carry out our constitutional mandate of service delivery.

Yours faithfully

**N. LA GRANGE**
**ACTING MANAGER: SCM**

**ITEM HEADING**

**SC94/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE TECHNICAL- AND INFRASTRUCTURE IMPLEMENTATION SERVICES: IRREGULAR EXPENDITURE - NOT JUSTIFIABLE DEVIATION (WB TIPPER TRUCK AND PLANT HIRE)**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE / AIM OF REPORT**

The purpose of this report is to inform the Municipal Public Accounts Committee on the irregular expenditure with regards to the Leasing of plant for Caledon Landfill Site – WB Tipper Truck and Plant Hire.

**BACKGROUND**

**2024/25 AG Findings:** "*The municipality deviated from the SCM process to lease plant for the Landfill site. A formal tender process was followed, but due to lack of a BAC, the municipality deviated and appointed the current service provider to adhere to the landfill site license requirements. In the past the municipality sourced BAC members from other municipalities. This deviation is therefore because of the municipality's improper planning not justifiable.*

***Impact:***
*This results in non-compliance with regulation 19(a) as goods were procured without following a competitive bidding process.*
*Deviations were approved by the accounting officer even though it was not impractical to follow the formal tender processes.*
*This results in irregular expenditure of R314 697.50. The non-compliance is material (recurring) and will be included in the audit report."*

**DISCUSSION**

As per attachment.

**COMMENTS FROM THE OFFICE OF THE MUNICIPAL MANAGER**

The recommendation is noted.

**COMMENTS FROM THE DIRECTORATE TECHNICAL AND INFRASTRUCTURE IMPLEMENTATION SERVICES**

Recommendation is supported.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The irregular expenditure of R314 697.50 has been recorded in 2024/2025 financial statements. Management should ensure that recurrence is prevented.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA states that any official of a municipality who deliberately or negligently committed, made or authorized an irregular expenditure is liable for that expenditure. A municipality must recover such expenditure from the person liable for that expenditure, unless Council certifies the irregular expenditure as irrecoverable, after the Municipal Public Accounts Committee has investigated and recommended it. Irregular expenditure for the purpose of this item means expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality and which has not been condoned in terms of such policy.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result in Council Losing money and not receiving value for money. However, in this case Council did not suffer any losses or damages and received value for money.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is recommended that in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R314 697.50 for the financial year 2024/2025 be written off.**

**RECOMMENDATION BY MANAGEMENT TO MPAC: 26 FEBRUARY 2026**

**It is recommended that in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R314 697.50 for the financial year 2024/2025 be written off.**

**RECOMMENDATION BY MPAC TO COUNCIL: 29 APRIL 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander and seconded by Councillor DJ Jacobs, it was recommended as follows:

**In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R314 697.50 for the financial year 2024/2025 be written off.**

**RECOMMENDATION TO COUNCIL:**

**It is recommended that in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R314 697.50 for the financial year 2024/2025 be written off.**

**RESOLVED BY COUNCIL: 28 MAY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman DA Appel and seconded by Alderman MR Nongxaza, it was resolved as follows:

**In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, Council resolved that the irregular expenditure in the amount of R314 697.50 be written off for the financial year 2024/2025.**

*For finalization by the Director: Technical- and Infrastructure Implementation Services, Mr H Matthee.*

**RECOMMENDATION TO COUNCIL:**

**Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.**

# Status Report on contract no. H0001210 In terms of SCM and MFMA requirements and remedial action required if necessary

| Supplier | Service Description | Commencement date of contract |
|---|---|---|
| WB Tipper Truck and Plant Hire | Leasing of Plant for Caledon landfill Site | November 2024 |

**1. What was the initial Purpose of the contract**

Leasing of plant for Caledon Landfill Site

**2. Initial Scope of Contract and if uncertain please explain**

To clean the landfill site and provide cover material.

**3. Initial Contract Value and if uncertain please explain**

R 314 697.50 (VAT incl.)

**4. Initial Expiry Date and if uncertain please explain**

December 2024

**5. Was normal SCM Process followed and complied with**

Yes

**Explain of motivate your response**

Tender ENG 01/2024/25 was submitted on 18 March 2024 to the SCM department to arrange a Bid Specification Committee sitting for 25 March 2024 as per Procurement Plan directive.

The following dates sets out the procurement process.

| Description | Projected Procurement Plan Dates | Actual Procurement Plan Dates | Days |
|---|---|---|---|
| Submission | 22 July 2024 | 17 July 2024 | 5 days early |
| Bid Specification Committee | 29 July 2024 | 22 July 2024 | 7 days early |
| Advertisement | 01 August 2024 | 25 July 2024 | 7 days early |
| Closing | 23 August 2024 | 08 August 2024 | 15 days early |
| Technical Submission | 30 August 2024 | 13 August 2024 | 17 days early |
| Bid Evaluation Committee | 16 September 2024 | 21 January 2025 | 127 days late |
| Bid Adjudication Committee | 20 September 2024 | 06 February 2025 | 139 days late |
| Approve Bid Adjudication Committee Minutes | N/A | 14 February 2025 | N/A |
| Letter of Appointment | N/A | 14 February 2025 | It took SCM 212 days / 7 months to make an appointment. |

The calling of additional tender as alluded to by the AG could not realise due to that the fact that the previous tender process was not concluded and the process was still open.

It is reiterated that No recommendation for award could be made by June 2024 as stated above and subsequently the deviation process was used for an award to avoid legal implication as stated in the motivation for deviation. This falls in the ambit of a normal SCM process.

| | | |
|---|---|---|
| | | |
| **6. Has the purpose, scope or contract period been extended or expanded since the initial appointment of the service provider** | | |
| No | | |
| **Explain or motivate your response** | | |
| N/A | | |
| **7. Was a formal contract or SLA initially entered into in terms of SCM and MFMA Requirements** | | |
| Yes | | |
| **Explain or motivate your response** | | |
| The conditions and provisions of the Tender No. ENG 07/2024/25 document, as advertised, was used as the basis of the contract. | | |
| **8. Should a contract not have existed has it since been entered into and has all compliance requirements like as it applies in respect of the SCM process and or for purposes of deviations been complied with** | | |
| Yes | | |
| **Motivate or explain your response** | | |
| Tender number ENG 07/2024/25 was awarded and the new contract start date was February 2025. | | |
| **9. Did Council because of this transaction received best value for money i.e. in spite of non-compliance, if any with SCM or MFMA requirements** | | |
| Yes | | |
| **Please explain or motivate your response above** | | |
| We confirm that the most advantageous combination of cost, quality and sustainability was achieved and Council received best value for money. | | |
| **10. Has the Municipality suffered any losses or damages as a result of non-compliance with any of the MFMA or SCM requirements** | | |
| No | | |
| **Please explain or motivate your response above** | | |
| N/A | | |
| **11. Are you satisfied with the performance of the current service provider to the extent that the contract should be continued with.** | | |
| Yes | | |
| **Please explain or motivate your response above** | | |
| Works was executed in terms of the contractual conditions. | | |
| **12. Has the director investigated and established whether or not there is not at this point a better service provider, price or product which would justify a new procurement process and a reconsideration of the current service provider, product or price** | | |
| Yes | | |
| **Please explain or motivate your response above** | | |

Tender number ENG 07/2024/25 was advertised and awarded that justified the process followed is still best procurement option.

**14. Could any form of non-compliance have been prevented**

Yes

**Explain or motivate your response above**

Refer to point 5 motivation above.

**15. What remedies have been put in place to prevent any non-compliance being repeated**

**Explain or motivate your response above**

Once off exceptional case where the tender was ready to be awarded and therefore future remedies are not necessary as a rule.

**16. General or additional Comments of the Director Concerned**

- The legal department confirmed the following: "It is confirmed that I have reviewed the contract. It complies in all respects with the relevant council resolutions, tender conditions and deviation award and legal requirements as provided to me by the Contract Manager and that the rights of Council are thereby protected. There is no apparent reason why the contract cannot be signed by the relevant delegated authority".
- That the irregular expenditure amounting to R 314 697.50 be written off in terms of section 32(2)(b) of the MFMA.
- No evidence of fraud, corruption or theft has been reported and accordingly I am unaware of any reason to suspect that theft, corruption or fraud took place.
- That the remedial steps mentioned above be noted and accepted as sufficient and appropriate steps to prevent future irregular expenditure of this nature.

Signature of Director Concerned ..... Date 3/2/26

**17. General Comments/Findings and recommendations of the CFO**

Signature of CFO ..... Date 26-02-2026

**18. General Comments/ Findings and or recommendations of the Chief Audit Executive**

Signature of Chief Audit Executive ..... Date 26/02/2026

**19. Final response of the Director Concerned for consideration by the Municipal Manager**

Signature of the Director concerned ..... Date 26/02/2026

**20. General Comments and findings of the Municipal Manager**

Annexure A – Approved Deviation

Workflow History Go

| | |
|---|---|
| Ref Number | 5433398 |
| Meta Type | Requisition |
| Name | Supply and Delivery of Plant - Caledon - General |
| Requisition Type | General |
| Area of Expenditure | Western Cape Area |
| B-BBEE Status Level of Contributor | Non-compliant contributor |
| Local Supplier? | No |
| Created By | Morney Voigt (MORNEYVO) |
| Date Created | 2024-11-07 15:24 |

Requisition Detail | Department Detail | Deviation Detail | SCM Detail | Outcome Detail | Order Detail | Asset Detail | Related Official | Stock Issue | Requis

| | |
|---|---|
| Deviation Item? | Yes |
| Motivate Reason for Deviation | As part of the Legal requirements and License conditions for the Operating of the Landfill site we need to have a Dozer D6, Tipper Truck/s and Digger Loader available to cover daily the Refuse.<br>The Tipper Truck and Digger Loader is needed to Transport Cover material to the Landfill site and the latter for uploading of cover material. The Dozer is needed to cover waste with a minimum of at least 100 mm cover material.<br><br>We need those machinery to deliver the service and to prevent any damage to the environment, neighbouring properties and to prevent vector forming organisms on the site. We must prevent at all costs, fines and penalties. We must also comply to our audit findings internally and externally. The Risk is very high for TWK Municipality at this stage. Legal Implications can lead to fines of R10m or imprisonment or both for the municipal manager. |
| Deviation Type (Section 36) | 5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes. |
| MM Deviation Review Outcome | Approve Deviation Requisition |
| MM Comment on Deviation | Deviation approved |

654

| | |
|---|---|
| CFO Review Outcome | |
| CFO Review Comment | |
| SCM Deviation Review Outcome | Support Deviation |
| SCM Deviation Review Comments | 07/11/2024 - NICO LA GRANGE - SCM SUPPORT THIS DEVIATIONAS AN EXCEPTIONAL CASE. IN THE LIGHT OF ALL |
| ICT Deviation | |
| ICT Deviation Review Outcome | |
| ICT Deviation Review Comments | |
| Fleet Manager Review Outcome | |
| Fleet Manager Review Comments | |

955

| File Name | Date Created | File Size | Action |
|---|---|---|---|
| WB Tipper - TCC .msg | 2024-11-15 10:03 | 999 KB | |
| RE_ Machinery on landfill Caledon.msg | 2024-11-15 09:55 | 82 KB | |
| Machinery on landfill Caledon.msg | 2024-11-14 15:04 | 79 KB | |
| WB Tipper.msg | 2024-11-14 15:04 | 4 MB | |

Close

Annexure B – Bid Adjudication Minutes and Letter of Appointment

657

# THEEWATERSKLOOF MUNICIPALITY

# BID ADJUDICATION COMMITTEE MEETING

## MINUTES

## 06 FEBRUARY 2025

# BID ADJUDICATION COMMITTEE MEETING

## MINUTES

## 06 FEBRUARY 2025

| ITEM NO | ITEM DESCRIPTION | PAGE NO |
|---|---|---|

A. **OPENING: WELCOMING**

B. **ATTENDANCE REGISTER**

B.1. Present

B.2. Application(s) for absence of leave

C. **AGENDA-ITEM FOR DISCUSSION**

C.1. **Directorate: Technical & Infrastructure Implementation Services**

ENG 07/2024/25 Leasing Of Various Plant And Equipment For Caledon Landfill Site For The Period From Date Of Appointment Until 30 June 2025

D. **ADJOURNMENT**

# THEEWATERSKLOOF MUNICIPALITY

**MINUTES OF A BID ADJUDICATION COMMITTEE MEETING HELD ON 06 FEBRUARY 2025 AT 15:24 IN THE COUNCIL CHAMBERS.**

---

## A. OPENING AND WELCOMING

The Chairperson, Mr. P Mabhena, welcomed everybody.

## B. ATTENDANCE REGISTER

### B.1. Present

Mr P Mabhena
Mr GW Hermanus
Mr H Matthee
Mr W Solomons-Johannes
Mr R Sefoor
Ms A Martin (Observer)
Mr N La Grange (Observer)
Mr J Prins (Observer)
Mr M Redelinghuys (Observer)
Mr Z Baron (Administration)

### B.2. Application(s) for leave of absence: (3/2/1/3)

Ms N Baliso

## C. AGENDA-ITEM FOR DISCUSSION

### C.1. Directorate: Technical & Infrastructure Implementation Services

**ENG 07/2024/25** Leasing Of Various Plant And Equipment For Caledon Landfill Site For The Period From Date Of Appointment Until 30 June 2025

**Theewaterskloof**
Municipality

**SUPPLY CHAIN MANAGEMENT AND TECHNICAL EVALUATION REPORT FOR TENDER NO.: ENG 07/2024/25**

**LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025**

## 1. AIM OF REPORT

To present to the Bid Adjudication Committee the Supply Chain Management and Technical Tender Evaluation Report for the Leasing Of Various Plant And Equipment For Caledon Landfill Site For The Period From Date Of Appointment Until 30 June 2025

## 2. TENDER DETAILS

The invitation to tender was advertised on Municipal Website, Notice Board, e-tender and Transoverberg Nuus on Thursday, 25 July 2024. Eleven (11) tenders were received on the closing date Thursday, 08 August 2024. Tender validity period is 120 days which indicates an expiry date of 06 December 2024. On the 12th of November 2024 it was requested from the bidders to extend the validity from the 23 November 2024 till 30 January 2025. A further extension of validity was requested on the 28 January 2025 to extend validity from 30 January 2025 till 15 March 2025.The table below shows the bidders who accepted extension validity. **Proof is attached to Annexure J.** The tender was advertised for 14 days.

Table 1: List of bidder who accepted extension of validity.

| No. | Name of tenderer | Agree with extension till 30 January 2025 | Agree with extension till 15 March 2025 |
|---|---|---|---|
| 1. | Altantic Plant and Transport (Pty) Ltd. | Notice 1 | Notice 1 |
| 2. | Aqua Transport & Plant Hire (Pty) Ltd. | Yes | Yes |
| 3. | Kukhulu Plant Hire (Pty) Ltd. | Yes | Yes |
| 4. | Ekene Investments CC | Yes | Yes |
| 5. | Cruzline Projects (Pty) Ltd. | Notice 1 | Notice 1 |
| 6. | F.G Jacobs Transport CC | Yes | Yes |
| 7. | Basetsana Bakopane Plant Hire (Pty) Ltd. | Yes | Yes |
| 8. | Sector 6 (Pty) Ltd. | Yes | Yes |
| 9. | Cube Forte (Pty) Ltd. | Notice 1 | Notice 1 |
| 10. | WB Tipper Truck & Plant Hire (Pty) Ltd. | Yes | Yes |
| 11 | Katemo General Trading CC | Notice 1 | Notice 1 |

**Notice 1**

**Altantic Plant and Transport (Pty) Ltd., Cruzline Projects (Pty) Ltd., Cube Forte (Pty) Ltd.** and **Katemo General Trading CC** failed to respond to request to extend validity, therefore their bids will not be evaluated.

**Table 2: List of tenders received.**

**List of tenders received**

**Item 1 and 2 – D6 Bulldozer and Establishment**

| Name of Bidder | All Inclusive Estimated Tendered Amounts Per Item "R" |
|---|---|
| Basetsana Bakopane Plant Hire (Pty) Ltd. | 1 293 750.00 |
| Kukhulu Plant Hire (Pty) Ltd. | 1 385 117.50 |
| Cruzline Projects (Pty) Ltd. | 1 390 350.00 |
| Altantic Plant and Transport (Pty) Ltd. | 1 437 500.00 |
| Cube Forte (Pty) Ltd. | 1 528 919.25 |
| Ekene Investments CC | 1 729 025.00 |
| WB Tipper Truck & Plant Hire (Pty) Ltd. | 1 884 838.50 |
| Aqua Transport & Plant Hire (Pty) Ltd. | 1 959 600.00 |
| Sector 6 (Pty) Ltd. | 2 024 000.00 |
| Katemo General Trading CC | 2 880 520.00 |

**Item 3 and 4 – Water Truck and Establishment**

| Name of Bidder | All Inclusive Estimated Tendered Amounts Per Item "R" |
|---|---|
| Aqua Transport & Plant Hire (Pty) Ltd. | 21 620.00 |
| Altantic Plant and Transport (Pty) Ltd. | 27 370.00 |
| Kukhulu Plant Hire (Pty) Ltd. | 28 462.50 |
| Cruzline Projects (Pty) Ltd. | 35 420.00 |
| Ekene Investments CC | 37 605.00 |
| Sector 6 (Pty) Ltd. | 65 550.00 |
| WB Tipper Truck & Plant Hire (Pty) Ltd. | 73 830.00 |
| Cube Forte (Pty) Ltd. | 77 783.70 |
| Katemo General Trading CC | 173 880.00 |

## Item 5 and 6 – Tipper Truck and Establishment

| Name of Bidder | All Inclusive Estimated Tendered Amounts Per Item "R" |
|---|---|
| Altantic Plant and Transport (Pty) Ltd. | 41 055.00 |
| Ekene Investments CC | 48 898.00 |
| Kukhulu Plant Hire (Pty) Ltd. | 50 197.50 |
| Aqua Transport & Plant Hire (Pty) Ltd. | 56 810.00 |
| F.G Jacobs Transport CC | 57 500.00 |
| Cruzline Projects (Pty) Ltd. | 59 340.00 |
| WB Tipper Truck & Plant Hire (Pty) Ltd. | 67 792.50 |
| Cube Forte (Pty) Ltd. | 68 609.00 |
| Sector 6 (Pty) Ltd. | 84 755.00 |
| Katemo General Trading CC | 264 270.00 |

## Item 7 and 8 – Excavator and Establishment

| Name of Bidder | All Inclusive Estimated Tendered Amounts Per Item "R" |
|---|---|
| Cruzline Projects (Pty) Ltd. | 63 825.00 |
| Kukhulu Plant Hire (Pty) Ltd. | 68 080.00 |
| Altantic Plant and Transport (Pty) Ltd. | 74 399.25 |
| Aqua Transport & Plant Hire (Pty) Ltd. | 77 050.00 |
| Ekene Investments CC | 78 660.00 |
| Katemo General Trading CC | 104 420.00 |
| Basetsana Bakopane Plant Hire (Pty) Ltd. | 115 000.00 |
| Cube Forte (Pty) Ltd. | 126 716.20 |
| WB Tipper Truck & Plant Hire (Pty) Ltd. | 129 087.50 |
| Sector 6 (Pty) Ltd. | 131 962.50 |

## Item 9 and 10 – Grader and Establishment

| Name of Bidder | All Inclusive Estimated Tendered Amounts Per Item "R" |
|---|---|
| Kukhulu Plant Hire (Pty) Ltd. | 56 637.50 |
| Cruzline Projects (Pty) Ltd. | 63 250.00 |
| Aqua Transport & Plant Hire (Pty) Ltd. | 69 000.00 |
| Cube Forte (Pty) Ltd. | 74 566.00 |
| Altantic Plant and Transport (Pty) Ltd. | 74 744.25 |
| Ekene Investments CC | 76 958.00 |
| WB Tipper Truck & Plant Hire (Pty) Ltd. | 91 770.00 |
| Katemo General Trading CC | 97 290.00 |
| Basetsana Bakopane Plant Hire (Pty) Ltd. | 106 950.00 |
| Sector 6 (Pty) Ltd. | 124 890.00 |

**Item 11 and 12 – 4x4 Digger Loader and Establishment**

| Name of Bidder | All Inclusive Estimated Tendered Amounts Per Item "R" |
|---|---|
| Altantic Plant and Transport (Pty) Ltd. | 199 870.00 |
| Aqua Transport & Plant Hire (Pty) Ltd. | 256 220.00 |
| Kukhulu Plant Hire (Pty) Ltd. | 274 792.50 |
| Ekene Investments CC | 317 055.00 |
| Cruzline Projects (Pty) Ltd. | 334 650.00 |
| F.G Jacobs Transport CC | 340 400.00 |
| Basetsana Bakopane Plant Hire (Pty) Ltd. | 357 650.00 |
| Sector 6 (Pty) Ltd. | 481 620.00 |
| Cube Forte (Pty) Ltd. | 499 961.35 |
| WB Tipper Truck & Plant Hire (Pty) Ltd. | 503 470.00 |
| Katemo General Trading CC | 2 844 180.00 |

## 3. EVALUATION

The procedure for the evaluation of tenders is:

Step 1: Test for eligibility
Step 2: Test for responsiveness
Step 3: Test for administrative compliance
Step 4: Score financial offer, evaluation points for preferencing and calculate total tender evaluation points to the lowest. Rank tender offers from the highest number of tender evaluation points to the lowest. Recommend tenderer with the highest number of tender evaluation points for the award of the contract, unless there are compelling and justifiable reasons not to do so

**Step 1: Test for Eligibility**

- Tender Participation Fee

Only those bidders who have paid the tender participation fee are eligible to submit tenders. Please attach proof of payment to **Schedule 11**.

**Table 3: Eligibility**

| No. | Name of Bidder | Paid Tender Participation Fee (Schedule 11) |
|---|---|---|
| 1 | Aqua Transport & Plant Hire (Pty) Ltd. | Yes |
| 2 | Kukhulu Plant Hire (Pty) Ltd. | Yes |
| 3 | Ekene Investments CC | Yes |
| 4 | F.G Jacobs Transport CC | Yes |
| 5 | Basetsana Bakopane Plant Hire (Pty) Ltd. | **Notice 2** |
| 6 | Sector 6 (Pty) Ltd. | Yes |
| 7 | WB Tipper Truck & Plant Hire (Pty) Ltd. | Yes |

**Notice 2:**

**Basetsana Bakopane Plant Hire (Pty) Ltd.** failed to submit proof Paid Tender Participation Fee **(Schedule 11)**. With test for Eligibility and taking administrative compliance and in terms of employers undertaking into consideration, it was found that the aforementioned is not material in

nature and requested from the bidder to submit submit proof Paid Tender Participation Fee. **Basetsana Bakopane Plant Hire (Pty) Ltd.** failed to respond to request to submit submit proof Paid Tender Participation Fee. Proof of request is attached to **Annexure I**.

- As seen from table 2 and taking notice 1and 2 into consideration it is evident that the tenders received from **Basetsana Bakopane Plant Hire (Pty) Ltd.** were found not to be eligible and will be excluded from further evaluation. Only tender received from **Aqua Transport & Plant Hire (Pty) Ltd., Kukhulu Plant Hire (Pty) Ltd., Ekene Investments CC, F.G Jacobs Transport CC ,Sector 6 (Pty) Ltd. and WB Tipper Truck & Plant Hire (Pty) Ltd.** were found to be eligible further evaluation.

**Step 2: Test for Responsiveness**

Tenders will be considered non-responsive if, inter alia: (This is a requirement on submission of tender document)

- The tenderer does not comply with the eligibility criteria listed above.
- The tenderer has failed to comply with the Specifications as advertised.
- The tenderer has failed to comply with the Special Conditions of Contract as advertised.
- The tenderer has failed to comply with the Pricing Instruction and Pricing Schedule as advertised.
- The tenderer did not sign and complete the Form of Offer; and
- The tendered has failed to comply with the Additional Conditions of Tender Point No. 5.1.

**Table 4: Test for Responsiveness**

| No. | Name of Bidder | Comply with the eligibility criteria | Comply with the Specifications as advertised. | Comply with the Special Conditions of Contract as advertised. | Comply with the Pricing Instruction and Pricing Schedule as advertised. | Signed and completed the Form of Offer. | Comply with the Additional Conditions of Tender Point No. 5.1. |
|---|---|---|---|---|---|---|---|
| 1 | Aqua Transport & Plant Hire (Pty) Ltd. | Yes | Yes | Yes | Yes | Yes | Yes |
| 2 | Kukhulu Plant Hire (Pty) Ltd. | Yes | Yes | Yes | Yes | Yes | Yes |
| 3 | Ekene Investments CC | Yes | Yes | Yes | Yes | Yes | Yes |
| 4 | F.G Jacobs Transport CC | Yes | Yes | Yes | Yes | Yes | Yes |
| 5 | Sector 6 (Pty) Ltd. | Yes | Yes | Yes | Yes | Yes | Yes |
| 6 | WB Tipper Truck & Plant Hire (Pty) Ltd. | Yes | Yes | Yes | Yes | Yes | Yes |

- As seen from table 3 it is evident that the tender received from **Aqua Transport & Plant Hire (Pty) Ltd., Kukhulu Plant Hire (Pty) Ltd., Ekene Investments CC, F.G Jacobs Transport CC ,Sector 6 (Pty) Ltd. and WB Tipper Truck & Plant Hire (Pty) Ltd.** were found to be responsive for further evaluation.

**Step 3: Test for Administrative Compliance**

Tenders will be found non-compliant if, inter alia: (These documents may be requested)

- The tenderer has failed to complete and sign and attach requested information to all Schedules. This does not apply to responsiveness criteria.
- The tenderer has failed to submit a municipal account of where the head office of the company is registered or in case where the premise is leased, the tenderer has failed to provide a copy of the lease of the premise.
- The tenderer has failed to submit a valid Tax Clearance Certificate or Pin; a valid Certificate or Pin may be requested.
- The tenderer has failed to submit a certified B-BBEE certificate, QSE or EME affidavit, whereas points were claimed and a copy of certificate or affidavit was supplied, a certified copy of the B-BBEE certificate, QSE or EME Affidavit may be requested.
- The tenderer has failed to submit proof of good standing from the Department of Labour related to good standing with regards to COIDA payments. A certified copy of proof of good standing may be requested.
- The tenderer has failed to clarify or submit any supporting documentation within the time for submission stated in the employer's written request.
- The tenderer has failed to submit proof of payment of the tender participation fee. Proof may be requested.
- Operators Previous Experience - All vehicles should have operators with a minimum of 2 years relevant experience in operating the specific vehicle and must have the relevant operator license. Please attach proof to Schedule 15.

**Table 5: Test for Administrative Compliance summary**

| Compliance Criteria | Aqua Transport & Plant Hire (Pty) Ltd. | Kukhulu Plant Hire (Pty) Ltd. | Ekene Investments CC | F.G Jacobs Transport CC | Sector 6 (Pty) Ltd. | WB Tipper Truck & Plant Hire (Pty) Ltd. |
|---|---|---|---|---|---|---|
| **Schedule 1:** Tax Clearance Certificate Requirements (MBD 2) | Comply **(Expired: 16/11/2024) Notice 3** | Comply **(Expires: 02/04/2025)** | Comply **(Expires: 20/02/2025)** | Do Not Comply **Notice 5** | Comply **(Expired: 24/10/2024) Notice 6** | Comply **(Expires: 04/04/2025)** |
| **Schedule 2 :** Declaration of Interest (MBD 4) | Comply | Comply | Comply | Comply | Comply | Comply |
| **Schedule 3:** Preference Points Claim Form in Terms of the Preferential Procurement Reg. 2022 (MBD 6.1) | Comply (Claimed B-BBEE – 10) (Claimed `Locality - 4) | Comply (Claimed B-BBEE – 10) (Claimed `Locality - 4) | Comply (Claimed B-BBEE – 10) (Claimed `Locality - 0) | Comply (Claimed B-BBEE –10) (Claimed ` Locality - 4) | Comply (Claimed B-BBEE – 10) (Claimed `Locality - 0) | Comply (Claimed B-BBEE – 10) (Claimed `Locality - 4) |
| **Schedule 4:** Declaration of Bidders past Supply Chain Management Practices (MBD 8) | Comply | Comply | Comply | Comply | Comply | Comply |
| **Schedule 5:** Certificate of Independent Bid Determination (MBD 9) | Comply | Comply | Comply | Comply | Comply | Comply |
| **Schedule 6:** Form of Indemnity | Do not comply **Notice 3** | Do not comply **Notice 4** | Comply | Comply | Comply | Do not comply **Notice 7** |
| **Schedule 7:** Compulsory Enterprise Questionnaire | Comply | Comply | Comply | Comply | Comply | Comply |

| **Compliance Criteria** | Aqua Transport & Plant Hire (Pty) Ltd. | Kukhulu Plant Hire (Pty) Ltd. | Ekene Investments CC | F.G Jacobs Transport CC | Sector 6 (Pty) Ltd. | WB Tipper Truck & Plant Hire (Pty) Ltd. |
|---|---|---|---|---|---|---|
| **Schedule 8:** Address Schedule | Comply | Comply | Comply | Comply | Comply | Comply |
| | | | | | | |
| **Schedule 9:** Record of Addenda | Comply | Comply | Comply | Comply | Comply | Comply |
| | | | | | | |
| **Schedule 10:** Authorized Signatory | Comply | Comply | Comply | Comply | Comply | Comply |
| | | | | | | |
| **Schedule 11:** Tender Participation Fee | Comply | Comply | Comply | Comply | Comply | Comply |
| | | | | | | |
| **Schedule 12:** B-BBEE Proof | Comply **Notice 3** | Comply **Notice 4** | Comply | Comply **Notice 5** | Comply **Notice 6** | Do not comply **Notice 7** |
| | | | | | | |
| **Schedule 13:** Municipal Account / Lease Agreement | Comply | Do not comply **Notice 4** | Comply | Do not comply **Notice 5** | Comply | Comply |
| | | | | | | |
| **Schedule 14:** Letter of Good Standings. | Comply | Comply | Comply | Comply **Notice 5** | Comply | Comply |
| | | | | | | |
| **Schedule 15:** Operators Previous Experience. | Comply | Comply | Comply | Comply | Comply | Comply |
| | | | | | | |

**Notice 3:**

Aqua Transport & Plant Hire (Pty) Ltd. submitted a **Schedule 1:** Tax Compliance Status Pin Certificate , but it expired during evaluation. With test for administrative compliance and in terms of employers undertaking into consideration, it was found that the aforementioned is not material in nature and will be requested from bidder to submit a valid tax compliance Status Pin Certificate. Which the supplier did submit, proof is attached to **Annexure I.**

Aqua Transport & Plant Hire (Pty) Ltd submitted a valid certified **B-BBEE Certificate**, but it expired during evaluation. With test for administrative compliance and in terms of employers undertaking into consideration, it was found that the aforementioned is not material in nature and will be requested from bidder to submit a valid B-BBEE Certificate. Which the supplier did submit, proof is attached to **Annexure I**.

Aqua Transport & Plant Hire (Pty) Ltd failed to complete **Schedule 6:** Form of Indemnity. With test for administrative compliance and in terms of employers undertaking into consideration, it was found that the aforementioned is not material in nature and will be requested from bidder to fully complete the Form of Indemnity. Which the supplier did submit, proof is attached to **Annexure I.**

Aqua Transport & Plant Hire (Pty) Ltd. attached a month-to-month lease agreement. With test for administrative compliance and in terms of employers undertaking into consideration, it was found that the aforementioned is not material in nature and will be requested from bidder if they are the successful supplier. Which the supplier did submit, proof is attached to **Annexure I**.

**Notice 4:**

Kukhulu Plant Hire (Pty) Ltd. submitted a valid certified **B-BBEE Certificate**, but it expired during evaluation. With test for administrative compliance and in terms of employers undertaking into consideration, it was found that the aforementioned is not material in nature and will be requested from bidder to submit a valid B-BBEE Certificate. Which the supplier did submit, proof is attached to **Annexure I.**

Kukhulu Plant Hire (Pty) Ltd. failed to fully complete **Schedule 6:** Form of Indemnity. With test for administrative compliance and in terms of employers undertaking into consideration, it was found that the aforementioned is not material in nature and will be requested from bidder to fully complete the Form of Indemnity. Which the supplier did submit, proof is attached to **Annexure H.**

Kukhulu Plant Hire (Pty) Ltd. attached an expired lease agreement. With test for administrative compliance and in terms of employers undertaking into consideration, it was found that the aforementioned is not material in nature and will be requested from bidder if they are the successful supplier. Which the supplier did submit, proof is attached to **Annexure H.**

**Notice 5:**

**F.G Jacobs Transport CC** failed to submit a valid Tax Compliance Status Pin Certificate, With test for administrative compliance and in terms of employers undertaking into consideration, it was found that the aforementioned is not material in nature and will be requested from bidder to submit a valid tax compliance Status Pin Certificate should they be found to be the recommended supplier

**F.G Jacobs Transport CC** submitted a valid certified **B-BBEE Certificate**, but it expired during evaluation. With test for administrative compliance and in terms of employers undertaking into consideration, it was found that the aforementioned is not material in nature and will be requested from bidder if should they be found to be the recommended supplier

F.G Jacobs Transport CC submitted an **uncertified Municipal Account** .With test for administrative compliance and in terms of employers undertaking into consideration, it was found that the aforementioned is not material in nature and will be requested from bidder if they should they be found t be the recommended bidder.

F.G Jacobs Transport CC submitted **Schedule 14:** Letter of Good Standings., but it expired during evaluation. With test for administrative compliance and in terms of employers undertaking into consideration, it was found that the aforementioned is not material in nature and will be requested should they be found to be the recommended supplier

**Notice 6:**

**Sector 6** submitted a **Schedule 1:** Tax Compliance Status Pin Certificate but it expired during evaluation. With test for administrative compliance and in terms of employers undertaking into consideration, it was found that the aforementioned is not material in nature and will be requested from bidder if they are the successful supplier.

**Sector 6** submitted a valid certified **B-BBEE Certificate**, but it expired during evaluation. With test for administrative compliance and in terms of employers undertaking into consideration, it was found that the aforementioned is not material in nature and will be requested from bidder if they are the successful supplier.

**Notice 7:**

**WB Tipper Truck & Plant Hire (Pty) Ltd**. submitted an **invalid B-BBEE Certificate**.

**WB Tipper Truck & Plant Hire (Pty) Ltd. Schedule 6:** Form of Indemnity was only witnessed by one person. With test for administrative compliance and in terms of employers undertaking into consideration, it was found that the aforementioned is not material in nature and will be requested should they be found to be the recommended supplier.

- As seen from table 4 and taking notice 3;4;5;6 and 7 into consideration, it is evident that the tender received from from **Aqua Transport & Plant Hire (Pty) Ltd., Kukhulu Plant Hire (Pty) Ltd., Ekene Investments CC, F.G Jacobs Transport CC ,Sector 6 (Pty) Ltd. and WB Tipper Truck & Plant Hire (Pty) Ltd. were found to be eligible further evaluation** were found to be administratively compliant for further evaluation.

**Step 4: Financial Scoring.**

**Score financial offer, evaluation points for preferencing and calculate total tender evaluation points to the lowest. Rank tender offers from the highest number of tender evaluation points to the lowest. Recommend tenderer with the highest number of tender evaluation points for the award of the contract, unless there are compelling and justifiable reasons not to do so**

The score for financial offer is calculated using the 80/20 preference point system for each responsive tender under consideration:

**80/20**

$$Ps = 80\left(1 - \frac{Pt - P\min}{P\min}\right)$$

Where
Ps = Points scored for price of bid under consideration;
Pt = Price of bid under consideration; and
Pmin = Price of lowest acceptable bid.

Up to 20 tender evaluation points will be awarded in respect of the Specific Goals in accordance the Preferential Procurement Regulations of 2022.

**Item 1 and 2 – D6 Bulldozer and Establishment**

| THEEWATERSKLOOF MUNICIPALITY | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Awarding of points: Value Added All Inclusive** | | | | | | | |
| **No** | **Supplier** | Amount All Inclusive | **Financial Proposal** | **B-BBEE points** | **Locality** | **Total** | |
| | | | **80.00** | **10.00** | **10.00** | | **Rank** |
| 1 | Kukhulu Plant Hire (Pty) Ltd. | 1,385,117.50 | 80.00 | 10.00 | 4.00 | 94.00 | 1 |
| 2 | Ekene Investments cc | 1,729,025.00 | 60.14 | 10.00 | 0.00 | 70.14 | 2 |
| 3 | WB Tipper Truck & Plant Hire (Pty) Ltd. | 1,884,838.50 | 51.14 | 00.00 | 4.00 | 55.14 | 4 |
| 4 | Aqua Plant & Transport (Pty) Ltd | 1,959,600.00 | 46.82 | 10.00 | 4.00 | 60.82 | 3 |
| 5 | Sector 6 (Pty) Ltd. | 2,024,000.00 | 43.10 | 10.00 | 0.00 | 53.10 | 5 |
| 1* | Minimum Price | | | | | | |

**Item 3 and 4 – Water Truck and Establishment**

**THEEWATERSKLOOF MUNICIPALITY**

**Awarding of points: Value Added All Inclusive**

| No | Supplier | Amount All Inclusive | Financial Proposal | B-BBEE points | Locality | Total | |
|---|---|---|---|---|---|---|---|
| | | | **80.00** | **10.00** | **10.00** | | **Rank** |
| 1 | Aqua Plant & Transport (Pty) Ltd | 21,620.00 | 80.00 | 10.00 | 4.00 | 94.00 | 1 |
| 2 | Kukhulu Plant Hire (Pty) Ltd. | 28,462.50 | 54.68 | 10.00 | 4.00 | 68.68 | 2 |
| 3 | Ekene Investments cc | 37,605.00 | 20.85 | 10.00 | 0.00 | 30.85 | 3 |
| 4 | Sector 6 (Pty) Ltd. | 65,550.00 | -82.55 | 10.00 | 0.00 | -72.55 | 4 |
| 5 | WB Tipper Truck & Plant Hire (Pty) Ltd. | 73,830.00 | -113.19 | 00.00 | 4.00 | -109.19 | 5 |

1* Minimum Price

**Item 5 and 6 – Tipper Truck and Establishment**

**THEEWATERSKLOOF MUNICIPALITY**

**Awarding of points: Value Added All Inclusive**

| No | Supplier | Amount All Inclusive | Financial Proposal | B-BBEE points | Locality | Total | |
|---|---|---|---|---|---|---|---|
| | | | **80.00** | **10.00** | **10.00** | | **Rank** |
| 1 | Ekene Investments cc | 48,898.00 | 80.00 | 10.00 | 0.00 | 90.00 | 2 |
| 2 | Kukhulu Plant Hire (Pty) Ltd. | 50,197.50 | 77.87 | 10.00 | 4.00 | 91.87 | 1 |
| 3 | Aqua Plant & Transport (Pty) Ltd | 56,810.00 | 67.06 | 10.00 | 4.00 | 81.06 | 3 |
| 4 | F.G Jacobs Transport cc | 57,500.00 | 65.93 | 10.00 | 4.00 | 79.93 | 4 |
| 5 | WB Tipper Truck & Plant Hire (Pty) Ltd. | 67,792.50 | 49.09 | 00.00 | 4.00 | 53.09 | 5 |
| 6 | Sector 6 (Pty) Ltd. | 84,755.00 | 21.34 | 10.00 | 0.00 | 31.34 | 6 |

1* Minimum Price

## Item 7 and 8 – Excavator and Establishment

### THEEWATERSKLOOF MUNICIPALITY

**Awarding of points: Value Added All Inclusive**

| No | Supplier | Amount All Inclusive | Financial Proposal | B-BBEE points | Locality | Total | |
|---|---|---|---|---|---|---|---|
| | | | **80.00** | **10.00** | **10.00** | | **Rank** |
| 1 | Kukhulu Plant Hire (Pty) Ltd. | 68,080.00 | 80.00 | 10.00 | 4.00 | 94.00 | 1 |
| 2 | Aqua Plant & Transport (Pty) Ltd | 77,050.00 | 69.46 | 10.00 | 4.00 | 83.46 | 2 |
| 3 | Ekene Investments cc | 78,660.00 | 67.57 | 10.00 | 0.00 | 77.57 | 3 |
| 4 | WB Tipper Truck & Plant Hire (Pty) Ltd. | 129,087.50 | 8.31 | 00.00 | 4.00 | 12.31 | 4 |
| 5 | Sector 6 (Pty) Ltd. | 131,962.50 | 4.93 | 10.00 | 0.00 | 14.93 | 5 |

1* Minimum Price

## Item 9 and 10 – Grader and Establishment

### THEEWATERSKLOOF MUNICIPALITY

**Awarding of points: Value Added All Inclusive**

| No | Supplier | Amount All Inclusive | Financial Proposal | B-BBEE points | Locality | Total | |
|---|---|---|---|---|---|---|---|
| | | | **80.00** | **10.00** | **10.00** | | **Rank** |
| 1 | Kukhulu Plant Hire (Pty) Ltd. | 56,637.50 | 80.00 | 10.00 | 4.00 | 94.00 | 1 |
| 2 | Aqua Plant & Transport (Pty) Ltd | 69,000.00 | 62.54 | 10.00 | 4.00 | 76.54 | 2 |
| 3 | Ekene Investments cc | 76,958.00 | 51.30 | 10.00 | 0.00 | 61.30 | 3 |
| 4 | WB Tipper Truck & Plant Hire (Pty) Ltd. | 91,770.00 | 30.38 | 00.00 | 4.00 | 34.38 | 4 |
| 5 | Sector 6 (Pty) Ltd. | 124,890.00 | -16.41 | 10.00 | 0.00 | -6.41 | 5 |

1* Minimum Price

**Item 11 and 12 – 4x4 Digger Loader and Establishment**

**THEEWATERSKLOOF MUNICIPALITY**

| Awarding of points: Value Added All Inclusive | | | | | | | |
|---|---|---|---|---|---|---|---|
| **No** | **Supplier** | Amount All Inclusive | **Financial Proposal** | **B-BBEE points** | **Locality** | **Total** | |
| | | | **80.00** | **10.00** | **10.00** | | **Rank** |
| 1 | Aqua Plant & Transport (Pty) Ltd | 256,220.00 | 80.00 | 10.00 | 4.00 | 94.00 | 1 |
| | | | | | | | |
| 2 | Kukhulu Plant Hire (Pty) Ltd. | 274,792.50 | 74.20 | 10.00 | 4.00 | 88.20 | 2 |
| | | | | | | | |
| 3 | Ekene Investments cc | 317,055.00 | 61.01 | 10.00 | 0.00 | 71.01 | 3 |
| | | | | | | | |
| 4 | F.G Jacobs Transport cc | 340,400.00 | 53.72 | 10.00 | 4.00 | 67.72 | 4 |
| | | | | | | | |
| 5 | Sector 6 (Pty) Ltd. | 481,620.00 | 9.62 | 10.00 | 0.00 | 19.62 | 5 |
| | | | | | | | |
| 6 | WB Tipper Truck & Plant Hire (Pty) Ltd. | 503,470.00 | 2.80 | 00.00 | 4.00 | 6.80 | 6 |

1* Minimum Price

**4. FINANCIAL IMPLICATION**

Funds available in the approved budget for the 2024/25 financial periods and works / goods will be funded out of mSCOA Confiq/s:

01/5511/1/5840/0- Operating Leases (Machinery and Equipment) – **R 1 295 619.00**

**Proof of budget attached to Annexure C**

**5. LEGAL IMPLICATION**

Must comply with the pre-scribed sections as set out in the MFMA, SCM Regulation, TWK SCM Policy and PPR of 2022

## 6. RECOMMENDATION BY END-USER AND SCM ON 21 JANUARY 2025:

End-User and SCM confirms that the tenders comply with the Supply Chain Management Regulations and recommends that:

1. Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 1 and 2 – D6 Bulldozer and Establishment & De- Establishment** be awarded to **Kukhulu Plant Hire (Pty) Ltd.** for the estimated amount of **R 1,385,117.50** (One Million Three Hundred Eighty Five Thousand One Hundred and Seventeen Rand and Fifty Cents Only ) **Vat incl.** for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

1.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 1 | D6 Bulldozer – Minimum with Chains (Wet Rate) | p/hr. | 1 195.00 |
| 2 | Establishment & De – establishment | each | 9 450.00 |

2. That should **Kukhulu Plant Hire (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 1 and 2 – D6 Bulldozer and Establishment & De- Establishment** be awarded to **Ekene Investments cc** for the estimated amount of **R 1 729 025.00** (One Million Seven Hundred and Twenty Nine Thousand and Twenty Five Rand Only) **Vat incl.** for scoring the Second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

2.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 1 | D6 Bulldozer – Minimum with Chains (Wet Rate) | p/hr. | 1 485.00 |
| 2 | Establishment & De – establishment | each | 18 500.00 |

3. That should **Ekene Investments cc** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 1 and 2 – D6 Bulldozer and Establishment & De- Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** for the estimated amount of **R 1 959 600.00** (One Million Nine Hundred and Fifty Nine Thousand and Six Hundred Rand Only) **Vat incl.** for scoring the Third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

3.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 1 | D6 Bulldozer – Minimum with Chains (Wet Rate) | p/hr. | 1 680.00 |
| 2 | Establishment & De – establishment | each | 2 400.00 |

4. Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 3 and 4 – Water Truck and Establishment & De- Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** for the estimated amount of **R 21 620.00** (Twenty One Thousand Six Hundred and Twenty Rand Only) **Vat incl.** for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

4.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 3 | Water Truck (Wet Rate) | p/hr. | 420.00 |
| 4 | Establishment & De – establishment | Each | 2 000.00 |

5. That should **Aqua Plant & Transport (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 3 and 4 – Water Truck and Establishment & De- Establishment** be awarded to **Kukhulu Plant Hire (Pty) Ltd.** for the estimated amount of **R 28 462.50** (Twenty Eight Thousand Four Hundred and Sixty Two Rand and Fifty Cents Only) **Vat incl.** for scoring the Second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

5.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 3 | Water Truck (Wet Rate) | p/hr. | 495.00 |
| 4 | Establishment & De – establishment | Each | 4 950.00 |

6. That should **Kukhulu Plant Hire (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 3 and 4 – Water Truck and Establishment & De- Establishment** be awarded to **Ekene Investments cc** for the estimated amount of **R 37 605.00** (Thirty Seven Thousand Six Hundred and Five Rand Only)**Vat incl.** for scoring the Third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

6.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 3 | Water Truck (Wet Rate) | p/hr. | 680.00 |
| 4 | Establishment & De – establishment | Each | 5 500.00 |

7. Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 5 and 6 – Tipper Truck Truck and Establishment & De-Establishment** be awarded to **Kukhulu Plant Hire (Pty) Ltd.** for the estimated amount of **R 50 197.50** (Fifty Thousand One Hundred and Ninety Seven Rand and Fifty Cents only) **Vat incl.** for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

7.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 5 | Tipper Truck (Wet Rate) | p/hr. | 645.00 |
| 6 | Establishment & De – establishment | each | 5 950.00 |

8. That should **Kukhulu Plant Hire (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 5 and 6 – Tipper Truck Truck and Establishment & De- Establishment** be awarded to **Ekene Investments cc** for the estimated amount of **R 48 898.00** (Forty Eight Thousand Eight Hundred and Ninety Eight Rand Only) **Vat incl.** for scoring the Second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

8.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 5 | Tipper Truck (Wet Rate) | p/hr. | 617.00 |
| 6 | Establishment & De – establishment | each | 5 500.00 |

9. That should **Ekene Investments cc** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 5 and 6 – Tipper Truck Truck and Establishment & De-Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** for the estimated amount of **R 56 810.00** (Fifty Sic Thousand Eight Hundred and Ten Rand Only) **Vat incl.** for scoring the Third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

9.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 5 | Tipper Truck (Wet Rate) | p/hr. | 790.00 |
| 6 | Establishment & De – establishment | each | 2 000.00 |

10. Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 7 and 8 – Excavator and Establishment & De- Establishment** be awarded to **Kukhulu Plant Hire (Pty) Ltd.** for the estimated amount of **R 68 080.00** (Sixty Eight Thousand and Eighty Rand Only ) **Vat incl.** for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

10.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 7 | Excavator (Wet Rate) | p/hr. | 995.00 |
| 8 | Establishment & De – establishment | each | 9 450.00 |

**11.** That should **Kukhulu Plant Hire (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 7 and 8 – Excavator and Establishment & De- Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** for the estimated amount of **R 77 050.00** (Seventy Seven Thousand and Fifty Rand Only) **Vat incl.** for scoring the Second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

11.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 7 | Excavator (Wet Rate) | p/hr. | 980.00 |
| 8 | Establishment & De – establishment | each | 18 000.00 |

**12.** That should **Aqua Plant & Transport (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 7 and 8 – Excavator and Establishment & De- Establishment** be awarded to **Ekene Investments cc** for the estimated amount of **R 78 660.00** (Seventy Eight Thousand Six Hundred and Sixty Rand Only) **Vat incl.** for scoring the Third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

12.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 7 | Excavator (Wet Rate) | p/hr. | 998.00 |
| 8 | Establishment & De – establishment | each | 18 500.00 |

13. Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 9 and 10 – Grader and Establishment & De- Establishment** be awarded to **Kukhulu Plant Hire (Pty) Ltd.** for the estimated amount of **R 56 637.50** (Fifty Six Thousand Six Hundred and Thirty Seven Rand Only) **Vat incl.** for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

13.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 9 | Grader (Wet Rate) | p/hr. | 995.00 |
| 10 | Establishment & De – establishment | each | 9 450.00 |

14. That should **Kukhulu Plant Hire (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 9 and 10 – Grader and Establishment & De- Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** for the estimated amount of **R 69 000.00** (Sixty Nine Thousand Rand Only) **Vat incl.** for scoring the Second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

14.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 9 | Grader (Wet Rate) | p/hr. | 980.00 |
| 10 | Establishment & De – establishment | each | 18 000.00 |

15. That should **Aqua Plant & Transport (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 9 and 10 – Grader and Establishment & De- Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** be awarded to **Ekene Investments cc** for the estimated amount of **R 76 958.00** (Seventy Six Thousand Nine Hundred and Fifty Eight Rand Only) **Vat incl.** for scoring the Third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

15.1 The award is based on the following rates:

| ITEM No, | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 9 | Grader (Wet Rate) | p/hr. | 1 298.00 |
| 10 | Establishment & De – establishment | each | 15 000.00 |

16. Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 11 and 12 – 4x4 Digger Loader and Establishment & De- Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** for the estimated amount of **R 256 220.00** (Two Hundred Fifty Six Thousand Two Hundred and Twenty Rand Only) **Vat incl.** for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

16.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 11 | 4x4 Digger Loader (Wet Rate) | p/hr. | 495.00 |
| 12 | Establishment & De – establishment | each | 5 000.00 |

**17.** That should **Aqua Plant & Transport (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No : **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 11 and 12 – 4x4 Digger Loader and Establishment & De- Establishment** be awarded to **Kukhulu Plant Hire (Pty) Ltd.** for the estimated amount of **R 274 792.50** (Two Hundred and Seventy Four Thousand Seven Hundred and Ninety Two Rand and Fifty Cents Only) **Vat incl.** for scoring the Second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

17.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 11 | 4x4 Digger Loader (Wet Rate) | p/hr. | 525.00 |
| 12 | Establishment & De – establishment | each | 7 950.00 |

**18.** That should **Kukhulu Plant Hire (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 11 and 12 – 4x4 Digger Loader and Establishment & De-Establishment** be awarded to **Ekene Investments cc** for the estimated amount of **R 317 055.00** (Three Hundred and Seventeen Thousand and Fifty Five Rand Only ) **Vat incl.** for scoring the Third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

18.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 11 | 4x4 Digger Loader (Wet Rate) | p/hr. | 605.00 |
| 12 | Establishment & De – establishment | each | 9 500.00 |

19. The award is subject to the availability of funds.

20. Addendum/SLA be entered between the Municipality and the recommended tender.

21. The register for Tender Defaulters and the Database of Restricted Suppliers have been checked via National Treasury's website and found that the tenderers is not listed.

22. None of the tenderers directors / trustees / members / shareholders of the suppliers are linked to any state entity, as checked and verified on the Central Supplier Database (CSD). Proof thereof attached.

23. The tenderers Tax Clearance Certificates was verified on the website of SARS and was found to be active. Proof thereof attached.

24. The tenderers are registered on the municipality's database of prospective providers. Proof thereof attached.

25. The tenderers are registered on the Central Supplier Database (CSD). Proof thereof attached.

26. The BVA numbers of the suppliers in terms of their B-BBEE certificate was verified on the website SANAS and the verification agency was found to be accredited.

**7. RECOMMENDATION BY BID EVALUATION COMMITTEE 21 JANUARY 2025:**

Bid Evaluation Committee confirm-s that the tenders complies with the Supply Chain Management Regulations and recommends that:

1. Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 1 and 2 – D6 Bulldozer and Establishment & De- Establishment** be awarded to **Kukhulu Plant Hire (Pty) Ltd.** for the estimated amount of **R 1,385,117.50** (One Million Three Hundred Eighty Five Thousand One Hundred and Seventeen Rand and Fifty Cents Only ) **Vat incl.** for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

1.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 1 | D6 Bulldozer – Minimum with Chains (Wet Rate) | p/hr. | 1 195.00 |
| 2 | Establishment & De – establishment | each | 10 450.00 |

2. That should **Kukhulu Plant Hire (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 1 and 2 – D6 Bulldozer and Establishment & De- Establishment** be awarded to **Ekene Investments cc** for the estimated amount of **R 1 729 025.00** (One Million Seven Hundred and Twenty Nine Thousand and Twenty Five Rand Only) **Vat incl.** for scoring the Second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

2.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 1 | D6 Bulldozer – Minimum with Chains (Wet Rate) | p/hr. | 1 485.00 |
| 2 | Establishment & De – establishment | each | 18 500.00 |

3. That should **Ekene Investments cc** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 1 and 2 – D6 Bulldozer and Establishment & De- Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** for the estimated amount of **R 1 959 600.00** (One Million Nine Hundred and Fifty Nine Thousand and Six Hundred Rand Only) **Vat incl.** for scoring the Third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

3.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 1 | D6 Bulldozer – Minimum with Chains (Wet Rate) | p/hr. | 1 680.00 |
| 2 | Establishment & De – establishment | each | 2 400.00 |

4. Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 3 and 4 – Water Truck and Establishment & De- Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** for the estimated amount of **R 21 620.00** (Twenty One Thousand Six Hundred and Twenty Rand Only) **Vat incl.** for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

4.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 3 | Water Truck (Wet Rate) | p/hr. | 420.00 |
| 4 | Establishment & De – establishment | Each | 3 000.00 |

5. That should **Aqua Plant & Transport (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 3 and 4 – Water Truck and Establishment & De- Establishment** be awarded to **Kukhulu Plant Hire (Pty) Ltd.** for the estimated amount of **R 28 462.50** (Twenty Eight Thousand Four Hundred and Sixty Two Rand and Fifty Cents Only) **Vat incl.** for scoring the Second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

5.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 3 | Water Truck (Wet Rate) | p/hr. | 495.00 |
| 4 | Establishment & De – establishment | Each | 4 950.00 |

6. That should **Kukhulu Plant Hire (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 3 and 4 – Water Truck and Establishment & De- Establishment** be awarded to **Ekene Investments cc** for the estimated amount of **R 37 605.00** (Thirty Seven Thousand Six Hundred and Five Rand Only)**Vat incl.** for scoring the Third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

6.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 3 | Water Truck (Wet Rate) | p/hr. | 680.00 |
| 4 | Establishment & De – establishment | Each | 6 500.00 |

7. Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 5 and 6 – Tipper Truck Truck and Establishment & De-Establishment** be awarded to **Kukhulu Plant Hire (Pty) Ltd.** for the estimated amount of **R 50 197.50** (Fifty Thousand One Hundred and Ninety Seven Rand and Fifty Cents only) **Vat incl.** for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

7.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 5 | Tipper Truck (Wet Rate) | p/hr. | 645.00 |
| 6 | Establishment & De – establishment | each | 6 950.00 |

8. That should **Kukhulu Plant Hire (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 5 and 6 – Tipper Truck Truck and Establishment & De- Establishment** be awarded to **Ekene Investments cc** for the estimated amount of **R 48 898.00** (Forty Eight Thousand Eight Hundred and Ninety Eight Rand Only) **Vat incl.** for scoring the Second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

8.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 5 | Tipper Truck (Wet Rate) | p/hr. | 617.00 |
| 6 | Establishment & De – establishment | each | 5 500.00 |

9. That should **Ekene Investments cc** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 5 and 6 – Tipper Truck Truck and Establishment & De-Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** for the estimated amount of **R 56 810.00** (Fifty Sic Thousand Eight Hundred and Ten Rand Only) **Vat incl.** for scoring the Third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

9.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 5 | Tipper Truck (Wet Rate) | p/hr. | 790.00 |
| 6 | Establishment & De – establishment | each | 3 000.00 |

10. Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 7 and 8 – Excavator and Establishment & De- Establishment** be awarded to **Kukhulu Plant Hire (Pty) Ltd.** for the estimated amount of **R 68 080.00** (Sixty Eight Thousand and Eighty Rand Only ) **Vat incl.** for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

10.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 7 | Excavator (Wet Rate) | p/hr. | 995.00 |
| 8 | Establishment & De – establishment | each | 9 450.00 |

**11.** That should **Kukhulu Plant Hire (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 7 and 8 – Excavator and Establishment & De- Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** for the estimated amount of **R 77 050.00** (Seventy Seven Thousand and Fifty Rand Only) **Vat incl.** for scoring the Second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

11.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 7 | Excavator (Wet Rate) | p/hr. | 980.00 |
| 8 | Establishment & De – establishment | each | 19 000.00 |

**12.** That should **Aqua Plant & Transport (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 7 and 8 – Excavator and Establishment & De- Establishment** be awarded to **Ekene Investments cc** for the estimated amount of **R 78 660.00** (Seventy Eight Thousand Six Hundred and Sixty Rand Only) **Vat incl.** for scoring the Third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

12.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 7 | Excavator (Wet Rate) | p/hr. | 998.00 |
| 8 | Establishment & De – establishment | each | 18 500.00 |

13. Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDO LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 9 and 10 – Grader and Establishment & De- Establishment** be awarded to **Kukhulu Plant Hire (Pty) Ltd.** for the estimated amount of **R 56 637.50** (Fifty Six Thousand Six Hundred and Thirty Seven Rand Only) **Vat incl.** for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

13.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 9 | Grader (Wet Rate) | p/hr. | 995.00 |
| 10 | Establishment & De – establishment | each | 9 450.00 |

**14.** That should **Kukhulu Plant Hire (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 9 and 10 – Grader and Establishment & De- Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** for the estimated amount of **R 69 000.00** (Sixty Nine Thousand Rand Only) **Vat incl.** for scoring the Second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

14.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 9 | Grader (Wet Rate) | p/hr. | 980.00 |
| 10 | Establishment & De – establishment | each | 18 000.00 |

**15.** That should **Aqua Plant & Transport (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 9 and 10 – Grader and Establishment & De- Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** be awarded to **Ekene Investments cc** for the estimated amount of **R 76 958.00** (Seventy Six Thousand Nine Hundred and Fifty Eight Rand Only) **Vat incl.** for scoring the Third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

15.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 9 | Grader (Wet Rate) | p/hr. | 1 298.00 |
| 10 | Establishment & De – establishment | each | 15 000.00 |

16. Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 11 and 12 – 4x4 Digger Loader and Establishment & De- Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** for the estimated amount of **R 256 220.00** (Two Hundred Fifty Six Thousand Two Hundred and Twenty Rand Only) **Vat incl.** for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

16.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 11 | 4x4 Digger Loader (Wet Rate) | p/hr. | 495.00 |
| 12 | Establishment & De – establishment | each | 6 000.00 |

17. That should **Aqua Plant & Transport (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No : **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 11 and 12 – 4x4 Digger Loader and Establishment & De- Establishment** be awarded to **Kukhulu Plant Hire (Pty) Ltd.** for the estimated amount of **R 274 792.50** (Two Hundred and Seventy Four Thousand Seven Hundred and Ninety Two Rand and Fifty Cents Only) **Vat incl.** for scoring the Second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

17.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 11 | 4x4 Digger Loader (Wet Rate) | p/hr. | 525.00 |
| 12 | Establishment & De – establishment | each | 7 950.00 |

18. That should **Kukhulu Plant Hire (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMEN FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 11 and 12 – 4x4 Digger Loader and Establishment & De-Establishment** be awarded to **Ekene Investments cc** for the estimated amount of **R 317 055.00** (Three Hundred and Seventeen Thousand and Fifty Five Rand Only ) **Vat incl.** for scoring the Third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

18.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 11 | 4x4 Digger Loader (Wet Rate) | p/hr. | 605.00 |
| 12 | Establishment & De – establishment | each | 9 500.00 |

19. The award is subject to the availability of funds.

20. Addendum/SLA be entered between the Municipality and the recommended tender.

21. The register for Tender Defaulters and the Database of Restricted Suppliers have been checked via National Treasury's website and found that the tenderers is not listed.

22. None of the tenderers directors / trustees / members / shareholders of the suppliers are linked to any state entity, as checked and verified on the Central Supplier Database (CSD). Proof thereof attached.

23. The tenderers Tax Clearance Certificates was verified on the website of SARS and was found to be active. Proof thereof attached.

24. The tenderers are registered on the municipality's database of prospective providers. Proof thereof attached.

25. The tenderers are registered on the Central Supplier Database (CSD). Proof thereof attached.

26. The BVA numbers of the suppliers in terms of their B-BBEE certificate was verified on the website SANAS and the verification agency was found to be accredited.

**8. RECOMMENDATION BY END-USER AND SCM ON 29 JANUARY 2025:**

Considering the extension of validity End-User and SCM confirms that the tenders comply with the Supply Chain Management Regulations and recommends that:

1. Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 1 and 2 – D6 Bulldozer and Establishment & De- Establishment** be awarded to **Kukhulu Plant Hire (Pty) Ltd.** for the estimated amount of **R 1,385,117.50** (One Million Three Hundred Eighty Five Thousand One Hundred and Seventeen Rand and Fifty Cents Only ) **Vat incl.** for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

1.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 1 | D6 Bulldozer – Minimum with Chains (Wet Rate) | p/hr. | 1 195.00 |
| 2 | Establishment & De – establishment | each | 11 450.00 |

2. That should **Kukhulu Plant Hire (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 1 and 2 – D6 Bulldozer and Establishment & De- Establishment** be awarded to **Ekene Investments cc** for the estimated amount of **R 1 729 025.00** (One Million Seven Hundred and Twenty Nine Thousand and Twenty Five Rand Only) **Vat incl.** for scoring the Second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

2.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 1 | D6 Bulldozer – Minimum with Chains (Wet Rate) | p/hr. | 1 485.00 |
| 2 | Establishment & De – establishment | each | 18 500.00 |

3. That should **Ekene Investments cc** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 1 and 2 – D6 Bulldozer and Establishment & De- Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** for the estimated amount of **R 1 959 600.00** (One Million Nine Hundred and Fifty Nine Thousand and Six Hundred Rand Only) **Vat incl.** for scoring the Third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

3.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 1 | D6 Bulldozer – Minimum with Chains (Wet Rate) | p/hr. | 1 680.00 |
| 2 | Establishment & De – establishment | each | 2 400.00 |

4. Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 3 and 4 – Water Truck and Establishment & De- Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** for the estimated amount of **R 21 620.00** (Twenty One Thousand Six Hundred and Twenty Rand Only) **Vat incl.** for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

4.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 3 | Water Truck (Wet Rate) | p/hr. | 420.00 |
| 4 | Establishment & De – establishment | Each | 4 000.00 |

5. That should **Aqua Plant & Transport (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 3 and 4 – Water Truck and Establishmen & De- Establishment** be awarded to **Kukhulu Plant Hire (Pty) Ltd.** for the estimated amount of **R 28 462.50** (Twenty Eight Thousand Four Hundred and Sixty Two Rand and Fifty Cents Only) **Vat incl.** for scoring the Second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

5.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 3 | Water Truck (Wet Rate) | p/hr. | 495.00 |
| 4 | Establishment & De – establishment | Each | 4 950.00 |

6. That should **Kukhulu Plant Hire (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 3 and 4 – Water Truck and Establishmen & De- Establishment** be awarded to **Ekene Investments cc** for the estimated amount of **R 37 605.00** (Thirty Seven Thousand Six Hundred and Five Rand Only)**Vat incl.** for scoring the Third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

6.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 3 | Water Truck (Wet Rate) | p/hr. | 680.00 |
| 4 | Establishment & De – establishment | Each | 7 500.00 |

7. Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 5 and 6 – Tipper Truck Truck and Establishment & De-Establishment** be awarded to **Kukhulu Plant Hire (Pty) Ltd.** for the estimated amount of **R 50 197.50** (Fifty Thousand One Hundred and Ninety Seven Rand and Fifty Cents only) **Vat incl.** for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

7.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 5 | Tipper Truck (Wet Rate) | p/hr. | 645.00 |
| 6 | Establishment & De – establishment | each | 7 950.00 |

8. That should **Kukhulu Plant Hire (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 5 and 6 – Tipper Truck Truck and Establishment & De- Establishment** be awarded to **Ekene Investments cc** for the estimated amount of **R 48 898.00** (Forty Eight Thousand Eight Hundred and Ninety Eight Rand Only) **Vat incl.** for scoring the Second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

8.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 5 | Tipper Truck (Wet Rate) | p/hr. | 617.00 |
| 6 | Establishment & De – establishment | each | 5 500.00 |

9. That should **Ekene Investments cc** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 5 and 6 – Tipper Truck Truck and Establishment & De-Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** for the estimated amount of **R 56 810.00** (Fifty Sic Thousand Eight Hundred and Ten Rand Only) **Vat incl.** for scoring the Third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

9.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 5 | Tipper Truck (Wet Rate) | p/hr. | 790.00 |
| 6 | Establishment & De – establishment | each | 4 000.00 |

10. Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 7 and 8 – Excavator and Establishment & De- Establishment** be awarded to **Kukhulu Plant Hire (Pty) Ltd.** for the estimated amount of **R 68 080.00** (Sixty Eight Thousand and Eighty Rand Only ) **Vat incl.** for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

10.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 7 | Excavator (Wet Rate) | p/hr. | 995.00 |
| 8 | Establishment & De – establishment | each | 9 450.00 |

11. That should **Kukhulu Plant Hire (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 7 and 8 – Excavator and Establishment & De- Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** for the estimated amount of **R 77 050.00** (Seventy Seven Thousand and Fifty Rand Only) **Vat incl.** for scoring the Second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

11.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 7 | Excavator (Wet Rate) | p/hr. | 980.00 |
| 8 | Establishment & De – establishment | each | 20 000.00 |

12. That should **Aqua Plant & Transport (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 7 and 8 – Excavator and Establishment & De- Establishment** be awarded to **Ekene Investments cc** for the estimated amount of **R 78 660.00** (Seventy Eight Thousand Six Hundred and Sixty Rand Only) **Vat incl.** for scoring the Third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

12.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 7 | Excavator (Wet Rate) | p/hr. | 998.00 |
| 8 | Establishment & De – establishment | each | 18 500.00 |

13. Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 9 and 10 – Grader and Establishment & De- Establishment** be awarded to **Kukhulu Plant Hire (Pty) Ltd.** for the estimated amount of **R 56 637.50** (Fifty Six Thousand Six Hundred and Thirty Seven Rand Only) **Vat incl.** for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

13.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 9 | Grader (Wet Rate) | p/hr. | 995.00 |
| 10 | Establishment & De – establishment | each | 9 450.00 |

**14.** That should **Kukhulu Plant Hire (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 9 and 10 – Grader and Establishment & De- Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** for the estimated amount of **R 69 000.00** (Sixty Nine Thousand Rand Only) **Vat incl.** for scoring the Second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

14.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 9 | Grader (Wet Rate) | p/hr. | 980.00 |
| 10 | Establishment & De – establishment | each | 18 000.00 |

**15.** That should **Aqua Plant & Transport (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 9 and 10 – Grader and Establishment & De- Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** be awarded to **Ekene Investments cc** for the estimated amount of **R 76 958.00** (Seventy Six Thousand Nine Hundred and Fifty Eight Rand Only) **Vat incl.** for scoring the Third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

15.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 9 | Grader (Wet Rate) | p/hr. | 1 298.00 |
| 10 | Establishment & De – establishment | each | 15 000.00 |

16. Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 11 and 12 – 4x4 Digger Loader and Establishment & De- Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** for the estimated amount of **R 256 220.00** (Two Hundred Fifty Six Thousand Two Hundred and Twenty Rand Only) **Vat incl.** for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

16.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 11 | 4x4 Digger Loader (Wet Rate) | p/hr. | 495.00 |
| 12 | Establishment & De – establishment | each | 7 000.00 |

17. That should **Aqua Plant & Transport (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No : **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 11 and 12 – 4x4 Digger Loader and Establishment & De- Establishment** be awarded to **Kukhulu Plant Hire (Pty) Ltd.** for the estimated amount of **R 274 792.50** (Two Hundred and Seventy Four Thousand Seven Hundred and Ninety Two Rand and Fifty Cents Only) **Vat incl.** for scoring the Second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

17.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 11 | 4x4 Digger Loader (Wet Rate) | p/hr. | 525.00 |
| 12 | Establishment & De – establishment | each | 7 950.00 |

18. That should **Kukhulu Plant Hire (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 11 and 12 – 4x4 Digger Loader and Establishment & De-Establishment** be awarded to **Ekene Investments cc** for the estimated amount of **R 317 055.00** (Three Hundred and Seventeen Thousand and Fifty Five Rand Only ) **Vat incl.** for scoring the Third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

18.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 11 | 4x4 Digger Loader (Wet Rate) | p/hr. | 605.00 |
| 12 | Establishment & De – establishment | each | 9 500.00 |

19. The award is subject to the availability of funds.

20. Addendum/SLA be entered between the Municipality and the recommended tender.

21. The register for Tender Defaulters and the Database of Restricted Suppliers have been checked via National Treasury's website and found that the tenderers is not listed.

22. None of the tenderers directors / trustees / members / shareholders of the suppliers are linked to any state entity, as checked and verified on the Central Supplier Database (CSD). Proof thereof attached.

23. The tenderers Tax Clearance Certificates was verified on the website of SARS and was found to be active. Proof thereof attached.

24. The tenderers are registered on the municipality's database of prospective providers. Proof thereof attached.

25. The tenderers are registered on the Central Supplier Database (CSD). Proof thereof attached.

26. The BVA numbers of the suppliers in terms of their B-BBEE certificate was verified on the website SANAS and the verification agency was found to be accredited.

**9.RECOMMENDATION BY BID EVALUATION COMMITTEE 29 JANUARY 2025:**

Bid Evaluation Committee confirm-s that the tenders complies with the Supply Chain Management Regulations and recommends that:

1. Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 1 and 2 – D6 Bulldozer and Establishment & De- Establishment** be awarded to **Kukhulu Plant Hire (Pty) Ltd.** for the estimated amount of **R 1,385,117.50** (One Million Three Hundred Eighty Five Thousand One Hundred and Seventeen Rand and Fifty Cents Only ) **Vat Incl.** for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

1.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 1 | D6 Bulldozer – Minimum with Chains (Wet Rate) | p/hr. | 1 195.00 |
| 2 | Establishment & De – establishment | each | 12 450.00 |

2. That should **Kukhulu Plant Hire (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 1 and 2 – D6 Bulldozer and Establishment & De- Establishment** be awarded to **Ekene Investments cc** for the estimated amount of **R 1 729 025.00** (One Million Seven Hundred and Twenty Nine Thousand and Twenty Five Rand Only) **Vat incl.** for scoring the Second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

2.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 1 | D6 Bulldozer – Minimum with Chains (Wet Rate) | p/hr. | 1 485.00 |
| 2 | Establishment & De – establishment | each | 18 500.00 |

3. That should **Ekene Investments cc** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 1 and 2 – D6 Bulldozer and Establishment & De- Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** for the estimated amount of **R 1 959 600.00** (One Million Nine Hundred and Fifty Nine Thousand and Six Hundred Rand Only) **Vat incl.** for scoring the Third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

3.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 1 | D6 Bulldozer – Minimum with Chains (Wet Rate) | p/hr. | 1 680.00 |
| 2 | Establishment & De – establishment | each | 2 400.00 |

4. Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 3 and 4 – Water Truck and Establishment & De- Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** for the estimated amount of **R 21 620.00** (Twenty One Thousand Six Hundred and Twenty Rand Only) **Vat incl.** for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

4.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 3 | Water Truck (Wet Rate) | p/hr. | 420.00 |
| 4 | Establishment & De – establishment | Each | 5 000.00 |

5. That should **Aqua Plant & Transport (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 3 and 4 – Water Truck and Establishment & De- Establishment** be awarded to **Kukhulu Plant Hire (Pty) Ltd.** for the estimated amount of **R 28 462.50** (Twenty Eight Thousand Four Hundred and Sixty Two Rand and Fifty Cents Only) **Vat incl.** for scoring the Second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

5.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 3 | Water Truck (Wet Rate) | p/hr. | 495.00 |
| 4 | Establishment & De – establishment | Each | 4 950.00 |

6. That should **Kukhulu Plant Hire (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 3 and 4 – Water Truck and Establishment & De- Establishment** be awarded to **Ekene Investments cc** for the estimated amount of **R 37 605.00** (Thirty Seven Thousand Six Hundred and Five Rand Only)**Vat incl.** for scoring the Third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

6.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 3 | Water Truck (Wet Rate) | p/hr. | 680.00 |
| 4 | Establishment & De – establishment | Each | 8 500.00 |

7. Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 5 and 6 – Tipper Truck Truck and Establishment & De-Establishment** be awarded to **Kukhulu Plant Hire (Pty) Ltd.** for the estimated amount of **R 50 197.50** (Fifty Thousand One Hundred and Ninety Seven Rand and Fifty Cents only) **Vat incl.** for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

7.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 5 | Tipper Truck (Wet Rate) | p/hr. | 645.00 |
| 6 | Establishment & De – establishment | each | 8 950.00 |

8. That should **Kukhulu Plant Hire (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 5 and 6 – Tipper Truck Truck and Establishment & De- Establishment** be awarded to **Ekene Investments cc** for the estimated amount of **R 48 898.00** (Forty Eight Thousand Eight Hundred and Ninety Eight Rand Only) **Vat incl.** for scoring the Second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

8.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 5 | Tipper Truck (Wet Rate) | p/hr. | 617.00 |
| 6 | Establishment & De – establishment | each | 5 500.00 |

9. That should **Ekene Investments cc** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 5 and 6 – Tipper Truck Truck and Establishment & De-Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** for the estimated amount of **R 56 810.00** (Fifty Sic Thousand Eight Hundred and Ten Rand Only) **Vat incl.** for scoring the Third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

9.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 5 | Tipper Truck (Wet Rate) | p/hr. | 790.00 |
| 6 | Establishment & De – establishment | each | 5 000.00 |

10. Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 7 and 8 – Excavator and Establishment & De- Establishment** be awarded to **Kukhulu Plant Hire (Pty) Ltd.** for the estimated amount of **R 68 080.00** (Sixty Eight Thousand and Eighty Rand Only ) **Vat incl.** for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

10.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 7 | Excavator (Wet Rate) | p/hr. | 995.00 |
| 8 | Establishment & De – establishment | each | 9 450.00 |

11. That should **Kukhulu Plant Hire (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 7 and 8 – Excavator and Establishment & De- Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** for the estimated amount of **R 77 050.00** (Seventy Seven Thousand and Fifty Rand Only) **Vat incl.** for scoring the Second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

11.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 7 | Excavator (Wet Rate) | p/hr. | 980.00 |
| 8 | Establishment & De – establishment | each | 21 000.00 |

12. That should **Aqua Plant & Transport (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 7 and 8 – Excavator and Establishment & De- Establishment** be awarded to **Ekene Investments cc** for the estimated amount of **R 78 660.00** (Seventy Eight Thousand Six Hundred and Sixty Rand Only) **Vat incl.** for scoring the Third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

12.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 7 | Excavator (Wet Rate) | p/hr. | 998.00 |
| 8 | Establishment & De – establishment | each | 18 500.00 |

13. Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 9 and 10 – Grader and Establishment & De- Establishment** be awarded to **Kukhulu Plant Hire (Pty) Ltd.** for the estimated amount of **R 56 637.50** (Fifty Six Thousand Six Hundred and Thirty Seven Rand Only) **Vat incl.** for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

13.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 9 | Grader (Wet Rate) | p/hr. | 995.00 |
| 10 | Establishment & De – establishment | each | 9 450.00 |

**14.** That should **Kukhulu Plant Hire (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 9 and 10 – Grader and Establishment & De- Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** for the estimated amount of **R 69 000.00** (Sixty Nine Thousand Rand Only) **Vat incl.** for scoring the Second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

14.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 9 | Grader (Wet Rate) | p/hr. | 980.00 |
| 10 | Establishment & De – establishment | each | 18 000.00 |

**15.** That should **Aqua Plant & Transport (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 9 and 10 – Grader and Establishment & De- Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** be awarded to **Ekene Investments cc** for the estimated amount of **R 76 958.00** (Seventy Six Thousand Nine Hundred and Fifty Eight Rand Only) **Vat incl.** for scoring the Third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

15.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 9 | Grader (Wet Rate) | p/hr. | 1 298.00 |
| 10 | Establishment & De – establishment | each | 15 000.00 |

16. Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** f **Item 11 and 12 – 4x4 Digger Loader and Establishment & De- Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** for the estimated amount of **R 256 220.00** (Two Hundred Fifty Six Thousand Two Hundred and Twenty Rand Only) **Vat incl.** for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

16.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 11 | 4x4 Digger Loader (Wet Rate) | p/hr. | 495.00 |
| 12 | Establishment & De – establishment | each | 8 000.00 |

17. That should **Aqua Plant & Transport (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No : **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 11 and 12 – 4x4 Digger Loader and Establishment & De- Establishment** be awarded to **Kukhulu Plant Hire (Pty) Ltd.** for the estimated amount of **R 274 792.50** (Two Hundred and Seventy Four Thousand Seven Hundred and Ninety Two Rand and Fifty Cents Only) **Vat incl.** for scoring the Second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

17.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 11 | 4x4 Digger Loader (Wet Rate) | p/hr. | 525.00 |
| 12 | Establishment & De – establishment | each | 7 950.00 |

18. That should **Kukhulu Plant Hire (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 11 and 12 – 4x4 Digger Loader and Establishment & De-Establishment** be awarded to **Ekene Investments cc** for the estimated amount of **R 317 055.00** (Three Hundred and Seventeen Thousand and Fifty Five Rand Only ) **Vat incl.** for scoring the Third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

18.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 11 | 4x4 Digger Loader (Wet Rate) | p/hr. | 605.00 |
| 12 | Establishment & De – establishment | each | 9 500.00 |

19. The award is subject to the availability of funds.

20. Addendum/SLA be entered between the Municipality and the recommended tender.

21. The register for Tender Defaulters and the Database of Restricted Suppliers have been checked via National Treasury's website and found that the tenderers is not listed.

22. None of the tenderers directors / trustees / members / shareholders of the suppliers are linked to any state entity, as checked and verified on the Central Supplier Database (CSD). Proof thereof attached.

23. The tenderers Tax Clearance Certificates was verified on the website of SARS and was found to be active. Proof thereof attached.

24. The tenderers are registered on the municipality's database of prospective providers. Proof thereof attached.

25. The tenderers are registered on the Central Supplier Database (CSD). Proof thereof attached.

26. The BVA numbers of the suppliers in terms of their B-BBEE certificate was verified on the website SANAS and the verification agency was found to be accredited.

**10. CONCERNS RAISED**

W Solomons-Johannes

I have a concern for the recommendation of Aqua Plant & Transport (Pty) Ltd. a Municipality has served default notices of termination to them on August 2022, end of August 2022 and October 2022 and that is not in the BAC Report.

N La Grange

I think it was not taken further to the National Treasury website it is they responsibility for having it listed for a supplier who is not performing. We only have evidence the Municipality had, we didn't have any external evidence to back up the suggestion not to include Aqua Plant & Transport (Pty) Ltd.

H Matthee

This tender has been coming a long time, I give my assurance that we will manage it from the performance of the service provider.

W Solomons-Johannes

If they underperform, remember they have a site in Phillipy Cape Town , we give them notice if they do not respond we move to the next recommended bidder.

**10. RECOMMENDATION BY BID ADJUDICATION COMMITTEE 06 FEBRUARY 2025:**

After the chairman had given the Bid Adjudication Committee an opportunity to thoroughly discuss the agenda item, and proposed by Mr. H Matthee and seconded by Mr. GW Hermanus, it was recommended to the Municipal Manager:

1. Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 1 and 2 – D6 Bulldozer and Establishment & De- Establishment** be awarded to **Kukhulu Plant Hire (Pty) Ltd.** for the estimated amount of **R 1,385,117.50** (One Million Three Hundred Eighty Five Thousand One Hundred and Seventeen Rand and Fifty Cents Only ) **Vat Incl.** for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

1.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl |
|---|---|---|---|
| 1 | D6 Bulldozer – Minimum with Chains (Wet Rate) | p/hr. | 1 195.00 |
| 2 | Establishment & De – establishment | each | 13 450.00 |

2. That should **Kukhulu Plant Hire (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 1 and 2 – D6 Bulldozer and Establishment & De- Establishment** be awarded to **Ekene Investments cc** for the estimated amount of **R 1 729 025.00** (One Million Seven Hundred and Twenty Nine Thousand and Twenty Five Rand Only) **Vat incl.** for scoring the Second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

2.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 1 | D6 Bulldozer – Minimum with Chains (Wet Rate) | p/hr. | 1 485.00 |
| 2 | Establishment & De – establishment | each | 18 500.00 |

3. That should **Ekene Investments cc** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 1 and 2 – D6 Bulldozer and Establishment & De- Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** for the estimated amount of **R 1 959 600.00** (One Million Nine Hundred and Fifty Nine Thousand and Six Hundred Rand Only) **Vat incl.** for scoring the Third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

3.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 1 | D6 Bulldozer – Minimum with Chains (Wet Rate) | p/hr. | 1 680.00 |
| 2 | Establishment & De – establishment | each | 2 400.00 |

4. Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 3 and 4 – Water Truck and Establishment & De- Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** for the estimated amount of **R 21 620.00** (Twenty One Thousand Six Hundred and Twenty Rand Only) **Vat incl.** for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

4.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 3 | Water Truck (Wet Rate) | p/hr. | 420.00 |
| 4 | Establishment & De – establishment | Each | 6 000.00 |

5. That should **Aqua Plant & Transport (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 3 and 4 – Water Truck and Establishment & De- Establishment** be awarded to **Kukhulu Plant Hire (Pty) Ltd.** for the estimated amount of **R 28 462.50** (Twenty Eight Thousand Four Hundred and Sixty Two Rand and Fifty Cents Only) **Vat incl.** for scoring the Second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

5.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 3 | Water Truck (Wet Rate) | p/hr. | 495.00 |
| 4 | Establishment & De – establishment | Each | 4 950.00 |

6. That should **Kukhulu Plant Hire (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 3 and 4 – Water Truck and Establishment & De- Establishment** be awarded to **Ekene Investments cc** for the estimated amount of **R 37 605.00** (Thirty Seven Thousand Six Hundred and Five Rand Only)**Vat incl.** for scoring the Third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

6.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 3 | Water Truck (Wet Rate) | p/hr. | 680.00 |
| 4 | Establishment & De – establishment | Each | 9 500.00 |

7. Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 5 and 6 – Tipper Truck Truck and Establishment & De-Establishment** be awarded to **Kukhulu Plant Hire (Pty) Ltd.** for the estimated amount of **R 50 197.50** (Fifty Thousand One Hundred and Ninety Seven Rand and Fifty Cents only) **Vat incl.** for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

7.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 5 | Tipper Truck (Wet Rate) | p/hr. | 645.00 |
| 6 | Establishment & De – establishment | each | 9 950.00 |

8. That should **Kukhulu Plant Hire (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 5 and 6 – Tipper Truck Truck and Establishment & De- Establishment** be awarded to **Ekene Investments cc** for the estimated amount of **R 48 898.00** (Forty Eight Thousand Eight Hundred and Ninety Eight Rand Only) **Vat incl.** for scoring the Second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

8.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 5 | Tipper Truck (Wet Rate) | p/hr. | 617.00 |
| 6 | Establishment & De – establishment | each | 5 500.00 |

9. That should **Ekene Investments cc** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 5 and 6 – Tipper Truck Truck and Establishment & De-Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** for the estimated amount of **R 56 810.00** (Fifty Sic Thousand Eight Hundred and Ten Rand Only) **Vat incl.** for scoring the Third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

9.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 5 | Tipper Truck (Wet Rate) | p/hr. | 790.00 |
| 6 | Establishment & De – establishment | each | 6 000.00 |

10. Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 7 and 8 – Excavator and Establishment & De- Establishment** be awarded to **Kukhulu Plant Hire (Pty) Ltd.** for the estimated amount of **R 68 080.00** (Sixty Eight Thousand and Eighty Rand Only ) **Vat incl.** for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

10.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 7 | Excavator (Wet Rate) | p/hr. | 995.00 |
| 8 | Establishment & De – establishment | each | 9 450.00 |

**11.** That should **Kukhulu Plant Hire (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 7 and 8 – Excavator and Establishment & De- Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** for the estimated amount of **R 77 050.00** (Seventy Seven Thousand and Fifty Rand Only) **Vat incl.** for scoring the Second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

11.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 7 | Excavator (Wet Rate) | p/hr. | 980.00 |
| 8 | Establishment & De – establishment | each | 22 000.00 |

**12.** That should **Aqua Plant & Transport (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 7 and 8 – Excavator and Establishment & De- Establishment** be awarded to **Ekene Investments cc** for the estimated amount of **R 78 660.00** (Seventy Eight Thousand Six Hundred and Sixty Rand Only) **Vat incl.** for scoring the Third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

12.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 7 | Excavator (Wet Rate) | p/hr. | 998.00 |
| 8 | Establishment & De – establishment | each | 18 500.00 |

13. Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDC LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 9 and 10 – Grader and Establishment & De- Establishment** be awarded to **Kukhulu Plant Hire (Pty) Ltd.** for the estimated amount of **R 56 637.50** (Fifty Six Thousand Six Hundred and Thirty Seven Rand Only) **Vat incl.** for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

13.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 9 | Grader (Wet Rate) | p/hr. | 995.00 |
| 10 | Establishment & De – establishment | each | 9 450.00 |

14. That should **Kukhulu Plant Hire (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 9 and 10 – Grader and Establishment & De- Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** for the estimated amount of **R 69 000.00** (Sixty Nine Thousand Rand Only) **Vat incl.** for scoring the Second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

14.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 9 | Grader (Wet Rate) | p/hr. | 980.00 |
| 10 | Establishment & De – establishment | each | 18 000.00 |

15. That should **Aqua Plant & Transport (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 9 and 10 – Grader and Establishment & De- Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** be awarded to **Ekene Investments cc** for the estimated amount of **R 76 958.00** (Seventy Six Thousand Nine Hundred and Fifty Eight Rand Only) **Vat incl.** for scoring the Third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

15.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 9 | Grader (Wet Rate) | p/hr. | 1 298.00 |
| 10 | Establishment & De – establishment | each | 15 000.00 |

16. Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 11 and 12 – 4x4 Digger Loader and Establishment & De- Establishment** be awarded to **Aqua Plant & Transport (Pty) Ltd.** for the estimated amount of **R 256 220.00** (Two Hundred Fifty Six Thousand Two Hundred and Twenty Rand Only) **Vat incl.** for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

16.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 11 | 4x4 Digger Loader (Wet Rate) | p/hr. | 495.00 |
| 12 | Establishment & De – establishment | each | 9 000.00 |

17. That should **Aqua Plant & Transport (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No : **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 11 and 12 – 4x4 Digger Loader and Establishment & De- Establishment** be awarded to **Kukhulu Plant Hire (Pty) Ltd.** for the estimated amount of **R 274 792.50** (Two Hundred and Seventy Four Thousand Seven Hundred and Ninety Two Rand and Fifty Cents Only) **Vat incl.** for scoring the Second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

17.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 11 | 4x4 Digger Loader (Wet Rate) | p/hr. | 525.00 |
| 12 | Establishment & De – establishment | each | 7 950.00 |

18. That should **Kukhulu Plant Hire (Pty) Ltd.** cannot deliver as per the tender, the Municipality has the right to award Tender No: **ENG 07/2024/25- LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025** for **Item 11 and 12 – 4x4 Digger Loader and Establishment & De-Establishment** be awarded to **Ekene Investments cc** for the estimated amount of **R 317 055.00** (Three Hundred and Seventeen Thousand and Fifty Five Rand Only ) **Vat incl.** for scoring the Third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

18.1 The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 11 | 4x4 Digger Loader (Wet Rate) | p/hr. | 605.00 |
| 12 | Establishment & De – establishment | each | 9 500.00 |

19. The award is subject to the availability of funds.

20. Addendum/SLA be entered between the Municipality and the recommended tender.

21. The register for Tender Defaulters and the Database of Restricted Suppliers have been checked via National Treasury's website and found that the tenderers is not listed.

22. None of the tenderers directors / trustees / members / shareholders of the suppliers are linked to any state entity, as checked and verified on the Central Supplier Database (CSD). Proof thereof attached.

23. The tenderers Tax Clearance Certificates was verified on the website of SARS and was found to be active. Proof thereof attached.

24. The tenderers are registered on the municipality's database of prospective providers. Proof thereof attached.

25. The tenderers are registered on the Central Supplier Database (CSD). Proof thereof attached.

26. The BVA numbers of the suppliers in terms of their B-BBEE certificate was verified on the website SANAS and the verification agency was found to be accredited.

**ENG 07/2024/25** Leasing Of Various Plant And Equipment For Caledon Landfill Site For The Period From Date Of Appointment Until 30 June 2025

**D. ADJOURNMENT**

**The meeting adjourned at 15:55**

**COMPILED AND MAINTAINED BY:** ..... **DATE:** 12/02/2025
**Z BARON**
**ADMINISTRATION**

**APPROVE MINUTES & RECOMMENDATION** :..... **DATE:** 12/2/25
**H MATTHEE**
**MEMBER**

**APPROVE MINUTES & RECOMMENDATION** :..... **DATE:** .....
**R SEFOOR**
**MEMBER** Note concerns raised- failure to default Aqua by SCM.

**APPROVE MINUTES & ~~RECOMMENDATION~~** :..... **DATE:** .....
**W SOLOMONS-JOHANNES** 12.02.2025
**MEMBER**

**APPROVE MINUTES & RECOMMENDATION** :..... **DATE:** 12-02-25
**GW HERMANUS**
**MEMBER**

**APPROVE MINUTES & RECOMMENDATION** :..... **DATE:** 13/02/2025
**P MABHENA**
**CHAIRPERSON**

---

**Recommended to the Municipal Manager for approval in terms of the Supply Chain Management Delegations.**

**APPROVE ENG 07/2024/25:** ..... 14/2/2025
**W HENDRICKS**
**ACTING MUNICIPAL MANAGER**

**DO NOT APPROVE ENG 07/2024/25:** .....
**W HENDRICKS**
**ACTING MUNICIPAL MANAGER**

**ENG 07/2024/25** Leasing Of Various Plant And Equipment For Caledon Landfill Site For The Period From Date Of Appointment Until 30 June 2025

**D. ADJOURNMENT**

**The meeting adjourned at 15:55**

**COMPILED AND MAINTAINED BY:** ..... **DATE:** 12/02/2025
**Z BARON**
**ADMINISTRATION**

**APPROVE MINUTES & RECOMMENDATION** ..... **DATE:** 12/2/25
**H MATTHEE**
**MEMBER**

**APPROVE MINUTES & RECOMMENDATION** ..... **DATE:** 13/2/2025
**R SEDOOR**
**MEMBER** Note concerns raised re failure to default hq/lq by scm.

**APPROVE MINUTES & ~~RECOMMENDATION~~** ..... **DATE:** .....
**W SOLOMONS-JOHANNES** 12.02.2025
**MEMBER**

**APPROVE MINUTES & RECOMMENDATION** ..... **DATE:** 12-02-25
**GW HERMANUS**
**MEMBER**

**APPROVE MINUTES & RECOMMENDATION** ..... **DATE:** .....
**P MABHENA**
**CHAIRPERSON**

---

**Recommended to the Municipal Manager for approval in terms of the Supply Chain Management Delegations.**

**APPROVE ENG 07/2024/25:** ..... 14/2/2025
**W HENDRICKS**
**ACTING MUNICIPAL MANAGER**

**DO NOT APPROVE ENG 07/2024/25:** .....
**W HENDRICKS**
**ACTING MUNICIPAL MANAGER**

# THEEWATERSKLOOF MUNICIPALITY

## BID ADJUDICATION COMMITTEE

### ATTENDANCE REGISTER AND UNDERTAKING OF CONFIDENTIALITY AND IMPARTIALITY

**MEETING NUMBER: ENG 07/2024/25; ENG 08/2024/25; ENG 10/2024/25 ELEC 04/2024/25**

**DATE: 06 February 2025**

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 |
|---|---|---|
| Raul Mathews | TWK | |
| W Nem | Dir. Corporate | |
| W.S.G Solomons | Johannes COMMUNITY | |
| N. la Grange | SCM (Observer) | |
| A Matin | SCM (Observer) | |
| H. Muller | Manager Secretariate Services | |
| L. Faro | | Attended Virtually |
| R. Sefoor | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

Theewaterskloof Municipality

Theewaterskloof Municipality Head Office
6 Plein Street
P.O.Box 24
Caledon
7230
Telephone: +27 (28) 2143300
Fax: +27 (28) 2141289
Website: www.twk.gov.za

Ref. No.: ENG 07/2024/25
Contact: H. September
Date: 14 February 2025
Email: tenders@ekeneinvestments.co.za

Attention: Mr. R. Naidoo
**Ekene Investments CC**
Unit 1
Riverpark 3
Titan Street
Rivergate
Parklands

Dear Sir.,

**TENDER NO: ENG 07/2024/25 – LEASING OF VARIOUS PLANT AND EQUIPMENT FOR CALEDON LANDFILL SITE FOR THE PERIOD FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025**

This is to inform you of the resolution taken by our Bid Adjudication Committee on 06 February 2025 that **Ekene Investments CC** scored the Second highest points in terms of the Preferential Procurement Regulations of 2022 contained in the councils Supply Chain Management Policy for the following items:

1. **Item 1 and 2 – D6 Bulldozer and Establishment & De- Establishment** be awarded to **Ekene Investments CC** for the estimated amount of **R 1,729,025.00** (One Million Seven Hundred and Twenty-Five Rand Only) **Vat incl.** for scoring the second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

   The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 1 | D6 Bulldozer – Minimum with Chains (Wet Rate) | p/hr. | 1 485.00 |
| 2 | Establishment & De – establishment | each | 18,500.00 |

2. **Item 5 and 6 – Tipper Truck Truck and Establishment & De- Establishment** be awarded to **Ekene Investments CC** for the estimated amount of **R 48 898.00** (Forty-Eight Thousand Eight Hundred and Ninety-Eight Rand only) **Vat incl.** for scoring the second highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

Theewaterskloof
Municipality

Theewaterskloof Municipality Head Office
6 Plein Street
P.O.Box 24
Caledon
7230
Telephone: +27 (28) 2143300
Fax: +27 (28) 2141289
Website: www.twk.gov.za

The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 5 | Tipper Truck (Wet Rate) | p/hr. | 617.00 |
| 6 | Establishment & De – establishment | each | 5 500.00 |

**Ekene Investments CC** also scored the Third highest points in terms of the Preferential Procurement Regulations of 2022 contained in the councils Supply Chain Management Policy for the for the following items:

1. **Item 3 and 4 – Water Truck and Establishment & De- Establishment** be awarded to **Ekene Investments CC** for the estimated amount of **R 37 605.00** (Thirty-Seven Thousand Six Hundred and Five Rand Only) **Vat incl.** for scoring the Third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

   The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 3 | Water Truck (Wet Rate) | p/hr. | 680.00 |
| 4 | Establishment & De – establishment | Each | 9 500.00 |

2. **Item 7 and 8 – Excavator and Establishment & De- Establishment** be awarded to **Ekene Investments CC** for the estimated amount of **R 78 660.00** (Seventy-Eight Thousand Six Hundred and Sixty Rand Only) **Vat incl.** for scoring the third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

   The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 7 | Excavator (Wet Rate) | p/hr. | 998.00 |
| 8 | Establishment & De – establishment | each | 18 500.00 |

3. **Item 9 and 10 – Grader and Establishment & De- Establishment** be awarded to **Ekene Investments CC** for the estimated amount of **R 76 958.00** (Seventy-Six Thousand Nine Hundred and Fifty-Eight Rand Only) **Vat incl.** for scoring the third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

Theewaterskloof
Municipality

Theewaterskloof Municipality Head Office
6 Plein Street
P.O.Box 24
Caledon
7230
Telephone: +27 (28) 2143300
Fax: +27 (28) 2141289
Website: www.twk.gov.za

The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 9 | Grader (Wet Rate) | p/hr. | 1 298.00 |
| 10 | Establishment & De – establishment | each | 15 000.00 |

4. **Item 11 and 12 – 4x4 Digger Loader and Establishment & De- Establishment** be awarded to **Ekene Investments cc** for the estimated amount of **R 317 055.00** (Three Hundred and Seventeen Thousand and Fifty-Five Tand Only) **Vat incl.** for scoring the Third highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy.

The award is based on the following rates:

| ITEM No. | DESCRIPTION | UNIT | Unit Price (Wet rate) (R/hr.) Vat Excl. |
|---|---|---|---|
| 11 | 4x4 Digger Loader (Wet Rate) | p/hr. | 605.00 |
| 12 | Establishment & De – establishment | each | 9 500.00 |

Should the successful bidder fail to deliver, the award be made to **Ekene Investments CC.**

The award is subject to the availability of funds.

An Addendum/SLA be entered between the Municipality and **Ekene Investments CC.**

Kindly note that this award is conditional and subject to an appeal of 21 calendar days from date of this notice, for the unsuccessful tenderers, after which we will inform you again in writing for the contract to be concluded to confirm your official appointment.

We however trust that the relationship will be mutually beneficial in order for us to carry out our constitutional mandate of service delivery.

Yours faithfully

**M LA GRANGE**
**ACTING MANAGER: SCM**

**ITEM HEADING**

**SC95/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE TECHNICAL- AND INFRASTRUCTURE IMPLEMENTATION SERVICES: IRREGULAR EXPENDITURE – EXPENDITURE INCURRED IS ABOVE THE CONTRACT VALUE (ENVIROSERV WASTE MANAGEMENT (PTY) LTD)**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE / AIM OF REPORT**

The purpose of this report is to inform the Municipal Public Accounts Committee on the irregular expenditure with regards to the Transport of Containerised Municipal Solid Waste and Chipping of Garden Waste for the Period from 01 July 2024 until 31 January 2025 – Enviroserv Waste Management (Pty) Ltd.

**BACKGROUND**

**2024/25 AG Findings:**

***"DETAILED AUDIT FINDING***

*Contract management – Expenditure incurred is above the contract value*
*Section 62 (1)(d) of the MFMA 56 of 2023 states:*

*"The accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that unauthorized, irregular or fruitless and wasteful expenditure and other losses are prevented."*

*Section 32 of the MFMA deals directly with the reporting, investigation, recovery, and liability concerning unauthorised, irregular, or fruitless and wasteful expenditure.*

1. *Reporting: The Accounting Officer (Municipal Manager) must promptly inform the Mayor and the provincial treasury in writing of any irregular expenditure incurred.*
2. *Investigation and Recovery: It obligates the municipality to investigate such expenditure and take all reasonable steps to recover it from the person liable, unless the expenditure is certified as irrecoverable by the council after an investigation by a council committee.*
3. *Consequence Management: It establishes the framework for instituting disciplinary or criminal proceedings against officials or political office-bearers who deliberately or negligently incurred or permitted the expenditure.*

*Section 116(3) of the MFMA states "A contract may only be amended or varied after the reasons for the proposed amendment have been tabled in council and approved. Expansion or variation beyond the prescribed thresholds (20% for construction-related projects and 15% for other goods/services) without proper approval is a contravention".*
*Issue 1 - Expenditure incurred is above the contract value*
*During the audit, it was observed that the municipality incurred expenditure exceeding the approved contract value for the contracts listed below with no approved variation or extension.*

| Contract number | Contractor | Nature of services | Contract value | Expenditure | Difference |
|---|---|---|---|---|---|
| ENG 04/2024/25 | Environserv | Waste management | 1 267 496,00 | 3127427,51 | 1 859 931,51 |

***Impact***

1. *Management did not disclose these payments as irregular expenditure in the financial statements.".*
2. *There is a potential for an unfair award, as the actual expenditure has exceeded the amount used during the procurement evaluation.*
3. *Expenditure beyond the contract amount without proper approval constitutes irregular expenditure.*

***Internal control deficiency***

*Financial and Performance Management*

*Review and monitor compliance with applicable laws and regulations*

*Management did not ensure adequate review and monitoring of compliance with applicable supply chain management regulations and expenditure management laws and regulations to prevent irregular expenditure.*

*Supply chain management regulations were not followed when procuring goods/services and reasonable steps were not taken to prevent irregular expenditure.*

*Management awarded tenders based on estimated amounts rather than on a rate-based approach, which resulted in actual costs exceeding the initial estimates*

**DISCUSSION**

As per attachment.

**COMMENTS FROM THE OFFICE OF THE MUNICIPAL MANAGER**

The recommendation is noted.

**COMMENTS FROM THE DIRECTORATE TECHNICAL AND INFRASTRUCTURE IMPLEMENTATION SERVICES**

Recommendation is supported.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The irregular expenditure of R1 859 931.51 has been recorded in 2024/2025 financial statements. Management should ensure that recurrence is prevented.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA states that any official of a municipality who deliberately or negligently committed, made or authorized an irregular expenditure is liable for that expenditure. A municipality must recover such expenditure from the person liable for that expenditure, unless Council certifies the irregular expenditure as irrecoverable, after the Municipal Public Accounts Committee has investigated and recommended it. Irregular expenditure for the purpose of this item means expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality and which has not been condoned in terms of such policy.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result in Council Losing money and not receiving value for money. However, in this case Council did not suffer any losses or damages and received value for money.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is recommended that in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 1 859 931.51 for the financial year 2024/2025 be written off.**

**RECOMMENDATION BY MANAGEMENT TO MPAC: 26 FEBRUARY 2026**

**It is recommended that in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 1 859 931.51 for the financial year 2024/2025 be written off.**

**DISCUSSION DURING MEETING:**

Councillor P Stander – Work was done. We did receive value for money.

**RECOMMENDATION BY MPAC TO COUNCIL: 29 APRIL 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander and seconded by Councillor DJ Jacobs, it was recommended as follows:

**In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 1 859 931.51 for the financial year 2024/2025 be written off.**

**RECOMMENDATION TO COUNCIL:**

**It is recommended that in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 1 859 931.51 for the financial year 2024/2025 be written off.**

**RESOLVED BY COUNCIL: 28 MAY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman DA Appel and seconded by Alderman MR Nongxaza, it was resolved as follows:

**In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, Council resolved that the irregular expenditure in the amount of R 1 859 931.51 be written off for the financial year 2024/2025.**

*For finalization by the Director: Technical- and Infrastructure Implementation Services, Mr H Matthee.*

**RECOMMENDATION TO COUNCIL:**

**Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.**

# Status Report on contract no. ENG 04/2024/25 In terms of SCM and MFMA requirements and remedial action required if necessary

| Supplier | Service Description | Commencement date of contract |
|---|---|---|
| EnviroServ Waste Management (Pty) Ltd. | ENG 04/2024/25 - Transport of Containerised Municipal Solid Waste and Chipping of Garden Waste for the Period from 01 July 2024 Until 30 June 2027. | February 2025 |

## 1. What was the initial Purpose of the contract

The Technical Services Directorate of the Theewaterskloof Municipality proposes to haul all waste off loaded at their Transfer Stations at Grabouw, Caledon and Villiersdorp and at their Public Drop-off at Botrivier Tesselaarsdal and Greyton to the licensed landfill at Karwyderskraal or Caledon Landfill. The dried sludge from the WWTW as well as Hazardous waste received from the public at facilities must be transported and disposed of at a hazardous license site. One of the objectives is also to divert green waste from Solid waste facilities by chipping for composting. The operation of the Transfer stations and drop offs does not form part of this contract.

## 2. Initial Scope of Contract and if uncertain please explain

**OVERVIEWS OF THE SERVICE**

The service consists of the hauling by road of all waste from the Transfer Stations at Grabouw, Villiersdorp, Caledon and RSE and the Public Drop-off at Botrivier, Greyton and Tesselaarsdal to the Karwyderskraal Landfill. Dried sludge form Wastewater Treatment Facilities and hazardous waste received from the public must be disposed of at a suitably licensed site. It is envisaged that the Greyton Drop Off did commence and Caledon and RSE Transfer stations . All General Waste will be transported to Karwyderskraal Landfill after. The Municipality also intends to procure service to haul solid waste from different towns by 30m$^3$ haulage trucks to Caledon Landfill. The Municipality will notify the Contractor when waste has to be hauled from these towns to Caledon Landfill. The service provider needs to chip all green waste diverted from waste stream and load it in containers that will be hauled to Grabouw or Karwyderskraal for composting. The service provider needs to guide the Municipality in diverting different size green waste for chipping.

**GENERAL INTENT**

The general intent of this Contract is that the Contractor shall procure all items necessary for the rendering of the service in accordance with the terms of Contract, in a workman-like and expeditious manner.

The Engineer/Employer shall have the right to verify that the service is carried out in accordance with this Contract and to approve or reject the quality of service rendered by the Contractor or approved subcontractors.

**EXTENTS OF THE SERVICE**

The Service in general includes but is not restricted to the following:

1. Remove full containers from loading bays and replace it with empty containers,
2. Transport full containers to Karwyderskraal or Caledon Landfill, dispose of the loads and return the empty containers,
3. Transport dried sludge from WWTW to appropriately licensed Landfill (a site licensed to receive hazardous waste).
4. Transport all household hazardous waste received from community to appropriately licensed Landfill (a site licensed to receive hazardous waste).
5. Chip all diverted green waste and load it into containers for transport.
6. Transport chipped green waste to Karwyderskraal or Grabouw, as indicated by Employer.
7. Supply and maintain containers.

## 3. Initial Contract Value and if uncertain please explain

The deviation was approved based on the estimated amount of R 1 267 496 (Excl. VAT) and based on rates hence the reason for the total expenditure R 3 127 427.51.

The request for quotation was based on estimated quantities for 2 months, but the tender process took longer than anticipated hence the reason for the increased amount. It took an additional 3 months.

**4. Initial Expiry Date and if uncertain please explain**

30 June 2027

**5. Was normal SCM Process followed and complied with**

| | | |
|---|---|---|
| Yes | | |

**Explain of motivate your response**

***"DETAILED AUDIT FINDING***
***Contract management – Expenditure incurred is above the contract value***
*Section 62 (1)(d) of the MFMA 56 of 2023 states:*

*"The accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that unauthorized, irregular or fruitless and wasteful expenditure and other losses are prevented."*

***Section 32** of the MFMA deals directly with the **reporting, investigation, recovery, and liability** concerning unauthorised, irregular, or fruitless and wasteful expenditure.*

- ***Reporting:** The Accounting Officer (Municipal Manager) must promptly inform the Mayor and the provincial treasury in writing of any irregular expenditure incurred.*
- ***Investigation and Recovery:** It obligates the municipality to **investigate** such expenditure and take **all reasonable steps to recover** it from the person liable, unless the expenditure is certified as irrecoverable by the council after an investigation by a council committee.*
- ***Consequence Management:** It establishes the framework for instituting disciplinary or criminal proceedings against officials or political office-bearers who deliberately or negligently incurred or permitted the expenditure.*

***Section 116(3) of the MFMA states** "A contract may only be amended or varied after the reasons for the proposed amendment have been tabled in council and approved. Expansion or variation beyond the prescribed thresholds (20% for construction-related projects and 15% for other goods/services) without proper approval is a contravention".*
***Issue 1 - Expenditure incurred is above the contract value***
*During the audit, it was observed that the municipality incurred expenditure exceeding the approved contract value for the contracts listed below with no approved variation or extension.*

| Contract number | Contractor | Nature of services | Contract value | Expenditure | Difference |
|---|---|---|---|---|---|
| ENG 04/2024/25 | Environserv | Waste management | 1 267 496,00 | 3 127 427,51 | 1 859 931,51 |

***Impact***
- *Management did not disclose these payments as irregular expenditure in the financial statements.".*
- *There is a potential for an unfair award, as the actual expenditure has exceeded the amount used during the procurement evaluation.*
- *Expenditure beyond the contract amount without proper approval constitutes irregular expenditure.*

***Internal control deficiency***

***Financial and Performance Management***

*Review and monitor compliance with applicable laws and regulations*

*Management did not ensure adequate review and monitoring of compliance with applicable supply chain management regulations and expenditure management laws and regulations to prevent irregular expenditure.*

*Supply chain management regulations not followed when procuring good/services and reasonable steps were not taken to prevent irregular expenditure.*

*Management awarded tenders based on estimated amounts rather than on a rate-based approach, which resulted in actual costs exceeding the initial estimates*

***Recommendation***

- *Management should evaluate and award based on rate based in future for contracts that are based on estimates and not actual contract value.*
- *Management should address appointing staff in vacant positions to ensure adequate oversight is in place.*
- *Management should strengthen their review and monitoring processes of compliance with procurement management applicable laws and regulations to ensure that reasonable steps are taken to prevent irregular expenditure.*
- *Management should implement strict contract management controls to monitor expenditure against approved contract values.*
- *Management should have contract variations or extensions formally approved by the delegated authority before additional costs are incurred."*

**Management response**

| DESCRIPTION | RESPONSE |
|---|---|
| Does management agree with the finding (Yes/ No) | No |
| Detail reason for agreeing/ disagree with finding | Management disagrees with the finding.<br><br>Management evaluated the tenders in question based on estimated amounts. The tenders awarded are based on a rate-based approach. The main reason for the afore-mentioned approach is due the uncertainty of demand / risk profile / economic forces.<br><br>The variable denominators for Waste management -- volumes of waste (weighbridge) and changes routes travelled (kilometres)<br><br>Kindly refer to the service level agreements and/or signed clauses within tender documents accompanying this response, which substantiates the rates-based approach for these particular goods and services. |
| Management comment on internal control deficiencies and root cause indicated and detail reason for agreeing/ disagree with finding. | Management is in disagreement with finding. |
| Detail corrective action to be taken and date. | None. |
| Does the finding affect an amount disclosed in the financial statements (Yes/ No) | No |
| If yes, what corrections will be made to the population | N/A |
| If **yes** and no corrections will be made the reason, why such a conclusion has been reached should be indicated. | N/A |
| Position of official responsible to take corrective actions | N/A |

**6. Has the purpose, scope or contract period been extended or expanded since the initial appointment of the service provider**

| | | |
|---|---|---|
| No | | |

**Explain or motivate your response**

N/A

| 7. **Was a formal contract or SLA initially entered into in terms of SCM and MFMA Requirements** | | |
|---|---|---|
| Yes | | |
| **Explain or motivate your response** | | |
| The conditions and provisions of the Tender No. ENG 04/2024/25 document, as advertised, was used as the basis of the contract. | | |
| 8. **Should a contract not have existed has it since been entered into and has all compliance requirements like as it applies in respect of the SCM process and or for purposes of deviations been complied with** | | |
| Yes | | |
| **Motivate or explain your response** | | |
| Tender number ENG 04/2024/25 was awarded. | | |
| 9. **Did Council because of this transaction received best value for money i.e. in spite of non-compliance, if any with SCM or MFMA requirements** | | |
| Yes | | |
| **Please explain or motivate your response above** | | |
| We confirm that the most advantageous combination of cost, quality and sustainability was achieved and Council received best value for money. | | |
| 10. **Has the Municipality suffered any losses or damages as a result of non-compliance with any of the MFMA or SCM requirements** | | |
| No | | |
| **Please explain or motivate your response above** | | |
| N/A | | |
| 11. **Are you satisfied with the performance of the current service provider to the extent that the contract should be continued with.** | | |
| Yes | | |
| **Please explain or motivate your response above** | | |
| Works was executed in terms of the contractual conditions. | | |
| 12. **Has the director investigated and established whether or not there is not at this point a better service provider, price or product which would justify a new procurement process and a reconsideration of the current service provider, product or price** | | |
| Yes | | |
| **Please explain or motivate your response above** | | |
| Tender number ENG 04/2024/25 was advertised and awarded that justified the process followed is still best procurement option. | | |
| 14. **Could any form of non-compliance have been prevented** | | |
| Yes | | |
| **Explain or motivate your response above** | | |
| Refer to point 5 motivation above. | | |
| 15. **What remedies have been put in place to prevent any non-compliance being repeated** | | |

N/A

**Explain or motivate your response above**

N/A

**16. General or additional Comments of the Director Concerned**

- The legal department confirmed the following: "It is confirmed that I have reviewed the contract. It complies in all respects with the relevant council resolutions, tender conditions and deviation award and legal requirements as provided to me by the Contract Manager and that the rights of Council are thereby protected. There is no apparent reason why the contract cannot be signed by the relevant delegated authority".
- That the irregular expenditure amounting to R 1 859 931.51 be written off in terms of section 32(2)(b) of the MFMA.
- No evidence of fraud, corruption or theft has been reported and accordingly I am unaware of any reason to suspect that theft, corruption or fraud took place.
- That the remedial steps mentioned above be noted and accepted as sufficient and appropriate steps to prevent future irregular expenditure of this nature.

8/2/26

Signature of Director Concerned — Date

**17. General Comments/Findings and recommendations of the CFO**

26-02-2026

Signature of CFO — Date

**18. General Comments/Findings and or recommendations of the Chief Audit Executive**

26/02-2026

Signature of Chief Audit Executive — Date

**19. Final response of the Director Concerned for consideration by the Municipal Manager**

Signature of the Director concerned — Date 26/2/2026

**20. General Comments and findings of the Municipal Manager**

Annexure A – Approved Deviation

Theewaterskloof Municipality

# THEEWATERSKLOOF MUNICIPALITY

## Office of the Director: Financial Services

### SUPPLY CHAIN MANAGEMENT POLICY

### REQUEST FOR DEVIATION FORM IN TERMS OF REGULATION 36

**Section A**

| Reg. 36 | Reason for Deviation | (Mark with X where applicable) |
|---|---|---|
| (1)(a)(i) | **In an Emergency; (An emergency is an unforeseeable sudden event with harmful or potential harmful consequences for the municipality which requires urgent action to address.)** | |
| | **Circumstances that warrant emergency dispensation**<br>Circumstances that warrant emergency dispensation includes but are not limited to - | |
| | a) the possibility of human injury or death, | |
| | b) the prevalence of human suffering or deprivation of rights, | |
| | c) the possibility of damage to property, or suffering and death of livestock and animals, the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole, the possibility of serious damage occurring to the natural environment, | |
| | d) the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service, | |
| | e) the possibility that the security of the state could be compromised. | |
| **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.** | | |
| (ii) | **Sole supplier** | |
| (iii) | **Acquisition of special works of art or historical objects where specifications are difficult to compile.** | |
| (iv) | **Acquisition of animals for zoos and/or nature and games reserves.** | |
| (v) | **Any other exceptional case where it is impractical or impossible to follow the official procurement processes.** | X |

**Section B**

**Furnish and motivate reasons for the required deviation:**

**Background:**

The municipality advertised a tender for the Transport of Containerised Municipal Solid Waste and Chipping of Garden Waste for the Period from 01 July 2021 till 30 June 2024. This contract comes to an end on 30 June 2024.

**Legal Implications:**

Theewaterskloof Municipality must comply in terms of National Water Act (36 of 1998).

In terms of the National Environmental Management Act, 1998 (Act No, 107 of 1998), a person (or Accounting Officer i.e. Municipal Manager) convicted of an offence/charge of unlawfully and intentionally or negligently significantly polluting or degrading or detrimentally affecting the environment in terms of the aforementioned legislation is liable to a fine not exceeding R10 million or to imprisonment for a period not exceeding 10 years, or to both such fine and imprisonment.

*"Control of emergency incidents*

*S30. (1) In this section—*

*(a) "incident" means an unexpected sudden occurrence. including a major emission, fire or explosion leading to serious danger to the public or potentially serious pollution of or detriment to the environment. Whether immediate or delayed.*

*(b) "responsible person.. includes any person who~*

*(i) is responsible for the incident;*

*(ii) owns any hazardous substance involved in the incident; or 5*

*(iii ) was in control of any hazardous substance involved in the incident at the time of the incident;*

*(c) .'relevant authority" means—*

*(i) a municipality with jurisdiction over the area in which an incident occurs:*

Now considering the beforementioned the following is prescribed in terms of chapter 7 of the National Environmental Management Act 1998 Section 28:

*S28(1) Every person who causes, has caused or may cause significant pollution or degradation of the environment must take reasonable measures to prevent such pollution or degradation from occurring, continuing or recurring, or, in so far as such harm to the environment is authorised by law or cannot reasonably be avoided or stopped, to minimise and rectify such pollution or degradation of the environment.*

*(2) Without limiting the generality of the duty in subsection (1), the persons on whom subsection (1) imposes an obligation to take reasonable measures. include an owner of land or premises, a person in control of land or premises or a person who has a right to use the land or premises on which or in which—*

*(a) any activity or process is or was performed or undertaken; or*

*(b) any other situation exists,*

*which causes. has caused or is likely to cause significant pollution or degradation of the environment.*

*(3) The measures required in terms of subsection (1) may include measures*

*(a) investigate, assess and evaluate the impact on the environment:*

*(b) inform and educate employees about the environmental risks of their work and the manner in which their tasks must be performed in order to avoid causing significant pollution or degradation of the environment:*

*(c) cease, modify or control any act, activity or process causing the pollution or degradation.*

*(d) contain or prevent the movement of pollutants or the causant of degradation:*

*(e) eliminate any source of the pollution or degradation: or*

*(f) remedy the effects of the pollution or degradation."*

**Discussion:**

Taking the procurement plan into consideration, the contract manager advertised the new tender ENG 01/2024/25 for the Transport of Containerised Municipal Solid Waste and Chipping of Garden Waste for the Period from 01 July 2024 Until 30 June 2027. The invitation to tender was advertised on Municipal Website, Notice Board, e-tender, Hermanus Times and TransOverberg on Thursday, 11 April 2024. Seven (7) tenders were received on the closing date Friday, 17 May 2024. Tender validity period is 120 days which indicates an expiry date of 14 September 2024

The following tenders was received on closing date:

| No. | Name of Bidder | All Inclusive Corrected Tendered Amounts "R" (Year 1 + 2 + 3) |
|---|---|---|
| 1 | DP Truckhire (Pty) Ltd. | 24 088 303.78 |
| 2 | EnviroServ Waste Management (Pty) Ltd. | 28 686 981.90 |
| 3 | Khabokedi Waste Management (Pty) Ltd. | 28 963 018.42 |
| 4 | Waste Carriers (Pty) Ltd. | 33 672 489.59 |
| 5 | Waste-Mart (Pty) Ltd. | 39 060 501.43 |
| 6 | Amila Investment (Pty) Ltd. | 129 414 556.01 |
| 7 | Intersect Business Solutions | 10 070 691.90 |

The Bid Evaluation Committee was held on 20 June 2024 and found the following:

- DP Truckhire (Pty) Ltd. withdrew themselves from the tender process and therefore will not be taken further into consideration.
- Intersect Business Solutions failed to pay the tender participation fee and therefore will not be taken further into consideration.
- That only 5 tenderers will proceed further.

***"RECOMMENDATION BY BID EVALUATION COMMITTEE ON 20 JUNE 2024***

1. *The Bid Evaluation Committee recommends that:*

2. *Tender No: **ENG 01/2024/25**: for the Transport of Containerised Municipal Solid Waste for The Period From 01 July 2024 Until 30 June 2027, be awarded to **EnviroServ Waste Management (Pty) Ltd.** for the estimated amount of **R 28 686 981.90** (Twenty Eight Million Six Hundred Eighty Six Thousand Nine Hundred Eighty One Rand Ninety Cents) VAT incl. for scoring the highest points in terms of the Preferential Procurement Regulations of 2022 contained in Councils Supply Chain Management Policy."*

In the absence, dated 27 June 2024, of a Bid Adjudication Committee in terms of Regulation 29 of the municipality's SCM Policy and the urgency of the appointment for this service which will have an impact on the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service, the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole, the possibility of serious damage occurring to the natural environment, we suggest that it is an exceptional case where it is impractical or impossible to follow the official procurement processes.

In terms of the competitive procurement process followed including the BEC recommendation we decided to only ask EnviroServ Wate Management (Pty) Ltd. for a quotation as they scored the highest points in terms of the PPR of 2022. They submitted an estimated quotation on a month to month basis whereby we have the right to stop the contract at any stage depending on when the municipality will have a Bid Adjudication Committee in terms of Regulation 29 of the municipality's SCM Policy.

It is therefore recommended to deviate from the normal SCM procedures in terms of Regulation 36(1)(v) of the SCM Procurement Policy, to appoint EnviroServ Wate Management (Pty) Ltd. for the Transport of Containerised Municipal Solid Waste and Chipping of Garden Waste on a month-to-month basis in terms of the exact conditions of tender no. ENG 01/2024/25 as advertised inclusive of the reasons stated."

## Section C

### Financial Implication

| Vote Number | Available Budget | Estimated Deviation Amount |
|---|---|---|
| 01/5510/1/7568/0 | R 313 317.00 (Excl. VAT) | R 1 102 170.97 (Excl. VAT) |
| 01/5510/2/7568/0 | R 995 824.00 (Excl. VAT) | |
| 01/5510/3/7568/0 | R 865 920.00 (Excl. VAT) | |
| 01/5510/4/7568/0 | R 527 594.00 (Excl. VAT) | |
| 01/5510/5/7568/0 | R 897 192.00 (Excl. VAT) | |
| 01/5510/7/7568/0 | R 303 869.00 (Excl. VAT) | |

## Section D

### Related Parties Declaration

Does the requested and recommended official have any relationship i.t.o Regulation 45 of the SCM Policy with this supplier?

| Please indicate Yes / No | No |
|---|---|

If Yes, provide name and surname and tick the relevant relation as indicated below

| Name and Surname | | | | | | |
|---|---|---|---|---|---|---|
| Spouse | Domestic Partner | Dependent Child | Nondependent Child | Grandchild | Grandparent | Parent |
| | | | | | | |
| Relative living in an Common Household | Brother | Sister | Parent-in-Law | Brother-in-Law | Sister-in-Law | |
| | | | | | | |

## Section E

| | | | |
|---|---|---|---|
| 1. Recommended by Manager: | J Prins | | 27/06/24 |
| | Name | Signature | Date |
| 2. Recommended by: | D Damons | | 07/06/24 |
| Deputy Dir. | Name | Signature | Date |
| 3. Recommended by: | H Matthee | | 07/06/24 |
| Act. Director | Name | Signature | Date |

4. **SCM Comments:**

1. An Contract be entered into between the Municipality and EnviroServ Wate Management (Pty) Ltd.
2. Please note that none of the company directors / trustees / members / shareholders of EnviroServ Wate Management (Pty) Ltd. are a government employee nor a restricted supplier, as checked and verified on the Central Supplier Database (CSD). Proof thereof attached.
3. The tenderers Tax Compliance Status Pin Certificate was verified on the website of SARS and was found to be active. Proof thereof attached.
4. The tenderer is registered on the municipality's database of prospective providers. Proof thereof attached.
5. The tenderer is registered on the Central Supplier Database (CSD). Proof thereof attached.

| | | | |
|---|---|---|---|
| Reviewed by: | A Martin | | 25/6/24 |
| | Name | Signature | Date |
| 5. Approved/Not Approved: | R Stevens | | 28.6.2024 |
| Act. Municipal Manager | Name | Signature | Date |

6. **Provide reason if not approved:**

ENG 01/24/25 Tender is awaiting BAC

**Annexures:**

- Annexure A: Budget
- Annexure B: Quotations from EnviroServ Waste Management (Pty) Ltd.
- Annexure C: SCM Documentation
- Annexure D: BEC Report

Annexure B: Quotations from EnviroServ Waste Management (Pty) Ltd.

ENVIROSERV
WASTE MANAGEMENT

ENVIROSERV IS A PROUD B-BBEE LEVEL ONE CONTRIBUTOR

26 June 2024

**THEEWATERSKLOOF MUNICIPAL OFFICE**
**6 PLEIN STREET**
**CALEDON**

**Dear Sir/s,**

**TQUOTATION: ENG 01/2024/25 TRANSPORT OF CONTAINERISED MUNICIPAL SOLID WASTE AND CHIPPING OF GARDEN WASTE**

It gives EnviroServ Waste Management (Pty) Ltd great pleasure to submit our bid for the transport of containerised municipal solid waste and chipping of garden waste for the Theewaterskloof Municipality.

**EnviroServ** proudly complies with rigorous environmental legislation and is able to formulate, and implement environmental solutions to many waste challenges.

**EnviroServ** has over 30 years' experience in the waste industry and is regarded as an innovative leader in its field.

At **EnviroServ** we are committed to service excellence and our Pledge to you, our valued client is as follows:

***We will***

- Commit to **SHEQ** as an inherent part of our everyday activities;
- Passionately prioritise customers' needs through **collaboration;**
- Demonstrate **respect** in our dealing with all stakeholders;
- Commit to delivering an **outstanding level of service and value** to our customers;
- Be **agile and responsive** and to take **ownership** when dealing with customers;
- Commit to **maintain sustainable relationships** with customers;
- ALWAYS **ENSURE PEACE OF MIND**

**EnviroServ** Holdings and its subsidiaries are specialists in a broad spectrum of waste management areas, including domestic and industrial refuse removal, management of landfill sites, the effective transportation, storage and disposal of hazardous waste, on-site waste management, waste minimization, recycling, reuse, recovery, beneficiation and emergency reaction units.

**Notes:**

- All Rates supplied are exclusive of VAT.
- Payment terms are 30 days from date of statement.
- The contents of this quotation are strictly confidential and cannot be reproduced in any other form without permission from EnviroServ.



Customer Care Line 0800 192 783 clientservices@enviroserv.co.za Tel +2711 456 5600 www.enviroserv.co.za
Registered Address EnviroServ Waste Management (Pty) Ltd Brickfield Road, Meadowdale, Germiston PO Box 1547, Bedfordview, 2008
Gauteng Regional Office +2711 456 5400 / +2787 086 8400 KwaZulu Natal Regional Office +2787 086 8401 Western Cape Regional Office +2787 086 8402 Eastern Cape Regional Office +2711 456 5497 / +2787 086 8403
Directors C.L.A. Coppings, J.J.G.R. Diaz*, E. Gombault, S. Jwili, O.F.N. Krugel, D. Lavarinhas, D.L. Thompson (CEO), N.S. Vermeulen, C.L.A. Coppings (Company Secretary) *French Reg No 2008/021152/07

ENVIROSERV
WASTE MANAGEMENT

- Notwithstanding that the rates under this agreement having been agreed between the parties, and should EnviroServ be required to conform with any amended legislative requirements which will cause increased costs, EnviroServ shall be entitled to increase the agreed rates by the amount which the said legislative requirements necessitated increased costs of service delivery under this agreement. Such increase shall come into effect after 30 days written notice has been given by EnviroServ to the customer.
- Rates are valid from 1 July 2024 until 31 August 2024.
- We are not able to provide staff to function as spotters on a short-term basis at the drop facilities and can therefore not provide the rate.
- Chipping of garden waste. Our rates are based on the assumption that chipping will be done on an as and when required basis. We have therefore not provided for permanent chippers on the various sites. We cannot accept any penalties in this regard.
- Our Chipping rates only allow for one grade, which is 0-50mm.
- Page 40: 3.3.4.2: Process for chipping of garden waste: The contractor will remove contaminant from the stockpiles where feasible. In the event where the garden waste is too contaminated, the contractor will inform Theewaterskloof Municipality that the material cannot be chipped and has to be disposed of as mixed.
- The volumes provided are very low and does not validate a permanent chipping service in the area. Our rates provided are based on the assumption that the municipality will inform EnviroServ when sufficient volumes are available between the sites in order to fill 9 x 30m3 bins with chipped material (270m3).
- Transport of containers from WWTW: Our rate provided include transport to the Enviroserv Waste Management (Pty) Ltd, Vissershok Waste Management Facility. The rates are for transport only and exclude disposal. Disposal rates can only be provided after the analyses of samples to be provided by the Theewaterkloof Municipality.
- Transport and disposal of domestic hazardous waste at a suitable licensed site: Our rate include transport to the EnviroServ Vissershok Waste Management Facility only. The domestic hazardous waste is assumed to be asbestos. We have made provision for 6 tons per bin at a disposal rate of R742.64 per ton in the rate provided. In the event where the waste type differ and Vissershok Waste Management Facility is able to accept the waste, a separate quote will be provided for the disposal. In the event where Vissershok Waste Management facility is not able to accept the waste, a separate rate for transport and disposal will be provided.
- Transport – Service requirements, Our rates are based on the following:
    - Grabouw to be services within 6 hours from the time of the call.
    - All other sites require booking of 24 hours prior to service in order to schedule and plan the work efficiently.
- The requirement for no full bins at transfer stations and drop offs at start of business cannot be guaranteed.
- In the event where a booking were made and there are no loading equipment available or the bins are in fact empty, bins rates will still be charged.
- We have provided for the number of containers as specified in the tender document. In the event where additional bins are required for additional services, we will have to purchase new bins. Rental Rates per month: 30M3 Roro = R2 718.58 and 15m3 Roro = R2 097.92.

ENVIROSERV
WASTE MANAGEMENT

Rates:

| ITEM | DESCRIPTION | UNIT | ESTIMATED QUANTITIES | RATE/ UNIT | ESTIMATED AMOUNT |
|---|---|---|---|---|---|
| 1 | To Karwyderskraal Landfill from Transfer Stations/ Drop-offs at: (Provisional Quantities) per container | | | | |
| 1.1 | Villiersdorp | No. | 26 | 2 348,34 | 61 056,78 |
| 1.2 | Grabouw | No. | 132 | 1 897,82 | 250 511,78 |
| 2.3 | Botrivier | No. | 10 | 1 447,30 | 14 472,95 |
| 1.4 | Tesselaarsdal | No. | 8 | 3 871,53 | 30 972,22 |
| 1.5 | Greyton | No. | 12 | 2 541,42 | 30 497,02 |
| 1.6 | Genadendal | No. | 2 | 2 434,15 | 4 868,30 |
| 1.7 | Caledon | No. | 8 | 1 812,00 | 14 496,02 |
| 1.8 | Riviersonderend | No. | 12 | 2 970,49 | 35 645,83 |
| | | | | Sub Total 1 | 442 520,90 |
| 2 | To Caledon Landfill from Transfer Stations/ Drop-offs at: (Provisional Quantities) (per container) | UNIT | ESTIMATED QUANTITIES | RATE/ UNIT | ESTIMATED AMOUNT |
| 2.1 | Villiersdorp | No. | 3 | 1 833,46 | 5 500,37 |
| 2.2 | Grabouw | No. | 3 | 1 876,36 | 5 629,09 |
| 2.3 | Botrivier | No. | 3 | 1 382,94 | 4 148,81 |
| 2.4 | Tesselaarsdal | No. | 3 | 2 648,68 | 7 946,05 |
| 2.5 | Greyton | No. | 3 | 1 769,10 | 5 307,29 |
| 2.6 | Genadendal | No. | 3 | 1 661,83 | 4 985,49 |
| 2.7 | Riviersonderend | No. | 3 | 2 056,57 | 6 169,71 |
| 2.8 | Caledon | No. | 3 | 1 001,07 | 3 003,20 |
| | | | | Sub Total 2 | 42 690,00 |
| 3 | Transport Chipped Garden Waste from Waste Facilities to Grabouw Compost Plant: (Provisional Quantities, per container) | UNIT | ESTIMATED QUANTITIES | RATE/ UNIT | ESTIMATED AMOUNT |
| 3.1 | Villiersdorp | No. | 3 | 1 769,10 | 5 307,29 |
| 3.2 | Caledon | No. | 3 | 1 884,94 | 5 654,83 |
| 3.3 | Riviersonderend | No. | 3 | 3 000,52 | 9 001,56 |
| 3.4 | Greyton/ Genadendal | No. | 3 | 2 541,42 | 7 624,25 |
| | | | | Sub Total 3 | 27 587,94 |
| 4 | Transport Chipped Garden Waste from Waste Facilities to Karwyderskraal (Provisional Quantities, per container) | UNIT | ESTIMATED QUANTITIES | RATE/ UNIT | ESTIMATED AMOUNT |
| 4.1 | Villiersdorp | No. | 2 | 2 348,34 | 4 696,68 |
| 4.2 | Caledon | No. | 2 | 1 897,82 | 3 795,63 |
| 4.3 | Riviersonderend | No. | 2 | 2 970,49 | 5 940,97 |
| 4.4 | Greyton/ Genadendal | No. | 2 | 2 541,42 | 5 082,84 |
| 4.5 | Grabouw | No. | 2 | 1 897,82 | 3 795,63 |
| | | | | Sub Total 4 | 23 311,75 |
| | CHIPPING OF GARDEN WASTE | | | | |
| 5 | Mechanical Chipping of garden waste and loading of chipped material into 30m³ containers at: (Provisional Quantities, per 30m³ container) | UNIT | ESTIMATED QUANTITIES | RATE/ UNIT | ESTIMATED AMOUNT |
| 5.1 | Villiersdorp | No. | 2 | 13 344,00 | 26 688,00 |
| 5.2 | Grabouw | No. | 2 | 13 344,00 | 26 688,00 |
| 5,2,1 | Grabouw General Worker | Months | 2 | - | - |
| 5.3 | Riviersonderend | No. | 2 | 13 344,00 | 26 688,00 |
| 5.4 | Caledon | No. | 2 | 13 344,00 | 26 688,00 |
| 5.5 | Greyton/Genadendal | No. | 2 | 13 344,00 | 26 688,00 |
| 5.6 | Botrivier | No. | 2 | 13 344,00 | 26 688,00 |
| 5,6,1 | Botrivier General Worker | Months | 2 | - | |
| | | | | Sub Total 5 | 133 440,00 |
| 6 | Cart Away Tyres from Caledon Landfill in 30m³ containers to authorised site or Approved authorities. (Provisional Quantities, per 30m³ container) | No. | 2 | 2 627,23 | 5 254,46 |
| | | | | Sub Total 6 | 5 254,46 |

ENVIROSERV
WASTE MANAGEMENT

| TRANSPORT OF CONTAINERS FROM WWTW | | | | | |
|---|---|---|---|---|---|
| 7 | To a Hazardous Licensed Waste Site from Waste Water Treatment Plants at: (Provisional Quantities, per container) | UNIT | ESTIMATED QUANTITIES | RATE/ UNIT | ESTIMATED AMOUNT |
| 7.1 | Villiersdorp | No. | 4 | 3 614,09 | 14 456,35 |
| 7.2 | Grabouw | No. | 4 | 2 755 95 | 11 023,81 |
| 7.3 | Botrivier | No. | 2 | 3 185,02 | 6 370,04 |
| 7.4 | Caledon | No. | 2 | 3 699,90 | 7 399,80 |
| 7.5 | Greyton/Genadendal | No. | 2 | 4 322,05 | 8 644,10 |
| 7.6 | Riversonderend | No. | 2 | 4 794,02 | 9 588 05 |
| | | | | Sub Total 7 | 57 482,14 |
| 8 | Haulage of Solid Waste in 30m³ Tipper Trucks From the various towns to Karwyderskraal. (Provisional Quantities) | UNIT | ESTIMATED QUANTITIES | RATE/ UNIT | ESTIMATED AMOUNT |
| 8.1 | Villiersdorp | No. | 3 | 5 856,00 | 17 568 00 |
| 8.2 | Grabouw | No. | 3 | 4 148 00 | 12 444,00 |
| 8.3 | Botrivier | No. | 3 | 3 050,00 | 9 150,00 |
| 8.4 | Caledon | No. | 3 | 4 148,00 | 12 444.00 |
| 8.5 | Greyton/Genadendal | No. | 3 | 6 710,00 | 20 130,00 |
| 8.6 | Riversonderend | No. | 3 | 7 930,00 | 23 790,00 |
| | | | | Sub Total 8 | 95 526,00 |
| 9 | Haulage of Solid Waste in 30m³ Tipper Trucks From the various towns to Caledon Landfill. | UNIT | ESTIMATED QUANTITIES | RATE/ UNIT | ESTIMATED AMOUNT |
| 9.1 | Villiersdorp | No. | 3 | 5 490,00 | 16 470,00 |
| 9.2 | Grabouw | No. | 3 | 5 368 00 | 16 104,00 |
| 9.3 | Botrivier | No. | 3 | 3 660,00 | 10 980,00 |
| 9.4 | Caledon | No. | 3 | 3 050,00 | 9 150,00 |
| 9.5 | Greyton/Genadendal | No. | 3 | 4 270,00 | 12 810,00 |
| 9.6 | Riversonderend | No. | 3 | 5 856,00 | 17 568,00 |
| | | | | Sub Total 9 | 83 082,00 |
| 10 | Transporting and Disposal of Domestic Hazardous Waste at suitable licensed site | UNIT | ESTIMATED QUANTITIES | RATE/ UNIT | ESTIMATED AMOUNT |
| 10.1 | Villiersdorp | No. | 4 | 7 855,41 | 31 421 62 |
| 10.2 | Grabouw | No. | 4 | 6 997,27 | 27 989 08 |
| 10.3 | Botrivier | No. | 4 | 7 426 34 | 29 705,35 |
| 10.4 | Caledon | No. | 4 | 7 941 22 | 31 764,88 |
| 10.5 | Greyton/Genadendal | No. | 4 | 8 563,37 | 34 253,47 |
| 10.6 | Riversonderend | No. | 4 | 9 035,34 | 36 141,37 |
| | | | | Sub Total 10 | 191 275,78 |
| | | | | Estimated Sub Total (Total for Sub Totals 1 to 10) | 1 102 170,97 |
| | | | | Value Added Tax (15% VAT) | 165 325,65 |
| | | | | Year 1 Estimated Total | 1 267 496,62 |
| | | | | (Add 4,9% from Year 1) - Year 2 Estimated Total | 1 329 603 95 |
| | | | | (Add 4,9% from Year 2) - Year 3 Estimated Total | 1 394 754,55 |
| | | | | (Year 1 + 2 + 3) Estimated Grant Total: Carried to Form of Offer and Acceptance | 3 991 855,12 |

Yours faithfully,

*On behalf of EnviroServ Waste Management (Pty) Ltd*

Francois du Plessis

**REGIONAL MANAGER: WESTERN CAPE**

**ITEM HEADING**

**SC96/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING: DEPARTMENT HUMAN SETTLEMENTS: IRREGULAR EXPENDITURE – RANDZO PROJECTS**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE / AIM OF REPORT**

The purpose of this report is to inform the Municipal Public Accounts Committee of the irregular expenditure incurred with regards to the implementation of the Grabouw Hillside housing project, as the deviation appointment of Randzo Projects was deemed unjustifiable by the Auditor General.

**BACKGROUND**

The Hillside Housing Project is divided into 2 projects with one contract for the top structures and one contract for the civil engineering services installation. The Top structures component of the project was approved and was implemented by the then Western Cape: Department of Human Settlement now Western Cape: Department of Infrastructure: Branch Human Settlement (DOI). Due to numerous delays with the project which included non-performance of the contractor that was appointed by DOI the project over three (3) years (2017-2020) only managed to produce 93 units. The units were constructed in phase 1 which consists of 125 units, leaving 32 units outstanding.

The civil engineering component of the project was implemented by Theewaterskloof Municipality, the municipality has completed the installation of water and sewer services for phase 1, still to complete the stormwater and road infrastructure of phase 1.

**DISCUSSION**

In June 2023, in the municipality's attempt to resurrect all the stagnant housing projects applied to DOI for the revision of the financial details of the civil engineering component of the project to be in line with the latest subsidy quantum. This was approved and granted by DOI. Upon planning for implementation of the project, it was discovered that the location is where old hostels are situated and that they need to be demolished. This delayed the project as the municipality had difficulties in finding relocation land to relocate the occupants of these hostels to be able to commence with the installation of the civil engineering services.

After numerous engagements with the community and affected stakeholders, the municipality discovered that the occupants of the hostels are also beneficiaries of the housing projects in Hillside.

The municipality, therefore engaged with DOI to get the top structure component of the project to the municipality for accelerated implementation and use it to relocate the occupants of the hostels and simultaneously unlock the implementation of civil engineering component of phase 2. DOI requested commitment from TWK to commit in terms of accelerating the projects prior granting approval which the municipality did. DOI finally approved the top structure component being assumed over by the municipality and approved it on the latest subsidy quantum in January 2024.

The AG gave the following opinion in the 2024/25 audit:

"The municipality deviated from SCM processes to procure construction services for constructing 32 housing units. The municipality, while the tender process was underway, should have planned and initiated the request for tenders and thus made an award to the supplier on the basis that the conditions on the ground for the occupants of hostels were worsening thus the municipality had to act urgently to protect the community. The municipality should have continued to evaluate with the normal procurement processes process swiftly to enable the prompt awarding of the tender and timely commencement of the construction project. This deviation, therefore, stems from inadequate planning.

Impact:
This results in non-compliance with regulation 19(a) as goods were procured without following a competitive bidding
process. Deviations were approved by the accounting officer even though it was not impractical to obtain price quotations in contravention with regulation 36(1)(a)(v). This results in irregular expenditure of R2 260 982.00 (expenditure current year). All future expenditure on these services should also be regarded as irregular expenditure. The non-compliance is material (recurring) and will be included in the audit report"

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

R 2 260 982.00 irregular expenditure

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA states that any official of a municipality who deliberately or negligently committed, made or authorized an irregular expenditure is liable for that expenditure. A municipality must recover such expenditure from the person liable for that expenditure, unless Council certifies the irregular expenditure as irrecoverable, after the Municipal Public Accounts Committee has investigated and recommended it. Irregular expenditure for the purpose of this item means expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality and which has not been condoned in terms of such policy.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Non-Conformance to Auditor General Findings impacting the Annual Financial Statements

**RECOMMENDATION BY ITEM AUTHOR:**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 2 260 982.00 be written off as irrecoverable.**

**RECOMMENDATION BY MANAGEMENT TO MPAC: 22 APRIL 2026**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud and negligence, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 2 260 982.00 be written off as irrecoverable.**

**RECOMMENDATION FROM MPAC TO COUNCIL: 23 JUNE 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander, and seconded by Councillor D Jacobs it was resolved as follows:

1. **That Council notes the AG Finding of the irregular expenditure of the amount of R 2 260 982.00.**

2. **Council notes that the housing units were delivered and that no evidence of fraud, theft, corruption or personal benefit was identified.**

3. **That Council satisfies the irregular expenditure as irrecoverable in terms of section 32 of the MFMA.**

4. **That Council write off the irregular expenditure from the irregular expenditure register.**

5. **That management must implement corrective measures to prevent future occurrence.**

**RESOLVED BY COUNCIL: 25 JUNE 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor C Cloete it was resolved as follows:

1. **Council notes the AG Finding of the irregular expenditure of the amount of R 2 260 982.00.**

2. **Council notes that the housing units were delivered and that no evidence of fraud, theft, corruption or personal benefit was identified.**

3. **Council satisfies the irregular expenditure as irrecoverable in terms of section 32 of the MFMA.**

4. **Council write off the irregular expenditure from the irregular expenditure register.**

5. **That management must implement corrective measures to prevent future occurrence.**

*For finalization by the Director: Economic Development and Planning, Ms N Baliso.*

**RECOMMENDATION TO COUNCIL:**

**Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.**

ANNEXURE A

# Status Report on RANDZO PROJECTS in terms of SCM and MFMA requirements and remedial action required if necessary

| Supplier | Service Description | Commencement date of contract |
|---|---|---|
| Randzo Projects | Construction of low-cost houses | 1 August 2024 |

1

| What was the initial Purpose of the contract |
|---|
| Construction of low-cost houses in Grabouw Hillside |

2

| Initial Scope of Contract and if uncertain please explain |
|---|
| Construction of 32 houses in Grabouw Hillside |

3

| Initial Contract Value and if uncertain please explain |
|---|
| Initial contract value R 6 242 016.00 |

4

| Initial Expiry Date and if uncertain please explain |
|---|
| 31 March 2025 |

5

| Was normal SCM Process followed and complied with | | |
|---|---|---|
| Yes | no X | Uncertain |
| **Explain of motivate your response** | | |
| Deviation approval obtained from the Accounting Officer in terms of Section 36 of the Municipal Supply Chain Management Regulations | | |

6

| Has the purpose, scope or contract period been extended or expanded since the initial appointment of the service provider | | |
|---|---|---|
| Yes | No X | Uncertain |
| **Explain or motivate your response** | | |
| Service was not extended. | | |

7

| **Was a formal contract or SLA initially entered into in terms of SCM and MFMA Requirements** | | |
|---|---|---|
| Yes **X** | No | Uncertain |
| **Explain or motivate your response** | | |
| Deviation approval obtained and separate contract agreement entered into Attached) | | |

8

| **Should a contract not have existed has it since been entered into and has all compliance requirements like as it applies in respect of the SCM process and or for purposes of deviations been complied with** | | |
|---|---|---|
| Yes **X** | No | Uncertain |
| **Motivate or explain your response** | | |
| Deviation approval was granted. | | |

9

| **Did Council because of this transaction received best value for money i.e. in spite of non-compliance, if any with SCM or MFMA requirements** | | |
|---|---|---|
| Yes **X** | No | Uncertain |
| **Please explain or motivate your response above** | | |
| Council received full value for money for works delivered. | | |

10

| **Has the Municipality suffered any losses or damages as a result of non-compliance with any of the MFMA or SCM requirements** | | |
|---|---|---|
| Yes | No **X** | Uncertain |
| **Please explain or motivate your response above** | | |
| Funding spent for the intended purpose and no losses or damages suffered. | | |

ANNEXURE A

11

| Are you satisfied with the performance of the current service provider to the extent that the contract should be continued with | | |
|---|---|---|
| Yes **X** | No | Uncertain |
| **Please explain or motivate your response above** | | |
| Services satisfactory | | |

12

| Has the director investigated and established whether or not there is not at this point a better service provider, price or product which would justify a new procurement process and a reconsideration of the current service provider, product or price | | |
|---|---|---|
| Yes **X** | No | Uncertain |
| **Please explain or motivate your response above** | | |
| Formal Price quotation advertised for remaining works | | |

14

| Could any form of non-compliance have been prevented | | |
|---|---|---|
| Yes | No X | Uncertain |
| **Explain or motivate your response above** | | |
| Circumstances and living condition of people residing in the hostels necessitated immediate action | | |

15

| What remedies have been put in place to prevent any non-compliance being repeated | | |
|---|---|---|
| Yes **X** | No | Uncertain |
| **Explain or motivate your response above** | | |
| Formal tender(Dev 06/2024/25) for Phase 2 of the project has been advertised. | | |

16

| General or additional Comments of the Director Concerned | |
|---|---|
| Dave Baloo | 12/03/2026. |
| Signature of Director Concerned | Date |

ANNEXURE A

17

| General Comments/Findings and recommendations of the CFO |
| --- |
| Signature of CFO Date 13/04/2026 |

18

| General Comments/Findings and or recommendations of the Chief Audit Executive |
| --- |
| Signature of Chief Audit Executive Date 16/04/2026. |

19

| Final response of the Director Concerned for consideration by the Municipal Manager |
| --- |
| support submission to MPAC. |
| Signature of the Director concerned Date 16/04/2026. |

20

| General Comments and findings of the Municipal Manager |
| --- |
| Signature of the Municipal Manager Date 20/04/16 |

AUDITOR-GENERAL
SOUTH AFRICA

The Accounting Officer
Theewaterskloof Municipality
PO Box 24
Caledon
7230

24 October 2025

Reference: Communication No. 09 of 2025

Dear Mr. W Hendricks

**COMMUNICATION OF FINDINGS IDENTIFIED DURING THE AUDIT OF COMPLIANCE WITH LEGISLATION FOR THE YEAR ENDED 30 JUNE 2025**

**Background**

1. In performing the audit of compliance with legislation, we identified instances of non-compliance as described in the annexure. We have recorded the internal control deficiency that gave rise to the instances of non-compliance and our recommendation for correcting the instances of non-compliance for your consideration.
2. The finding will be included in the management report including your comments and our final response.

**Required**

3. You are requested to indicate whether you agree with the facts stated in the annexure including whether you agree with the identified internal control deficiency. Should you disagree, please provide us with documentary evidence to the contrary within 5 days from the date of this communication, as agreed in the engagement letter.
4. Please provide us with the reasons for the instances of non-compliance and the steps that will be taken to rectify the matter in future.

Yours sincerely

Masixole Velem
Senior Manager: Western Cape

Enquiries: Henno Pretorius
Cell phone: 064 907 4146
Telephone: (021) 528 4100
Email: hennop@agsa.co.za

**Acknowledgement of receipt by management:**

Received by _____ Date _____

**DETAILED AUDIT FINDING**

**Procurement processes and contract management**

**SCM: Reason for not following the official procurement processes (Deviation) not justifiable and incorrect classification of deviations**

**1. Unjustified deviations from normal Supply chain processes**

Section 2(1)(b) of the Supply Chain Management (SCM) regulations, *"each municipality and municipal entity must in terms of section 111 of the Act have and implement a supply chain management policy that –*

*(b) is fair, equitable, transparent, competitive and cost effective."*

Section 19 of the Municipal Supply Chain Management Regulations on Competitive bids states
*"A supply chain management policy must specify—*

*a) that goods or services above a transaction value of R300 000 (VAT included) may be procured by the municipality or municipal entity only through a competitive bidding process, subject to regulation 11(2); and*

*b) that no requirement for goods or services above an estimated transaction value of R300 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process."*

Section 17(1) of the Municipal Supply Chain Management Regulations states that:
*"A supply chain management policy must stipulate the conditions for the procurement processes of goods or*
*services through formal written price quotations, which must include conditions stating—*
*a) that quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the municipality or municipal entity;*
*b) that quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria in the supply chain management policy required by regulation 14(1)(b) and;*
*c) that if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer."*

Section 36 of the Municipal Supply Chain Management Regulations states that;

*(1.) "A supply chain management policy may allow the accounting officer –*

*(a.) to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*

*(i) In the case an emergency;*
*(ii) If such goods or services are produced or available from a single provider only;*
*(iii) For the acquisition of special works of art or historical objects where specifications are difficult to compile;*
*(iv) Acquisition of animals for zoos; or*
*(v) In any other exceptional case where it is impractical or impossible to follow the official procurement processes; and*

*(b.) to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely technical.*

*(2.) The accounting officer must record the reasons for any deviations in terms of sub-regulation (1) (a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements*

*(3.) In terms of the Supply Chain Management (SCM) regulations 5: "An accounting officer may in terms of section 79 or 1 06 of the Act sub delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of regulation 4(1), but any such sub delegation must be consistent with sub regulation (2) and regulation 4".*

Furthermore, paragraph 37 of the municipality's supply chain policy states that:
***"36. DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSESSNT***
***PROCESSES***

*1. The Accounting Officer may –*

*a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*
*(I) in an emergency; (An emergency is an unforeseeable sudden event with harmful or potential harmful consequences for the municipality which requires urgent action to address.)*

*Circumstances that warrant emergency dispensation, includes but are not limited to –*

*a) the possibility of human injury or death,*
*b) the prevalence of human suffering or deprivation of rights,*
*c) the possibility of damage to property, or suffering and death of livestock and animals, the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole, the possibility of serious damage occurring to the natural environment,*
*d) the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service,*
*e) the possibility that the security of the state could be compromised.*

*2. The Accounting Officer must record the reasons for any deviations in terms of subparagraphs 36(1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.*
*3. Subparagraph 36(2) does not apply to the procurement processes of goods and services contemplated in paragraph 11(2) of this policy."*

During our testing of this deviation, we identified several instances where the reason for the deviation was not found to be justifiable:

## Part A: Inadequate Justification for Procurement processes Deviations

| No | Name of supplier and service provided | Category | Actual value of contract | Deviation date of approval | Auditor's comment |
|---|---|---|---|---|---|
| 1. | **Security Services – Sibukele Security Services** | Any other exceptional case where it is impractical or impossible to follow the official procurement processes | R1 629 561,50 | 09 July 2024 | The municipality justified this deviation by procuring security services for one month prior to commencement of a construction contract to prevent community members from illegally occupying vacant structures.<br>However, this deviation does not meet the criteria for any other exceptional case where it is impractical or impossible to follow the official procurement processes. The situation could have been managed through a formal quotation process, and the failure to plan adequately for PPE needs led to the unjustifiable deviation.<br><br>**Impact:** This results in non-compliance with regulation 19(a) as goods were procured without following a competitive bidding process.<br><br>Deviations were approved by the accounting officer even though it was not impractical obtain price quotations in contravention with regulation 36(1)(a). This results in irregular expenditure of R1 629 561,50. The non-compliance is material (recurring) and will be included in the audit report. |
| 2. | **Appointment of a contractor to contractor to construct 32 units in Hillside Phase 1 Grabouw - Rhandzo Projects (Pty) Ltd** | Any other exceptional case where it is impractical or impossible to follow the official procurement processes | R6 242 016,00 | 11 July 2024 | The municipality deviated from SCM processes to procure construction services for constructing 32 housing units. The municipality while the tender process was underway, should have planned and initiated the request for tenders and thus made an award to the supplier on the basis that the conditions on the ground for the occupants of hostels were worsening thus the municipality had to act urgently to protect the community. The municipality should have continued to evaluate with the normal procurement processes process swiftly to enable the prompt awarding of the tender and timely commencement of the construction project. This deviation, therefore, stems from inadequate planning.<br><br>**Impact:** This results in non-compliance with regulation 19(a) as goods were procured without following a competitive bidding process. |

| No | Name of supplier and service provided | Category | Actual value of contract | Deviation date of approval | Auditor's comment |
|---|---|---|---|---|---|
| | | | | | Deviations were approved by the accounting officer even though it was not impractical obtain price quotations in contravention with regulation 36(1)(a)(v). This results to irregular expenditure of R2 260 982 (expenditure current year). All future expenditure for this services should also be regarded as irregular expenditure. The non-compliance is material (recurring) and will be included in the audit report. |

748

MUNISIPALITEIT
THEEWATERSKLOOF
12 SEP 2024
FINANSIES
FINANCE
MUNICIPALITY

# Rhandzo Projects
(Pty) Ltd.

Company Registration Number: 2016/161111/07

## TAX INVOICE

| | | | |
|---|---|---|---|
| Account to : | The Head of Municipality<br>Theewaterskloof Municipality<br>6 Plein Street<br>Caledon<br>7230 | Date of Issue | 16/08/2024 |
| | | Tax invoice: | DEV01/24/25-1 |
| | | Ref : | DEV01/2024/25-1 |
| VAT No.: | 4000846248 | VAT No.: | 4190302630 |
| Attention to : | Municipal Manager | | |

**Project Title:** CONSTRUCTION OF 32 HOUSING UNITS IN GRABOUW: HILLSIDE HOUSING PROJECTS.

| STAGE DESCRIPTION | QUANTITY | RATE | CLAIM |
|---|---|---|---|
| Certificate No. 1_160824 | 1 | R 887 950,00 | R 887 950,00 |
| | | | R - |
| | | | R - |
| | | | R - |
| | | | R - |
| | | | R - |
| | | | R - |
| | | | R - |
| Sub-total | | | R 887 950,01 |
| Prev Paid | | | - |
| SUB TOTAL | | | 887 950,01 |
| VAT at 15% | | | 133 192,50 |
| TOTAL DUE | | | 1 021 142,51 |

Status of Account

| Current | 30 days | 60 days | 90 days | 120 days and over |
|---|---|---|---|---|
| R 1 021 142,51 | R - | R - | R - | R - |

TOTAL AMOUNT DUE R 1 021 142,51

Enquires : RA MASHELE

*INVOICE DATE:* 2024/08/16

*Signed:*

*Payment Details*

Banking Details:

Account Name: RHANDZO PROJECTS
Bank Name: FIRST NATIONAL BANK
Account No: 62782143441
Branch Name: RIVERSIDE PARK

MUNISIPALITEIT
THEEWATERSKLOOF
16/09/2024
MUNICIPALITY

01 3012 290 362
~~07 2111 2 004 20~~

GITZ

749

MUNISIPALITEIT
THEEWATERSKLOOF
12 SEP 2024
MUNICIPALITY
FINANSIES
FINANCE

# Rhandzo Projects (Pty) Ltd.

Company Registration Number: 2016/161111/07

## TAX INVOICE

| | | | |
|---|---|---|---|
| Account to : | The Head of Municipality<br>Theewaterskloof Municipality<br>6 Plein Street<br>Caledon<br>7230 | Date of issue | 11/09/2024 |
| | | Tax Invoice: | DEV01/24/25-2 |
| | | Ref : | DEV01/2024/25-2 |
| VAT No.: | 4000846248 | VAT No.: | 4190302630 |
| Attention to : | Municipal Manager | | |

**Project Title:** CONSTRUCTION OF 92 HOUSING UNITS IN GRABOUW: HILLSIDE HOUSING PROJECTS.

| STAGE DESCRIPTION | QUANTITY | RATE | CLAIM |
|---|---|---|---|
| Certificate No. 2_110924 | 1 | R 386 049,99 | R 386 049,99 |
| | | | R - |
| | | | R - |
| | | | R - |
| | | | R - |
| | | | R - |
| | | | R - |
| | | | R - |
| Sub-total | | | R 386 050,00 |
| Prev Paid | | | - |
| | | | - |
| SUB TOTAL | | | 386 050,00 |
| VAT at 15% | | | 57 907,50 |
| TOTAL DUE | | | 443 957,50 |

PAID

Status of Account

| Current | 30 days | 60 days | 90 days | 120 days and over |
|---|---|---|---|---|
| R 1 465 100,00 | R - | R - | R - | R - |

TOTAL AMOUNT DUE R 1 465 100,00

Enquires : RA MASHELE

*INVOICE DATE:* 2024/09/11

*Signed:*

*Payment Details*

Banking Details:

| | |
|---|---|
| Account Name: | RHANDZO PROJECTS |
| Bank Name: | FIRST NATIONAL BANK |
| Account No: | 62782143441 |
| Branch Name: | RIVERSIDE PARK |

MUNISIPALITEIT THEEWATERSKLOOF
DETAAL SEKTOR
Ek sertifiseer dat die dienste/goedere soos hierop gelewer is en aan die bepalings van voorsiene ooreenkoms voldoen is.
11/09/2024

013012290362
~~0721112004420~~

Checked OK.

750

# Rhandzo Projects
(Pty) Ltd.

Company Registration Number: 2016/181111/07

## TAX INVOICE

| | | | |
|---|---|---|---|
| Account to : | The Head of Municipality<br>Theewaterskloof Municipality<br>6 Plein Street<br>Caledon<br>7230 | Date of issue<br>Tax Invoice: | 16/10/2024<br>DEV01/24/25-3 |
| VAT No.: | 4000846248 | Ref : | DEV01/2024/25-3 |
| Attention to : | Municipal Manager | VAT No.: | 4190302630 |

**Project Title:** CONSTRUCTION OF 32 HOUSING UNITS IN GRABOUW: HILLSIDE HOUSING PROJECTS.

| STAGE DESCRIPTION | QUANTITY | RATE | CLAIM |
|---|---|---|---|
| Certificate No. 3_161024 | 1 | R 792 028,59 | R 792 028,59 |
| | | | R - |
| | | | R - |
| | | | R - |
| | | | R - |
| | | | R - |
| | | | R - |
| | | | R - |
| Sub-total | | | R 792 028,60 |
| Prev Paid | | | - |
| | | | - |
| SUB TOTAL | | | 792 028,60 |
| VAT at 15% | | PAID | 118 804,29 |
| TOTAL DUE | | | 910 832,89 |

Status of Account

| Current | 30 days | 60 days | 90 days | 120 days and over |
|---|---|---|---|---|
| R 910 832,89 | R - | R - | R - | R - |

TOTAL AMOUNT DUE R 910 832,89

Enquiries : RA MASHELE

INVOICE DATE: 2024/10/16

Signed:

Payment Details

Banking Details:

Account Name: RHANDZO PROJECTS (PTY)LTD
Bank Name: STANDARD BANK
Account No: 411324217
Branch Name: CENTURION LIFESTYLE BRANCH

013012 2903 02

MUNISIPALITEIT THEEWATERSKLOOF
TOTAAL SERTIFIKAAT
Ek sertifiseer dat:
Die dienste/goedere soos hierin gespesifiseer, aan my as applikeerder is en dat die fisiese [illegible] ooreenkoms/kontrak is.

21/10/2024
Handtekening Datum

**Rhandzo Projects (Pty) Ltd.**

[redacted]

Company Registration Number: 2016/181111/07

## TAX INVOICE

| | | | |
|---|---|---|---|
| Account to : | The Head of Municipality<br>Theewaterskloof Municipality<br>6 Plein Street<br>Caledon<br>7230 | Date of Issue | 19/11/2024 |
| | | Tax Invoice: | DEV01/24/25-4 |
| | | Ref : | DEV01/2024/25-4 |
| VAT No.: | 4000846248 | VAT No.: | 4190302630 |
| Attention to : | Municipal Manager | | |

**Project Title:** CONSTRUCTION OF 32 HOUSING UNITS IN GRABOUW: HILLSIDE HOUSING PROJECTS.

| STAGE DESCRIPTION | QUANTITY | RATE | CLAIM |
|---|---|---|---|
| Certificate No. 4_111924 | 1 | R 1 467 075,00 | R 1 467 075,00 |
| | | | R - |
| | | | R - |
| | | | R - |
| | | | R - |
| | | | R - |
| | | | R - |
| | | | R - |
| Sub-total | | | R 1 467 075,00 |
| Prev Paid | | | - |
| SUB TOTAL | | | 1 467 075,00 |
| VAT at 15% | | PAID | 220 061,25 |
| TOTAL DUE | | | 1 687 136,25 |

GHL

**Status of Account**

| Current | 30 days | 60 days | 90 days | 120 days and over |
|---|---|---|---|---|
| R 1 687 136,25 | R 910 832,89 | R - | R - | R - |

TOTAL AMOUNT DUE R 2 597 969,14

Enquiries : RA MASHELE

*INVOICE DATE:* 19/11/2024

*Signed:*

*Payment Details*

Banking Details:

Account Name: RHANDZO PROJECTS (PTY)LTD
Bank Name: STANDARD BANK
Account No: 411324217
Branch Name: CENTURION LIFESTYLE BRANCH

MUNISIPALITEIT THEEWATERSKLOOF
BETAAL SERTIFIKAAT

Ek sertifiseer dat:
Die dienste/goedere soos hierin gespesifiseer, aan die Raad gelewer is en dat die prysseleosie redelik en/of ooreenkomstig kontrak is.

Handtekening Datum

**ZO Pro**
**(Pty) Ltd.**

Company Registration No : 20

**TAX INVOICE**

| | | | |
|---|---|---|---|
| Account to : | The Head of Municipality<br>Thewaterskloof Municipality<br>5 Plein Street<br>Caledon<br>7230 | Date of Issue | 10/12/2024 |
| | | Tax Invoice: | DEV01/24/25-5 |
| | | Ref : | DEV01/2024/25-5 |
| VAT No.: | 4[illegible]6248 | VAT No.: | 4190302630 |
| Attention to : | Municipal Manager | | |

**Project Title:** CONSTRUCTION OF 32 HOUSING UNITS IN GRABOUW: HILLSIDE HOUSING PROJECTS.

| STAGE DESCRIPTION | QUANTITY | RATE | CLAIM |
|---|---|---|---|
| Certificate No. 5_120424 | 1 | R 1 149 884,00 | R 1 149 884,00 |
| | | | R - |
| | | | R - |
| | | | R - |
| | | | R - |
| | | | R - |
| | | | R - |
| | | | R - |
| Sub-total | | | R 1 149 884,00 |
| Prev Paid | | | - |
| SUB TOTAL | | | - |
| VAT at 15% | | | 1 149 884,00 |
| TOTAL DUE | | | 172 482,60 |
| | | | 1 322 366,60 |

Status of Account:

| Current | 30 days | 60 days | 90 days | 120 days and over |
|---|---|---|---|---|
| R 1 322 366,60 | R 338 866,14 | R | R - | R - |

TOTAL AMOUNT DUE R 1 661 232,74

Enquiries : RA MASHELE

INVOICE DATE: 10/12/2024

Signed:

Payment Details

Banking Details:

Account Name: RHANDZO PROJECTS (PTY)LTD
Bank Name: STANDARD BANK
Account No: 411924217
Branch Name: CENTURION LIFESTYLE BRANCH

[illegible] LAOE

[illegible]

10/12/2024
Datum

01/3012/2/903612

# Rhandzo Projects
(Pty) Ltd.

Van Wilkins Arend Street, Mafelane, 1320
P.O. Box 4004, Hazelwood, 1240
Company Registration Number: 2016/181111/07

**TAX INVOICE**

11 MAR 2025

| | | | |
|---|---|---|---|
| Account to : | The Head of Municipality<br>Theewaterskloof Municipality<br>6 Plein Street<br>Caledon<br>7230 | Date of Issue | 27/02/2025 |
| | | Tax Invoice: | DEV01/24/25-6 |
| | | Ref : | DEV01/2024/25-6 |
| VAT No.: | 4000846248 | VAT No.: | 4190302630 |
| Attention to : | Municipal Manager | | |

**Project Title:** CONSTRUCTION OF 32 HOUSING UNITS IN GRABOUW: HILLSIDE HOUSING PROJECTS.

| STAGE DESCRIPTION | QUANTITY | RATE | CLAIM |
|---|---|---|---|
| Certificate No. 6_270225 | 1 | R 200 000,00 | R 200 000,00 |
| | | | R - |
| | | | R - |
| | | | R - |
| | | | R - |
| | | | R - |
| | | | R - |
| | | | R - |
| Sub-total | | | R 200 000,00 |
| Prev Paid | | | - |
| SUB TOTAL | | | 200 000,00 |
| VAT at 15% | | | 30 000,00 |
| TOTAL DUE | | | 230 000,00 |

PAID

Status of Account

| Current | 30 days | 60 days | 90 days | 120 days and over |
|---|---|---|---|---|
| R 230 000,00 | R - | R - | R - | R - |

TOTAL AMOUNT DUE R 230 000,00

Enquires : RA MASHELE

Gin

INVOICE DATE: 27/02/2025

Signed:

*Payment Details*

Banking Details:

Account Name: RHANDZO PROJECTS (PTY)LTD
Bank Name: STANDARD BANK
Account No: 411324217
Branch Name: CENTURION LIFESTYLE BRANCH

MUNISIPALITEIT THEEWATERSKLOOF
BETAAL SERTIFIKAAT

Ek sertifiseer dat:
Die dienste/goedere soos hierin gespesifiseer, aan die Raad gelewer is en dat die prys/fooie redelik en in ooreenkoms/kontrak is.

04/03/2025

Handtekening Datum

# Rhandzo Projects
(Pty) Ltd.

[redacted]

Company Registration Number: 2018/161111/07

## TAX INVOICE

| | | | |
|---|---|---|---|
| Account to : | The Head of Municipality<br>Theewaterskloof Municipality<br>6 Plein Street<br>Caledon<br>7230 | Date of Issue<br>Tax Invoice: | 27/02/2025<br>DEV01/24/25-7 |
| | | Ref : | DEV01/2024/25-6 |
| VAT No.: | 4000846248 | VAT No.: | 4190302630 |
| Attention to : | Municipal Manager | | |

**Project Title:** CONSTRUCTION OF 32 HOUSING UNITS IN GRABOUW: HILLSIDE HOUSING PROJECTS.

| STAGE DESCRIPTION | QUANTITY | RATE | CLAIM |
|---|---|---|---|
| Certificate No. 6_270225 | 1 | R 361 699,00 | R 361 699,00 |
| | | | R - |
| | | | R - |
| | | | R - |
| | | | R - |
| | | | R - |
| | | | R - |
| | | | R - |
| Sub-total | | | R 361 699,00 |
| Prev Paid | | | - |
| SUB TOTAL | | | 361 699,00 |
| VAT at 15% | | | 54 254,85 |
| TOTAL DUE | | | 415 953,85 |

**Status of Account**

| Current | 30 days | 60 days | 90 days | 120 days and over |
|---|---|---|---|---|
| R 415 953,85 | R - | R 172 482,60 | R 338 000,00 | R - |

TOTAL AMOUNT DUE: R 926 436,45

Enquiries : RA MASHELE

INVOICE DATE: 27/02/2025

Signed:

Payment Details

Banking Details:

Account Name: RHANDZO PROJECTS (PTY)LTD
Bank Name: STANDARD BANK
Account No: 411324217
Branch Name: CENTURION LIFESTYLE BRANCH

MUNISIPALITEIT THEEWATERSKLOOF
BETAAL SERTIFIKAAT

Ek sertifiseer dat:
Die diens/goedere soos hierin gespesifiseer,
aan die applikant gelewer is en dat die prys/foute
reg is volgens ooreenkoms/kontrak is.

03/03/2025
Datum

Handtekening

**BETAALSERTIFIKATE : RHANDZO PROJECTS**

**PROJECT: DEV 01/2024/25**

**APPOINTMENTOF A CONTRACTOR TO CONSTRUCT 32 HOURS UNITS IN HILLSIDE, PHASE 1 GRABOUW**

| | | | |
|---|---|---|---|
| **TOTALE KONTRAKWAARDE (ESTIMATED) :** | | | **7 178 318,40** |
| B/S 1 | 31607 | 13.09.2024 | (1 021 142,51) |
| B/S 2 | 31607 | 13.09.2024 | (443 957,50) |
| B/S 3 | 33408 | 28.03.2025 | (230 000,00) |
| B/S 4 | 33657 | 30.05.2025 | (565 602,99) |
| **Totale uitstaande:** | | | **4 917 615,40** |

**ITEM HEADING**

**SC97/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE FINANCE: REPAIR OF TYRE**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE / AIM OF REPORT**

The purpose of this report is to inform the Municipal Public Accounts Committee of the irregular expenditure occurred for repairing of one (1) tyre of a vehicle in Grabouw.

**BACKGROUND**

On 18 December 2024, the same vehicle had a slow puncture and was operating on its spare wheel, leaving it without a backup tyre. Staff were instructed by SCM to obtain a quotation from Saskia's for the tyre repair and to upload it onto Collaborator. Our staff followed this instruction and took the vehicle to Saskia's solely to obtain a quote.

However, Saskia's holds an existing standing order (TWK1 Order H0000310) for tyre repairs on other municipal vehicles. The service provider erroneously assumed that our vehicle was also covered under this standing order and proceeded to repair the tyre without first verifying that CAM 30014 was in fact not listed on the order. At no point did our staff authorise or instruct Saskia's to carry out the repair — the service provider acted on its own incorrect assumption based on its existing relationship with the municipality.

The municipality's internal processes were followed correctly: approval was sought from SCM, and the intention was to obtain a quotation only. The irregular classification arose solely from the service provider's failure to verify vehicle coverage before commencing the work.

**DISCUSSION**

As per attachment.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The irregular expenditure of R 74.75 has been recorded in 2024/25 financial statements. Management should ensure that reoccurrence is prevented.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result in Council Losing money and not receiving value for money. However, in this case Council did not suffer any losses or damages and received value for money.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 74.75 be written off for the financial year 2024/2025.**

**RECOMMENDATION FROM MANAGEMENT TO MPAC: 20 MAY 2026**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 74.75 be written off for the financial year 2024/2025.**

**RECOMMENDATION FROM MPAC TO COUNCIL: 23 JUNE 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander, and seconded by Councillor D Jacobs it was resolved as follows:

1. **That Council note the irregular expenditure in the amount of R 74.75 note there is no evidence of fraud, corruption of financial loss note that Theewaterskloof Municipaity receive value for money and recommend the write off the irregular expenditure section 32 of the MFMA.**
2. **Direct the accounting officer to strengthen the measures to prevent future occurrence.**

**RESOLVED BY COUNCIL: 25 JUNE 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor C Cloete it was resolved as follows:

1. **Council notes the irregular expenditure in the amount of R 74.75 note there is no evidence of fraud, corruption of financial loss note that Theewaterskloof Municipaity receive value for money and recommend the write off the irregular expenditure section 32 of the MFMA.**
2. **Direct the accounting officer to strengthen the measures to prevent future occurrence.**

*For finalization by the Acting Director: Finance, Mr A Riddles.*

**RECOMMENDATION TO COUNCIL:**

**Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.**

## Status Report– REPAIR OF TYRE

In terms of SCM and MFMA requirements and remedial action required if necessary

1

| What was the initial Purpose |
|---|
| Repair of Tyre for service delivery |

2

| Initial Scope of Contract and if uncertain please explain |
|---|
| To fix the slow puncture tyre of a vehicle |

3

| Initial Contract Value and if uncertain please explain |
|---|
| R 74.75 |

4

| Initial Expiry Date and if uncertain please explain |
|---|
| N/A |

5

| Was normal SCM Process followed and complied with | | |
|---|---|---|
| **Yes** | no **X** | Uncertain |
| **Explain of motivate your response** | | |
| A quotation was obtained. The vehicle had a slow puncture. The service provider repaired the tyre without any order. | | |

6

| Has the purpose, scope or contract period been extended or expanded since the initial appointment of the service provider | | |
|---|---|---|
| Yes | No x | Uncertain |
| **Explain or motivate your response** | | |
| N/A | | |

7

| Was a formal contract or SLA initially entered into in terms of SCM and MFMA Requirements | | |
|---|---|---|
| **Yes** | No **X** | Uncertain |
| **Explain or motivate your response** | | |

| |
|---|
| This was a a once off repair |

8

| **Should a contract not have existed has it since been entered into and has all compliance requirements like as it applies in respect of the SCM process and or for purposes of deviations been complied with** | | |
|---|---|---|
| Yes | No x | Uncertain |
| **Motivate or explain your response** | | |
| | | |

9

| **Did Council because of this transaction received best value for money i.e. in spite of non-compliance, if any with SCM or MFMA requirements** | | |
|---|---|---|
| Yes X | No | Uncertain |
| **Please explain or motivate your response above** | | |
| The vehicle is use for service delivery. Meter readings – Income generated | | |

10

| **Has the Municipality suffered any losses or damages as a result of non-compliance with any of the MFMA or SCM requirements** | | |
|---|---|---|
| Yes | **No X** | Uncertain |
| **Please explain or motivate your response above** | | |
| | | |

11

| **Are you satisfied with the performance of the current service providers** | | |
|---|---|---|
| **Yes X** | No | Uncertain |
| **Please explain or motivate your response above** | | |
| SCM have not received any information regarding poor performances | | |

12

| Has the director investigated and established whether or not there is not at this point a better service provider, price or product which would justify a new procurement process and a reconsideration of the current service provider, product or price | | |
|---|---|---|
| Yes | No | Uncertain |
| **Please explain or motivate your response above** | | |
| N/A | | |

14

| Could any form of non-compliance have been prevented | | |
|---|---|---|
| Yes | No | Uncertain |
| **Explain or motivate your response above** | | |
| N/A | | |

15

| What remedies have been put in place to prevent any non-compliance being repeated | | |
|---|---|---|
| Yes | No | Uncertain |
| **Explain or motivate your response above** | | |
| N/A | | |

16

| General or additional Comments of the Director Concerned | |
|---|---|
| ..... | 05 - 05 . 2026 ..... |
| Signature of Director Concerned | Date |

17

| General Comments/Findings and recommendations of the CFO | |
|---|---|
| | |
| Signature of CFO | Date 2026-05-05 |

18

762

ANNEXURE A

| General Comments/Findings and or recommendations of the Chief Audit Executive |
|---|
| Signature of Chief Audit Executive Date 5/5/2026 |

19

| Final response of the Director Concerned for consideration by the Municipal Manager |
|---|
| Signature of the Director concerned Date |

20

| General Comments and findings of the Municipal Manager |
|---|
| 1. |
| Signature of the Municipal Manager Date 26-05-2026 |

# THEEWATERSKLOOF MUNISIPALITEIT

S00106

SASKIA'S WHEEL & AXLE CC

Datum : 18/02/2025

Tjek nr.: CASHFOCUS

**Besonderhede van Betaling/Details of payment :**

| | |
|---|---|
| | 5 756,90 |
| | 5 756,90 |

| Belasting | | Posnommer | Bedrag |
|---|---|---|---|
| Inklusief | Eksklusief | | |
| | | | 5 756,90 |

Besonderhede van uitgawe Ek/Ons sertifiseer dat geen vorige betaling in hierdie verband gemaak is nie.
nagegaan en gekontroleer

5 756,90

Direkteur : Finansies

GH LAKAY
Opgestel deur

Nagesien deur

764

TEL (021) 859 2715
FAX (021) 859 2715
VAT REG NO: 4060174895

# STATEMENT

Date 31/01/25

Page 1

Account Number MUN001

SASKIA'S WHEEL & AXLE CC
Main Road
Cape Agric Business Park Unit5
Grabouw, 7160

Munisipaliteit T.W.K
P O Box 24
Caledon
7230

SASKIA'S WHEEL & AXLE CC
Main Road
Cape Agric Business Park Unit5
Grabouw, 7160

| Account | Date | Page |
|---|---|---|
| MUN001 | 31/01/25 | 1 |

| Date | Reference | Description | Debit | Credit |
|---|---|---|---|---|
| 01/01/25 | | BROUGHT FORWARD | 4,076.65 | |
| 07/01/25 | IN095555 | TAX INVOICE - O/N H0000310 | 1,546.75 | |
| 13/01/25 | IN095647 | TAX INVOICE - O/N H0000310 | 1,174.15 | |
| 13/01/25 | IN095648 | TAX INVOICE - O/N H0000310 | 305.90 | |
| 20/01/25 | IN095713 | TAX INVOICE - O/N JUSTINE | 74.75 | |
| 23/01/25 | IN095833 | TAX INVOICE - O/N H0000310 | 461.15 | |
| 29/01/25 | IN095935 | TAX INVOICE - O/N H0000310 | 845.25 | |
| 30/01/25 | IN095949 | TAX INVOICE - O/N H0000310 | 1,348.95 | |
| 31/01/25 | CK734 | payment | | 1,815.25 |

| Account | Date | Page |
|---|---|---|
| MUN001 | 31/01/25 | 1 |

| Date | Reference | Amount |
|---|---|---|
| 01/01/25 | | 4,076.65D |
| 07/01/25 | IN095555 | 1,546.75D |
| 13/01/25 | IN095647 | 1,174.15D |
| 13/01/25 | IN095648 | 305.90D |
| 20/01/25 | IN095713 | 74.75D |
| 23/01/25 | IN095833 | 461.15D |
| 29/01/25 | IN095935 | 845.25D |
| 30/01/25 | IN095949 | 1,348.95D |
| 31/01/25 | CK734 | 1,815.25C |

| 120+ Days | 90 Days | 60 Days | 30 Days | Current | Total Due |
|---|---|---|---|---|---|
| 0.00 | 0.00 | 1,128.65 | 1,132.75 | 5,756.90 | 8,018.30 |

Amount Due 8,018.30

Amount Paid: 1,815.25

Comments:

© Softline (Pty) Ltd

TEL (021) 859 2715
FAX (021) 859 2715
VAT REG NO: 4060174895

# TAX INVOICE

SASKIA'S WHEEL & AXLE CC
Main Road
Cape Agric Business Park Unit5
Grabouw, 7160

Date 20/01/25

Page 1

Document No IN095713

Deliver to
CAM 30014

Munisipaliteit T.W.K
P O Box 24
Caledon
7230

MUNISIPALITEIT
FINANSIES
21 JAN 2025
FINANCE
MUNICIPALITY

| Account | Your Reference | Tax Exempt | Tax Reference | Sales Code |
|---|---|---|---|---|
| MUN001 | O/N JUSTINE | N | 4000846248 | |

| Code | Description | Quantity | Unit | Unit Price | Disc% | Tax | Exclusive Nett Price |
|---|---|---|---|---|---|---|---|
| R | Repair 185/60R14 tyre | 1.00 | | 65.00 | | 9.75 | 65.00 |

Repair done 18 December 2024 without a formal scm process or purchase order. Supplier mistakenly thought that vehicle is listed under/covered by Order H000310 which it is not.
N La Grange @ scm advised that this invoice needs to be signed and sent to creditors and listed as irregular expenditure.
Justine Viergaardt
Grabouw

MUNISIPALITEIT THEEWATERSKLOOF
BETAAL SERTIFIKAAT
Ek sertifiseer dat:
dienste / goedere soos hierin gespesifiseer,
aan die Raad gelewer is en dat die pryse / fooie
volgens ooreenkoms / kontrak is.
Datum
Handtekening

PAID

FNB Grabouw
Branch 200 312
Acc 6201 9330 282

Received in good order

Signed Date

| | | |
|---|---|---|
| Sub Total | | 65.00 |
| Discount @ | 0.00% | 0.00 |
| Amount Excl Tax | | 65.00 |
| Tax | | 9.75 |
| Total | | 74.75 |

© Softline (Pty) Ltd

766

## Annielle Martin

**From:** Garrick Lakay
**Sent:** Wednesday, 19 February 2025 16:10
**To:** Annielle Martin
**Cc:** Nico La Grange; Petula Fortuin; Joanle Pretorius
**Subject:** FW: SECTION 32 (SASKIAS - EFT 32999)
**Attachments:** SKM_36725021916090.pdf

**Importance:** High

Good day Annielle,

Please find attached Section 32 payment, kindly note that this is part of 2024/25 fin book year. Also is just the attached tax invoice that must be recorded as irregular.

SCM processes was not followed.

*Kind regards,*

**Garrick Lakay**
Principle Clerk: Crediors – Expenditure Management
Directorate: Financial Services

**THEEWATERSKLOOF MUNICIPALITY**
**Head Office.** 6 Plein Street, Caledon, 7230
**Call Centre.** 028 214 3300 **Email: GarrickLa@twk.gov.za**
**Website.** www.twk.gov.za | **Follow us on Facebook, X, Instagram.** @twkmun

Theewaterskloof
Municipality

PRIVACY AND CONFIDENTIALITY DISCLAIMER: The Theewaterskloof Municipality and Staff are committed to ensuring that it safeguards personal/private information of data subjects and to respect their right to privacy in accordance with the provisions of the South African Constitution, the Protection of Personal Information Act, 2013 (POPIA) and the Promotion of Access to Information Act, 2000 (PAIA). This email message contains information which may be confidential, personal, private, or privileged in nature and is intended solely for use by the recipient and others authorized to receive it for the specific purpose for which it was sent. If you are not the intended recipient, you are prohibited from using, misusing, disseminating, altering, forwarding, storing, or copying the information, and are hereby notified that such action in relation to the contents of this information is unlawful which may result in your being held liable arising out of your non-compliance. If you have received this message in error, please notify the sender immediately and delete and/or destroy the message from your system.

**From:** twkscans@gmail.com <twkscans@gmail.com>
**Sent:** Wednesday, February 19, 2025 4:10 PM
**To:** Garrick Lakay <garrickla@twk.gov.za>
**Subject:** Message from KM_367

**ITEM HEADING**

**SC98/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE FINANCE: TOWING OF VEHICLE TO THE GRABOUW OFFICE CAM 30014 - 2024/2025**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE / AIM OF REPORT**

The purpose of this report is to inform the Municipal Public Accounts Committee of the irregular expenditure which occurred for towing of vehicle CAM 30014 to the Grabouw Office.

**BACKGROUND**

The vehicle broke down in a residential area in Grabouw where it was unsafe to leave the vehicle overnight. The meter reader stayed at the vehicle to safeguard.

The vehicle cannot be towed as the lower control arm broke. Econo Tyres (Point S) in Caledon, who will be doing the repairs as per the quote obtained, does not have a flatbed vehicle and does not have the space to store the vehicle currently.

The vehicle needs to be moved from where it has broken down to the Grabouw Town office which is about 2km away.

**DISCUSSION**

As per attachment.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The irregular expenditure of R 1 092.50 has been recorded in 2024/25 financial statements. Management should ensure that reoccurrence is prevented.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result in Council Losing money and not receiving value for money. However, in this case Council did not suffer any losses or damages and received value for money.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 1 092.50 be written off for the financial year 2024/2025.**

**RECOMMENDATION FROM MANAGEMENT TO MPAC: 20 MAY 2026**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 1 092.50 be written off for the financial year 2024/2025.**

**RECOMMENDATION FROM MPAC TO COUNCIL: 23 JUNE 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander, and seconded by Councillor D Jacobs it was resolved as follows:

1. **That Council note the irregular expenditure in the amount of R 1 092.50 constitutes the irregular expenditure due to SCM non- compliance.**
2. **Note that the expenditure across from the unforeseen breakdown.**
3. **Note that no evidence of fraud, corruption or financial loss was identified accept that Theewaterskloof Municipality receives value for money.**
4. **Approve the write off the irregular expenditure section 32 of the MFMA.**
5. **Recommend that SCM establish a database or panel of approved towing service providers.**

**RESOLVED BY COUNCIL: 25 JUNE 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor M Gana, it was resolved as follows:

1. **Council notes the irregular expenditure in the amount of R 1 092.50 constitutes the irregular expenditure due to SCM non- compliance.**
2. **Note that the expenditure across from the unforeseen breakdown.**
3. **Note that no evidence of fraud, corruption or financial loss was identified accept that Theewaterskloof Municipality receives value for money.**
4. **Approve the write off the irregular expenditure section 32 of the MFMA.**

5. **Recommend that SCM establish a database or panel of approved towing service providers.**

*For finalization by the Acting Director: Finance, Mr A Riddles.*

**RECOMMENDATION TO COUNCIL:**

**Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.**

Annexure

ANNEXURE A 770

**Status Report– TOWING OF VEHICLE TO THE GRABOUW OFFICE CAM 30014**

**In terms of SCM and MFMA requirements and remedial action required if necessary**

1

| **What was the initial Purpose** |
|---|
| Towning of vehicle to the Grabouw office CAM 30014 |

2

| **Initial Scope of Contract and if uncertain please explain** |
|---|
| The vehicle broke down in a residential area where it is unsafe to leave the vehicle overnight. The meter reader stayed at the vehicle to safeguard.<br>The vehicle cannot be towed due to the lower control arm broke. A lowbed was required to move the vehicle to the Grabouw office. |

3

| **Initial Contract Value and if uncertain please explain** |
|---|
| R 1 092.50 |

4

| **Initial Expiry Date and if uncertain please explain** |
|---|
| N/A |

5

| **Was normal SCM Process followed and complied with** | | |
|---|---|---|
| **Yes** | No X | Uncertain |
| **Explain of motivate your response** | | |
| The vehicle could not have been left unattended next to the road. | | |

6

| **Has the purpose, scope or contract period been extended or expanded since the initial appointment of the service provider** | | |
|---|---|---|
| Yes | No x | Uncertain |
| **Explain or motivate your response** | | |
| N/A | | |

7

| **Was a formal contract or SLA initially entered into in terms of SCM and MFMA Requirements** | | |
|---|---|---|
| **Yes** | No **X** | Uncertain |

| Explain or motivate your response |
|---|
| This was an emergency and an SCM process could not have been followed. |

8

| Should a contract not have existed has it since been entered into and has all compliance requirements like as it applies in respect of the SCM process and or for purposes of deviations been complied with | | |
|---|---|---|
| Yes | No x | Uncertain |
| **Motivate or explain your response** | | |
| | | |

9

| Did Council because of this transaction received best value for money i.e. in spite of non-compliance, if any with SCM or MFMA requirements | | |
|---|---|---|
| Yes X | No | Uncertain |
| **Please explain or motivate your response above** | | |
| This vehicles is used for service delivery | | |

10

| Has the Municipality suffered any losses or damages as a result of non-compliance with any of the MFMA or SCM requirements | | |
|---|---|---|
| Yes | **No X** | Uncertain |
| **Please explain or motivate your response above** | | |
| | | |

11

| Are you satisfied with the performance of the current service providers | | |
|---|---|---|
| **Yes X** | No | Uncertain |
| **Please explain or motivate your response above** | | |

| |
|---|
| SCM have not received any information regarding poor performances |

12

| **Has the director investigated and established whether or not there is not at this point a better service provider, price or product which would justify a new procurement process and a reconsideration of the current service provider, product or price** | | |
|---|---|---|
| Yes | No | Uncertain |
| **Please explain or motivate your response above** | | |
| N/A | | |

14

| **Could any form of non-compliance have been prevented** | | |
|---|---|---|
| Yes | No | Uncertain |
| **Explain or motivate your response above** | | |
| N/A | | |

15

| **What remedies have been put in place to prevent any non-compliance being repeated** | | |
|---|---|---|
| Yes | No | Uncertain |
| **Explain or motivate your response above** | | |
| N/A | | |

16

| **General or additional Comments of the Director Concerned** | |
|---|---|
| ..... | 05-05-2026 ..... |
| Signature of Director Concerned | Date |

17

| **General Comments/Findings and recommendations of the CFO** |
|---|
| |

| Signature of CFO | Date 05-05-2026 |
|---|---|

18

| General Comments/Findings and or recommendations of the Chief Audit Executive | |
|---|---|
| Signature of Chief Audit Executive | Date 5/5/2026 |

19

| Final response of the Director Concerned for consideration by the Municipal Manager | |
|---|---|
| Signature of the Director concerned | Date |

20

| General Comments and findings of the Municipal Manager | |
|---|---|
| 1. | |
| Signature of the Municipal Manager | Date |

## Annielle Martin

**From:** Erik Matoni
**Sent:** Wednesday, 30 April 2025 16:31
**To:** Annielle Martin; Nico La Grange
**Cc:** Garrick Lakay; Joanle Pretorius; Petula Fortuin
**Subject:** S32 IRREGULAR EXPENDITURE - EN ROUTE TOWING
**Attachments:** EN ROUTE TOWING_EFT 33604_30.04.2025.pdf

Hi Annielle/Nico

Sien aangeheg irregular expenditure soos aangegaan vir En Route Towing:

- EFT 33604 – 30.04.2025 – R 1 092.50

Vriendelike groete/Kind regards,

**Erik Matoni**
**Principal Clerk: Creditors; Expenditure Department**
Directorate: Financial Services

**THEEWATERSKLOOF MUNICIPALITY**
**Head Office.** 6 Plein Street, Caledon, 7230
**Call Centre.** 028 214 3300 | **Email: ErikMa@twk.gov.za**
**Website.** www.twk.gov.za | **Follow us on Facebook, X, Instagram.** @twkmun

Theewaterskloof
Municipality

PRIVACY AND CONFIDENTIALITY DISCLAIMER: The Theewaterskloof Municipality and Staff are committed to ensuring that it safeguards personal/private information of data subjects and to respect their right to privacy in accordance with the provisions of the South African Constitution, the Protection of Personal Information Act, 2013 (POPIA) and the Promotion of Access to Information Act, 2000 (PAIA). This email message contains information which may be confidential, personal, private, or privileged in nature and is intended solely for use by the recipient and others authorized to receive it for the specific purpose for which it was sent. If you are not the intended recipient, you are prohibited from using, misusing, disseminating, altering, forwarding, storing, or copying the information, and are hereby notified that such action in relation to the contents of this information is unlawful which may result in your being held liable arising out of your non-compliance. If you have received this message in error, please notify the sender immediately and delete and/or destroy the message from your system.

775

# THEEWATERSKLOOF MUNISIPALITEIT

E00040 ∧

EN ROUTE TOWING CC

Datum : 30/04/2025

Tjek nr.: CASHFOCUS

**Besonderhede van Betaling/Details of payment :**

1 092,50

1 092,50

| Belasting | | Posnommer | Bedrag |
|---|---|---|---|
| Inklusief | Eksklusief | | |
| | | | 1 092,50 |

Besonderhede van uitgawe Ek/Ons sertifiseer dat geen vorige betaling in nagegaan en gekontroleer hierdie verband gemaak is nie.

1 092,50 ∧

Direkteur : Finansies

E. MATONI
Opgestel deur

Nagesien deur

En Route Towing

"We don't blend in, we stand out"

# TAX INVOICE

CASH ACCOUNT

Invoice Date
31 Jan 2025

Invoice Number
ENT163192

Reference
CAM30014

VAT Number
4390263988

9 De Kockstreet
Strand
7140
Tel: +(27) 21 854 7728
admin@wccallcentre.co.za
CC Reg no.:
2009/039867/23

MUNISIPALITEIT
FINANSIES
07 APR 2025
FINANCE
MUNICIPALITY

| Description | Quantity | Unit Price | VAT | Amount ZAR |
|---|---|---|---|---|
| THEEWATERSKLOOF<br>MUNISIPALITEIT<br>6 Plein Straat, Caledon, 7230<br>Posbus 24, Caledon, 7230<br>VAT: 4000846248<br>ludwig@twk.co.za | | | | |
| Trade Tow | 1.00 | 950.00 | 15% | 950.00 |
| TOW FROM GRABOUW TO GRABOUW<br>CHEV AVEO CAM30014<br>JUSTINE DIERGRAAT 0282143300 | | | | |
| | | | Subtotal | 950.00 |
| | | | TOTAL VAT | 142.50 |
| | | | TOTAL ZAR | 1,092.50 |

MUNISIPALITEIT THEEWATERSKLOOF
BETAAL SERTIFIKAAT
Ek sertifiseer dat:
Die dienste/goedere soos hierin gespesifiseer, aan die Raad gelewer is en dat die pryse/fooie redelik en volgens ooreenkoms/kontrak is.

Handtekening
Datum 02-04-2025

**Due Date: 31 Jan 2025**

Banking Details
En Route Towing
First National Bank
Acc No.: 6221 881 0994
Branch: Grabouw (200 312)

777

## Erik Matoni

**From:** Justine Diergaardt
**Sent:** Wednesday, 09 April 2025 15:55
**To:** Erik Matoni
**Subject:** RE: En Route Towing Invoice

Hi Erik,

Jy kan 011510275790 gebruik.

Dankie,
Justine

**From:** Erik Matoni <erikma@twk.gov.za>
**Sent:** Wednesday, 09 April 2025 15:54
**To:** Justine Diergaardt <justinedi@twk.gov.za>
**Subject:** En Route Towing Invoice

Hi Justine

Kan u asb my voorsien met 'n posnommer om die faktuur van En Route Towing vas te le.

Byvoorbaat dank.

Vriendelike groete/Kind regards,

Directorate: Financial Services

6 Plein Street, Caledon, 7230
028 214 3300
www.twk.gov.za
@twkmun

Municipality

PRIVACY AND CONFIDENTIALITY DISCLAIMER: The Theewaterskloof Municipality and its Staff are committed to ensuring that it safeguards personal private information of data subjects and to respect their rights to privacy in accordance with the provisions of the South African Constitution, the Protection of Personal Information Act, 2013 (POPIA) and the Promotion of Access to Information Act, 2000 (PAIA). This email message contains information which may be confidential, personal, private, or privileged in nature and is intended solely for use by the recipient and others authorized to receive it, for the specific purpose for which it was sent. If you are not the intended recipient, you are prohibited from using, misusing, disseminating, altering, forwarding, storing, or acting on the information, and are hereby notified that such action or reliance on the contents of this information is unlawful which may result in you being held liable arising out of your non-compliance. If you have received this message in error, please notify the sender immediately and delete it. Destroy the message from your system.

## Erik Matoni

**From:** Justine Diergaardt
**Sent:** Wednesday, 09 April 2025 12:33
**To:** Erik Matoni
**Subject:** FW: CAM30014 - ENROUTE TOWING

**From:** Annielle Martin <anniellema@twk.gov.za>
**Sent:** Friday, 04 April 2025 14:22
**To:** Justine Diergaardt <justinedi@twk.gov.za>
**Subject:** RE: CAM30014 - ENROUTE TOWING

Hi Justine

Soos bespreek met Nico, stuur getekende faktuur na krediteure. Hierdie sal hanteer word as ''irregular'' ^

Regards,

Supply Chain Management
Directorate: Financial Services

THEEWATERSKLOOF MUNICIPALITY
6 Plein Street, Caledon, 7230
028 214 3300 | 080 021 4730 | anniellema@twk.gov.za
Website: www.twk.gov.za Follow us on Facebook, X, tagram: @twkmun

heewaterskl
Municipality

PRIVACY AND CONFIDENTIALITY DISCLAIMER: The Theewaterskloof Municipality and Staff are committed to ensuring that it safeguards personal/private information of data subjects and to respect their right to privacy in accordance with the provisions of the South African Constitution, the Protection of Personal Information Act, 2013 (POPIA) and the Promotion of Access to Information Act, 2000 (PAIA). This email message contains information which may be confidential, personal, private, or privileged in nature and is intended solely for use by the recipient and others authorized to receive it for the specific purpose for which it was sent. If you are not the intended recipient, you are prohibited from using, misusing, disseminating, altering, forwarding, storing, or copying the information, and are hereby notified that such action in relation to the contents of this information is unlawful which may result in your being held liable arising out of your non-compliance. If you have received this message in error, please notify the sender immediately and delete and/or destroy the message from your system.

**From:** Justine Diergaardt <justinedi@twk.gov.za>
**Sent:** Friday, 04 April 2025 14:18
**To:** Annielle Martin <anniellema@twk.gov.za>
**Subject:** FW: CAM30014 - ENROUTE TOWING

Hi Annielle,

Hoop dit gaan goed.

Kon jy dalk al 'n alternatiewe manier vind om die onderstaande probleempie op te los?

Groete,
Justine

**From:** towing@wccallcentre.co.za <towin[illegible]wccallcentre.co.za>
**Sent:** Tuesday, 01 April 2025 12:51
**To:** Justine Diergaardt <[illegible]ustinedi[illegible]twk.gov.za>
**Subject:** RE: CAM30014

Good day,

See attached updated invoice as requested.

Unfortunately, I will not be able to da a quote as we started on a new system and invoice ENT163192 was already send through in January

Regards
Chrizaan Botha

**From:** Justine Diergaardt
**Sent:** Tuesday, 01 April 2025 8:12 AM
**To:** Chrizaan Botha <towin[illegible]wccallcentre.co.za>
**Subject:** FW: CAM30014
**Importance:** High

Goeie dag Chrizaan,

Ons krediteure afdeling verlang dat die adres ook op die faktuur moet verskyn asseblief:

Ons adres is:
6 Plein Straat, Caledon, 7230
Posbus 24, Caledon, 7230

Kan jy asseblief so gou moontlik die adres op die faktuur aanbring en vir my terug stuur?

Dankie.

Regards / Groete,

[illegible]

Accountant: Debtors
Grabouw
Directorate: Finance

**THEEWATERSKLOOF MUNICIPALITY**
[illegible] 6 Plein Street, Caledon, 7230
[illegible] 028 214 3300 | [illegible] 080 021 4730 | **Email.** ustinedi[illegible]twk.gov.za
**Website.** www.twk.gov.za | **Follow us on Facebook, Instagram** @twkmun

Municipality

PRIVACY AND CONFIDENTIALITY DISCLAIMER: The Theewaterskloof Municipality and Staff are committed to ensuring that it safeguards personal/private information of data subjects and to respect their right to privacy in accordance with the provisions of the South African Constitution, the Protection of Personal Information Act, 2013 (POPIA) and the Promotion of Access to Information Act, 2000 (PAIA). This email message contains information which may be confidential, personal, private, or privileged in nature and is intended solely for use by the recipient and others authorized to receive it for the specific purpose for which it was sent. If you are not the intended recipient, you are prohibited from using, misusing, disseminating, altering, forwarding, storing, or copying the information, and are hereby notified that such

**From:** towing@wccallcentre.co.za <towing@wccallcentre.co.za>
**Sent:** Monday, 31 March 2025 07:37
**To:** Justine Diergaardt <justinedi@twk.gov.za>
**Subject:** RE: CAM30014

**From:** Justine Diergaardt
**Sent:** Saturday, 29 March 2025 10:06 AM
**To:** Chrizaan Botha <towing@wccallcentre.co.za>
**Subject:** Re: CAM30014

Get Outlook for Android

**From:** Justine Diergaardt
**Sent:** Monday, March 24, 2025 8:43:23 AM
**To:** Chrizaan Botha <towing@wccallcentre.co.za>
**Subject:** RE: CAM30014

Goeie dag,

Kan u asseblief TWK Munisipaliteit se adres op jul faktuur aan bring en ook ons BTW nommer?

Ons adres is:
6 Plein Straat, Caledon, 7230
Posbus 24, Caledon, 7230

Ons BTW nommer is:
4000846248

Kan u assebleif vir my die fatkuur aanstuur sodra die nodige aangebring is.?

Regards / Groete,

Accountant: Debtors
Grabouw
Directorate: Finance

THEEWATERSKLOOF MUNICIPALITY
6 Plein Street, Caledon, 7230
028 214 3300 | 080 021 4730 | justinedi@twk.gov.za
Site: www.twk.gov.za | Follow us Facebook | @twkmun

Municipality

PRIVACY AND CONFIDENTIALITY DISCLAIMER: The Theewaterskloof Municipality and Staff are committed to ensuring that it safeguards personal/private information of data subjects and to respect their right to privacy in accordance with the provisions of the South African Constitution, the Protection of Personal Information Act, 2013 (POPIA) and the Promotion of Access to Information Act, 2000 (PAIA). This email message contains information which may be confidential, personal, private, or privileged in nature and is intended solely for use by the recipient and others authorized to receive it for the specific purpose for which it was sent. If you are not the intended recipient, you are prohibited from using, misusing, disseminating, altering, forwarding, storing, or copying the information, and are hereby notified that such

781

**From:** messaging-service@post.xero.com <messaging-service@post.xero.com>
**Sent:** Thursday, 20 March 2025 09:51
**To:** Justine Diergaardt <justinedi@twk.gov.za>
**Subject:** CAM30014

You don't often get email from messaging-service@post.xero.com. Learn why this is important

# En Route Towing

## R1,092.50 ZAR

**Due 31 Jan 2025**

Invoice #: ENT163192

Dear Client

Here's invoice ENT163192 for ZAR 1,092.50.

The amount outstanding of ZAR 1,092.50 is due on 31 January 2025.

View your bill online:
https://in.xero.com/KPyk3Pm_w7BNYU75RVrODZod5KiVT32VLWIXslm

From your online bill you can print a PDF, export a CSV, or create a free login and view your outstanding bills.

If you have any questions, please let us know

Thanks,
En Route Towing

| Description | Amount |
|---|---|
| THEEWATERSKLOOF MUNISIPALITEIT ludwig@twk.co.za | 0.00 |
| Trade Tow | 950.00 |

| | |
|---|---|
| TOW FROM GRABOUW TO GRABOUW CHEV AVEO CAM30014 JUSTINE DIERGRAA.. | 0.00 |
| **Subtotal** | **950.00** |
| Standard Rate Sales (excluding capital goods) 15% | 142.50 |
| **Amount Due** | **ZAR1,092.50** |

783

## Erik Matoni

**From:** Justine Diergaardt
**Sent:** Monday, 24 March 2025 08:30
**To:** Erik Matoni
**Cc:** Rodger Titus
**Subject:** RE: EN ROUTE TOWING INVOICE CAM30014

Môre Erik,

Weet jy, ek weet nie meer wat ek moet doen nie.

Laas was daar vir my gesê as die diens reeds gelewer is kan ek nie 'n afwyking laai nie.

Ek sal by supply chain hoor en terug kom na jou.

Regards / Groete,

Accountant: Debtors
Creditors
Directorate: Finance

6 Plein Street, Caledon, 7230
028 214 3300 080 021 4730 justinedi@twk.gov.za
www.twk.gov.za @twkmun

Municipality

PRIVACY AND CONFIDENTIALITY DISCLAIMER: The Theewaterskloof Municipality - Staff - committed - that safeguards personal private information of data subjects and to respect their rights to privacy in accordance with the provisions of the South African Constitution, the Protection of Personal Information Act, 2013 (POPIA), and the Promotion of Access to Information Act, 2000 (PAIA). This email message contains information which may be confidential, personal, private or privileged in nature and is intended solely for use by the recipient and others authorized to receive it for the specific purpose for which it was sent. If you are not the intended recipient, you are prohibited from using, misusing, disseminating, altering, forwarding, storing or copying this information, and are hereby notified that such action in relation to the contents of this information is unlawful which may result in your being held liable for any part of your non-compliance. If you have received this message in error, please notify the sender immediately and delete and or destroy the message from your system.

**From:** Erik Matoni <erikma@twk.gov.za>
**Sent:** Monday, 24 March 2025 08:20
**To:** Justine Diergaardt <justinedi@twk.gov.za>
**Cc:** Rodger Titus <rodgerti@twk.gov.za>
**Subject:** RE: EN ROUTE TOWING INVOICE CAM30014

Hi Justine,

Ek wil ook graag luister of daar 'n afwyking gelaai gaan word vir hierdie faktuur?

Ek hoor graag.

Vriendelike groete/Kind regards,

6 Plein Street, Caledon, 7230
028 214 3300 ErikMa@twk.gov.za
@twkmun

Municipality

[illegible]

**From:** Justine Diergaardt <justinedi@twk.gov.za>
**Sent:** Thursday, 20 March 2025 10:26
**To:** Erik Matoni <erikma@twk.gov.za>
**Cc:** Rodger Titus <rodgerti@twk.gov.za>
**Subject:** EN ROUTE TOWING INVOICE CAM30014

**From:** messaging-service@post.xero.com <messaging-service@post.xero.com>
**Sent:** Thursday, 20 March 2025 09:51
**To:** Justine Diergaardt <justinedi@twk.gov.za>
**Subject:** CAM30014

You don't often get email from messaging-service@post.xero.com. Learn why this is important

## En Route Towing

# R1,092.50 ZAR

**Due 31 Jan 2025**

Invoice #: ENT163192

· 735

Dear Client

Here's invoice ENT163192 for ZAR 1,092.50.

The amount outstanding of ZAR 1,092.50 is due on 31 January 2025.

View your bill online:
https://in.xero.com/KFwk3Pnqw7BNYU75RVbyZZbc5KlVT32vLvVXs1m

From your online bill you can print a PDF, export a CSV, or create a free login and view your outstanding bills.

If you have any questions, please let us know

Thanks,
En Route Towing

| Description | Amount |
|---|---|
| THEEWATERSKLOOF MUNISIPALITEIT ludwig@twk.co.za | 0.00 |
| Trade Tow | 950.00 |
| TOW FROM GRABOUW TO GRABOUW CHEV AVEO CAM30014 JUSTINE DIERGRAA. | 0.00 |
| **Subtotal** | **950.00** |
| Standard Rate Sales (excluding capital goods) 15% | 142.50 |
| **Amount Due** | **ZAR1,092.50** |

ERIK MJ

09 APRIL 2025

## Business Information

| | |
|---|---|
| **Internal Creditor Code** | E00040 |
| Full Registered Name | EN ROUTE TOWING CC |
| Trading Name | EN ROUTE TOWING AND SPARES |
| Company Registration No | 2009/039867/23 |
| VAT Registration No | 4390263988 |
| Income Tax Reference No | 4390263988 |
| Business Municipal Account No | |
| City [illegible] | |
| BBBEE Status Level | 0 |
| HDI % | Total 0 Female 0 |
| Business Size | |
| Secondary Banking Detail | |
| [illegible] Sector | |
| Discount | 0 |
| Discount Term | |

## Banking Details

| | |
|---|---|
| Bank Code | FIRN |
| Bank Name | FIRSTRAND BANK LTD HEAD OFFICE INCL. DIVISIONS FIRST NATIONA |
| Branch Code | 250655 |
| Branch Name | GRABOUW |
| Account No | 62218810994 |
| Account Type | Cheque/Current |
| Action Date and Time | 2017JUL 1921 |
| Creditor Utilization blocked? | No |
| Reason for Utilization Block | 0 |

## Internal Status

| | |
|---|---|
| Currently Active | |
| Payments Blocked | |
| Sundry Beneficiary | |
| Applied for Accreditation | |
| Accredited Supplier | |
| Direct Invoicing | |
| EFT Reference Required? | |
| Default EFT Reference | |

## Financial Year Transaction Summary

| | |
|---|---|
| Orders | 0 |
| GRN | 0 |
| Credit Notes | 0 |
| Invoices | 0 |
| Cheque Payments | 0 |
| EFT Payments | 0 |
| Outstanding Payments | 0 |
| Journals | 0 |
| Year-End Journals | 0 |

## Age Analysis

Customer Type: Trade Creditors

| | |
|---|---|
| 0 - 30 Days | |
| 31 - 60 Days | |
| 61 - 90 Days | |
| 91 - 120 Days | |
| 121 - 150 Days | |
| 151 - 180 Days | |
| 181 Days - 1 Year | |
| Over 1 Year | |

Record was successfully displayed

**ITEM HEADING**

**SC99/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: FINANCE: REPORTED ON UNAUTHORISED EXPENDITURE FOR 2024/25 FINANCIAL YEAR**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE / AIM OF REPORT**

The purpose of this report is to inform the Municipal Public Accounts Committee of Unauthorised Expenditure for 2024/25 financial year.

**BACKGROUND**

Unauthorised Expenditure in the amount of R 178 512 as disclosed by note 55.1 of the audited Annual Financial Statements.

**DISCUSSION**

Unauthorised expenditure is defined in section 1 of the MFMA as follows:
"unauthorised expenditure", in relation to a municipality, means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3), and includes—

(a) overspending of the total amount appropriated in the municipality's approved budget;
(b) overspending of the total amount appropriated for a vote in the approved budget;
(c) expenditure from a vote unrelated to the department or functional area covered by the vote;
(d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
(e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
(f) a grant by the municipality otherwise than in accordance with this Act.

Section 32 of the Municipal Finance Management Act (MFMA), No. 56 of 2003 states the following:

*"(1) Without limiting liability in terms of the common law or other legislation*

1. *a political office-bearer of a municipality is liable for unauthorised expenditure if that office-bearer knowingly or after having been advised by the accounting officer of the municipality that the expenditure is likely to result in unauthorised expenditure, instructed an official of the municipality to incur the expenditure;*

2. *the accounting officer is liable for unauthorised expenditure deliberately or negligently incurred by the accounting officer, subject to subsection (3);*
3. *any political office-bearer or official of a municipality who deliberately or negligently committed, made or authorised an irregular expenditure, is liable for that expenditure; or*
4. *any political office-bearer or official of a municipality who deliberately or negligently made or authorised a fruitless and wasteful expenditure is liable for that expenditure.*

*(2) A municipality must recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for that expenditure unless the expenditure—*

*2. in the case of unauthorised expenditure, is—*
*(i) authorised in an adjustments budget; or*
*(ii) certified by the municipal council, after investigation by a council committee, as irrecoverable and written off by the council;*

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The unuauthorised expenditure of R 178 512 has been recorded in the financial statements.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage unauthorised expenses in accordance with the MFMA could result in Council Losing money and not receiving value for money. However, in this case Council did not suffer any losses or damages and received value for money.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the unauthorised expenditure in the amount of R 178 512 be written off for the financial year 2024/25.**

**RECOMMENDATION FROM MANAGEMENT TO MPAC: 20 MAY 2026**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the unauthorized expenditure in the amount of R 178 512 be written off for the financial year 2024/25.**

**RECOMMENDATION FROM MPAC TO COUNCIL: 23 JUNE 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander, and seconded by Councillor D Jacobs it was resolved as follows:

1. **Note the investigation of the unauthorized R 178 512 accept the finding that the expenditure resulted from a noncash GRAP 17 impairment adjustment note that no evidence of corruption fraud negligence or financial loss to Theewaterskloof Municipality was identified.**

2. **Write off the expenditure amount of R 178 512.**

3. **That the Acting Director Finance, Mr. A Riddles strengthen budget monitor controls to prevent future unauthorized expenditure.**

**RESOLVED BY COUNCIL: 25 JUNE 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor M Gana, it was resolved as follows:

1. **Note the investigation of the unauthorized R 178 512 accept the finding that the expenditure resulted from a noncash GRAP 17 impairment adjustment note that no evidence of corruption fraud negligence or financial loss to Theewaterskloof Municipality was identified.**

2. **Write off the expenditure amount of R 178 512.**

3. **That the Acting Director Finance, Mr. A Riddles strengthen budget monitor controls to prevent future unauthorized expenditure.**

*For finalization by the Acting Director: Finance, Mr A Riddles.*

**RECOMMENDATION TO COUNCIL:**

**Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.**

**STATUS REPORT– DIRECTORATE FINANCE: REPORTED ON UNAUTHORISED EXPENDITURE FOR 2024/25 FINANCIAL YEAR**

In terms of SCM and MFMA requirements and remedial action required if necessary

| **1. What was the initial Purpose** |
|---|
| The reporting of unauthorised expenditure for the 2024/25 financial year serves to uphold the principles of accountability, transparency, and compliance with the MFMA. It highlights spending incurred outside the approved budget framework. |

| **2.Initial Scope of Contract and if uncertain please explain** |
|---|
| The overspending incurred is attribute to impact of Capitalised Restoration Cost (non-cash) which is a decline of the value of landfill sites based on a JPCE consulting report. |

| **3. Initial Contract Value and if uncertain please explain** |
|---|
| This is according to GRAP 17 which is an accounting entry and does not reflect on any contract. |

| **4. Initial Expiry Date and if uncertain please explain** |
|---|
| No contract applicable refer to number 3. |

| **5. Was normal SCM Process followed and complied with** | | |
|---|---|---|
| Yes | No | **Not Applicable X** |
| **Explain of motivate your response** | | |
| This is according to GRAP 17 and does not reflect on any contract. | | |

| **6. Has the purpose, scope or contract period been extended or expanded since the initial appointment of the service provider** | | |
|---|---|---|
| Yes | No | **Not Applicable X** |
| **Explain or motivate your response** | | |
| This is according to GRAP 17 and does not reflect on any contract. | | |

| **7. Was a formal contract or SLA initially entered into in terms of SCM and MFMA Requirements** | | |
|---|---|---|
| Yes | No | **Not Applicable X** |
| **Explain or motivate your response** | | |
| This is according to GRAP 17 and does not reflect on any contract. | | |

| 8. Should a contract not have existed has it since been entered into and has all compliance requirements like as it applies in respect of the SCM process and or for purposes of deviations been complied with | | |
|---|---|---|
| Yes | No | **Not Applicable X** |
| **Motivate or explain your response** | | |
| This is according to GRAP 17 and does not reflect on any contract. | | |

| 9. Did Council because of this transaction received best value for money i.e. in spite of non-compliance, if any with SCM or MFMA requirements | | |
|---|---|---|
| Yes | No | **Not Applicable X** |
| **Please explain or motivate your response above** | | |
| This is according to GRAP 17 and does not reflect on any contract. | | |

| 10. Has the Municipality suffered any losses or damages as a result of non-compliance with any of the MFMA or SCM requirements | | |
|---|---|---|
| Yes | No | **Not Applicable X** |
| **Please explain or motivate your response above** | | |
| This is according to GRAP 17 and does not reflect on any contract. | | |

| 11. Are you satisfied with the performance of the current service providers | | |
|---|---|---|
| Yes | No | **Not Applicable X** |
| **Please explain or motivate your response above** | | |
| This is according to GRAP 17 and does not reflect on any contract. | | |

| 12.Has the director investigated and established whether or not there is not at this point a better service provider, price or product which would justify a new procurement process and a reconsideration of the current service provider, product or price | | |
|---|---|---|
| Yes | No | **Not Applicable X** |
| **Please explain or motivate your response above** | | |
| n/a | | |

| 13.Could any form of non-compliance have been prevented | | |
|---|---|---|
| Yes | **No** | Uncertain |
| **Explain or motivate your response above** | | |
| It is difficult to determine the budget as the final amount is based on a report from JPCE Consulting who physically inspect the landfill sites to do calculations on the decrease in value of the landfill sites. | | |

| 14.What remedies have been put in place to prevent any non-compliance being repeated | | |
|---|---|---|
| Yes | No | **Not Applicable X** |
| **Explain or motivate your response above** | | |
| n/a | | |

**15.General or additional Comments of the Director Concerned**

.....
Signature of Director Concerned

07-05-2026
Date

**16.General Comments/Findings and recommendations of the CFO**

.....
Signature of CFO

07-05-2026
Date

**17.General Comments/Findings and or recommendations of the Chief Audit Executive**

.....
Signature of Chief Audit Executive

7/05/2026
Date

**18.Final response of the Director Concerned for consideration by the Municipal Manager**

.....
Signature of the Director concerned

.....
Date

**19.General Comments and findings of the Municipal Manager**

.....
Signature of the Municipal Manager

.....
Date

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

*Figures in Rand*

| | | 2025 | 2024 |
|---|---|---|---|
| 55 | **UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE** | | |
| 55.1 | **Unauthorised Expenditure** | | |
| | Unauthorised expenditure can be reconciled as follow: | | |
| | Opening balance | 153 727 513 | 104 357 068 |
| | Unauthorised expenditure current year - operating | 178 512 | 49 370 445 |
| | Unauthorised expenditure current year - capital | - | - |
| | Approved by Council | - | - |
| | **Unauthorised expenditure awaiting further action** | **153 906 025** | **153 727 513** |

Unauthorised expenditure only relates to expenditure in excess of approved budget votes. No disciplinary steps or criminal proceedings were instituted as a result of unauthorised expenditure incurred. Refer below for votes of which the expenditure was in excess of the approved budget:

| | 2025 (Actual) R | 2025 (Final Budget) R | 2025 (Unauthorised) R | 2024 (Unauthorised) R |
|---|---|---|---|---|
| **Unauthorised expenditure - Operating** | | | | |
| Vote 1 - Directorate Finance | 98 348 074 | 99 465 533 | - | - |
| Vote 2 - Community Services | 175 433 667 | 187 168 901 | - | 49 370 445 |
| Vote 3 - Corporate services | 81 686 103 | 86 949 737 | - | - |
| Vote 4 - Electricity | 153 602 452 | 163 767 069 | - | - |
| Vote 5 - Economic Development and Planning | 34 424 785 | 35 722 805 | - | - |
| Vote 6 - Office of the Municipal Manager | 8 175 752 | 8 335 875 | - | - |
| Vote 8 - Technical and Infrastructure Implementation Ser | 18 065 767 | 21 617 655 | - | - |
| Vote 12 - Waste management | 73 910 653 | 73 732 141 | 178 512 | - |
| Vote 13 - Waste water management | 64 615 761 | 67 276 093 | - | - |
| Vote 14 - Water | 89 224 727 | 99 425 866 | - | - |
| **Total** | **797 487 741** | **843 461 675** | **178 512** | **49 370 445** |

The overspending incurred is attributable to the following items:

| | | |
|---|---|---|
| - Impairment of Capitalised Restoration Cost (non-cash) | 178 512 | - |
| - Hire charges (cash) | - | 19 400 253 |
| - Security Services (cash) | - | 29 970 192 |
| Total | 178 512 | 49 370 445 |

| | | | | |
|---|---|---|---|---|
| **Unauthorised expenditure - Capital** | | | | |
| Vote 1 - Directorate Finance | 126 073 | 409 177 | - | - |
| Vote 2 - Community Services | 9 232 880 | 24 478 433 | - | - |
| Vote 3 - Corporate services | 348 039 | 602 918 | - | - |
| Vote 4 - Electricity | 3 040 348 | 4 636 722 | - | - |
| Vote 5 - Economic Development and Planning | 78 238 040 | 126 941 562 | - | - |
| Vote 6 - Office of the Municipal Manager | - | - | - | - |
| Vote 8 - Technical and Infrastructure Implementation Ser | - | - | - | - |
| Vote 12 - Waste management | - | - | - | - |
| Vote 13 - Waste water management | 5 789 098 | 9 113 411 | - | - |
| Vote 14 - Water | 12 052 466 | 13 987 872 | - | - |
| **Total** | **108 826 944** | **180 170 095** | **-** | **-** |

| | | | |
|---|---|---|---|
| 55.2 | **Fruitless and Wasteful Expenditure** | | |
| | Fruitless and wasteful expenditure can be reconciled as follow: | | |
| | Opening balance | 13 954 | 18 386 |
| | Fruitless and wasteful expenditure incurred - current year | 7 481 195 | - |
| | Approved by Council | - | - |
| | Recovered | - | (4 432) |
| | **Fruitless and wasteful expenditure awaiting further action** | **7 495 149** | **13 954** |



AUDITOR-GENER
SOUTH AFRICA
29 November 20

| mSCOA Code | Description | Vote | GRAP Items | Notes Classification | 2025 TB | Detail Listing | Difference | Budget | Over/(Under) Spending |
|---|---|---|---|---|---|---|---|---|---|
| 15510554130 | Contracted Services - Haulage - Refuse | Vote 12 - Waste management | Impairment | Capitalised Restoration Cost | 5,704,360.27 | 5,704,360.27 | - | 490,000.00 | 5,214,360.27 |
| | | | | | **5,704,360.27** | **5,704,360.27** | **-** | **490,000.00** | **5,214,360.27** |

***Refer to Capital Restoration Cost calculation for detail***

| Unauthorised Expenditure | Type | As per note 55.1 of AFS | Working Paper | Variance |
|---|---|---|---|---|
| Impairment of Capitalised Restoration Cost (non-cash) | Non-cash | 178,512 | 5,214,360 | (5,035,849) |
| | | 178,512 | 5,214,360 | (5,035,849) |

**ITEM TITLE**

**SC100/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE CORPORATE SERVICES: DEPARTMENT HUMAN RESOURCES: PAYMENT FOR UNIVERSITY OF STELLENBOSCH – MINIMUM COMPETENCY TRAINING**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE / AIM OF REPORT**

The purpose of the report is to inform MPAC of the reasons why an SLA was entered into with the University of Stellenbosch, but no SCM process was followed. The amount of R 208 035 is for MMC training services rendered.

The Committee can in terms of its mandate;

a. Investigate the irregular expenditure
b. Make recommendations to Council as to who, if any is liable for the irregular expenditure
c. Recommend to Council whether the irregular expenditure must be certified as irrecoverable and be written off
d. Make recommendations if necessary for the implementation of measures to prevent future irregular expenditure and
e. To report to Council on the effective functioning of processes and procedures/controls surrounding the prevention of unauthorized, irregular, fruitless and wasteful expenditure currently.

**BACKGROUND**

University of Stellenbosch was appointed by Overberg District Municipality in terms of their SCM processes, to train staff nominated by all municipalities within the Overberg District in respect of MMC.

All five municipalities nominated staff to be part of their intake to divide cost and to fill the class.

In terms of the agreement with SPL, each participating municipality will enter into an SLA and be billed separately.

Theewaterskloof entered into a supplementary agreement (SLA) with SPL, which was attached to the main Overberg District agreement.

## DISCUSSION

Theewaterskloof Municipality nominated seven (7) learners to take part in this programme. In terms of the main agreement with Overberg District Municipality, Theewaterskloof Municipality entered into an SLA in order to be billed separately as the municipality could not afford to fill a class alone.

The cost of training was R3350.00 per unit standard as quoted in the main agreement with Overberg District Municipality.

The service provider rendered the service and issued an interim report to Theewaterskloof Municipality.

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Stellenbosch University | 2024/2025 | Payment - MMC | Human Resource | 604437 | 2024/06/05 | 32317 | 2024/11/29 | R52 008,75 |
| Stellenbosch University | 2024/2025 | Payment - MMC | Human Resource | 604437 | 2024/06/05 | 32409 | 2024/12/13 | R52 008,75 |
| Stellenbosch University | 2024/2025 | Payment - MMC | Human Resource | 604437 | 2024/06/05 | 32950 | 2025/01/25 | R52 008,75 |
| Stellenbosch University | 2024/2025 | Payment - MMC | Human Resource | 604437 | 2024/06/05 | 35136 | 2025/02/28 | R52 008,75 |
| | | | | | | | | R208 035.00 |

It should be noted that Council received value for money and that there is no reason to suspect that fraud occurred or that grounds for a claim against any official exists.

The sharing of training programmes is normal practice with all Municipalities within a district. This enables municipalities who cannot afford to run programmes on their own to share costs and take part.

It must furthermore be noted that no deviation was made and the payment made was done based on the Overberg District agreement and SLA with the municipality.

## FINANCIAL RESPONSIBILITIES

Amounts written off as irrecoverable should be included in the annual financial statements.

## LEGAL RESPONSIBILITIES

Section 32 of the MFMA states that any official of a municipality who deliberately or negligently committed, made or authorized an irregular expenditure is liable for that expenditure.

A municipality must recover such expenditure from the person liable for that expenditure, unless the irregular expenditure is certified by Council as irrecoverable, after the Section 32 Committee has investigated and recommended it.

Irregular expenditure for the purpose of this item means expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality and which has not been condoned in terms of such policy.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

None.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is therefore recommended that in the view of the fact that no reason to suspect fraud, Council has received value for money and did not suffer any loss. As there are no grounds for a claim against any official, it is recommended that the irregular amount of R 208 035.00 be written off as irrecoverable.**

**RECOMMENDATION BY MANAGEMENT TO MPAC: 04 JUNE 2026**

**It is therefore recommended that in the view of the fact that no reason to suspect fraud, Council has received value for money and did not suffer any loss. As there are no grounds for a claim against any official, it is recommended that the irregular amount of R 208 035.00 be written off as irrecoverable.**

**RECOMMENDATION FROM MPAC TO COUNCIL: 23 JUNE 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander, and seconded by Councillor D Jacobs it was resolved as follows:

1. **That Council notes the finding of the irregular expenditure in the amount of R 208 035. 00 relating to the minimum competency training program.**

2. **That Council accepts the finding that Theewaterskloof Municipality receive value for money and suffer no financial loss.**

3. **That Council write off the irregular amount of R 208 035.00 as irrecoverable as there is no evidence of fraud, corruption, bad faith or financial loss.**

4. **That a copy of the contract signed by the students be attached to the report as an annexure for Council's information and consideration.**

**RESOLVED BY COUNCIL: 25 JUNE 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor M Gana, it was resolved as follows:

1. **Council notes the findings of the irregular expenditure in the amount of R208 035. 00 relating to the minimum competency training program.**

2. **Council accepts the finding that Theewaterskloof Municipality receives value for money and suffers no financial loss.**

3. **Council write off the irregular amount of R 208 035.00 as irrecoverable as there is no evidence of fraud, corruption, bad faith or financial loss.**

4. **That a copy of the contract signed by the students be attached to the report as an annexure for Council's information and consideration.**

*For finalization by the Director: Corporate Services, Mr GW Hermanus.*

**RECOMMENDATION TO COUNCIL:**

**Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.**