COPY

IN THE HIGH COURT OF SOUTH AFRICA

(NORTH WEST DIVISION, MAHIKENG)

Case No: M311/2021

In the matter between:-

SAKELIGA NPC Applicant

and

THE MEMBER OF THE EXCECUTIVE COUNCIL:

NORTH WEST PROVINCE: COOPERATIVE GOVERNANCE,

HUMAN SETTLEMENT AND TRADITIONAL AFFAIRS 1st Respondent

THE MEMBER OF THE EXCECUTIVE COUNCIL: NORTH

WEST PROVINCE: FINANCE 2nd Respondent

THE MINISTER: NATIONAL DEPARTMENT OF

COOPERATIVE GOVERNANCE AND TRADITIONAL

AFFAIRS 3rd Respondent

THE MINISTER OF FINANCE 4th Respondent

DITSOBOTLA LOCAL MUNICIPALITY 5th Respondent

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NALEDI LOCAL MUNICIPALITY	6th Respondent
THE PREMIER: NORTH WEST PROVINCE	7th Respondent
ESKOM SOC LIMITED	8th Respondent
MAGALIES WATER BOARD	9th Respondent
SEDIBENG WATER BOARD	10th Respondent

FILING NOTICE

Document filed; Sixth Respondent's Answering Affidavit – Mr Modisenyane Thompson Segapo;

Date of Hearing: None.

DATED AT MAHIKENG ON THIS THE 09 DAY OF SEPTEMBER 2021.

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Received copy hereof on this 13 day of SEPTEMBER 2021.

9.55

APPLICANT'S ATTORNEYS

IN THE HIGH COURT OF SOUTH AFRICA

NORTH WEST DIVISION, MAHIKENG

CASE NO: M311/2021

In the matter between:

SAKELIGA NPC	Applicant
and	
THE MEMBER OF THE EXECUTIVE COUNCIL: NORTH WEST PROVINCE: COOPERATIVE GOVERNANCE, HUMAN SETTLEMENT AND TRADITIONAL AFFAIRS	First Respondent
THE MEMBER OF THE EXECUTIVE COUNCIL: NORTH WEST PROVINCE: FINANCE	Second Respondent
THE MINISTER: NATIONAL DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS	Third Respondent
THE MINISTER OF FINANCE	Fourth Respondent
DITSOBOTLA LOCAL MUNICIPALITY	Fifth Respondent
NALEDI LOCAL MUNICIPALITY	Sixth Respondent
THE PREMIER: NORTH WEST PROVINCE	Seventh Respondent
ESKOM SOC LIMITED	Eighth Respondent
MAGALIES WATER BOARD	Ninth Respondent
SEDIBENG WATER BOARD	Tenth Respondent

SIXTH RESPONDENT'S ANSWERING AFFIDAVIT

I, the undersigned,

MODISENYANE THOMPSON SEGAPO

do hereby state under oath as follows:

1. I am adult male and presently employed as Municipal Manager by the Naledi Local Municipality, sixth respondent, with our offices situated at 19A Market Street, Vryburg, North West Province.

2. The facts herein contained are within my personal knowledge unless from the context it appears otherwise and, are to the best of my knowledge and belief, both true and correct. Where I refer to legal issues and/or make legal submissions in this affidavit, I do so on the legal advice of the sixth respondent's legal representatives, which advice I believe to be correct.

3. In this affidavit I do not address each averment contained in the founding affidavit deposed to by PIETER JACOBUS LE ROUX. I shall confine my evidence to matters relating to the sixth respondent and also address matters relating to the other respondents to the extent that they may have a bearing on the Sixth respondent. Where I refrain from addressing an averment that is at odds with anything said in this affidavit it must be taken to be denied.

Bases for opposition

4. Distilled to its essence, this application is an overzealous attempt to encroach in the affairs of a municipality by a private entity.

5. Whilst the applicant may be raising important public interest issues relating to the provision of basic services by the sixth respondent, the applicant's proposed solution to these issues cannot be countenanced for it is not constitutionally permissible to allow a private entity to take over governance and side-line those duly elected by community to govern.

6. I am advised that for the sake of convenience to the above Honourable Court, the sixth respondent must, at the outset, outline its bases of opposing the orders sought by the applicant herein.

7. *In limine*, it is the contention of the sixth respondent that this application should not succeed for the following reasons:

   7.1. The applicant does not have the requisite *locus standi* to bring this application;

   7.2. The applicant has failed to join the political parties represented at the municipality and the community at large; and

   7.3. The application has become moot.

8. On the merits, the application falls to be dismissed for the following reasons:

8.1. The relief sought cannot pass the constitutional muster; and

8.2. The Provincial Executive has already intervened at the sixth respondent and significant progress made.

9. Hereinbelow, I deal with the aforementioned reasons in detail.

Applicant does not have *locus standi*

10. The applicant is a non-profit company allegedly with more than eighty-nine business owner members within the jurisdiction of the sixth respondent. Upon receipt of this application, the sixth respondent's legal representatives requested a list of the members of the applicant allegedly residing within the jurisdiction of the sixth respondent. A copy of the letter is attached and marked as "**N1**".

11. The applicant's legal representatives responded with an unequivocal refusal to provide the list of its members within the jurisdiction of the sixth respondent. A copy of their letter is attached and marked as "**N2**".

12. It is also clear that this application, with its obvious far-reaching consequences of usurping the executive and legislative authority from the sixth respondent whose council is constituted by councillors who were duly

elected by the community, was not brought in consultation with and/or with the concurrence and authority of the community of Naledi Local Municipality.

13. Having regard to the applicant's refusal to provide a list of its members within the jurisdiction of the sixth respondent and the apparent failure to consult the community, I respectfully submit that the applicant does not have a *locus standi* to bring this application.

14. I have no doubt that this application is not brought in the interests of the community nor in the public interest. On the contrary, this application is brought with a narrow agenda to unconstitutionally usurp the powers of those who were duly elected by the community. This is done to the exclusion of the community in order to serve the narrow and selfish interests of the faceless members of the applicant.

15. The applicant was duty bound to establish its *locus standi* in the founding affidavit and it has failed to do so. With respect, a cursory remark made *en passant* in the founding affidavit that the applicant has some eighty-nine unidentified business owner members is not sufficient to establish *locus standi*. So is the allegation that the applicant lobbies to promote a *"free market and economic prosperity"* to create a favourable business environment in the interests of its supporters.

16. This application is not brought in terms of section 38 of the Constitution, which relates to alleged infringements of rights enshrined in the Bill of Rights. The above Honourable Court can only grant an order sought by the right person in the right proceedings and circumstances. The present application does not amount to a constitutional litigation envisaged by the Constitutional Court in the matter of Kruger v President of the Republic of South Africa and Others[1] and must accordingly be dismissed on the basis of this point alone.

17. Furthermore, the applicant's reliance on section 22 of the Constitution is misplaced as the section only applies to natural persons and not corporate persons. The applicant has failed to become candid with this Honourable Court by placing facts establishing whether the so-called business owners are natural or juristic persons.

18. I am advised and submit with respect that this application should fail on this ground alone with the necessary costs order against the applicant.

Non-joinder (Political parties)

19. The very first order sought by the applicant is an order declaring the fifth and sixth respondents to be in serious and persistent breach of their obligations to provide basic services and to meet their financial commitments in terms of section 139(5) of the Constitution read with sections 136 (4), 139 and 140

[1] 2009 (1) SA 417 (CC)

of the Government: Municipal Finance Management Act ("MFMA"), No 56 of 2003.

20. The applicant also seeks an order to the effect that if the fifth and sixth respondents resist the mandatory intervention in terms of section 139 of the MFMA, the council of the municipalities must be dissolved and administrators be appointed in their place.

21. The applicant further seeks an order that will take away the executive powers of the municipal council and vest it on a so-called special master resulting in that so called special master taking over the financial affairs of the Municipality.

22. Should the applicant succeed in any of these orders, the municipal council will lose all powers vested on it by the Constitution. It is important to highlight that in terms of section 151 of the Constitution, the executive and legislative power of a municipality is vested in the municipal council.

23. Section 4(1) of the Systems Act, No 32 of 2000 provides that:

(1) The council of a municipality has the right to-

(a) govern on its own initiative the local government affairs of the local community;

(b) exercise the municipality's executive and legislative authority, and to do so without improper interference; and

(c) finance the affairs of the municipality by-

(i) charging fees for services; and

(ii) imposing surcharges on fees, rates on property and, to the extent authorised by national legislation, other taxes, levies and duties.

24. Section 4(2) of the Systems Act provides:

"(2) The council of a municipality, within the municipality's financial and administrative capacity and having regard to practical considerations, has the duty to-

(a) exercise the municipality's executive and legislative authority and use the resources of the municipality in the best interests of the local community;

(b) provide, without favour or prejudice, democratic and accountable government;

(c) encourage the involvement of the local community;

(d) strive to ensure that municipal services are provided to the local community in a financially and environmentally sustainable manner;.."

25. Manifestly, the appointment of the so-called special master and the proposed appointment of an administrator will take away the constitutionally vested powers of the fifth and sixth respondent's municipal councils.

26. The majority of councillors are members of political parties and do not represent themselves. On that score, it is impermissible to take away the power from political parties without their involvement. The applicant should have joined the African National Congress (ANC), Democratic Alliance (DA) and the Economic Freedom Fighters (EFF) as they were duly elected by the residents of the sixth respondent to exercise power in terms of the Constitution and the Systems Act.

27. It is also important to highlight that the administrator is not democratically elected and therefore is not accountable to the voters though he is accountable to the MEC.

28. The political parties have direct material interest in the outcome of this matter in that the administrator, if appointed in terms prayer 4 of the notice of motion, will be able to take decisions and make commitments that will bind the Sixth respondent in future.

The application has become moot/academic

29. Section 159(1) of the Constitution provides that a term of a municipal council may not be more than five years as determined by national legislation. Section 159(2) of the Constitution provides that if a municipal council is dissolved in terms of national legislation, or when its term expires, an election must be held within 90 days of the date that council was dissolved or its term expired.

30. It is common cause that the term of the current municipal council expires in October 2021 and that in March 2021 a date for the next elections was published in the Government Gazette. The next elections will be held on 27 October 2021, unless the Constitutional Court decides otherwise in a pending application before it.

31. The expiry of the term of the current municipal council is significant for purposes of this application in that all allegations regarding the maladministration of the sixth respondent and the political interference will come to an end and the residents of the sixth respondent will have an opportunity to elect their preferred political parties which will in turn deploy councillors to serve on the municipal council.

32. There is no reason to cast an aspersion on a yet to be appointed municipal council whose terms will only start after October 2021. That new council will

be faced with turning the municipality around within its own competencies. An intervention can only be brought against that new council after it has failed to deliver.

33. Undoubtedly. an intervention now, will only lead to pre-judging a council which has not yet assumed office.

34. By the time this application is heard, probably after October 2021, the term of the current municipal council would have expired and a new council in place. Accordingly, this application has become moot or simply academic as the alleged transgressions by the previous council cannot be imputed to the new council which may comprise of completely different political parties than its predecessor.

The relief sought is unconstitutional

35. The proposed appointment of *Advoca Auditors* without competitive bidding will be a clear contravention of section 217 of the Constitution.

36. The appointment of *Advoca Auditors* by the above Honourable Court as opposed to being appointed by the municipality itself will be contrary to the principle of separation of powers.

37. The constitutional framework does not provide for the appointment of a so-called special master. The so-called special master is intended to take over

the duties of the municipal council as contemplated by section 4 of the Systems Act and section 151 of the Constitution without any lawful ground to do so. Furthermore, the proposed appointment of the so-called special master is inimical to the principle of proportional representation.

38. As already stated, municipal elections take place every 5 years. **For municipal councils there is a mixed-member system in which wards elect individual councillors alongside those named from party lists. In other words, a mixed or hybrid system, making use of both the ward system and the proportional representation (PR) system, is used for municipal elections.**

39. Those elected get to form part of the municipal council and they are true representatives of the community that voted for them. They are given the power to govern by the voters and in the current constitutional framework, only them can govern.

40. In the present multi-party democratic system, there is no space for unelected non-profit companies to govern alongside those elected, let alone to take over the duties of those elected.

41. Accordingly, the appointment of the so-called special master will indeed open a way for the rich and powerful, through non-profit organisations, to

take over key governmental duties without being elected. With respect, that would undermine the voter and constitutional democracy.

Provincial executive already intervened

42. The allegations made by the applicant to the effect that the North West provincial executive council, through the first and second respondents, have failed to intervene at the sixth respondent are without credence.

43. Objective facts tell a different story. The North West provincial executive took steps to intervene at the sixth respondent from as early as 2018. Administration started from 1 September 2018 under section 137 of the MFMA for 3 months.

44. Upon realising that the said intervention did not bore any fruit, the provincial executive escalated the intervention and invoked the provisions of section 139 (1) (b) of the Constitution for a period of six months starting from the 1 April 2019 to September 2019, and the period was further extended by 3 months to end on 31 December 2019.

45. A period of about three months of the intervention in terms of section 139 (1) (b) was lost because of the challenges that were experienced by the intervention team in the municipality relating to labour challenges where municipal offices were closed by municipal labour unions demanding the

implementation of the award won at the bargaining council. The status that prevailed led to the appointed administrator and financial expert resigning from their positions.

46. At the end of the administration, a detailed close out report was prepared highlighting all the critical problems and solutions. All the issues raised by the applicant in the founding affidavit are sufficiently dealt with in the close out report. The report speaks for itself but I wish to highlight the relevant parts dealing with the financial situation at the Sixth respondent. A copy of the report is attached and marked as "**N3**".

47. The financial summary as at 30 November 2019 was as follows:

• Total Creditors amount (Various Suppliers)	:	R 56 956 026
• Total Amount owed to third parties 109	:	R 43 314
• Total Amount owed to Public Works	:	R 37 000 000
• Total Amount owed to Pensions	:	± R 53 443 684
• Total possible Litigations	:	± R 99 000 000
• Total Amount owed to Eskom	:	R318 369 660
• Monthly average Salaries	:	± R 15 821 617
• Monthly average Expenses	:	± R 18 421 100
SUB-TOTAL		**R642 326 196**
• Average Monthly Income(Elect, Prop rates	:	± R 15 000 000
• Total Debtors (Residents, Business, etc.)	:	R354 701 394

48. Before the intervention, there were a lot of houses under the names of deceased persons and no payment for provision of municipal services were received from those houses. About 3000 houses at Extension 25 and 28 were not registered for municipal services.

49. It is axiomatic to state that in a local municipality the size of the sixth respondent , failure to pay for municipal services by a total of 3000 households can easily cripple a municipality.

50. After the intervention it was resolved that an audit needed to be made so that those who can pay should be persuaded to pay and those who are unable be registered as indigent families. As a result of this intervention, a total of 2 650 households were registered as indigents by the end of November 2019.

51. The Provincial Treasury assisted by providing financial experts to turn the municipality around. A financial plan to address a budget deficit was developed and the budget was adjusted and presented to council.

52. Regarding revenue collection, before the intervention, there was no plan at all. However, because of the intervention, Provincial Treasury inputs on financial recovery plan were incorporated, plans are in place for replacement of meter-readings and payment arrangements for bulk creditors.

53. A Revenue Collection Office now operates on Saturdays. The municipality offered discount (50%- individuals and 30% - Business) to debtors to increase the revenue.

54. Regarding water infrastructure problems, dedicated pumps line from Vryburg reservoir and Huhudi was installed thus benefiting the community of Huhudi with water supply.

55. The Eskom debt was also addressed. An amount of R25 million was paid to Eskom from the first tranche of the equitable share during the current financial year. 15 major streets were repaired to deal with frequent interruptions of electricity supply. The day and night switches were installed to reduce electricity consumption and faulty meters were replaced.

56. The National and Provincial Treasuries are regularly updated on the Financial Recovery Plan (long term). The conditional grant funds have been ringfenced in their own accounts. The Municipal Infrastructure Grant (MIG) is only released per project completion phase.

57. The first respondent presented the close out report to the National Council of Provinces (NCOP) and the latter did not approve the intervention. The intervention ended on 31 December 2019.

58. The aforesaid illustrates that there is no merit to the applicant's contention that the first respondent or the Provincial Executive failed to intervene. The improvements that came because of the intervention cannot simply be ignored.

59. On 23 June 2021 the North West Provincial Treasury addressed a letter to the sixth respondent advising that it has conducted an assessment in line with section 138 and 140 of the MFMA to determine if the sixth respondent is not in serious material breach of financial commitments. The letter also informed the sixth respondent that the assessment confirmed that indeed the sixth respondent was in serious breach of its financial commitments and that it was in a serious financial crisis.

60. The letter came on the back of an announcement already made by the Provincial Executive that municipalities which were in a financial crisis were to be placed under administration. Pursuant to the letter a planning meeting was held on 6 July 2021 for the Provincial Treasury to provide feedback on the assessment conducted. A copy of the letter is attached and marked as "**N4**".

61. On 16 July 2021 the council of the sixth respondent approved the Provincial Treasury assessment. A copy of the municipal resolution and the supporting documents is attached and marked as "**N5**".

62. I shall now deal with the allegations contained in the founding affidavit, *ad seriatim* to the extent strictly necessary.

63. **Ad paragraphs 1–4**

63.1. To the extent that the allegations made in the founding affidavit are at odds with what I state herein, I deny that the contents of the founding affidavit are both true and correct.

63.2. I also deny that the applicant is authorised to bring this application.

64. **Ad paragraphs 5–7**

I admit the allegations contained in these paragraphs.

65. **Ad paragraphs 8–9**

65.1. I admit that the applicant is a registered entity and bear no knowledge of its constitution and objectives.

65.2. I deny the remainder of the allegations and especially relating to the standing of the applicant to launch this application. Surely, the application is not brought in the public interest nor in the interest of an identifiable group of persons.

65.3. The applicant has flatly refused to identify the members it represents and who are residents of the sixth respondent's municipal area.

65.4. As I will demonstrate below, the financial difficulties in revenue collection experienced by the sixth respondent is partly as a result of the conduct of some business owners who are either stealing electricity by overriding the connections or who simply fail to pay for municipal services.

66. **Ad paragraphs 10–13**

66.1. I note the allegations contained in these paragraphs.

66.2. For the reasons already set out elsewhere in this affidavit, I deny that the applicant has the requisite *locus standi* to bring this application.

66.3. I reiterate that this application is not brought in the public interest nor in the interest of an identifiable group of persons who are residents of the sixth respondent's municipality.

67. **Ad paragraphs 14–25**

I note the allegations contained in these paragraphs but persist with my contention that the applicant ought to have joined the other parties with sufficient and legal interest in the orders sought herein.

68. **Ad paragraph 27**

68.1. I deny that the one goal of this application is to ensure effective and functional governance.

68.2. This relief sought in this application is in contravention of section 151(4) of the Constitution which guarantees the municipalities' autonomy to exercise their powers and perform their functions without national and provincial government impediments.

68.3. The applicant, with this application seeks to place the sixth respondent under indeterminate period of supervision and supervision by the judiciary.

69. **Ad paragraph 28**

I note the allegations contained in this paragraph.

70. **Ad paragraph 29**

70.1. I deny these allegations.

70.2. The problems encountered by a number of municipalities throughout the country in general and the North West Province in particular have their history in the skewed and racial segregation laws that preferred certain residential areas over the others in the provision of basic infrastructure like sewer, water reticulation and electrification. These municipalities could not fold their arms and persist with the unequal distribution of resources whilst other settlements were under-resourced.

70.3. Resultantly, the inequalities in our society, exacerbated by the high levels of unemployment in these communities, resulted in residents not being able to fully and regularly pay for their services so as to enhance revenue for these municipalities.

71. **Ad paragraph 30**

I admit that the sixth respondent has debts. However, as I will demonstrate later in this affidavit, the sixth respondent has been working towards servicing the debts.

72. **Ad paragraphs 31–32**

I note the allegations contained in these paragraphs.

73. **Ad paragraphs 33-34**

73.1. In so far as these generic allegations refer to the sixth respondent, those allegations are denied.

73.2. I have already stated that the sixth respondent has placed means to reduce electricity consumption, improved its revenue collection and as a result the sixth respondent is gradually working towards servicing the Eskom debt.

73.3. In any event, Eskom has not sought out help from the applicant to act on its behalf and seek drastic and unconstitutional orders against the sixth respondent.

73.4. Eskom has resorted to litigation and the sixth respondent is continuously engaging Eskom in an effort to assuage litigation and agree on a negotiated settlement of the debt.

74. **Ad paragraphs 35–37**

74.1. I deny the allegations contained in these paragraphs.

74.2. It is also clear that the applicant is not *au fait* with the recent developments after the council approved the Provincial Treasury assessment.

75. **Ad paragraph 38**

On the basis of the reasons outlined elsewhere in this affidavit, I deny that the applicant is entitled to any of the relief sought.

76. **Ad paragraphs 39–49**

76.1. I note the allegations contained in these paragraphs to the extent that they correctly and accurately reflect the relevant legislative provisions mentioned therein.

76.2. However, it is important to state that the present application is simply an attempt by the applicant to undermine the autonomy of the sixth respondent as contemplated by section 41 of the Constitution.

77. **Ad paragraph 50**

I deny that the involvement of the National Treasury is a prerequisite for a provincial intervention. There is no such requirement under section 139 of the Constitution.

78. **Ad paragraphs 51–55**

I admit these allegations in so far as they correctly refer to the report.

79. **Ad paragraphs 56–62**

The relevant municipality will react to these allegations.

80. **Ad paragraph 63**

80.1. I have already stated that the intervention invoked in terms of section 139 (1) of the Constitution came to an end because the NCOP did not approve its continuation.

80.2. If the applicant was seriously concerned about the reasons given by the NCOP to disapprove the continuation of the intervention, the applicant should have joined the NCOP in these proceedings or taken a stance to challenge such decision and/or resolution. The NCOP remains the only constitutional structure that is empowered to approve or disapprove intervention by the provincial government in a local municipality. The applicant must accept and live with this reality.

81. **Ad paragraph 64**

81.1. The allegations contained in this paragraph are not entirely correct.

81.2. The sixth respondent has managed to fill the posts of a Chief Financial Officer, Mr Kagiso Mcdonald Maruping, who

commenced with his duties with effect from 1 April 2021 and that of the Municipal Manager, with effect from 1 September 2021.

82. **Ad paragraph 65**

82.1. I deny these allegations.

82.2. The municipal offices were closed because of the strike by employees for the enforcement of an award granted in their favour.

82.3. In any event, there has never been a lacuna in the office of the Municipal Manager as there was always a senior manager who was appointed to act as a Municipal Manager from time to time until the filling of the post as aforestated.

83. **Ad paragraph 66**

83.1. I admit some of the allegations contained in this paragraph.

83.2. However, the sixth respondent has began with a process of fully implementing all its policies aimed at enhancing revenue collection. This improvement came as a result of the assistance by the Provincial Treasury, which assistance is on-going.

84. **Ad paragraph 67**

I note these allegations. However, there are landfill areas at the stated areas now.

85. **Ad paragraphs 68–69**

85.1. I deny the allegations in these paragraphs.

85.2. The municipality has a good relationship with the community and some of the achievements have been attained through community participation.

85.3. Identifying indigent families and community outreach programmes could only be achieved through community participation.

86. **Ad paragraph 70**

86.1. I deny these allegations.

86.2. As a result of the intervention, the sixth respondent developed a debt and credit control policy. A copy of the policy is attached and marked as "**N6**".

86.3. I have already stated that part of the revenue collection problem was houses owned by deceased persons and the inhabitants not paying for the services. That problem has been addressed.

87. **Ad paragraphs 71-72**

87.1. I deny the allegations contained in this paragraph with the contempt it deserves.

87.2. The allegations made on behalf of the applicant smack of political grandstanding. If the deponent to the founding affidavit and those who support him wish to content for political office, they are more than welcome to do so.

87.3. It is axiomatic that ours is a constitutional democracy based on the supremacy of the Constitution. The removal of politicians, like Councillors, is a domain best left to their political parties and the voters. The Provincial Executive and, to a certain extent , the National Cabinet, are the only constitutional institutions that can lawfully dissolve municipal councils on the basis of clear process approved by the NCOP.

88. **Ad paragraphs 73-82**

I note the allegations contained in these paragraphs.

89. **Ad paragraph 83**

I note these allegations. However, I must state that the financial health of the sixth respondent is being attended to with the help of the provincial treasury.

90. **Ad sub-paragraphs 84.1–84.1.12**

I note these allegations.

91. **Ad sub-paragraphs 84.2–84.2.8**

91.1. I note the allegations contained in these sub-paragraphs to the extent that they correctly and properly reflect the contents of the Auditor-General's report for the 2017/2018 financial year.

91.2. As I have explained elsewhere in this affidavit, these challenges were duly acted upon and there is a commitment to fortify the financial management and reporting systems within the municipality to improve the audit performance.

91.3. These efforts include, but are not limited to, the assistance brought about by the Provincial Treasury, the appointment of two key senior managers in the municipality, being the CFO and the Municipal Manager.

91.4. Without derogating from the above, I can categorically state that during my previous tenure as the Municipal Manager of the sixth respondent, I worked tirelessly with the then senior management team, to improve the general good financial management within the municipality. We indeed achieved our objective in that regard and I am positive that the same feat can be achieved under the present cohort of senior managers, most of whom are recently appointed.

92. **Ad paragraphs 85–87**

For the reasons set out in this affidavit, these allegations are denied.

93. Ad paragraph 88

93.1. I deny these allegations.

93.2. It does not lie in the hands of the applicant to decide whether the sixth respondent's municipal council must be dissolved. This is a constitutional process which is undertaken by defined constitutional structures with the necessary checks and balances by the NCOP and the provincial legislature.

94. **Ad paragraph 89**

94.1. I reiterate that the applicant failed to join the political parties to which these councillors belong.

94.2. A dissolution cannot be made without them having been afforded an opportunity to address the above Honourable court.

95. **Ad sub-paragraphs 90.1–90.16**

The relevant local municipality will react to the allegations contained in these sub-paragraphs.

96. **Ad sub-paragraphs 90.17–90.18**

96.1. I deny these allegations.

96.2. With the limited resources, the sixth respondent has attended to fill the potholes in question and many potholes around the municipal area.

96.3. The provincial public works department assisted with materials and resources and the community-based stakeholders repaired other streets.

97. **Ad sub-paragraph 90.19**

97.1. These allegations are denied.

97.2. There have been some challenges relating to water infrastructure due to the aging infrastructure. Some of the infrastructure does not belong to the Sixth respondent but to the district municipality.

97.3. A borehole was drilled and that has increased the water supply by about 1,6 million litres of water. Water levels are consistently above 80% in the reservoir. Furthermore, a dedicated pump line was installed from Vryburg reservoir to Huhudi.

98. **Ad sub-paragraph 90.20**

98.1. These allegations are denied.

98.2. The electricity problem in the sixth respondent's municipal area is quite layered and multi-faceted.

98.3. The municipality's inability to pay Eskom cannot only be attributed to the municipality alone. As stated above, about 2650 houses were identified which were not paying for any of the services, including electricity. The sixth respondent has engaged those households to identify whether some of them can actually pay for the services and putting those who are unable to pay in the list of indigent persons.

98.4. Streetlights have been repaired and day/night switches installed to reduce electricity consumption. As and when there are electrical problems, the sixth respondent is able to immediately attend to resolve them. By way of an example, I attach copies of orders for electrical infrastructure as **"N7A", "N7B"** and **"N7C"**.

98.5. I must also point out that there is a project to replace electricity meters as most of them have been "bridged" or bypassed. That includes households, businesses, and farms.

98.6. There is constant engagement with Eskom to come up with a way to pay up the Eskom debt.

99. **Ad sub-paragraph 90.21**

99.1. I deny these allegations.

99.2. Indeed at the time the sixth respondent could not pay the Eskom debt which led to the power cuts. Subsequent thereto, the sixth respondent paid a sum of R25 million to Eskom from the equitable share. To date, the Eskom debt is being prioritised.

100. **Ad sub-paragraph 90.22**

For the reasons stated above, these allegations are denied.

101. **Ad sub-paragraph 90.23**

I note the contents of the press release. I deny the veracity thereof.

102. **Ad sub-paragraph 90.24**

102.1. These allegations are denied. The streetlights have been fixed and at no point was the sixth respondent reluctant to fix them.

102.2. In any case, this evidence is hearsay evidence and stands to be ignored.

103. **Ad sub-paragraph 90.25**

I admit that there was a problem of sewer spillages for some time due to the aging infrastructure. As a result, small bore sewer lines were replaced in Huhudi and Colridge.

104. **Ad sub-paragraph 90.26**

I admit that there was a problem with refuse collection. Two refuse trucks have since been repaired and are currently able to collect refuse as scheduled.

105. **Ad sub- paragraphs 90.27–90.31**

105.1. I deny each and every allegation contained in these sub-paragraphs.

105.2. The deponent to the founding affidavit does not take the above Honourable Court into his confidence by stating who took these photographs and where exactly in Vryburg were these pictures taken.

105.3. The sixth respondent has, with the limited resources at its disposal, managed to ensure that basic services like refuse removal, clearing and cleaning of pathways and the like are undertaken from time to time. These tasks are managed with the full cooperation and assistance by the local EPWP beneficiaries.

106. **Ad paragraph 91**

I have no personal knowledge of these allegations. For that reason I am unable to admit nor deny.

107. Ad paragraph 92

I admit these allegations.

108. **Ad paragraph 93**

108.1. I deny that the applicant had consultations with communities residing in the sixth respondent's municipal area.

108.2. I further deny that only mandatory interventions are appropriate.

109. **Ad paragraph 94**

I note these allegations.

110. **Ad paragraphs 95-96**

I note the allegations contained in these paragraphs.

111. **Ad paragraph 97**

111.1. I deny that the interventions were only discretionary.

111.2. I have already outlined the series of interventions undertaken at the sixth respondent elsewhere in this affidavit.

112. **Ad paragraph 98**

I note the allegations contained herein.

113. **Ad paragraphs 99–105**

I have no personal knowledge of these allegations. I am unable to admit nor deny these allegations.

114. **Ad paragraphs 106–107**

114.1. I deny these allegations.

114.2. The Provincial Treasury has intervened in terms of section 138 and 140 of the MFMA.

115. **Ad paragraph 108**

I note the allegations contained herein.

116. **Ad paragraphs 110–115**

116.1. I deny the allegations contained in these paragraphs.

116.2. The municipal legislative framework does not provide for the appointment of private entities to take over governmental functions. All the governmental functions which are sought to be

placed on the so-called special master are in law vested on the municipal council.

116.3. I deny that the community does not trust political structures because of corruption. The community has the power of the vote to vote for credible persons to serve on the municipalities.

116.4. To allow the appointment of private entities by the court will also undermine the principle of separation of powers whereby the court imposes private entities on the people and side-lining the people that were voted for by the community. In any case, what is proposed to be done by this special master can be done by the municipal council, with the necessary modifications.

116.5. Lastly, placing a municipality under some sort of judicial administration by requiring the municipality to provide monthly/regular reports to the judiciary undermines the principle of co-operative governance provided for in section 140 of the Constitution which guarantees each sphere of government its autonomy.

117. **Ad paragraph 116**

117.1. It is denied that an interdict is warranted under the circumstances.

117.2. The application falls to be dismissed on the basis of what I have stated in this affidavit.

118. Ad paragraphs 117–122

118.1. I deny the allegations contained in these paragraphs.

118.2. The applicant has failed to establish a clear right. Having eighty-nine faceless business owner members is not in itself a factor establishing a right.

118.3. The applicant was required to have stated facts showing that the applicant has an interest in how the sixth respondent is run and having the requisite mandate to bring the application on behalf of the so-called members.

118.4. The applicant has failed to prove that it has members residing within the sixth respondent's municipal area.

119. **Ad paragraphs 123–125**

119.1. I deny the allegations contained in these paragraphs.

119.2. There is no demonstrable irreparable harm that the applicant or its unidentified members stand to suffer if the relief sought is not granted.

119.3. The relevant provincial departments are hard at work in ensuring that the sixth respondent complies with its policy prescripts in rendering basic services to the community and is able to pay its debts.

120. **Ad paragraphs 126–128**

120.1. I deny the allegations contained in these paragraphs.

120.2. The applicant alleges that the problems arising out of the sixth respondent are as a result of politicians. Within 2 months the residents of the municipality will have an opportunity to change the politicians by means of a vote. There is no reason to pre-judge that those elected will also be corrupt as alleged and insinuated.

120.3. The alternative remedy is there and that is the power of a vote in municipal elections.

121. **Ad paragraphs 129–133**

121.1. I deny these allegations.

121.2. This application should not have been brought in the first place.

121.3. The application must be dismissed with costs, including the costs consequent upon the employment of two counsels.

122. To the extent that I refer to facts and incidents that are not within my personal knowledge, I attach hereto confirmatory affidavits of Mr Sello Nelson Mongale, the immediate past acting Municipal Manager of the sixth respondent and Mr Kagisho Mc Donald Maruping, the Chief Financial Officer of the sixth respondent marked respectively as annexure "**N8**" and "**N9**".

AD CONDONATION

123. I am advised by the sixth respondent's legal representatives that the time for the filing of this affidavit has lapsed and that it is necessary to seek the court's indulgence to condone the late filing of this affidavit.

124. Upon being served with the application, the sixth respondent caused same to be dispatched to its attorneys of record, Messrs Modiboa Attorneys Inc. The latter then filed the sixth respondent's Notice of Intention to Oppose on 25 June 2021, which notice was served on the applicant's correspondents on the same date.

125. On 2 July 2021, the applicant's attorneys filed a Notice in terms of Rule 7 of the Uniform Rules of Court on the application. This necessitated a sitting of the sixth respondent's council to resolve on the appointment of attorneys and to oppose the application.

126. The sixth respondent's council only managed to sit on 16 July 2021 where it took a resolution number 224/2021. A copy of the resolution is attached and marked as "**N10**".

127. Modiboa Attorneys Inc only received the copy of the said resolution on 3 August 2021 and same was dispatched to the applicant's attorneys.

128. It is common cause that the application is quiet bulky requiring answers to incidents that happened many years ago. As a result, I was required to collate information and consult with the sixth respondent's legal representatives extensively.

129. The sixth respondent's legal representatives requested some of the documents including a copy of the close out report for the intervention from the first respondent. That information was only provided to them on 16 August 2021. After the receipt of the close out report, I caused the employees of the sixth respondent to look for the source documents referred to in the close out report. The latest documents were received on 27 August 2021 and the drafting of this affidavit commenced on Monday 31 August 2021. I respectfully submit that the period of delay is not excessive under the circumstances.

130. Given the seriousness and importance of the issues raised in this application, it can only be in the interests of justice that this matter be heard

with the benefit of the evidence from all parties, particularly the sixth respondent.

131. The issues raised are unprecedented in the municipal legislative framework. I respectfully submit that the above Honourable court should seek the Sixth respondent's inputs regarding the appointment of a so-called special master and the possible dissolution of its council. Evidently, this is not a matter where the court may make an order with far reaching consequences without hearing the other side.

132. The applicant will not suffer any prejudice should condonation be granted.

133. Having regard to what I stated earlier in this affidavit, it is evident that the Sixth respondent has very good prospects of success should condonation be granted.

134. In the circumstances, I pray for an order granting condonation and an order dismissing the applicant's application with costs, including the costs of two counsel.

MODISENYANE THOMPSON SEGAPO

The deponent has acknowledged that he knows and understands the contents of this affidavit, which was signed and sworn to before me at

VRYBURG on this the 8TH day of **SEPTEMBER 2021**, the regulations contained in Government Notice No. R1258 of 21 July 1972, as amended, and Government Notice No. R1648 of 19 August 1977, as amended, having been complied with.

FRANCOIS FORTUIN
KOMMISSARIS VAN EDE
COMMISSIONER OF OATHS
42 VOORTREKKER STREET • VRYBURG • 8601
PRAKTISERENDE PROKUREUR (RSA)
PRACTISING ATTORNEY (RSA)

COMMISSIONER OF OATHS

MODIBOA
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www.modiboaattorneys.co.za

"NI"

Our Ref: Mr L Modiboa/000519/NLM/CIV
Your Ref: PJ Wassenaar/es/QB0616
Date: 06th July 2021

KRIEK WASSENAAR & VENTER INC ATTORNEYS **BY EMAIL**
PRETORIA

Dear Mr P J Wassenaar

RE: SAKELIGA NPC // NALEDI LOCAL MUNICIPALITY & NINE OTHERS – NORTH WEST DIVISION MAHIKENG – CASE NO: M311/2021

1. We act on behalf of the Sixth Respondent in the above matter.

2. We have noted the contents of your client's founding affidavit and at paragraph 9 thereof, your client allege that within the municipal areas of the Fifth and Sixth Respondents (our client) it has more than 89 business owner members.

3. We kindly request you to please provide us with the list and the names of the business owner members who are within our client's municipal area.

We trust the above to be in order.

Director(s)
Professional Assistant(s)
Associate(s)
Legwaila Jacob Modiboa
Itumeleng P Mogomotsi
Marilyn C Vere
Tshwanelo F Mosokiere
Lezanne Swarnepoel

MODIBOA
Attorneys Inc
Reg: 2014/197063/21

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Regards

MODIBOA ATTORNEYS INC

Per: L.J Modiboa

Directors:
Professional Assistant(s):
Lebeko Jacob Modiboa
Ithuteleng P Mogomotsi
Tshwanelo T Monolaeng

****
*** FAX TX REPORT ***
****

TRANSMISSION OK

JOB NO.	3069
DESTINATION ADDRESS	0865963516
SUBADDRESS	
DESTINATION ID	
ST. TIME	06/07 10:35
TX/RX TIME	02'00
PGS.	2
RESULT	OK

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www.modiboaattorneys.co.za

Our Ref: Mr L Modiboa/000519/NLM/CIV
Your Ref: PJ Wassenaar/es/QB0616
Date: 06th July 2021

KRIEK WASSENAAR & VENTER INC ATTORNEYS **BY EMAIL**
PRETORIA

Dear Mr P J Wassenaar

RE: SAKELIGA NPC // NALEDI LOCAL MUNICIPALITY & NINE OTHERS – NORTH WEST DIVISION MAHIKENG – CASE NO: M311/2021

1. We act on behalf of the Sixth Respondent in the above matter.

2. We have noted the contents of your client's founding affidavit and at paragraph 9 thereof, your client allege that within the municipal areas of the Fifth and Sixth Respondents (our client) it has more than 89 business owner members.

3 We kindly request you to please provide us with the list and the names of the

Modiboa Attorneys

From: Modiboa Attorneys <info@modiboaattorneys.co.za>
Sent: Tuesday, 06 July 2021 10:34
To: albie@kriekprok.co.za
Cc: peter@kriekprok.co.za
Subject: RE: SASELIGA NPC / NALEDI LOCAL MUNICIPALITY & NINE OTHERS - NORTH WEST DIVISION MAHIKENG - CASE NO: M311/2021
Attachments: 20210706103537.pdf

Our Ref: Mr L Modiboa/00519/NLM/CIV
Your Ref: P J Wassenaar/es/QB0616

Dear Sir/Madam

We refer to the above matter.

Attached please receive herewith our letter for your attention thereto.

Yours Faithfully

Per; G Mokopanela – Receptionist/ Secretary

MODIBOA ATTORNEYS INC (Reg No. 2014/197061/21)
No. 107 Readman Street, Wilkoppies, KLERKSDORP 2571
P.O. Box 14636, Flamwood Walk 2535
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KRIEK WASSENAAR & VENTER ING
Prokureurs • Aktevervaardigers • Attorneys • Conveyancers

Our ref: PJ Wassenaar/es/Q80615
Your ref: Mr L Modiboa/000619/NLM/CM

7 July 2021

"N2"

MODIBOA ATTORNEYS INC
107 READMAN STREET
WILKOPPIES
KLERKSDORP

By e-mail: info@modiboaattorneys.co.za

Sir / Madam

SAKELIGA NPC / MEC FOR COOPERTIVE GOVERNANCE AND TRADITIONAL AFFAIRS & OTHER
MAHIKENG HIGH COURT CASE NO: M311/2021

1. We refer to your letter of 6 July 2021.

2. We kindly direct your attention to the notice in terms of rule 7(1) which our offices served on 2 July 2021. Your offices have yet to provide the proof of your lawful appointment by the municipal council of the 6th respondent. Accordingly, we are in terms of the rule under no obligation to respond to your queries until your client has provided the necessary proof as set out in the rule 7(1) notice.

3. At the same time, it is however necessary to mention that the information you have requested is protected personal information. The distribution of such information to third parties has been specifically prohibited by the Protection of Personal Information Act 4 of 2013.

Yours faithfully

KRIEK WASSENAAR & VENTER ING
PÉTER WASSENAAR – DIREKTEUR / DIRECTOR
(f) 086 596 3515
(e) peter@kriekprok.co.za

Modiboa Attorneys

From: Elbie Swanepoel <elbie@kriekprok.co.za>
Sent: Wednesday, 07 July 2021 15:17
To: info@modiboaattorneys.co.za
Subject: Sakeliga NPC / MEC for Cooperative Governance and Traditional Affairs & Other
Attachments: Modiboa Attorneys sent 2021-07-07.pdf

Sensitivity: Private

Good day,

We refer to the above and attach hereto a letter for your attention.

Regards,

ELBIE SWANEPOEL

Kriek Wassenaar & Venter Inc

Regsekretaresse / Legal Secretary

(t) (+27) 12 803 4719 • (f) (+27) 86 596 8516

(a) 3de Vloer / 3rd Floor, HB Forum Gebou / Building, Stamvrugstraat 13 Stamvrug Street, Val de Grace, Pretoria, 0184

(p) Postnet Suite # A7, Privaatsak / Private Bag X592, Silverton, 0127 • BTW Reg: 4020260685 • Reg: 2012/030418/21

"N3"

NALEDI LOCAL MUNICIPALITY

SECTION (139)B
CLOSE UP REPORT AS AT
31st DECEMBER 2019

TABLE OF CONTENTS

High Level Financial Summary

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2. Problem Statement
3. Own Environmental Scanning
4. Intervention Period lost due to strikes
5. Progress in achieving the Problem Statement and Impact Registered
6. Outstanding Issues
7. Self Assessment
8. Recommendations to EXCO
9. Concluding Remarks

PM1

HIGH LEVEL FINANCIAL SUMARY AS AT 30 NOVEMBER 2019

• Total Creditors amount (Various Suppliers)	:	R 56 956 026
• Total Amount owed to 3rd Parties	:	R 43 314 109
• Total Amount owed to Public Works	:	R 37 000 000
• Total Amount owed to Pensions	:	± R 53 443 684
• Total possible Litigations	:	± R 99 000 000
• Total Amount owed to Eskom	:	R318 369 660
• Monthly average Salaries	:	± R 15 821 617
• Monthly average Expenses	:	± R 18 421 100
SUB-TOTAL		**R642 326 196**
• Average Monthly Income(Elect, Prop rates	:	± R 15 000 000
• Total Debtors (Residents, Business, etc.)	:	R354 701 394

PM1 Paul Maseko, 2019/12/12

1. INTRODUCTION

* This is the final report on the section 139(B) invoked on Naledi Local Municipality by the Executive Committee of North West Province (Exco) from the 1st July 2018 to the 31st December 2019.
- It seeks to appraise the Exco on the status of the Municipality's interventions applied and the status of affairs at the end of the intervention period.

2. PROBLEM STATEMENT

The following are the challenges that led to the invoking of the intervention :

- Challenges of political-administrative interface
- High political in-fighting and instability
- Non-compliance with rules and regulations

- High vacancy rates
- High levels of incompetency among staff
- Extremely low levels of capital budget spending
- Inappropriate spending of budgets
- Overall disregard for financial and supply chain management regulations
- Compromised service delivery
- High level of community dissatisfaction resulting in protests
- Absence of plans
- Poor Financial Management

3. OWN ENVIRONMENTAL SCANNING

- Over dominance and violent labor movement
- Disregard of law and processes
- Low staff morale

- Unskilled labor force
- Poor work Ethics and weak management
- Weak internal controls
- Low revenue collection due to data integrity
- Factionalism
- High rate of unemployment
- Non honoring of statutory obligations
- Non implementation of labour awards
- Support of corrupt activities
- Undue influence on processes by councillors
- Disregard and non protection of council asserts
- Slow pace of local economic development projects

4. INTERVENTION PERIOD LOST DUE TO STRIKES

The following are the negative results of the strikes

- Wildcat strikes starting March-July
- NLM lost 5.4 million(30 Million) a month on municipal revenue
- Councilors assaulted and some hospitalized
- Shutdown of council offices which had an impact on service delivery, late billing, late reporting and preparations of AFS
- 251 additional employees added to the structure costing NLM 30million per annum and bloating the structure

5. PROGRESS IN ACHIEVING THE PROBLEM STATEMENT AND IMPACT REGISTERED

PRE-INTERVENTION	POST INTERVENTION
5.1 FINANCIAL MANAGEMENT	
5.1.1 Deceased Houses in Colridge (Pilot Exercise) **At Colridge the community reported that there are many houses that are owned by beneficiaries and are not paying for services**	• An Audit need to be conducted so that those who can afford can be persuaded to pay. • Convened a meeting between Technical Services unit and revenue unit and developed a process flow for opening of accounts.
5.1.2 3 000 Houses at Extension 25 and 28 **There are 3 000 households at Ext 25 & 28 that must be registered for services**	• The Revenue Unit needs the assistance from Department of Housing to obtain the site permits to be able to register beneficiaries.

PRE-INTERVENTION	POST INTERVENTION
5.1.3 Indigents **Registration of indigents** *** The signing up of indigents is very slow. The number of registered indigents was 1 904 by the end of October 2019**	• During this process beneficiaries that qualify as indigent will be identified and registered. The Province has assisted in writing up 371 indigents. • A team of six Municipal Workers are full-time working on this project. • A working awareness campaign is afoot began on 4th November 2019. By end of November 2019 the number was 2650. • The target is 3 500 by 15 December 2019.

PRE-INTERVENTION	POST INTERVENTION
5.1.4 Dysfunctional BTO *** Incompetant Officials**	• The Province assisted by Financial Experts. • Provincial Treasury promised to send a team to assess the weaknesses. This has not happened. • Developed a financial plan to address the budget deficit. • The budget was restructured and a special adjustment budget was presented to Council.
*** Budget not cash backed**	• All Administrators and Senior Managers are putting their all in assisting the BTO staff on making the Budget to be cash backed.

PRE-INTERVENTION	POST INTERVENTION
5.1.5 Debt Collection (Total Debt as at 30 November 2019 was R354 701 394.38) **There was no effort and plan to collect revenue** **Debtors** * **Business : R64 078m** * **Staff debt : R2 332 m** * **Councillors debt : R375 000** * **Government Debt: R17,2 mil** * **Farmers : R13 227 mil** * **Residential : R275 927 622 mil** * **Phomolong : R3,5 mil**	• Have opened Revenue Collection Office to operate on Saturdays. • Offered discount (50%- individuals and 30% - Business) to debtors in order to increase the revenue. • Have engaged a company to install internet infrastructure at Huhudi Hall, the new Colridge Community Hall and License Department so that residents can pay for services like water, electricity and vehicle licenses by 15 December 2019. • Have prioritized all debtors from the most owing to the least. Each HOD will be given a number of Debtors to chase. • Government debt to Naledi Local Municipality is at R17 200 000.

PRE-INTERVENTION	POST INTERVENTION
5.1.6 ESKOM, Pensions and 3rd Parties, Litigations other Creditors monthly expenses was at R 739 790 276.00 by 30 September 2019 Most of creditors were not paid	There is a plan of identifying an official who is going to be placed in the Municipal Managers Office to do nothing else but to chase these debts. * High Creditors Account including ESKOM, Pensions and 3rd Parties • Paid ESKOM R25 million from the fist tranche of the Equitable Share * Very little progress is registered. • Naledi Local Municipality pay small amounts where possible, prioritising 3rd parties and salaries. • Possible litigations stand at R We pay, negotiate and do arrangements where applicable, Naledi Local Municipality fails to honour some of the arrangements.

PRE-INTERVENTION	POST INTERVENTION
5.1.7 No reporting on the Financial Recovery Plan	• Updating and reporting to National and Provincial Treasury on the Financial Recovery Plan (Long Term) FRP presented to the Finance Portfolio Committee. • Held one-on-one sessions with various units.
5.1.8 No prudent cash flow management Conditional Grant funding was utillised for operational purposes and not capital projects	• Conditional grant funds have been ringfenced in their own accounts • MIG funding is released per project completion phase. • There is still not even cash to pay creditors and statutory obligations

PRE-INTERVENTION	POST INTERVENTION
5.1.9 On Risk Companies appointments **There are twenty (20) companies that were appointed On Risk (see attached list)**	• The Municipality is awaiting 18 of these companies to come with their proposal
The following Companies made representations to the Administrator :	
TEDKA **TEDKA was legitimately appointed by the Municipal Manager to investigate the 3% amounts that should be paid to the Municipality by Eskom. That appointment still stands**	* The Municipality and TEDKA agreed to take the mediation route. Mr David Viviers has been appointed by the Administrator to mediate on this matter • Council will be informed on the outcome of the mediation process

PRE-INTERVENTION	POST INTERVENTION
The bone of contention is on the extension of scope by the former Municipal Manager, to include that TEDKA should negotiate with Eskom not to apply PAJA. The Administrator deadlocked with TEDKA and agreed with them to take the matter on mediation	

PRE-INTERVENTION	POST INTERVENTION
MACRAFTS (PTY) LTD **Made a presentation to the administrator stating that they have sourced funding from abroad**	• This matter involves big sums of money from a foreign country, the Administrator and Municipal Manager requested the Provincial Treasury for assistance. MACRAFTS was invited to the HOD's office at the Province where they made their case. Province requested more documents.
MABELS (PTY) LTD **Made a presentation to the administrator stating that they have sourced funding from abroad**	• This matter involves big sums of money from a foreign country, the Administrator and Municipal Manager requested the Provincial Treasury for assistance. MABELS was invited to the HOD's office at the Province where they made their case. Province requested more documents.

PRE-INTERVENTION	POST INTERVENTION
5.2 GOVERNANCE	
5.2.1 Dysfunctional LLF Politicians and Senior Managers are scared of Unions	• Meetings are taking place as schedule, Unions dominate and bully other stakeholders.
5.2.2 Weak Ward Committees Some members do not have a clue about Local Government	• Nothing has been done so far.
5.2.3 Dysfunctional EXCO Meetings are seldom convened. EXCO sits only for Agenda items	* This matter has been drawn to the attention of the Mayor.

PRE-INTERVENTION	POST INTERVENTION
5.2.4 Dysfunctional Portfolio Committees **Some Councillors do not take Portfolio Committees serious**	• Some Portfolio Committees not forming a quorum but majority convene. This matter has been brought to the attention of the Council.
5.2.5 Political factionalism **Glaring factions in operation**	• Administrator has escalated this matter to the Province.
5.2.6 Weak ineffective administration leadership **Managers do not convene Departmental meetings**	• Senior Managers do not take decisive decisions, reluctant to confront the Unions. • Constant engagements with senior managers in this regard is slowly yielding positive results.

PRE-INTERVENTION	POST INTERVENTION
5.2.7 Dysfunctional Troika **Troika's meetings not regular**	• Troika is encouraged to meet regularly.
5.2.8 Chaotic Council meetings **Some meetings are very tense**	• Council meeting have improved meet as schedule, decisions are taken. There is order and Council meetings are now productive.
5.3 INSTITUTIONAL DEVELOPMENT	
5.3.1 High level of senior positions vacancy :	
- Municipal Manager Disciplinary process in process	• The incumbent was on suspension. * Position is being advertised.

PRE-INTERVENTION	POST INTERVENTION
- **Chief Financial Officer Resigned**	• Post advertised, only one applicant responded. Position re-advertised.
- **Director : Community Services Contract ended**	• Interviews took place on 29 October 2019. Process completed. Awaiting Council Resolution.
- **Director : Corporate Services Contract ended**	• Interviews took place on 29 October 2019. Process completed. Awaiting Council Resolution.
- **Director Technical Services Resigned**	• Interviews took place on 29 October 2019. Process completed. Awaiting Council Resolution.

PRE-INTERVENTION	POST INTERVENTION
5.3.2 Non-caring attitude *** Late coming, holding talks in corridors, staying at home without leave permission and no respect for deadlines**	• Constant monitoring and monitoring of Senior Managers on managing junior officials is yielding result.
5.3.3 No role clarification some Councillors act as officials	• This practice is discouraged. It is deminition.
5.3.4 Low morale and clock watching	• Staff meetings and one-on-one meetings assisted.
5.3.5 Bloated structure	• The process of aligning the structure is going well with the assistance from the Province.

PRE-INTERVENTION	POST INTERVENTION
5.3.6 Negative dominant labour movement **Some Councillors were assulted**	• 6 Weeks strike called off. • The assult case is with the Court.
5.3.7 Corrupt practices **There are verbal and written allegations of corrupt practices by some officials and some Councillors**	• Those that were allegedly attached to the former Municipal Manager and other officials and Councillors are still under investigation.
5.4 SERVICE DELIVERY	
5.4.1 Shortage of bulk water	• Additional boreholes were drilled. The community benefitted additional 1.6 m litres of water. • Water levels are consistently above 80% in the reservoir.



PRE-INTERVENTION	POST INTERVENTION
5.4.2 Water supply in Huhudi	• Installed dedicated pumps line from Vryburg reservoir and Huhudi. • Community of Huhudi is benefiting by having stable water supply.
5.4.3 Frequent sewer spillages	• Small bore sewer lines were re-placed in Huhudi and Colridge.
5.4.4 Ageing road infrastructure e.g. potholes	• Provincial Public Works contributed materials and resources. • Community based stakeholders assisted with the repairing of some streets.



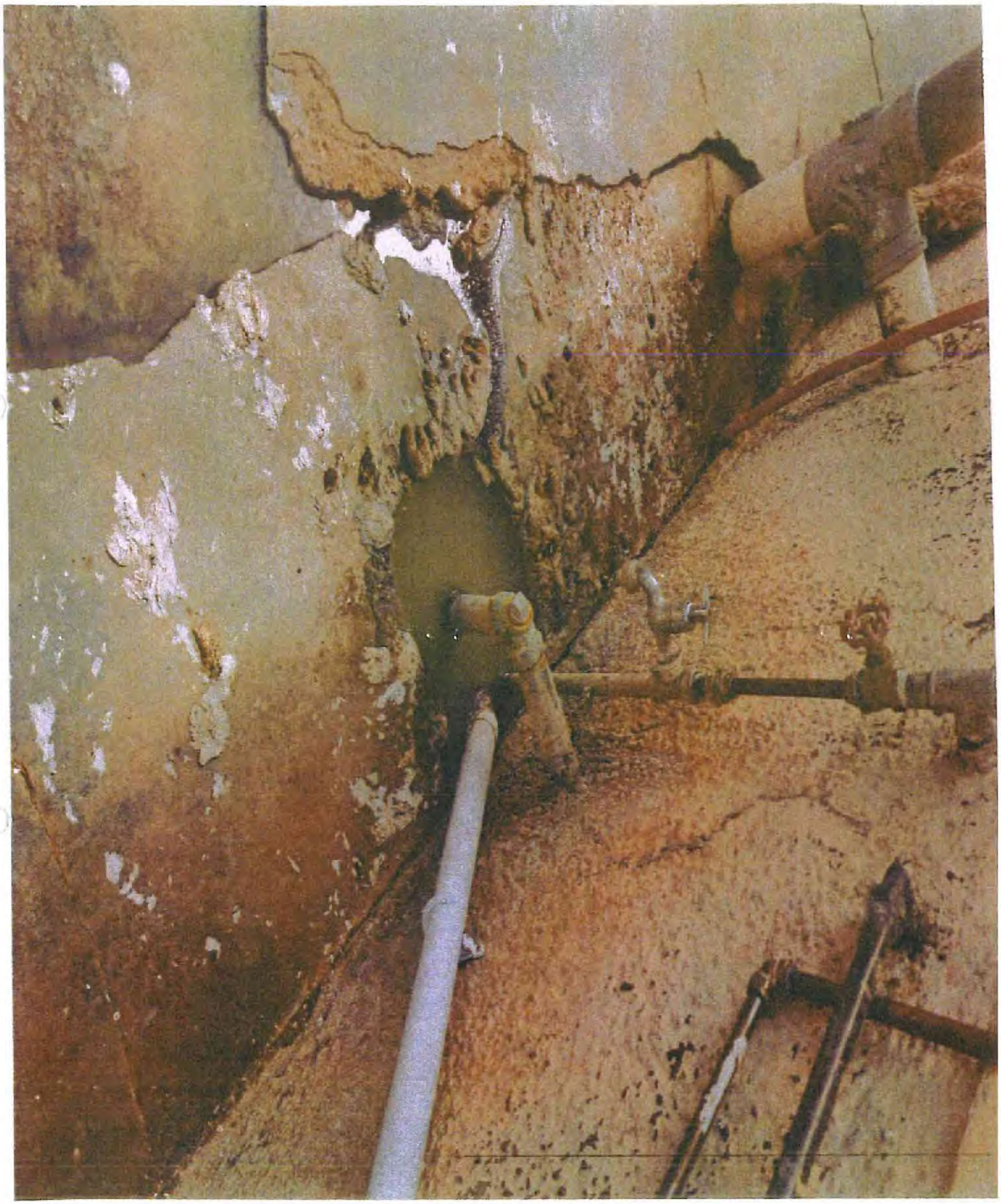


PRE-INTERVENTION	POST INTERVENTION
5.4.5 Constant interrupted electricity supply	• Maintenance plan was developed and implemented. • 15 Major streets have been repaired.
5.4.6 Huge electricity losses (i.e. 24 hour street lighting and the bypassing of meters)	• Installation of day/night switches reduced the loss. • Replaced faulty meters. • Reduction of electricity losses were reduced.
5.4.7 Waste removal : **- Inconsistent waste removal services leading to illegal dumping**	• Revised work plans. • Partnered with Provincial Public Works. • Improved rendering of services to the community.





PRE-INTERVENTION	POST INTERVENTION
5.4.8 Obsolete fleet, out of eleven only one is reliable	• Interaction with Public Works resulted in them availing fleet for litter collection. • Plans are afoot for auctioning some vehicles. • Exploring the leasing and route. • Improved clean environment. • District donated 3 bakkies.
5.4.9 Poorly managed dumping site	• New strategy to manage the dumping site has been put in place.



PRE-INTERVENTION	POST INTERVENTION
5.5 PUBLIC PARTICIPATION	
5.5.1 High level of community dissatisfaction	• Mayoral Outreach Programme has helped the situation.
5.5.2 Poor understanding of Local Government by Ward Committees	• The Administration team has not intervene in this regard. • To take the matter up with the Speaker and SALGA.
5.5.3 Some Community Ward meetings not convened	• This matter is sharply raised by Committees the Mayor has encouraged Councillors to honour the dates of Community meetings.

PRE-INTERVENTION	POST INTERVENTION
	• Not realised so far, the first will be in November 2019. • Meetings still to be convened.
5.6 LOCAL ECONOMIC DEVELOPMENT	
5.6.1 Municipality's LED office is not organised	• Province seconded an Administrator to focus on this office. • Not much has been done so far. • Development of a strategy and plan, still outstanding.

PRE-INTERVENTION	POST INTERVENTION
5.6.2 "Twin City Mall" slow progress	• The process of building has been expedited. • Council has approved the development. • SOD turning and the actual building process will be taking place in due course.
5.6.3 Khoisan Village process not moving	• Meetings were convened. • Matter was presented to Council in November 2019. • The building will be taking place in the near future.

PRE-INTERVENTION	POST INTERVENTION
5.6.4 LED Unit wasn't visible on strategic Economic Development Activities	• Induction about Local Economic Development priority sectors was conducted on 08th October 2019. • Meeting with SANRAL led to commit to employ youth within the wards of the domain, where the 3 National Roads (To Taung, Mahikeng and Kuruman) will be developed (Project start on 01 March 2020. • North West Department of Economic Development committed on 50 potential jobs, in the area of technical services and will pay salary till 1st March 2020.

PRE-INTERVENTION	POST INTERVENTION
	• A follow-up meeting will take place on 30 October 2019 at Naledi Local Municipality Boardroom, to craft the specifications of the advert.
5.6.5 ICT Hub **The project was mismanaged and led to temporary stop-page of operations**	• Unit and Acting Municipal Manager had a meeting with 38 Youth beneficiaries to the project, the Sponsors (Small Business and IDC). * There are challenges with the paid deliverables, as soft-ware and hard-ware still not received by Naledi Local Municipality, as per SLA.

PRE-INTERVENTION	POST INTERVENTION
	• Review of business case to be conducted and further investigation to the project is scheduled. • Beneficiaries are still waiting for salaries and Acting Municipal Manager is busy managing the process, as other 18 beneficiaries had to be mobilised to withdraw the arbitration case at CCMA.
5.6.6 Buy-Back Centre / recycling This project was abandoned by stakeholders	• There was a site visit at the industrial site, next to public works. • There are two machines in the building.

PRE-INTERVENTION	POST INTERVENTION
	• The people start to steal valuables, like palisades, ceiling and window frames at the property, urgent intervention is needed. • District was approached and await a proposal to assist. • Public Works has been contacted to partner as inter-government on strategic intent and meeting is to be scheduled with beneficiaries and revisit the business case and business plan.

PRE-INTERVENTION	POST INTERVENTION
5.6.7 Detergents and Car/Truck Battery Recharge Project **This is a new project**	• 50 beneficiaries will be to be identified and currently waiting response from potential sponsor, targeting training for November 2019. • These two project will be segmented into two Cooperatives of 25 (Total of 50 Youth) members per Cooperative. • Quotations has been made for training and equipment, including 3 months material costs to stabilise product for commercialisation

6. OUTSTANDING ISSUES

- Unfunded budget, the budget not cash backed since approximately 2013.
- IDP process to adhere to scheduled timeframes
- Bloated structure to be prioritized
- Training of Ward Committees on Council activities/legislations
- Poor financial controls
- Bad Audit outcome
- Corruption cases to be attended by the Municipality
- Investigation not done on Unauthorized, irregular, fruitless and wasteful expenditure
- Lack of an Asset Management system
- Certain contracts to be terminated

- Incorrect billing
- Low revenue collection rate
- Water projects delayed due to Dr Ruth Segomotsi Mompati District Municipality relations with Naledi Local Municipality

7. SELF ASSESSMENT

The terms of reference for the Administrator, in terms of section 139 (1)(b) of the constitution were the following :

- Facilitate the improvement of governance within the Municipal Council (Council oversight role, relations between Council and Administrator).

Achieved: Governance, council oversight, relations between council and administrator has improved

- Manage the overall administration of the municipality;
  - **The administration team succeeded in managing the overall administration of the Municipality**
- Stabilize and improve governance and administration within the municipality (Council and administration);
  - **Council and Administration stabilized**

- Facilitate recruitment of senior managers including Municipal Managers where applicable;
- 80% of Senior Manager will resume duties between January and February 2020
- Improving the financial controls in the municipality, expenditure management, procurement processes, revenue enhancement and debt collection as well as addressing Auditor General's reports (MFMA compliance);
  - Improving Financial Controls – Achieved standard operating procedures developed
  - Expenditure Management – Improved (funds are ringfenced) conditional grants are no more used for operational purposes
  - Procurement processes – improved, however contract management is still a challenge
  - Revenue Enhancement and debt collection – There is a revenue enhancement strategy in place which was approved by council. There is still a challenge with late billing.
  - Implementation of Financial Recovery Plan as per MFMA and submission of progress reports to National and Provincial Treasury
  - Auditor Generals reports- 2019/20 AFS submitted on the 22 November in order to improve its credibility. The audit will be concluded in Feb 2020.

- Take corrective action on irregular expenditure;
  - Ensure that there is contract register in order to curb spending on expired contracts
  - MPAC Unit has been capacitated with two officials in order to deal with UIF matters
  - Consequence Management taken against a senior official who caused irregular expenditure
  - Actions to be taken against managers who failed to submit inputs to the procurement plan.
- Improve service delivery through facilitation of new projects, unblocking of old projects, maintenance of infrastructure, cleansing etc.;
  - National COGTA (MISA) assisted in the revision of the project implementation plan in order to unblock old projects .
  - Electrification of Rekgaratlhile (Stella) is 90% completed
  - The municipality is heavily reliant on Department of Public Works for maintenance of road infrastructure, due to budgetary constraints
  - Colridge community hall is 80% completed
  - DPW assisted with a front loader for compacting the landfill site
  - Two refuse trucks were fixed and are assisting with waste collection

- Attend to labour and legal matters, including to investigate and take corrective action on irregular appointment of staff and restore labour stability, outstanding disciplinary cases, if any, labour disputes, functionality of LLF, instill culture of work and discipline of municipal workers
- Labour movement, functionality of LLF and disciplinary cases are being dealt with through the revived LLF meetings.
- Litigation strategy developed
- Investigate all awarded contracts to establish validity and legitimacy thereof and terminate those that are not legitimate in terms of applicable regulations
  - A company was appointed by provincial treasury to assist with all awarded and existing contracts
  - The municipality is in the process of terminating contracts of irregular appointments
- Improve service delivery prioritization on water and sanitation services
  - Two reservoirs were connected to supply water to Huhudi township
  - Additional four boreholes where installed and commissioned to increase the water capacity
  - MISA appointed a service provider to clean the sewer network which has resulted in a reduction of sewer spillages

- Analyse and implement past and current investigations, commissions of inquiry and forensic audits
  - Due to lack of financial resources the administration team was unable to implement this TOR in full.
  - Forensic audit reports where forwarded to the Zondo Commission of Inquiry upon request.
- Implement the support packages to the Municipality
- Chair all the workstreams created in the municipality or delegate such to any other person working on the intervention team
  - Played an oversight role on all workstreams
- The administrator shall report monthly to the provincial executive council through the MEC responsible for local government and human settlement regarding the progress made on the intervention
  - The administration team honored all the invitations of the MEC and submitted reports as requested

- The administrator shall develop an action plan to effect the intervention on short and medium to long term basis to ensure turn around and sustainability post intervention
  - There are plans in place which will be handed over to the Municipal Manager

8 RECOMMENDATION TO EXCO

- Urgent secondment of a Chief Financial Officer to Naledi Local Municipality.
- Political parties to work harder in reducing political tensions/divisions in Naledi Local Municipality.
- Sector departments to play their mandatory roles at municipalities in regard to service delivery.
- Strict District monitoring of MIG funds in the Municipality.
- Province/District to facilitate Municipality debts payments by Government Departments

- Exco should note that NLM has the potential for optimal revenue collection
- Exco to persuade provincial treasury to assist
- Ward Committees to be capacitated on the roles and the way the Municipality functions.
- Some MMC's to begin to take Portfolio Committees serious.
- The Municipality be released from section 139 (B) of the Constitution. However, the Municipality be subjected to section 154 with emphasis on **revenue management**.
- The following yardstick to come to the above conclusion was used :


2907E

THANK YOU.

"N4"

provincial treasury

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OFFICE OF THE HOD

Mr. N Mongale
The Acting Municipal Manager
Naledi Local Municipality
P.O. Box 32
VRYBURG
8600

Dear Mr. Mongale

MFMA SECTION 138 AND 140 ASSESSMENT FEEDBACK ENGAGEMENT

The Provincial Treasury has conducted an assessment in line with the provisions of section 138 and 140 of the MFMA to determine if your municipality is in serious material breach of its financial commitments. The outcome of the assessment revealed that, Naledi Local Municipality is in serious material breach of its financial commitments and the municipality's creditor's balance is more than two per cent (02%) of the municipality's budgeted operating expenditure. This confirms that Naledi Local Municipality is in serious financial crisis.

Section 139(5) of the Constitution states that:

"If a municipality, as a result of a crisis in its financial affairs, is in serious or persistent material breach of its obligations to provide basic services or to meet its financial commitments, or admits that it is unable to meet its obligations or financial commitments, the relevant Executive Council:-

(a) must impose a recovery plan aimed at securing the municipality's ability to meet its obligations to provide basic services or its financial commitments which

   (i) is to be prepared in accordance with national legislation; and
   (ii) binds the municipality in the exercise of its legislative and executive authority, but only to the extent necessary to solve the crisis in its financial affairs; and

(b) dissolve the Municipal Council, if the municipality cannot or does not approve legislative measures, including a budget or any revenue-raising measures necessary to give effect to the recovery plan, and

   (i) appoint an administrator until a newly a newly elected Municipal Council has been declared elected, and
   (ii) approve a temporary budget or revenue-raising measures to give effect to the recovery plan, and for the continued functioning of the municipality.

MFMA SECTION 138 AND 140 ASSESSMENT FEEDBACK ENGAGEMENT

(c) if the Municipal Council is not dissolved in terms of paragraph (b), the provincial executive may assume responsibility for the implementation of the recovery plan to the extent that the municipality cannot or does not otherwise implement the recovery plan

Section 139(1) of the Municipal Finance Management Act states that:

"If a Municipality, as a result of a crisis in its financial affairs, is in serious or persistent material breach of its obligations to provide basic services or to meet its financial commitments, or admits that it is unable to meet its obligations or financial commitments, the Executive Council must promptly request the Municipal Financial Recovery Service to:

(i) determine the reasons for the crisis in its financial affairs;
(ii) assess the municipality's financial state;
(iii) prepare an appropriate recovery plan for the municipality;
(iv) recommend appropriate changes to the municipality's budget and revenue-raising measures that will give effect to the recovery plan; and
(v) to submit to the MEC for finance in the province, the determination and assessment referred to in subparagraphs (i) and (ii) above, as a matter of urgency and submit the recovery plan and recommendations referred to in subparagraphs (iii) and (iv) above within a period, not to exceed 90 days."

The Executive Council has already resolved that municipalities which are facing severe financial crisis must be placed under intervention in terms of Section 139(5) of Constitution of the Republic of South Africa read together with Section 139 of the Municipal Finance Management Act.

Implementation of Section 139 of the Municipal Finance Management Act will require certain key activities to be conducted to ensure that the financial positions of municipalities improve during the intervention, the following key critical activities will be conducted pursuant to compliance with Section 139 of the Municipal Finance Management Act:

(i) make a determination of the reasons for the crisis in its financial affairs;
(ii) conduct an assessment of the municipality's financial state;
(iii) prepare an appropriate recovery plan for the municipality;
(iv) recommend appropriate changes to the Municipality's budget and revenue-raising measures that will give effect to the recovery plan; and
(v) submit the above to the MEC for Finance in the Province

In preparation towards the implementation of Chapter 13 of the MFMA to assist the municipality to resolve its financial problems, the Provincial Treasury invites you to an engagement session scheduled as follows:

Date : 06 July 2021
Venue: Virtual meeting
Time : 11h00

The purpose of the engagement is to consult the Executive Mayor and provide feedback on the assessment conducted in relation to the status of the municipalities' financial health.

MFMA SECTION 136 AND 140 ASSESSMENT FEEDBACK ENGAGEMENT

You are therefore required to confirm your availability and extend the invitation to the following:

- Chief Financial Officer
- Chief Audit Executive
- Manager Legal
- All senior managers

The agenda for the engagement has been attached.

Yours faithfully,

Mr N.I Kunene
Head of Department

Date: 23/06/2021

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6. COUNCIL MATTERS: FINANCE MFMA SECTION 138 AND 140 ASSESSMENT FEEDBACK

ATTACHMENTS

1. MFMA SECTION 138 AND 140 ASSESSMENT FEEDBACK

PURPOSE

To table the Municipal Finance Management Act 2003 section 138 and 140 assessment feedback.

BACKGROUND

Resolution of financial problems MFMA Chapter 13

1. The primary responsibility to avoid, identify and resolve financial problems in a municipality rests with the municipality itself
2. Section 135 of the MFMA provides that if a municipality encounters financial problems or anticipates problems in meeting its financial commitments it must seek solutions for such problems, including notifying MECs for Local Government and Finance as well as organised local government (SALGA).
3. The MFMA also places obligations on the national and provincial government to assist in resolving financial problems in municipalities.
4. According to S136 (1) of the MFMA if the MEC for local government in a province becomes aware that there is a serious financial problem in a municipality, the MEC must promptly:

    a) Consult the mayor of the municipality to determine the facts;
    b) Assess the seriousness of the situation and the municipality's response to the situation; and
    c) Determine whether the situation justifies or requires an intervention in terms of section 139 of the Constitution

5. In determining whether the municipality's financial situation justifies or enquires an intervention in terms of section 139 of the Constitution, the results of the assessment of the following sections should be considered:

5.2 MFMA S138 – Sets out the criteria for determining serious financial problems
5.3 MFMA S140 – Sets out the criteria for determining serious or persistent material breach of financial commitments

MOTIVATION

In determining whether the municipality's financial situation justifies or requires an intervention in terms of section 139 of the Constitution, the following findings should be taken into account:

1. Triggers set by MFMA section 138:

a) The municipality has failed to make payments when due over the review period

b) The municipality has consistently generated a net deficit averaging 31% since 2015/16
c) The municipality has consistently received a disclaimed audit opinion with findings since 2015/16
2. Triggers set by MFMA section 140:

    a. The municipality's overall creditor balances constitute greater than 2% of the municipality's operating expenditure in each of the years under review

3. Based on the observations arising from the section 138 and section 140 analysis, the municipality requires a Financial Recovery Plan (FRP) as a matter of urgency

4. The municipality commits to work with the Provincial Treasury to determine root cause and the extent of performance failures.
5. The municipality agrees that the Provincial Treasury working in collaboration with National Treasury conduct the status quo analysis as well as the financial recovery plans.

RESOLUTION

1. That the council approves the assessment in terms of section 138 and 140 of the MFMA.
2. That the council request for assistance in terms of the findings on the assessment feedback.
3. That the resolution be submitted within five (5) working days.
4. That the council approves the establishment of political oversight structure as well as the technical multi-disciplinary implementation task team.

DEPARTMENT: MUNICIPAL MANAGER'S OFFICE

SUBMITTED FOR APPROVAL

"N6"

FINAL DEBT AND CREDIT CONTROL POLICY

NALEDI LOCAL MUNICIPALITY

Council resolves to adopt the following proposal as the Debt and Credit Control Policy of the Naledi Local Municipality

Policy effective date:	[01 July 2020]
Approved date:	[30 June 2020]
Resolution:	[255/2020]
Revised:	[30 June 2020]

NALEDI LOCAL MUNICIPALITY
DEBT AND CREDIT CONTROL POLICY

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NALEDI LOCAL MUNICIPALITY
DEBT AND CREDIT CONTROL POLICY

1. INTRODUCTION

The Municipal Council must ensure that all money due to the Municipality is collected, subject to the Municipal Systems Act. For this purpose the Municipal Council must adopt, implement and maintain a credit control and debt collection policy consistent with its rates and tariff policies and complying with the provisions of the Municipal Systems Act (Section 96).

The Municipal Council must adopt by-laws to give effect to its credit control and debt collection policy, its implementation and enforcement. By-laws may differentiate between different categories of taxpayers, customers, debtor's taxes, services, service standards and other matters (Section 98 of the Municipal Systems Act).

2. BACKGROUND

The purpose of this policy is to ensure that credit control forms part of the financial system of the Municipality and to ensure that prudent credit control procedures are consistently applied.

3. DEFINITIONS

"Accounting officer" - The municipal manager is the accounting officer of the municipality for the purpose of Act No. 56 of 2003: Local Government: Municipal Finance Management Act, 2003. (MFMA).

"Agreement" - an arrangement to pay off any arrears amount with interest over an agreed period of time.

"arrears" means any amount due and payable to the municipality which has not been paid on or before the due date.

"billing" means invoicing on a municipal account to an account holder of an amount or amounts payable for assessment rates, metered services, other municipal charges, levies, fees, fines, taxes, or any other amount or amounts payable arising from any other liability or obligation

"Business" any trade, manufacturing, service delivery or commercial activity as the primary objective

"**Consumption**" - the usage of water and electricity through Council's metered or prepaid Systems

"**Collection cost**" all cost associated with credit control and debt collection, including interest, penalties service disconnection cost and legal cost.

"**customer/consumer/account holder**" any occupier and/or owner of any property to which the municipality has agreed to supply services or already supplies services to, or failing such an occupier, then the owner of the property.

"**Council's Attorney**" - Means a law firm, including all legal practitioners, correspondents and affiliates of such law firms appointed by the council from time to time through a transparent bidding process, to handle all or specifically nominated legal affairs of the council on request.

"**Councillor**" - Means a member of the municipal Council.

"**credit control and debt collection**" means all the functions relating to the collection of revenue;

"**Chief Financial Officer**" / "**Manager: Finance**" - Means a person designated in terms of section 80(2)(a) of the MFMA.

"**deposit**" a sum of money paid in lieu of a service to be rendered.

"**dishonoured cheque**" refusal by a bank to pay an amount ordered by cheque to Naledi Municipality for whatever reason

"**Days**" - This will be **calendar days** unless specifically mentioned otherwise.

"**due date**" means the date specified as such on a municipal account dispatched by the municipality to an account holder for current charges payable and which is the last day allowed for the payment of such current charges

"**Head of department**" - A senior official in charge of a specific service of the Council.

"**interest**" a charge levied and calculated at the **prime interest rate** determined by the Minister of Finance in terms of section 80 of the Public Finance Management Act of 1999, **rate plus 1%** on all arrear amounts owed to Council.

"**Mayor**" - The councillor elected as the mayor of the municipality in terms of section 55 of Municipal Structures Act.

"**Manager**" - A senior manager as referred to in section 56 of the Municipal Systems Act.

"**Month**" - One of the twelve months of the calendar year.

"**Municipality**" - A municipal council referred to in section 157 (1) of the Constitution of the RSA.

"**municipal account**" means an account rendered on which is billed an amount or amounts payable to the municipality for assessment rates, metered services, other municipal charges, levies, fees, fines, interest, taxes or any other amount or amounts payable arising from any other liability or obligation;

"**municipal service charges**" means those assessment rates, metered services, other municipal charges, levies, fees, fines, interest, taxes or any other amount or amounts payable arising from any other liability or obligation reflected on the municipal account for which payment is required by the municipality;

"**Municipal Finance Management Act**" - Municipal Finance Management Act No. 56 of 2003.

"**Municipal Manager**" - The person appointed in terms of section 82 of the Municipal Structures Act.

"**Municipal Structures Act**" - The Local Government: Municipal Structures Act No. 117 of 1998, as amended.

"**Municipal Systems Act**" - The Local Government: Municipal Systems Act No. 32 of 2000, as amended.

"**occupier**" means any person who occupies any premises or part thereof notwithstanding the title under which the person occupies, and *includes;*

(a) any person in actual occupation of such premises;

(b) any person legally entitled to occupy such premises;

(c) in the case of premises which have been subdivided and let to lodgers or various tenants, the person receiving the rent payable by such lodgers or tenants whether on that person's own account or as agent for any person entitled thereto or interested therein;

(d) any person having the charge or management of those premises, and includes the agent of any such person when the person is absent from the Republic of South Africa or his or her whereabouts are unknown; and

(e) the owner of those premises;

"owner" means ;

(i) a person in whom the legal title to a premises is vested;

(ii) in a case where the person in whom the legal title is vested is insolvent or dead, or is under any form of legal disability whatsoever, the person in whom the administration of and control of such premises is vested as curator, trustee, executor, administrator, judicial manager, liquidator or other legal representative;

(iii) in the event that the municipality is unable to determine the identity of the person in whom the legal title is vested, the person who is entitled to the benefit of such premises or a building thereon;

(iv) in the case of premises for which a lease of 30 years or more has been entered into, the lessee thereof;

(v) in relation to -

(i) a piece of land delineated on a sectional plan registered in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986), and without restricting the above, the developer or the body corporate in respect of the common property; or

(ii) a section as defined in such Act, the person in whose name such section is registered under a sectional title deed and includes the lawfully appointed agent of such a person;

(vi) any legal person including, but not limited to -

(i) a company registered in terms of the Companies Act, 1973 (Act No. 61 of 1973), the Companies Act, 2008 (Act No. 71 of 2008), Trust inter vivos, Trust mortis causa, a Closed

Corporation registered in terms of the Closed Corporation's Act, 1984 (Act No. 69 of 1984), a voluntary association;

(ii) any Department of State;

(iii) any Council or Board established in terms of any legislation applicable to the Republic of South Africa; and

(iv) any Embassy or other foreign entity; and

(vii) a lessee of municipal property who will be deemed to be the owner for the purposes of rendering a municipal account;

"prepayment service/system" means a system whereby the consumers of electricity and water makes a payment in advance for the use of the service.

"property" any portion of land of which the boundaries are determined within the jurisdiction of the municipality

"revenue" means all monies due to the municipality and in regard to which it has the right to enforce payment;

"tampering" means any unauthorised interference with the municipality's supply, seals and metering equipment and "tamper" has a corresponding meaning;

4. VISION

The vision of this policy is to:

- Ensure sufficient notification of outstanding debt to debtors in default;
- Provide debtors with monthly statements in time; and
- Ensure sufficient and effective interaction with defaulters and to allow for the conclusion of arrangements for the payment of arrears over agreed period of times.

5. OBJECTIVES OF THE POLICY

The objectives of this policy are to provide for:

- Credit control procedures and mechanisms;
- Debt control procedures and mechanisms; and
- Realistic targets/ benchmarks as set by the municipality which is consistent with:
- General Recognised Accounting Practices and collection ratios; and
- The estimate income set in the budget minus an acceptable provision for bad debts.

6. RESPONSIBILITY FOR CREDIT CONTROL

6.1. Supervisory Authority

The Municipality's Mayor must:

- Oversee and monitor the:
  - Implementation and enforcement of the Municipality's credit control and debt collection policy and any by-laws enacted; and
  - Performance of the Municipal Manager in implementing the policy and any by-laws.
- When necessary, evaluate, review or adapt the policy and any by-laws, or the implementation of the policy and any such by-laws, in order to improve efficiency of its credit control and debt collection mechanisms, processes and procedures; and
- Report to the quarterly meetings of the Council.

6.2. Implementing Authority

The Municipal Manager must:

- Implement and enforce the Municipality's credit control and debt collection policy and any by-laws enacted in terms of the Municipal Systems Act;
- In accordance with the credit control and debt collection policy and any such by-laws establish effective administrative mechanisms, processes and procedures to collect money that is due and payable to the Municipality; and
- Report the prescribed particulars monthly to a meeting of the supervising authority.

7. DUTIES AND FUNCTIONS

7.1. Duties and Functions of Council

- To approve a budget consistent with Council's integrated Development Plan
- To impose rates and taxes and to determine service charges, fees and penalties to finance the budget.
- To provide for a bad debt provision, in line with the payment record of the community, ratepayers and residents, as reflected in the financial statements of the municipality.
- To set an improvement target for debt collection, in line with acceptable accounting ratios and the ability of the Municipal Manager.
- To approve a reporting framework for credit control and debt collection.
- To consider and approve by-laws to give effect to the Council's policy.
- To monitor the performance of the Implementing Authority regarding credit control and debt collection.
- To revise the budget should Council's targets for credit control and debt collection not be met.
- To take disciplinary action against councillors, officials and agents who do not execute council's policy and by-laws.
- To provide sufficient capacity in the Finance department for credit control and debt collection.
- To appoint debt collection agents to assist the Municipal Manager in the execution of his duties, if required.

7.2. Duties and Functions of the Mayor

- To ensure that Council's budget, cash flow and targets for debt collection are met and executed in terms of policy and relevant by-laws.
- To monitor the performance of the Municipal Manager in implementing the policy and by-laws.
- To review and evaluate the policy and by-laws in order to meet the Credit Control and Debt Collection targets.
- To report to Council.

7.3. Duties and Functions of the Municipal Manager

- To implement good customer care management.
- To implement council's credit control and debt collection policy.
- To install and maintain an appropriate accounting system.
- To bill customers.

- To demand payment on due dates.
- To raise interest for defaults.
- To appropriate payments received.
- To collect outstanding debt.
- To implement "Best Practices".
- To provide different payment methods.
- To determine credit control measures.
- To determine work procedures for public relations, arrangements, disconnections of services, summonses, attachments of assets, sales in execution, write-off of debts, sundry debtors and legal processes.
- To complete the legal process with or without legal aid (i.e. attachments and sale in execution of assets, emolument attachment orders etc.).
- To set performance targets for staff.
- To appoint staff in accordance with council's staff policy to execute council's policy and by-laws.
- To delegate certain functions to heads of departments.
- To determine control procedures.
- To deal with exceptional cases not included in the policy, with an acceptable arrangement for payment of the account.
- To report to the Mayor.
- To approve a list of local attorneys in accordance with the Supply Chain Policy- and Regulations to represent Council in legal matters regarding debt collection.

7.4. Duties and Functions of communities, ratepayers and residents

- To fulfil certain responsibilities, as brought about by the privilege and/or right to use and enjoy public facilities and municipal services.
- To pay service fees, rates on property and other taxes, levies and duties imposed by the municipality.
- To respect the mechanisms and processes of the municipality in exercising their rights.
- To allow municipal officials reasonable access to their property to execute municipal functions.
- To comply with the by-laws and other legislation of the municipality.
- To refrain from tampering with municipal services and property

7.5 Duties and Functions of ward councillors and political parties

- To hold regular ward meetings
- To adhere to and convey council policy and by-laws to residents and ratepayers.
- To adhere to council's code of conduct for councillors.
- To support the administration of Council.

7.6. Councillor and municipal staff arrears

- Staff arrears will be dealt with in accordance with Schedule 2 of the Systems Act, and terms of any procedures, methods or actions referred to in this policy. Notwithstanding any other procedure, method or action that may be taken in terms of this policy, the Municipal manager shall deduct any outstanding amount from such staff member's salary after this 3 (three) month period.
- In accordance with schedule 1, item12A of the Systems Act, a Councillor of the Municipality may not be more than 3 (three) months in arrears for municipal service fees, surcharges on fees, rates or any other municipal taxes, levies and duties levied by the Municipality. Notwithstanding any other procedure, method or action that may be taken in terms of this policy, the Municipal manager shall deduct any outstanding amount from such Councillor's remuneration after this 3 (three) month period.
- All new appointees (councillors and staff members) indebted to the municipality must enter into an agreement with the municipality for the payment or arrear accounts via automatic salary deductions, informed by the affordability of the debtor.

8. CUSTOMER CARE

8.1. Communication and Feedback

- The municipality will, within its financial and administrative capacity, conduct an annual process of compiling its budget according prescribed legislation.
- Council's Customer Care and Management, and Debt Collection Policy, will be available in English, and will be made available by general publication on specific request, and will also be available at Council's cash collection points and website.
- Council will endeavour to distribute a regular newsletter, which will give prominence to customer care, credit control and debt collection issues.
- Ward councillors will be required to hold regular ward meetings, at which customer care and credit control issues will be given prominence.

- The press will be encouraged to give prominence to Council's Customer Care and Credit Control Debt Collection issues, and will be invited to Council meetings where these are discussed.

8.2. Council will aim to establish:

- A central complaints/feedback office to effectively deal with correspondence from the first acknowledgement of receipt until finalisation;
- A centralised complaints database to enhance co-ordination of complaints, their speedy resolution and effective communication with customers;
- Appropriate training for officials dealing with the public to enhance communications and service delivery; and
- A communication mechanism to give council feedback on service, Credit Control and debt Collection and other issues of concern.

8.3. Service application and agreements

- All owners will be required to sign an agreement governing the supply, of, and cost of municipal services. Notwithstanding this, Council reserves the right to sign contracts with tenants at its own discretion.
- All existing contracts for service delivery with tenants will be maintained and all new service contracts will be with the owners of property unless special consent is given by the CFO.
- When tenants are in default, the service contract with the tenants may be cancelled and the services transferred to the owner.
- Prior to signing these agreements, owners and or tenants will be entitled to receive the policy document of the Council on request.
- Within a specified period (in the agreement) of change of ownership, meters will be read and an account posted.
- In the agreement, customers will acknowledge liability for costs of collection, and interest and penalties, in the event of delayed payment.
- If an applicant has an outstanding amount that is due and payable to the municipality the arrears must be paid, or an agreement for payment of arrears must be concluded with the municipality before an application for services can be approved.
- No water connection will be made without approved building plans.

8.4. Customer screening and securities

- The applicant may be required to undergo a full credit check in an endeavour to trace all debt inclusive of municipal debt owed by the applicant. This will require the provision of, inter alia, acceptable means of identification and if applicable, binding lease agreement, title deed and other supporting documentation as required by the Municipality from time to time. The relevant application form as approved by the CFO from time to time forms an integral part of this policy insofar as the contents of such application form are not in conflict with any of the provisions of this policy.
- Application for services for businesses, including trusts, companies, close corporations, partnerships, sole proprietors and government institutions should be approved subject to the provisions of sub-item (1) above. The application must include the submission of a resolution delegating authority to the applicant and furnishing, if applicable, the business entity's registration number or Trust reference number (T number) with the Master of the High Court. The names, addresses and all relevant contact particulars of all the business's directors or members or trustees or proprietors or partners must be submitted with the resolution. The relevant application form as approved by the Municipality from time to time forms an integral part of this policy insofar as the contents of such application form are not in conflict with any of the provisions of this policy.
- Where a company, close corporation, Trust in terms of the Trust Property Control Act, 57 of 1988, Home owners' association or a Body Corporate in terms of the Sectional Titles Act, 95 of 1986, is indebted to Council, the liability for such arrears may be extended to the directors, members of trustees thereof jointly and severally for which a surety must be signed by the applicant(s).
- The municipality shall not conduct any business activity with or provide any services to any persons who are in arrears with municipal accounts except as provided for in this policy and as determined by the Municipality from time to time, nor will any refunds or credits be made to any debtor who is arrears with their municipal account.
- Security deposits either in cash or any other security acceptable to the municipality will be taken, and may vary according to the risk. A minimum deposit of the equivalent of two months' average account will be taken.

- Deposits may be increased by the municipality at any time to comply with the point above.
- In cases of defaulting, during the last two financial years, in terms of payment of municipal services, deposits may be increased by applying the following measures:

  - 1st default: To increase the consumer deposit according to the approved Tariffs;

  - 2nd default: double the consumer deposit according to the approved tariffs; and

  - 3rd default: To force the consumer to convert to prepaid electricity at own cost.

- The increase in deposits must be paid in 3 instalments.
- The municipality will not pay any interest on deposits.
- On the termination of the agreement the amount of the deposit less any outstanding amount due to the municipality will be refund to the consumer.

8.5. Accounts and Billing

- Consumers will receive an understandable and accurate bill from the municipality.
- Accounts will be produced in accordance with the meter reading cycle and due dates as determined by Council from time to time.
- Accounts will be rendered monthly in cycles of approximately 30 days at the address last recorded with the municipality or its authorised agent.
- It is the customer's responsibility to ensure that his/her postal address and personal details are correct and updated on the records of the municipality.
- If a consumer does not receive an account by the 10th of the month, a copy must be requested at any municipal office.
- In the event that the consumer does not receive an account due to unforeseen reasons, he/she is still obliged to pay the account that is due and payable. The onus shall be on the consumer to obtain a copy of the account before the due date.
- Where an account is not settled in full, any lesser amount tendered and accepted shall not be deemed to be in final settlement of such an account.
- The supply of the correct account reference for electronic payments is the responsibility of the consumer to avoid any penalties and administrative costs.
- Council only recognises payments (electronic transfers and/or direct deposits) reflecting in the municipality's bank account on or before the due date for payment.

- Where any payment made to the municipality or its authorised agent by negotiable instrument is later dishonoured by the bank, the municipality or its authorised agent:

  a) May recover the average bank charges incurred relating to dishonoured negotiable instruments against the account of the consumer;

  b) Shall regard such an event as default on payment;

  c) Disconnect services in the event of default;

  d) Insist on cash or electronic fund transfer payments for all future payments.

- The municipality or its authorised agent must, if administratively possible, issue a duplicate account to a consumer on request. A fee as per the approved tariffs will be applicable.
- All separate debts owed to this municipality by a debtor shall be deemed to be consolidated.
- Subject to section 118(1) of the Systems Act the Municipal manager has the right to offset any credit, or any amount due to a debtor, against any debit pertaining to that same debtor, or to transfer any debt to another account of that same debtor.
- The Municipal Manager has the right to transfer any property debt owed by a tenant to the owner's account of any property, in terms of sections 102 and 118(3) of the Systems Act.

8.6. Metering

- The municipality will endeavour, within practical and financial limits, to provide meters to every paying consumer for all measurable services.
- All meters will be read monthly, if at all possible. If the meter is not read monthly, the council will average the consumption based on preceding periods.
- Consumers are entitled to request verification of meter readings and accuracy within reason, but may be held liable for the cost thereof.
- If a service is metered but it cannot be read due to financial and human resource constraints or circumstances out of the control of the municipality or its authorised agent, and the consumer is charged for an average consumption, the account following the reading of the metered consumption must articulate the difference

between the actual consumption and the average consumption, and the resulting credit or debit adjustments.

- In exceptional circumstances and to avoid unfairness, it is delegated to the CFO to adjust the consumption after the new reading, based on the average of the previous 3 months levied. The exceptional circumstances are deemed relevant were the actual consumption is more than 100% of the average consumption during the period not read. For these consumers the municipality will write-off 50% of the difference.
- It is the responsibility of the consumer to ensure that his/her meter is clear and readable at all times.

8.7. Right of access to premises

- The owner and/or occupier of a premise give an authorised representative of the municipality access at all reasonable hours to the premises in order to read, inspect, install or repair any meter or service connection for reticulation, or to disconnect, stop or restrict, or reconnect, the provision of any service.
- The owner accepts the cost of relocating a meter if satisfactory access is not possible.
- If a person contravenes 6.7.1 the municipality or its authorised agent may:

  a) By written notice require such person to restore access at his/her own expense within a specified period;

  b) If it is the opinion that the situation is a matter of urgency, without prior notice restore access and recover the cost from such person.

8.8. Payment facilities and -methods and stop orders and debit orders

- The municipality will operate and maintain sustainable banking and cash facilities which facilities will be accessible to all users.
- The municipality will, at its discretion allocate a payment between service debts – a debtor who has overdue debt may not specify that the payment is for a specific portion of the account.
- The municipality may, with the consent of a consumer, approach an employer to secure a debit or stop order arrangement..

- The consumer will acknowledge, in the consumer agreements that the use of consumer agents in the transmission of payments to the municipality is at the risk of the consumer – also for the transfer time of the payment.
- When a debtor's cheque or electronic payment, made payable to Council is rejected by the Bank institution as result of insufficient funds, the debtor will be liable for an administrative fee as per the approved tariffs.
- If a debtor's electronic payment is rejected due to insufficient funds, the municipality will notify the debtor accordingly. If the debtor's payment is rejected for the 2nd consecutive time, the municipality will notify the debtor again and the debtor will have to make use of alternative payment methods to pay the account.

8.9. Enquiries, appeals and services complaints

- If a consumer is convinced that his or her account is inaccurate, he or she can lodge a dispute with the municipality for recalculation of this account.
- The dispute must be submitted in writing or dictated to the official who will record it in writing and have it signed as correct.
- The document must then immediately be lodged with the relevant delegated official.
- No dispute will be registered verbally whether in person or over the telephone.
- The debtor must furnish full personal particulars including all their account numbers held with the Municipality, direct contact telephone numbers, fax numbers, postal and e-mail addresses and any other relevant particulars required by the Municipality.
- The full nature of the dispute must be described in the correspondence referred to above.
- The onus will be on the debtor to ensure that he receives a written acknowledgement of the dispute.
- The municipality will maintain a register of all disputes registered and resolved.
- In the interim the debtor must pay an average based on previous consumption where history of the account is available. Where no such history is available the debtor is to pay an estimate provided by the municipality before the due date for payment until the matter is resolved.
- The relevant department will investigate and inform the debtor when a reasonable outcome is available.

- Failure to make such agreed interim payment or payments will make the consumer liable for disconnection.
- A consumer may appeal against the finding of the municipality or its authorised agent in terms of 6.9.6
- An appeal and request in terms of 6.9.5 must be made and lodged with the municipality within 21 (twenty-one) days after the consumer became aware of the finding referred to in 6.9.3 and must:
  - a) Set out the reasons for the appeal;
  - b) Be accompanied by any security determined for the testing of a measuring device, if applicable.

8.10. Business who tender to the Municipality

- When inviting tenders for the provision of services or delivery of goods, potential contractors may submit tenders subject to a condition that consideration and evaluation thereof will necessitate that the tenderer obtain from the municipality a certificate stating that all relevant municipal accounts owing by the tenderer or its directors, owners or partners have been paid or that suitable arrangements (which include the right to set off in the event of non-compliance) have been made for payment of any arrears.
- A municipal account to mean any municipal service charge, tax or other fees, fines and penalties, due in terms of a contract of approved tariff or rate, which is outstanding after the due date, normally appearing on the consolidated account, or overdue in terms of the contract or any other due date that has passed.
- Tender conditions can contain a condition allowing the municipality to deduct moneys owing to the municipality from contract payments in terms of a reasonable arrangement with the consumer.

8.11. Incentives for prompt payment

- The municipality may, to encourage payment, and to reward good payers consider, from time to time, incentives for the payment of accounts.
- Such incentive schemes, if introduced, will be reflected in annual budgets as additional expenditure.

8.12. Customer assistance programs

- Water leakages
- If the leakage is on the side of the consumer the consumer is responsible for the payment of the full account.
- The consumer has the responsibility to control and monitor his/her consumption.
- The consumer is responsible for private reparation of water pipes behind the meter.
- An abnormal water leakage will be dealt with as follows:

  i) A customer will qualify for a water leakage discount upon application with proof of the following: -

  a) The leak was under the surface and/or not easily detectable on the surface;

  b) The leak was repaired within 72 hours since its detection;

  c) The customer may apply only once in a cycle of 24 months for a discount; and

  d) Suitable proof of repair has been submitted containing the following information: -

  Date of repair; and

  Confirmation that the leak was under the surface and/or not easily detectable on the surface.

  ii) Discount for household usage will be calculated over the period the leak was present and will be equal to the consumption above the average normal consumption of the customer at the 0-6 kl tariff.

  iii) It is the responsibility of the customer to control and monitor his/her consumption.

- Rates rebates - Rebates on rates are dealt within the Property rates policy.
- Property rates arrangements - Property rates are payable in accordance with the stipulations included in the Property Rates Policy of the municipality.

8.13. Occupant(s) responsibility in case of death of owner

- It is the responsibility of the occupant(s) of a property to immediately submit a death certificate to the municipality in case of death of the registered owner of such a property.
- Balances in arrear prior to the date of death should be registered as a claim against the estate of the deceased. The account name will be changed to Estate (Late).
- If no estate exists, balances in arrears prior to the date of death should be dealt with as follows:

  i. an account to be opened in the name of the occupant;

  ii. debt that accumulated after the death of the owner, be transferred to the new account of the occupant and dealt with in accordance with Council's Debt collection- and credit control policy;

  iii. that, where property is registered in more than one owners name, the account not be regarded as those of a deceased until death certificates of both registered owners are in Council's possession;

  iv. that debt of deceased is written off in accordance with Council's debt collection- and credit control policy and submitted to Council for notification.

- A new application for services must be completed.
- The occupant must pay all outstanding debt regarding services and rates from the date stated on the death certificate.
- If, however, the new owner (beneficiary / heir) is not in the position to pay the outstanding debt, the person can be assisted by the credit control policy to clear the account, to enable the new owner (beneficiary / heir) to register the property in his/her name

9. APPLICATION FOR SUPPLY OF MUNICIPAL SERVICES AND SERVICE AGREEMENTS

9.1. Any application for any supply of services to any premises must be made sufficient working days prior to the service being required, in the prescribed format, and must comply with the conditions as determined by the Municipal Manager or his or her delegate from time to time.

9.2. Subject to the provisions as per the right of appeal, only the owner of a property, his duly authorised agent on his or her behalf, or the lawful occupier of premises (tenant) may apply for municipal services to be supplied to a property.

9.3. Where application is made by a tenant, such application must be accompanied by a lease agreement entered into between the tenant and the owner or its agent of which the premises where such services are sought forms the subject.

9.4. No services shall be supplied unless and until:

a. the applicant has paid all outstanding amounts owed to the Municipality;
b. the owner of the property has paid all outstanding amounts owed to the Municipality for the specific property for which services have been applied for;
c. an application has been made by the owner or tenant and a service agreement in the prescribed format has been entered into and the deposit has been paid.

9.5. An application for the supply of services for a period of less than one year is regarded as an application for a temporary supply.

10. BILLING AND PAYMENT

10.1. The account holder must pay all amounts due to the municipality as reflected in the municipal account, and the onus is on the account holder to verify the accuracy of such account, provided however that:

(a) the Council may from time to time offer an incentive on amounts due to the municipality as an incentive for timely payment of current amounts due by the due date therefor;
(b) an account holder remains liable to make payment of the full amount due, on due date therefor and any discount becoming due to an account holder in terms of any such incentive in force from time to time will be reflected as a credit on the current month's account;

10.2. An account holder must pay for metered and other service charges, assessment rates, other municipal charges, levies, fees, fines, interest, taxes or any other liability or obligation from the date of origin of such municipal charges until the written termination of the services. In the case of any dispute the onus will be on the account holder to supply proof that the services were terminated.

10.3. An account holder;

(c) has one account number and will be rendered one consolidated account for each premises to which services are rendered or for which rates are due, on which the due date for settlement of the total amount owing is reflected; and

(d) will be rendered an account monthly in cycles of approximately thirty days;

10.4. Payment must be received before close of business on the due date.

10.5. Payment made to any of the service providers appointed by the municipality to receive payments on its behalf, should be made at least five working days before the due date to enable the payment to be processed, and interest will accrue and no incentive will be given should the municipality receive payment from any such service provider after the due date.

10.6. Should any such service provider fail to furnish the municipality with the relevant details of payments made to it 5 days prior to the due dates thereof, such service provider may be held liable for all charges subsequently incurred by the municipality in pursuing recovery of an amount as a result erroneously reflected on the account of the account holder as being in arrear, as well as for interest charges.

10.7. The municipality may estimate the quantity of metered services supplied in respect of a period or periods within the interval between actual successive readings of the meters, and may render an account to an account holder for the quantity of metered services so estimated.

10.8. It is the accountholder's responsibility to ensure that their respective meters are free and clear of any obstacles which could cause the meter readers not to perform their duties of reading said meters. This includes ensuring that the meter boxes are not filled with sand or covered by debris.

10.9. If a meter is unread because it is covered (whether by debris or sand etc.) the municipality has a right to clear the debris or uncover the meter to enable such meter to be read. This will be done at an additional cost to be determined by Council from time to time. Such cost will be billed against the respective meter's account.

10.10. If an account holder is dissatisfied with an account rendered for metered services supplied by the municipality, such account holder may, prior to the due date stipulated therein, lodge an objection in writing to the Chief Financial Officer, setting out reasons for such dissatisfaction. The CFO, duly delegated by the Municipal Manager, or his sub-delegate, shall adjudicate on the objection.

10.11. Should an account holder lodge an objection the account holder must notwithstanding such objection, continue to make regular payments by the due date, of an amount equivalent to the average of the account holder's municipal account for the three month period prior to the month in respect of which the dispute is raised, and taking into account interest as well as the annual amendments of tariffs of Council. If a longer period than 3 months reflects a more realistic average, then the longer period should be used.

10.12. An error or omission in any account or failure to render an account shall not relieve the account holder of the obligation to pay by the due date.

10.13. If an account holder uses water or electricity for a category of use other than that for which it is supplied by the municipality and is as a consequence not charged for water or electricity so used, or is charged for the water or electricity at a rate lower than that at which the account holder should have been charged, the account

holder shall be liable for the amount due to the municipality in accordance with the prescribed charges in respect of-

(e) the quantity of water or electricity which in the opinion of the Municipal Manager, or his delegate, the account holder has used and for which the account holder has not been charged; or

(f) the difference between the cost of the water or electricity used by the account holder at the rate at which the account holder has been charged and the cost of the water or electricity at the rate at which the account holder should have been charged.

10.14. An account holder shall not be entitled to a reduction of the amount payable for metered services which are lost due to a default or error in the meter, save in terms of the provisions of this policy.

10.15. The municipality may;

(g) consolidate any separate accounts of an account holder liable for payments to the municipality;

(h) credit any payment by an account holder against any debt or account of that account holder;

(i) implement any of the provisions of this policy against such account holder in relation to any arrears on any of the accounts of such a person.

11. TERMINATION OF SERVICE AGREEMENT

11.1. Notice of termination of any service agreement must be in writing to the other party of the intention to do so.

11.2. An owner may terminate a service agreement relating to a property sold by him, by giving not less than five working days' notice in writing.

11.3. The Municipal Manager may on sufficient notice in writing, advice an account holder of the termination of the agreement for a supply of municipal services if:

(a) The account holder has not consumed any water or electricity during the preceding six months, or has vacated the property and has not made satisfactory arrangements for the continuation of the agreement;

(b) The account holder has committed a breach of this policy and has failed to rectify such breach; or

(c) The municipality is unable to continue to supply the account holder with municipal services as a result of the assumption by another authority of responsibility for the supply of the municipal service in question.

12. RECORDING TRANSACTIONS

12.1. When issuing an invoice to a debtor, it must be ensured that the following information is captured on the invoice:

- Details of the service provided;
- The date of delivering the service;
- The total cost of the service provided;
- Payment terms as discussed with the Chief Financial Officer;
- The invoice number;
- The Chief Financial Officer's signature to serve as proof that the invoice is valid; and
- Bank details of the Municipality for payments from the debtor.

12.2. Original invoices will be given to debtors.

12.3. A duplicate of each invoice issued will be sent to the Accountant: Debtors to update/ create the relevant debtor account.

13. COLLECTING PAYMENTS

13.1. Three methods of payments shall be used regarding debtors:

- Electronic funds transfer (EFT);
- Cheques; and
- Cash.

13.2. The method of payment for a specific debtor shall be disclosed on the individual invoice for a debtor.

13.3. When debtors pay accounts via EFT the proof of payment will be faxed or e-mailed through to the Municipality.

13.4. Upon taking the proof of payment into receipt, the Senior Accountant shall update the relevant account of the debtor with the amount paid.

13.5. When debtors pay with cheques, the following procedure will be followed:

- Two employees will take the cheque into receipt;
- As proof of receipt, the employees shall sign the cheque register;
- Monthly bank reconciliations shall be performed on all cheques received are valid; and
- As soon as the cheque is deposited, the Senior Accountant shall update the relevant account of the debtor with the amount paid.

13.6. When signing the cheque register, the following information must be captured on the register:

- The cheque number;
- Date of receipt of the cheque;
- Signatures of both employees;
- Name of the debtor; and
- The amount of the cheque.

13.7. Monthly reconciliations on the cheque register shall be performed, to ensure all cheques recorded were received.

13.8. Monthly statements shall be sent to all debtors to keep them informed about the debt and the amount that is owed

13.9. Pre-legal Process

- A sms or email may be send to a debtor if his/her cell phone number or email address is available once his/her account is not paid before or on the due date;
- When there is no response from the consumer regarding the sms or email send, a further notice will be served relating to the specific service to be restricted.

14. MONTHLY STATEMENTS

14.1. Monthly statements shall be sent to all debtors to keep them informed about the debt and the amount that is owed.

14.2. Statements shall be e-mailed as well as mailed, thus to ensure the debtor receives the statement.

14.3. The following information must be recorded on the debtor statement:

- Name and address of the debtor;
- Debtor number;
- The date of the statement;
- The amount outstanding;
- Payment terms;
- Amount due for the applicable month;
- Signature of the Chief Financial Officer;
- Statement number; and
- Details of the amount owed.

14.4. If the above mentioned information is not recorded on the statement, it must not be sent to the applicable debtor.

14.5. Debtors shall have 7 days to pay the due amount from the beginning of each month.

14.6. If the amount is not paid within 7 days, the debtors account shall be classified as in arrears and a notice shall be sent.

15. INTEREST ON ARREARS

15.1. Interest at the prescribed rate must be charged on debts handed over to the attorneys.

15.2. Notwithstanding the provisions of this policy, or the reason for non-payment, interest at the prescribed rate will accrue whilst an account remains unpaid.

16. DISCONTINUANCE OF SERVICES

16.1. Notice of Discontinuance

- A notice of discontinuance must be issued on all accounts in arrears.

- In the event that the debtor does not pay or arrange for payment of outstanding amounts due, the services must be discontinued within 7 days of issuing the notice. *(In total 14 days' notice applied. 7 days on the statement and 7 days on the notice)*

16.2. Penalties

- In the event that the debtor connects his or her own services without paying his/her arrears account a penalty as determined in the approved budget from time to time.

16.3. Handing over of overdue accounts

- All accounts older than 90 days will be handed over to the attorneys for recovery.
- Account holders will be notified via their statement of the actions taken by the municipality to recover overdue amounts.

17. BAD DEBTS

17.1. Writing off of bad debts

- The Municipal Manager must delegate in writing who, besides the Chief Financial Officer, must write off debt.
- A Chief Financial Officer may only write off debts owed to the Municipality if he or she is satisfied that:
  - All reasonable steps have been taken to recover the debt and the debt is irrecoverable; or,
- He or she is convinced that:
  - Recovery of the debt would be uneconomical; and
  - It would be to the advantage of the Municipality to effect a settlement of its claim or to waive the claim.
- All debts written off must be disclosed in the annual financial statements.
- The approval of the Chief Financial Officer for the write-off of any debt does not mean that actions to recover the money will be terminated, however, further actions will be instituted depending on the costs involved and if debt is recovered it will be recorded in the financial records of Council as recovered.

17.2. Provision for bad debts

- All outstanding debt must be reviewed on an individual debtor basis and in the event that the debt is deemed to be irrecoverable the debt must be provided for. The

assessment of the chief financial officer may include taking into account some of the following procedures:

- Payment history of the debtor
- Legal and other measures taken on the debt owing. (For instance attorney confirmations on the recoverability ect.)
- How economically feasible the recovery of the debt is?
- Attitude and cooperation of the debtor (also whether the recovery will cause undue hardship to the debtor and his/her dependents)

17.3. Recovering of debt written off

- When debt has been written off as irrecoverable it will not be recovered again when a clearance certificate on a property is issued.

18. LEGAL COSTS

All legal costs, including attorney-and-own-client costs incurred in the recovery of amounts in arrears shall be levied against the arrears account of the debtor.

19. COST TO REMIND DEBTORS OF ARREARS

For any action taken in demanding payment from the debtor or reminding the debtor, by means of telephone, fax, email, letter or otherwise, that his/her payments are due, a penalty fee may be levied against the account of the debtor in terms of the municipality's tariff provisions.

20. ARRANGEMENTS TO PAY OUTSTANDING AND DUE AMOUNTS IN CONSECUTIVE INSTALMENTS

20.1. A debtor may enter into a written agreement with the Municipality to repay any outstanding and due amount to the Municipality under the following conditions:

- The outstanding balance, costs and any interest thereon shall be paid in regular and consecutive monthly instalments;
- The current monthly amount must be paid in full; and
- The written agreement has to be signed on behalf of the Municipality by the Chief Financial Officer.

- An initial down payment for the following percentage of the outstanding debt must be paid before arrangements can be entered into and a repayment period must be agreed upon:

Percentage Down Payment	Repayment Periods
50%	3 months
45%	6 months
40%	12 months
35%	18 months
30%	24 months
25%	30 months
20%	36 months
15%	

20.2. In order to determine monthly instalments, a comprehensive statement of assets and liabilities of the debtor must be compiled by a treasury official. To ensure the continuous payment of such arrangement the amount determined must be affordable to the debtor, taking into account that payment of the monthly payments due is a prerequisite for concluding an arrangement. The main aim of an agreement will be to promote full payment of the current amount outstanding and to address the arrears on a consistent basis.

20.3. Only two arrangements may be made with the accountholder in any financial year where after if not adhered to then the full implications of the arrangement conditions will be implemented.

20.4. In any instance where an account holder seeks to make arrangements for payment of arrear amounts due, in instalments, the Chief Financial Officer may as a condition of any agreement:

- review and require an increase in the account holder's deposit;

- require of an account holder to pay current and/or arrear amounts by means of a stop order or debit order;
- require of an account holder to convert to a pre-paid metering system; or
- require any other form of security, including a personal surety from the directors, members or trustees of a company, close corporation, trust or body corporate as the case may be.

21. SEQUENCE OF PAYMENTS

21.1. When a debtor pays his / her account and that account is in arrear, the money paid will be allocated as follows:

21.1.1. Interest on arrear account;

21.1.2. Amount that is in arrear; and

21.1.3. Current outstanding amount broken down as follows:

21.1.3.1. Tax;

21.1.3.2. Refuse removal;

21.1.3.3. Water and Sewage; and

21.1.3.4. Electricity.

22. AGENTS, ATTORNEYS AND OTHER COLLECTION AGENTS

22.1. All external agents acting on behalf of the Municipality are to be named, together with their details and contact information. Likewise, all agents are to be supplied with a copy of the credit control measures.

22.2. Clear instructions must be given to agents to explain all arrangements for the customers' benefit. Under no circumstances may agents negotiate terms, extend payment periods or accept cash on behalf of the municipality.

22.3. The costs to the Municipality and to the debtor must be detailed for each stage of the credit control measures and for all possible actions. The liability for the costs of legal action and other credit control actions must, as far as is legally possible, be for the account of the debtor.

23. FINANCIAL MATTERS

23.1. Service Agreement

Before supplying of a service and sending out of any accounts, an account holder must enter into a contract of agreement with the municipality and such contract should provide for a deposit as security.

23.2. Deposits

There shall be a separate deposit paid for water and electricity as per approved tariff schedule where these services are metered and a deposit where flat rate is charged. If an applicant of services or spouse has been blacklisted as a defaulter, the deposit will be doubled to reduce the risk of outstanding or irrecoverable amounts when the account is closed. After the disconnection of electricity supply due to non-payment of services to the municipality, a reconnection fee must be paid as determined by Council in its tariff schedule.

The deposit paid shall be regarded as sufficient if the account holder is not a defaulter. Deposits received must be reviewed annually and a register should be maintained. No interest shall accrue in favour of the deposits thereof upon termination of the debtor's agreement with the municipality. The deposit will first be offset against any outstanding balances (if any) to be refunded to the account holder. If the deposit on the household account is lesser than the amount approved by Council, an additional amount towards the deposit shall be paid.

Where the account holder has not entered into a service agreement with the municipality, water/electricity will be disconnected until such time as a service agreement has been signed and the applicable deposit has been paid. Account holder's deposits for business and industrial accounts must be re-assessed three months after the initial deposit date

23.3. Consolidation of Accounts

A municipality may in terms of Section 102 (1) of the Municipal Systems Act No.32 of 2000:

(a) Consolidate any separate accounts of a debtor liable for payment;

(b) Credit a payment by that account holder against any of his/her account;

(c) Implement any of the debt collection and credit control measures provided for in this chapter in relation to any arrears on any of the accounts of such a debtor.

Subsection (1) does not apply where there is a dispute between the municipality and a person referred to in that subsection concerning any specific amount claimed by the municipality from that person.

A municipality must provide an owner of a property in its jurisdiction with copies of accounts sent to his/her tenant for municipal services, if the owner requests such accounts in writing from the municipality.

In a case of consolidated accounts, an account holder may not elect how an account is to be settled if it is not paid in full.

23.4. Steps to be applied before any action

i) The statement of account sent out monthly to the account holder will serve as a notice of arrears, if any;
ii) A notice that separate accounts may be consolidated may be sent;
iii) A final demand notice may be hand delivered or sent by registered mail to the most recent recorded address of an account holder for arrears accruing;
iv) Failure to deliver a final notice does not relieve an account holder from paying an account in arrears;

v) If no response is received after due date, further steps will be taken (electricity provision will be blocked/terminated, account may be handed over to debt collection or collection attorneys),

vi) Where water/electricity amounts remain outstanding or unpaid for more than 3 (three) months without response, that account may be handed over to debt collectors for the collection and/or legal action to attorneys. These account holders will have to make further arrangements at the attorneys or debt collectors for payment of the arrear amounts. The current monthly accounts must still be paid directly to the municipality. Once an account has been handed over for collection, the case will not be withdrawn unless there was a mistake or oversight on the part of the municipality;

vii) delivery or mailing of a written demand for payment setting out the status of the account and the consequences of not paying or concluding an arrangement by a stipulated date;

viii) informing the account holder telephonically or by any other electronic means of the overdue amount and of the impending disconnection or restriction of services;

ix) disconnection or restriction of the supply of municipal services to the premises, restriction or termination of the sale of prepaid services to an account holder, disconnection or removal of any pre-paid metering system;

x) debiting of the municipal account of the account holder with all applicable costs and charges (including penalties and charges, and legal costs);

xi) institution of action against the account holder for recovery of all arrear amounts and costs and in the case of rates for an order that the premises is specially executable;

xii) requiring of the account holder to convert to another metering system;

xiii) allocation of a portion of any pre-paid payment to other debts **(40% to other debts:60% prepaid);**

xiv) the release of debtors information to a credit bureau;

xv) the publishing of a list of account holders who remain in default;

xvi) withholding excluding the account holder from the tender process;

xvii) setting-off of any amount due by the municipality to the account holder against amounts due for rates and services or any other outstanding amount owed to the municipality;

xviii) review and alteration of the conditions of the service agreement;

xix) classification of the account holder as an unreliable customer;

xx) using the services of external debt collection specialists or agencies;

xxi) employing any other methods which are in the discretion of the Municipal Manager appropriate for the recovery of arrear amounts.

23.5. Actions to secure payment

The municipality and service providers may in addition to the normal civil legal procedures to secure payment of accounts that are in arrears, take the following action to secure payment for municipal rates and services:

(a) The municipality or service provider may block/terminate/disconnect/restrict the provision of electricity services according to Section 104 f (i) & Section 104 n (i) of the Municipal Systems Act No.32 0f 2000. Electricity will only be unblocked/reconnected after payment or arrangement has been made, except for merit cases;

(b) Restriction of the supply of services means to allow an account holder to use only 6 kilo litres of water per month by putting in a tap washer or restrict the purchase of pre-paid electricity and by cutting provision of conventional electricity;

(c) An account holder will be allowed to change an electricity meter from conventional to pre-paid meter while municipal account is in arrears, as this will allow the account holder to be in control of metered services;

(d) An acknowledgement of debt must be completed with all arrangements for paying off arrear accounts. Copies must be handed to the account holder;

(e) Stop orders or Debit orders may be completed for the monthly payment of the agreed amount or at least current amount, as far as possible

(f) The owner will still be liable to pay any amount in arrears that his/her tenant fails to pay;

(g) Where arrangement was not made and electricity was blocked/disconnected due to arrears, services will only be restored if an acceptable payment as calculated by a Finance official is made on the account and an acknowledgement of debt and arrangement for payment of arrears was signed (with a minimum payment made);

(i) Where an acknowledgement of debt was signed and the account holder did not honour the arrangement, the services of that account holder will immediately be disconnected until the full amount due according to the agreement is paid;

(j) Apply the Municipal Property rates Act 6 of 2004, section 28 and 29 to recover Property rates form tenants and estate agents.

Merit cases where special circumstances prevail must be treated individually and could amongst others include the following categories according to Section 98 (2) of The Municipal Systems Act No.32 of 2000:

- Deceased estates;
- Liquidated companies;
- Private persons under administration or debt management;
- Outstanding enquiries/disputes on accounts;
- Certain categories of pensioners;
- Indigent households;
- Child headed families;

All merit cases conditions apply to service accounts only. The municipality may block, restrict or disconnect the supply of electricity or discontinue any other service to any premises whenever an account holder of any service:

- Fails to make full payment on the due date or fails to make acceptable arrangements for the payment of any amount for services, rates or taxes;
- Fails to comply with a condition of supply imposed by the municipality;
- Causes a situation which in the opinion of the municipality is dangerous or is contravening the relevant legislation;

In terms of Section 104 f (ii) the municipality may seize the property to secure payment for services that were delivered to an account holder. This will be done by the municipality's attorneys after following due process.

24. DELEGATION OF POWERS

This policy should be applied with due observance of the Municipality's policy with regard to delegated powers. Such delegations refer to delegations between the Council and Municipal

Manager as well as between the Municipal Manager and other responsible officials. All delegations in terms of this policy document should be recorded in writing.

25. IMPLEMENTATION OF THIS POLICY

This policy will be effective from the date the policy is approved per council resolution.

The implementation of this policy cannot be backdated and all sections thereof will only be implemented from date of approval.

"N7A"

NALEDI LOCAL MUNICIPALITY

EXPENDITURE DOCUMENT

Mark applicable block	Cheque		Electronic payment	X
Cheque / Remittance Number:	111583			

Supplier	ELECTRICAL WINDING CC										
Creditor Number	E	-	0	0	0	3	4				TOTAL AMOUNT
Acount number											
Branch Code											R 341 780.00
Reference number											
Name of bank											

DETAILS	VOTE NUMBER											AMOUNT	
REPAIR OF SCHWEIZER LINE TRANSFORMER	1	6	0	0	0	2	0	0	6	4	0	R 297 200	0
									V	A	T	R 44 580	0

KAGISHO MARUPING
CHIEF FINANCIAL OFFICER

MUNICIPAL MANAGER

NALEDI LOCAL MUNICIPALITY
SCANNED
2021-08-26

MAHADI TIKANE
Compiled by: (Name in Print) and sign

BOITUMELO MOGOTSI
Authorised by: (Name in Print) and sign

TSHEPO RAKOBANE
Released by: (Name in Print) and sign

```
Local Authority    : VRYM
Order Number       :      43899
Order Line         :  1

Creditor           : E-00034
Store Number       :                Stock Number :
Order Description  : REPAIR OF SCHWEIZER LINE TRANSFOMER
                   :
Financial Year     : 2021          Cost Code : 16000200640000  Vat Ind. : 1
Alt. Order number  :       3232    Type : R
Order Progress     : 3
Order Date         : 05/08/2021
      Quantity     :          1.000
      Value        :     297200.00
      Vat          :      44580.00
 Order Vat Claim   :          0.00   Percentage Liable :    0.000
 Additional Costs  :          0.00
 Discount Amount   :          0.00   No Discount Flag  :
 Surcharge         :          0.00   Surcharge %       :    0.000
Delivered Quantity:          1.000
      Value        :     297200.00
      Vat          :      44580.00
      Add.cost     :          0.00
      Discount     :          0.00
      Vat Claim    :          0.00
Invoice Date       : 05/08/2021       Number            : INV12922
      Quantity     :          1.000
      Value        :     297200.00
      Vat          :      44580.00
      Add.cost     :          0.00
      Discount     :          0.00
 Settlement Disc.  :          0.00
 Pay by Date       :
 Remittance Date   :                   Number            :          0
 Cheque Number     :          0
```

* End of Report: Bophirima / Vryburg *

[PURCHASE ORDER]

Order No.: 43899 Date: 05/08/2021

Creditor No.: E-00034

Requisition No.: 3232

Acc.:

ELECTRICAL WINDING CC
SUITE
PRIVATE BAG X042
BENONI
1500

Fax: 0113952455 Contact Person: KAGISHO PEACE MATSI

	Stock/Cost Cd	Description	Quant.	Ex Vat	Vat Amt.	Amount
1	16000200640000	REPAIR OF SCHWEIZER LINE TRANSFOMER	1	297200.00	44580.00	341780.00

Total 297200.00 44580.00 341780.00

(Chief Financial Officer)

05/08/21
(Date)

Request Number : 3232 [Initial request]
Authorization Ref. : 30726
Archiving document :
Contract ID : 0
Request Type : Normal SCM process

Application Date : 05/08/2021
Applicant : MATSIONGK KAGISHO PEACE MATSIONG
Contact details:- Extension Number 2247
Cellphone Number
Fax Number 0539276181
Captured by : MATSIONGK KAGISHO PEACE MATSIONG
Authorized by : MOTHUSIO MOTHUSI ODIRILE AWAITING AUTHORIZATION

Required by : 04/09/2021

Preferred supplier 1: E-00034 ELECTRICAL WINDING CC
Reason : DEVIATION: EMERGENCY TO RESTORE ELECTRICITY

Preferred supplier 2: Not yet determined
Reason :
Preferred supplier 3: Not yet determined
Reason :

Delivery Instructions: 19A MARKET STREET VRYBURG 8601

Total reserved value : 341780.00
Provisional SCM process : B1 R200 000 - R500 000 COMPETITIVE BIDDING 80/20

VRYM REPAIR OF SCHWEIZER LINE TRANSFOMER

Costcode : 2021 16000200640000 UKey: 20170621024662 Qty.: 1.000 Value : 341780.00
Electricity : Contracted Services : Contracted Serv:Outsourced Ser

Req 5229

NALEDI LOCAL MUNICIPALITY
GOODS & SERVICES REQUISITION

NLM 030726

	G/L ACCOUNT	DESCRIPTION OF GOODS AND SERVICES	QTY	AMOUNT (INCL. VAT)
1		Breakdown on transformer		
2		2.5MVA 11000V-6600V/400V		
3		Full Service,welding of		
4		Radiators, Firing of Core		
5		Replacing tap-Switch		
6		and Washing of Core		
7		transformer filled with		
8		Regenerated Oil.		
		Hiring of Crane Truck	TOTAL	

	TICK PREFERED	SUPPLIER NO.	SUPPLIER NAME	AMOUNT (INCL. VAT)
1	☐		ELECTRICAL WINDING CC	R34 780,00
2	☐			
3	☐			
4	☐			
5	☐			

	SCM REQUIREMENTS	TICK APPLICABLE
1	Less than R2,000 (Incl. VAT) = 1 quotation	☐
2	More than R2,000 less than R30,000.00 (Incl. VAT) = 3 quotations	☐
3	More than R30,000.00 less than R200,000.00 (Incl. VAT) = 3 quotations + 1 week advertised on notice board and website	☐
4	More than R200 000.00 (Incl. VAT) = formal bid process	☐
5	SCM procedures not followed. (Detailed signed memo explaining non-adherence to the attached)	☐

Please note that it is a prerequisite of the municipality that all service providers are to be registered on the Municipality's supplier database. Only bids or quotations from service providers that are registered on the Municipality's supplier database can be considered. The submission of up to date and valid tax clearance certificates are compulsory.

I hereby declare and confirm adherence to the requirements of the approved SCM Policy of the Municipality and furthermore declare that all reasonable steps have been taken to prevent abuse of the SCM system in relation to this requisition.

SIGNATURE

GOODS/SERVICES CATEGORY	Transformer 2.5MVA	DATE	05/08/2021
RESPONSIBLE OFFICIAL	MARC ISOTEC	DEPARTMENT	TECHNICAL SERVICES
ORDER NO.	43899		

AUTHORIZED BY HOD — DATE 05/08/21

APPROVED BY CFO — DATE 05/08/21

Tedmans Vryburg 2156

REQUEST FOR APPROVAL TO DEVIATE FROM SCM POLICY

FROM: TECHNICAL SERVICES DESIGNATION: ELECTRICAL

DATE: 05/08/2021 REQUEST NO: 030726

Section 283 of the Supply Chain Management Policy states that the Accounting Officer may :

a) dispense with the official procurement processes established by the above section of the policy and to procure any goods or services through any convenient process, which may include direct negotiations, but only under the following conditions, **(please mark with an (X) whichever is applicable to your deviation).**

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 and/or nature & game reserves; or ☐

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

AND

b) 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 ☐

RECOMMENDED:

Manager of Unit: [signature]

Schweizer line was lightning electricity due to infrastructure vandalism and copper cable theft

SUPPORTED / ~~**NOT SUPPORTED**~~

Comments : The company declared an exceptional delivery to repair circumstance(s).

Head of Department: [signature] **DATE:** 05/08/21

SUPPORTED / NOT SUPPORTED

Comments:.....

.....

Head of SCM/Manager.....DATE.....

RECOMMENDED / NOT RECOMMENDED

Comments:.....

.....

.....

CFO:.....DATE: 05/08/21

APPROVED / NOT APPROVED

Comments:.....

.....

APPROVED FOR PAYMENTS.

ACTING-MM/Accounting Officer :.....DATE: 05/08/2021

NALEDI LOCAL MUNICIPALITY
MEMORANDUM

TO : FINANCE
CC : MUNICIPAL MANAGER OFFICE
FROM : TECHNICAL DEPARTMENT: ELECTRICAL SERVICES
DATE : 04 AUGUST 2021
SUBJECT: PAYMENT OF ELECTRICAL WINDING CC

PURPOSE

The purpose of the memo is to request the municipality to make payment to the company (Electrical Winding cc) that assisted during the emergency.

BACKGROUND

The Electrical unit currently does not have any Service Provider for the repairs on MV Network nor the supply of electrical materials.

On the night of 25 July 2021, there was an incident on the Schweizer line whereby a wire was thrown on the Overhead line to trip the substation. 2000 Litres of oil was drained out on 2.5MVA Transformer, tyres were burned next to the transformer and copper cable was stolen. On the 26 July 2021, we requested the quotations in order to repair the line since it predominantly feeding the business. In the morning of 29 July 2021, 100m of copper cable was stolen on the same area which exacerbated the chances of restoring electricity. The appointed contractor arrived on site to test the transformer on the 29 July 2021. Transformer tests were positive to be energized; however, the overhead line was not yet constructed. On the 30 July 2021, the transformer was vandalized again whereby cooling fins were cut by hacksaw. The request made to take transformer to the manufacturer workshop for the repairs. The transformer and the damaged switch were take on the 31 July 2021 to the manufacturer and were returned back to the site on the 03 August 2021. Electricity was restored on the 04 August 2021.

RECOMMENDATIONS

-That Finance to process payment to Electrical Winding.
-That the available Contractors are only from other Provinces.

Yours faithfully

T.TSOTETSI
MANAGER: ELECTRICAL SERVICES

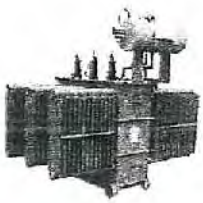
L.PRETORIUS
ACTING DIRECTOR: TECHNICAL SERVICES

K.MARUPING
CHIEF FINANCIAL OFFICER

APPROVE / DISAPPROVE

N.MONGALE 08/09/2021
ACTING: MUNICIPAL MANAGER

TAX INVOICE



NUMBER: INV12922
REFERENCE:
DATE: 05/08/2021
DUE DATE: 31/08/2021
SALES REP: RUWAN VAN ZYL
OVERALL DISCOUNT %: 0.00%
PAGE: 1/1

FROM

ELECTRICAL WINDING CC

VAT NO: 4380161727

POSTAL ADDRESS:
SUITE 382
PRIVATE BAG X 043
BENONI
1500

PHYSICAL ADDRESS:
STAND 55
ROAD 5
BRENTWOODPARK
BENONI
1501

REG NO: 1988/004545/23

TO

NALEDI LOCAL MUNICIPALITY

CUSTOMER VAT NO: 4000142648

POSTAL ADDRESS:

PHYSICAL ADDRESS:
19 A MARKET STREET
VRYBURG

8601

Description	*Quantity*	*Excl. Price*	*Disc %*	*VAT %*	*Excl. Total*	*Incl. Total*
PT122 - 2500 KVA 11000/6600V	**1.00**	R 260,000.00	0.00%	15.00%	R 260,000.00	**R 299,000.00**
BREAKDOWN ON TRANSFORMER 2.5MVA 11000-6600V S/N:801688 J/N: 13779 *FULL SERVICE, WELDING OF RADIATORS, FIXING OF VALVE, REPLACING TAP-SWITCH, AND WASHING OF CORE.* *TRANSFORMER FILLED WITH REGENERATED OIL.* *COLLECTION: 02/08/2021 FROM ORDER AND 50% DEPOSIT RECEIVED.*						
TRANSPORT - TRANSPORT	**1.00**	R 20,000.00	0.00%	15.00%	R 20,000.00	**R 23,000.00**
TRANSPORT OF 2.5MVA TO AND FROM SITE WITH CRANE TRUCK AND CRANE OPERATOR. 900KM TOTAL.						
PS6 - K1OF RMU - WITH OIL AND FUSES	**1.00**	R 16,000.00	0.00%	15.00%	R 16,000.00	**R 18,400.00**
FULL SERVICE OF K1-OF TO BE SUPPLIED WITH REGENERATED OIL AND FUSES.						
PF - FUSES	**3.00**	R 400.00	0.00%	15.00%	R 1,200.00	**R 1,380.00**
3 X EXTRA FUSES						

Nedbank
Current account
Account no: 1904084974
Branch code: 190442

Total Discount:	**R 0.00**
Total Exclusive:	**R 297,200.00**
Total VAT:	**R 44,580.00**
Sub Total:	**R 341,780.00**
Grand Total:	**R 341,780.00**

Quote



ELECTRICAL WINDING CC

VAT No: 4380101727

SUITE 382
PRIVATE BAG X 043
BENONI
1500

STAND 55
ROAD 5
BRENTWOODPARK
BENONI
1501

Number:	QUO0432
Date:	02/08/2021
Page:	1/2
Reference:	
Sales Rep:	RUWAN VAN ZYL
Due Date	31/08/2021
Overall Discount %:	0.00%

NALEDI LOCAL MUNICIPALITY

Customer VAT No: 4000142648

19 A MARKET STREET
VRYBURG

8601

Description	Quantity	Excl. Price	Disc %	VAT %	Exclusive Total	Inclusive Total
PT122 - 2500 KVA 11000/6600V	1.00	R 260,000.00	0.00%	15.00%	R 260,000.00	R 299,000.00
BREAKDOWN ON TRANSFORMER 2.5MVA 11000-6600V S/N:801688 J/N: 13779 FULL SERVICE, WELDING OF RADIATORS, FIXING OF VALVE, REPLACING TAP-SWITCH, AND WASHING OF CORE. TRANSFORMER FILLED WITH REGENERATED OIL. COLLECTION: 02/08/2021 FROM ORDER AND 50% DEPOSIT RECEIVED.						
TRANSPORT - TRANSPORT	1.00	R 20,000.00	0.00%	15.00%	R 20,000.00	R 23,000.00
TRANSPORT OF 2.5MVA TO AND FROM SITE WITH CRANE TRUCK AND CRANE OPERATOR. 900KM TOTAL.						
PS6 - K1OF RMU - WITH OIL AND FUSES	1.00	R 16,000.00	0.00%	15.00%	R 16,000.00	R 18,400.00
FULL SERVICE OF K1-OF TO BE SUPPLIED WITH REGENERATED OIL AND FUSES.						
PF - FUSES	3.00	R 400.00	0.00%	15.00%	R 1,200.00	R 1,380.00
3 X EXTRA FUSES						

General:
Any objections to the quoted items and the terms and conditions must be stated in writing and emailed to elecwinding@mweb.co.za. Failure to inform Electrical Winding CC of your disagreement, will still hold the client quoted, responsible as to acceptance of the items and or terms and conditions.
Our prices are fixed and firm and free of variation. Our Quote is valid for 10 days and will include Saturday's and Sunday's.
COD Clients:
50 % payment on placement of an order for any item you wish to buy from Electrical Winding CC. The outstanding payments needs to reflect in Electrical Winding CC's bank account before the ordered items will be allowed to leave the property. Without a deposit and an order in writing no work will be started on any item.
30 day account Clients:
A written order is still required to start any work on any item.
All Clients:
All orders and POP's can be mailed to Electrical Winding CC at elecwinding@mweb.co.za.
Please note, that weather you are a COD or a 30 day client, once work has started after receiving your POP of deposit or order, no cancellations will be accepted. And if we at Electrical Winding CC agree to a cancellation, there will be a cancellation fee, calculated on the value of the items being cancelled.
Quotes:
Verbal quotes are given as a value without VAT added. The client needs to add the VAT (15%). Our written quoted include VAT at 15 % of the value of the quote given.
Payment:
Electrical Winding CC does not provide a card facility as payment option. All payment must be made by EFT only. Clients need to take into consideration the amount of days a payment might take to reflect in the account of Electrical Winding CC. IF a client needs to collect the same day that the payment is made, an immediate transfer will be required and the bank charges are then for the client. With immediate payments the payment still needs to reflect in Electrical Winding CC's bank account.
Guarantee:
Our standard guarantee is 12 Months from date of collection or the date the items leave our yard. No exception to this rule. Our guarantee cover faulty workmanship. All items will need to be inspected at our factory and a report will be issued. The report will say if it's a guarantee claim or a repair for the account of the client. Please take special note: all units that are faulty must be returned to Electrical Winding CC's yard. The cost of transport, be in in land, coastal or across borders will not be covered by Electrical Winding CC in full or in part.
The transformer oil is guaranteed to be NRS 079 standard at time and date of insertion. Oil is to be maintained by the client.
Delivery:
Our price does not include delivery. Delivery can be quoted on, on request of the client.
Notes on tender:

Quote



ELECTRICAL WINDING CC

VAT No: 4380101727

SUITE 382
PRIVATE BAG X 043
BENONI
1500

STAND 55
ROAD 5
BRENTWOODPARK
BENONI
1501

Number:	QUO0432
Date:	02/08/2021
Page:	2/2
Reference:	
Sales Rep:	RUWAN VAN ZYL
Due Date	31/08/2021
Overall Discount %:	0.00%

NALEDI LOCAL MUNICIPALITY

Customer VAT No: 4000142548

19 A MARKET STREET
VRYBURG

8601

Description	Quantity	Excl. Price	Disc %	VAT %	Exclusive Total	Inclusive Total

These notes are considered to be an extension of our terms and conditions:
For any additions to the quote given, the client needs to send a written inquiry.
Our transformers, Mini-sub and switches are sold as rebuild units, unless stated otherwise.
Our prices are based on rebuild prices.
Deposit paid for and order is non-refundable.
If a unit is ordered and re-winded from LV, and the deposit or full payment has been received and if the work has already been started and or are completed, the client will be liable for the full cost.
Delivery or expected collection dates are a planned date. It is subject to the units passing final tests. Take note that a unit can fail final test on the day of collection and that collection will then need to be delayed.
Verbal quotes are subject to these terms and conditions.
Our standard norm on quote is not to quote on the replacement of the bucholz relay of any unit. Client need to specify if this is a requirement. It's our norm to place the old unit back and it does not fall under the guarantee of the unit.
We do not connect bucholz relay to a box. That responsibility lies with the client.
A transformer that suffers damage due to an old bucholz relay will not be covered under warranty.
All units carry a strip and quote cost. If a unit or item is not repaired by Electrical Winding CC the strip and quote cost is payable before collection. The value will be determined by the word done to strip and quote.
Electrical Winding CC does not accept any penalties or consequential damages that may arise, whether due to defect, negligence, faulty workmanship, delays or otherwise.
Risk of units will pass to the client when the unit leaves our yard, weather on our own vehicle or the client's.
Electrical Winding CC remains the true and rightful owner of all items and units bought but not paid or not fully paid. We reserve the right to recall all those units to our yard with immediate effect.
Note: The units ordered (transformers, mini-subs and switch-gear) may not be mechanically interchangeable with the existing system of the client. Unless stated otherwise in writing from Electrical Winding CC. Should an interchangeable Unit be required we will re-evaluate our offer which can lead to price increases.
With "item" or "unit" we are referring to the quoted items as listed above.

For any other information, please contact us on LANDLINE: 011 395 2246 or CELL: 0810442564 elecwinding@mweb.co.za or vanzyl.ruwan@gmail.com.

Nedbank
Current account
Account no: 1904084974
Branch code: 190442

Total Discount:	R 0.00
Total Exclusive:	R 297,200.00
Total VAT:	R 44,580.00
Sub Total:	R 341,780.00
Total:	R 341,780.00

CENTRAL SUPPLIER DATABASE
FOR GOVERNMENT

Report Date:
05 Aug 2021 14:46:09 618 PM
Report Ran By:
loetol@maledi.local.gov.za

CSD REGISTRATION REPORT

SUPPLIER IDENTIFICATION

Supplier number	MAAA0683733	South African company/CC registration number	1988/004545/23
Is supplier active?	Yes	Have Bank Account	Yes
Supplier type	CIPC Company	Total annual turnover	More than R10 million and less than R50 million
Supplier sub-type	Close Corporation	Financial year start date	01 Apr 2018 00:00:00:000
Legal name	ELECTRICAL WINDING	Registration date	22 Feb 1988 00:00:00:000
Trading name	Electrical Winding CC	Created by	elecwinding@mweb.co.za
Identification type	South African Company/Close Corporation Registration Number	Created date	21 Aug 2018 10:50:38:000
Government breakdown	Close Corporations (CC)	Edit by	elecwinding@mweb.co.za
Business status	In Business	Edit date	15 Jan 2021 21:25:38:753
Country of origin	South Africa	Restricted Supplier	No

SUPPLIER INDUSTRY CLASSIFICATION INFORMATION

INDUSTRY CLASSIFICATION 1

Main group	Manufacturing		
		Core industry	Manufacture of electrical equipment
Division	Manufacture of electrical equipment	% share of annual turnover	50.00
Division	Manufacture of machinery and equipment n.e.c.	% share of annual turnover	30.00
Division	Other manufacturing	% share of annual turnover	15.00
Division	Repair and installation of machinery and equipment	% share of annual turnover	5.00

SUPPLIER CONTACT INFORMATION

CONTACT 1

Contact type	Bid Office	Cellphone number	081 044 2564

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

CENTRAL SUPPLIER DATABASE FOR GOVERNMENT

Report Date:
05 Aug 2021 14:46:09.633 PM
Report Ran By:
loato@naledi.local.gov.za

CSD REGISTRATION REPORT

Is this your preferred Contact?	Yes	Do you want this contact to also be a CSD user ?	Yes
Name(s)	Danie	Created by	elecwinding@mweb.co.za
Surname	Greyling	Created date	21 Aug 2018 10:50:39:207
Identification type	South African Identification Number	Edit by	csd.datafix@treasury.gov.za
Prefer communication via email	Yes	Edit date	21 Aug 2018 10:50:39:207
Email address	elecwinding@mweb.co.za		

SUPPLIER ADDRESS INFORMATION

ADDRESS 1

Is this a preferred address?	Yes	Country	South Africa
Address line 1	Road no 5, Stand 55	This address S/A postal	Yes
Address line 2	Brentwood Park	This address S/A delivery	Yes
Suburb	Brentwood Park	This address S/A payment	Yes
Province	Gauteng	Created by	elecwinding@mweb.co.za
Municipality	Ekurhuleni	Created date	21 Aug 2018 10:50:39:190
City	Benoni	Edit by	elecwinding@mweb.co.za
Postal code	1501	Edit date	21 Aug 2018 10:50:39:190
Ward Number	23		

SUPPLIER BANK ACCOUNT

BANK ACCOUNT 1

Account type	Current Accounts	Created date	21 Aug 2018 10:50:39:427
Bank	NEDBANK LIMITED	Edit by	csd.safetynetbatchdownload@treasury.gov.za
Branch number	198765	Edit date	22 Aug 2018 12:00:42:317
Branch name	NEDBANK SOUTH AFRICA	Bank Verification Status	Verification Succeeded
Account number	1904084974	Foreign Bank Account	No

CENTRAL SUPPLIER
DATABASE
FOR GOVERNMENT

Report Date:
05 Aug 2021 14:46:09.549 PM
Report Ran By:
loetol@naledi.local.gov.za

CSD REGISTRATION REPORT

Account holder	ELECTRICAL WINDING CC	Is the identifier linked at the bank	Yes
Is this a preferred account?	Yes	Is this a Shared Funding Account	No
Active start date	21 Aug 2018 10:32:53:000	Funding Partner(s)	
Created by	elecwinding@mweb.co.za		

TAX INFORMATION

Income tax number	9044020809	Last validation date	05 Aug 2021 14:46:00:000
Income Tax Status	Compliant tax status Verified	Would you like to receive notifications?	Yes
VAT number	4380101727	Overall Tax Status	Tax Compliant
VAT Status	Compliant tax status Verified	Created by	elecwinding@mweb.co.za
Is this supplier a VAT vendor?	Yes	Created date	21 Aug 2018 10:50:39:440
PAYE number	7400715977	Edit by	csd.reverifybatch@treasury.gov.za
PAYE Status	Compliant tax status Verified	Edit date	15 Jan 2021 21:25:38:000
Are you Registered with SARS?	Yes		

B-BEEE INFORMATION

Are you an empowering supplier	Yes	B-BBEE Procurement Recognition	125%
% Owned by black people	0.00	Accept and understand the content of the affidavit	Yes
% Owned by black people who are women	0.00	Commisioner of Oath	Judy Klopper
% Owned by black people who are youth	0.00	Date affidavit signed by commisioner of oath	01 Aug 2018 00:00:00:000
% Owned by black people with disabilities	0.00	Affidavit expiry date	31 Jul 2019 00:00:00:000
% Owned by black who are unemployed	0.00	Created by	elecwinding@mweb.co.za

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

CENTRAL SUPPLIER
DATABASE
FOR GOVERNMENT

Report Date:
05 Aug 2021 14:46:09.790 PM
Report Ran By:
loetol@naledi.local.gov.za

CSD REGISTRATION REPORT

% Owned by black people who are military veteran	0.00	Created date	21 Aug 2018 10:50:39:587
% Owned by black people living in rural or underdeveloped areas	0.00	Edit by	elecwinding@mweb.co.za
Status	Expired	Edit date	21 Aug 2018 10:55:15:423
B-BBEE Status Level Of Contributor	Level 2 Contributor	Verification Status	Manual Verification Required

OWNERSHIP INFORMATION

Owner s name and surname Legal name	Owner s Identification number	RSA Citizen	Ethnic group	Gender	Ownership %	Youth	Disabled	Military	Rural	Township
JOZEFUS JOHANNES GROBLER	4012175027003	Yes	White	Male	100.00%	No	No	No		
Total					100.00%					

OUTCOMES AGAINST PREFERENTIAL PROCUREMENT CRITERIA BASED ON OWNERSHIP

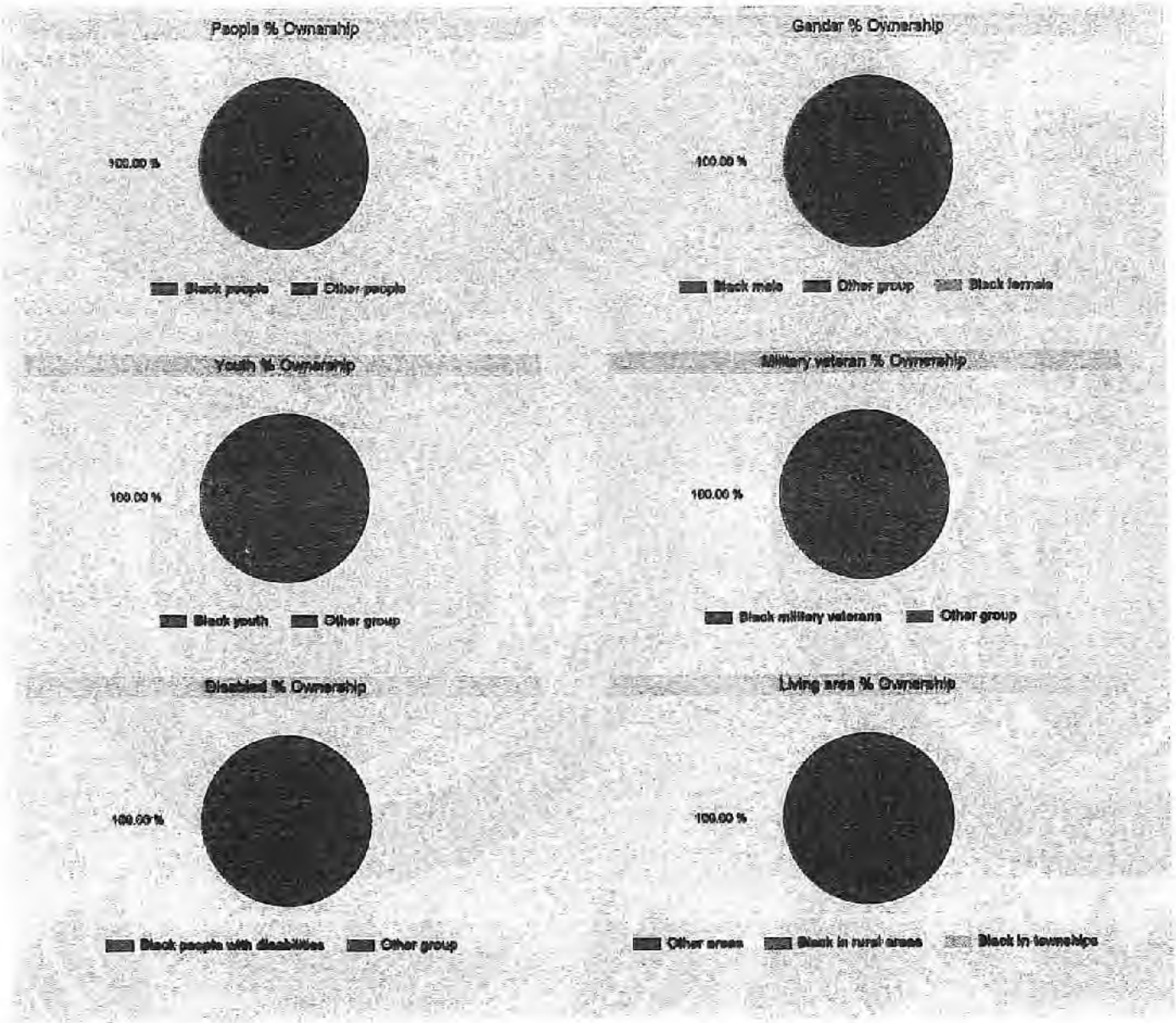
Enterprise type	QSE
B-BBEE status level of contributor	Level 2 Contributor
Owned by black people	0.00%
Owned by black people who are youth	0.00%
Owned by black people who are women	0.00%
Owned by black people with disabilities	0.00%
Owned by black people who are military veteran	0.00%
Owned by black people living in rural or underdeveloped areas	0.00%
Owned by black people living in townships	0.00%

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

CENTRAL SUPPLIER DATABASE FOR GOVERNMENT

Report Date:
05 Aug 2021 14:46:09.790 PM
Report Ran By:
loetol@naledi.local.gov.za

CSD REGISTRATION REPORT



national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

CENTRAL SUPPLIER DATABASE FOR GOVERNMENT

Report Date:
05 Aug 2021 14:46:10.571 PM
Report Ran By:
loetol@naledi.local.gov.za

CSD REGISTRATION REPORT

DIRECTORS/MEMBERS/OWNERS INFORMATION

DIRECTOR/MEMBER 1

Director type	Member	Created date	05 Jun 2019 12:47:54:000
Director status	Active	Edit by	csd.reverifybatch@treasury.gov.za
Name(s)	JOZEFUS JOHANNES	Edit date	07 Aug 2020 02:07:54:000
Surname	GROBLER	Restricted Supplier	No
Country	South Africa	Restriction Last Verification Date	05 Aug 2021 14:45:56:547
Identification type	South African Identification Number	Government Employee	No
South African Identification number	4012175027086	Government Employee Last Verification Date	05 Aug 2021 14:45:56:420
Work permit	0000000	SA identification number Verified	Yes
Appointment date	06 Aug 2020 00:00:00:000	SA identification number verification date	05 Aug 2021 14:45:56:483
Owner	No	Companies involved in	MAAA0448704;
Created by	csd.reverifybatch@treasury.gov.za		

DIRECTOR/MEMBER 2

Director type	Trust	Created by	csd.reverifybatch@treasury.gov.za
Director status	Active	Created date	07 Aug 2020 02:07:54:000
Name(s)	ELSA	Edit by	csd.reverifybatch@treasury.gov.za
Surname	GRIESEL	Edit date	07 Aug 2020 02:07:54:000
Country	South Africa	Restricted Supplier	No
Identification type	South African Identification Number	Restriction Last Verification Date	05 Aug 2021 14:45:56:547
South African Identification number	6506140054081	Government Employee	No
Work permit	0000000	Government Employee Last Verification Date	05 Aug 2021 14:45:56:437
Appointment date	06 Aug 2020 00:00:00:000	SA identification number Verified	Yes
Owner	No	SA identification number verification date	05 Aug 2021 14:45:56:500

CENTRAL SUPPLIER DATABASE FOR GOVERNMENT

Report Date:
05 Aug 2021 14:46:10.587 PM
Report Ran By:
loetoi@naledi.local.gov.za

CSD REGISTRATION REPORT

The CSD does not automatically verify foreign company registration number, international securities identification number, foreign identification numbers, foreign passport numbers, work permit numbers, foreign bank accounts, B-BBEE, demographic and accreditation information. Organs of State are required to manually verify this information with the applicable verification institutions as per their current policies and procedures.

Tips and Frequently Asked Questions (FAQ)

Identifier

CSD cannot electronically verify the identity of a supplier other than a South African individual / Sole Proprietor (through Home Affairs) or a company registered at the Companies and Intellectual Property Commission (CIPC). For this reason, a disclaimer is displayed for supply chain practitioners to obtain supporting documentation to verify the identity and legitimacy of a supplier in these cases.

Bank

For help on how to resolve bank failures click here: I received an email stating the bank information I captured on the CSD was sent for bank account validation and could not be validated. The response received from the bank contains an error message.
The various possible error messages received from the bank are highSemiBolded in red. Search for the applicable message and follow the detailed steps associated with that error message.

Tax

Tax Compliance Status
For help on how to deal with tax status differences between CSD and the tax clearance certificate click here: What should a supplier do if the tax status on CSD difference from the tax clearance certificate?

Tax Compliance Expiry Date
For help on how to deal with tax status differences between CSD and the tax clearance certificate click here: How does CSD determine the tax compliance expiry date?

CIPC

Should the director/member information reflected on the CIPC registration report differs to that reflected on CSD for help click here: The active Directors/Members are not being populated on the CSD Directors/Members screen as they appear at CIPC, how can I rectify this?

State Employee

For more information pertaining to government employment status click here: Will there be verification done to identify if a supplier is a government employee?

BBBEE

CSD does not automatically verify all certificate information with the various accreditation bodies. Organs of State are required, where not automatically verified by CSD, to manually verify this information with the applicable accreditation body as per current policies and procedures. Expired certificate information do not reflect on the report.

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

CENTRAL SUPPLIER
DATABASE
FOR GOVERNMENT

Report Date:
05 Aug 2021 14:46:10.587 PM
Report Ran By:
loetoi@naledi.local.gov.za

CSD REGISTRATION REPORT

Print Date: 8/5/2021 2:46:09 PM

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REPUBLIC OF SOUTH AFRICA

absa Business Integrator

Enquiries Payments Approvals

Payments

DIMAKATSO MAJELE (31320006), You are logged onto **Business Integrator**

Payments

- **Create Single**
- Cancel Single
- Create Batch
- Manage Local Batch
- Manage Transmitted Batch
- Resend Payment Confirmation
- Status Report

Create Single Payment

Define Account Details - Define Payment Details - Cont

PAYMENT CREATED SUCCESSFULLY

Transaction Number	43940
From Account	NALEDI LI
To Account	ELECTRIC
Beneficiary Account Branch Code	198765
From Account Statement Description	ELECTRIC
To Account Statement Description	NALEDI LI
Amount (R)	341,780.0
Action Date	20210806
Frequency	Once-Off/

Next Payment

About Security | Privacy F
Fri, 6th Aug 2021 | © Copyright 2020. Absa Bank Limited, Registration number 1986/004794/06. All rights

"N7B"

NALEDI LOCAL MUNICIPALITY

EXPENDITURE DOCUMENT

Mark applicable block:	Cheque		Electronic payment	X
Cheque / Remittance Number:	11054			

Supplier	ELECTRICAL WINDING CC										
Creditor Number	E	-	0	0	0	3	4				
Acount number											
Branch Code											
Reference number											
Name of bank											

TOTAL AMOUNT
R 188 600.00

DETAILS	VOTE NUMBER											AMOUNT	
PROCUREMENT OF TRANS FORMERS 4 X 5KVA 5600/400V	1	6	0	0	0	2	0	0	6	4	0	R 100 000	0
									V	A	T	R 15 000	0
PROCUREMENT OF TRANSFOEMERN 2 X 100KVA 1100/400V	1	6	0	0	0	2	0	0	6	4	0	R 64 000	0
									V	A	T	R 9 600	0

CHIEF FINANCIAL OFFICER

MUNICIPAL MANAGER

MAHADI TIKANE M. TIKANE
Compiled by: (Name in Print) and sign

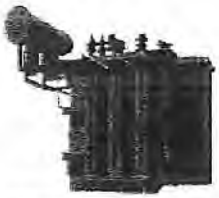
BOITUMELO MOGOTSI
Authorised by: (Name in Print) and sign

TSHEPO RAKOBANE
Released by: (Name in Print) and sign

Local Authority : VRYM
Order Number : 43507
Order Line : 1

Creditor : E-00034
Store Number : Stock Number :
Order Description : PROCUREMENT OF TRANSFORMERS 4 X 50KVA 6600/400V
:
Financial Year : 2020 Cost Code : 16000200640000 Vat Ind. : 1
Alt. Order number : 2707 Type : R
Order Progress : 3
Order Date : 29/10/2020
Quantity : 4.000
Value : 100000.00
Vat : 15000.00
Order Vat Claim : 0.00 Percentage Liable : 0.000
Additional Costs : 0.00
Discount Amount : 0.00 No Discount Flag :
Surcharge : 0.00 Surcharge % : 0.000
Delivered Quantity: 4.000
Value : 100000.00
Vat : 15000.00
Add.cost : 0.00
Discount : 0.00
Vat Claim : 0.00
Invoice Date : 04/11/2020 Number : 12700
Quantity : 4.000
Value : 100000.00
Vat : 15000.00
Add.cost : 0.00
Discount : 0.00
Settlement Disc. : 0.00
Pay by Date :
Remittance Date : Number : 0
Cheque Number : 0

* End of Report: Bophirima / Vryburg *



ELECTRICAL WINDING CC

REG NO. CK 88/04545/23 VAT NO. 4380101727

SUITE 362 PRIVATE BAG X043, BENONI, 1500

STAND 55 ROAD 5 BRENTWOOD PARK

TEL : 011 395 2246
FAX: 011 395 2455
Email: elecwinding@mweb.co.za

Tax Invocie

Date: 04/11/2020
Invoice no: 12700
Export Code: 20099991

To: Naledi Local Municipality
19 A Market Street
Vryburg 8601
Vat no: 40001 42648
ATT: Thabu

ITEM	DESCRIPTION	Unit Price	Cost
1	4 x 50 KVA 6600/400v Rebuild Transformer Collection4 to 8 weeks from order and deposit received	R 25,000.00	R 100,000.00
2	2 x 100 KVA 11000/400v Rebuild Transformer Collection4 to 8 weeks from order and deposit received	R 32,000.00	R 64,000.00
	Sub Total		R 164,000.00
	Vat		R 24,600.00
	Total		R 188,600.00

Banking Details:
Electrical Winding
Nedbank
Acc No: 1904084974
Branch: 190442

NALEDI LOCAL MUNICIPALITY
APPROVED FOR PAYMENT:
APPROVED BY:
DATE: 04/11/2020

[PURCHASE ORDER]

Order No.: 43507 Date: 29/10/2020

Creditor No.: E-00034

Requisition No.: 2707

Acc.:

ELECTRICAL WINDING CC
SUITE
RIVATE BAG X042
NONI
1500

Fax: 0113952455 Contact Person: MOSADIOTSILE ITUMEL

Stock/Cost Cd	Description	Quant.	Ex Vat	Vat Amt.	Amount
1 16000200640000	PROCUREMENT OF TRANS FORMERS 4 X 50KVA 6600/400V	4	100000.00	15000.00	115000.00
2 16000200640000	PROCUREMENT OF TRANS FORMER 2 X 100KVA 11000/400V	2	64000.00	9600.00	73600.00
	Total		164000.00	24600.00	188600.00

(Chief Financial Officer)

02/11/2020
(Date)

Request Number : 2707 [Initial request]
Authorization Ref. : 30406
Archiving document :
Contract ID : 0
Request Type : Normal SCM process

Application Date : 22/10/2020
Applicant : ITUMELENGM MOSADIOTSILE ITUMELENG
Contact details:- Extension Number
Cellphone Number 0737237899
Fax Number
Captured by : ITUMELENGM MOSADIOTSILE ITUMELENG
Authorized by : MOTHUSIO MOTHUSI ODIRILE AWAITING AUTHORIZATION

Required by : 21/11/2020

Preferred supplier 1: E-00034 ELECTRICAL WINDING CC
Reason :

Preferred supplier 2: A-00048 ARB ELECTRICAL WHOLESALERS
Reason :
Preferred supplier 3: 000145 VEC ELEKTRIESE GROOTHANDELAARS
Reason :

Delivery Instructions: 19A MARKET STREET VRYBURG 8600

Total reserved value : 188600.00
Provisional SCM process : Q5 R70 000 - R200 000 THREE FORMAL WRITTEN QUOTES IN

VRYM PROCUREMENT OF TRANSFORMERS 4 X 50KVA 6600/400V

Costcode : 2020 16000200640000 UKey: 20170621024666 Qty.: 4.000 Value : 115000.00
Electricity : Contracted Services : Contracted Serv:Outsourced Ser

VRYM PROCUREMENT OF TRANSFORMER 2 X 100KVA 11000/400V

Costcode : 2020 16000200640000 UKey: 20170621024666 Qty.: 2.000 Value : 73600.00
Electricity : Contracted Services : Contracted Serv:Outsourced Ser

NALEDI LOCAL MUNICIPALITY
GOODS & SERVICES REQUISITION

NLM 030406

	G/L ACCOUNT	DESCRIPTION OF GOODS AND SERVICES	QTY	AMOUNT (INCL. VAT)
1		Procurement of Transformers		R188,600.00
2		50KVA 6600/400V	4	
3		100KVA 11000/400V	2	
4				
5				
6				
7				
8				
			TOTAL	R188,600.00

	TICK PREFERED	SUPPLIER NO.	SUPPLIER NAME	AMOUNT (INCL. VAT)
1		E-00034	ELECTRICAL WINDING CC	R188,600.00
2			ARB ELECTRICAL Wholesalers	R296,240.00
3			VEC ELECTRICAL	R305,140.00
4				
5				

	SCM REQUIREMENTS	TICK APPLICABLE
1	Less than R2,000 (Incl. VAT) = 1 quotation	
2	More than R2,000 less than R30,000.00 (Incl. VAT) = 3 quotations	
3	More than R30,000.00 less than R200,000.00 (Incl. VAT) = 3 quotations + 1 week advertised on notice board and website	
4	More than R200,000.00 (Incl. VAT) = formal bid process	
5	SCM procedures not followed. (Detailed signed memo explaining non-adherence to the attached)	✓

Please note that it is a prerequisite of the municipality that all service providers are to be registered on the Municipality's supplier database. Only bids or quotations from service providers that are registered on the Municipality's supplier database can be considered. The submission of up to date and valid tax clearance certificates are compulsory.

I hereby declare and confirm adherence to the requirements of the approved SCM Policy of the Municipality and furthermore declare that all reasonable steps have been taken to prevent abuse of the SCM system in relation to this requisition.

SIGNATURE

GOODS/SERVICES CATEGORY	Procurement of Transformers	DATE	21/10/2020
RESPONSIBLE OFFICIAL	HARO ISOTEBE	DEPARTMENT	TECHNICAL SERVICES
ORDER NO.			

AUTHORIZED BY HOD — DATE: 21/10/2020

APPROVED BY CFO — DATE: 21/10/2020

Tedmans Vryburg 2156

NALEDI LOCAL MUNICIPALITY
MEMORANDUM

TO	:	ACTING MUNICIPAL MANAGER
FROM	:	DIRECTOR: TECHNICAL SERVICES
ENQUIRIES	:	MANAGER: ELECTRICAL
DATE	:	20 OCTOBER 2020
SUBJECT	:	PROCUREMENT OF TRANSFORMERS

Sir,

PURPOSE:

This memo serves to request the approval of Procurement of transformers.

DISCUSSION:

The Electrical Unit currently does not have any Transformers in stock; we have six customers that are without electricity due to faulty transformers. We need four transformers for Vlakfontein Line, one for Delarey line and one for Schweizer line.

REQUEST:

That Transformers to be procured for Electrical section.

Yours faithfully

T. TSOTETSI
MANAGER: ELECTRICAL SERVICES

N. MONGALE
DIRECTOR: TECHNICAL SERVICES

DJ CRAUWCAMP INC

16 July 2020

SOUTH AFRICAN REVENUE SERVICES

ELECTRICAL WINDING CC – REFERENCE NUMBER 7400715977

CASE NR 327588002/350543111

We refer to the letter received 15 June 2020 with regards to outstanding debt.

We received feedback on our previous query, that audit assessments were raised on period 2005/02 in respect of UIF and SDL on 04/09/2008 and declarations were submitted on 21/05/2013 subsequently increasing the tax liabilities for the period 2017/02 on SDL.

We were not the accountants for the client that period in time. Client was tax compliant on 13 February 2020 and no notice was received of any outstanding debt. Due to the lockdown and the situation in South Africa client lost income but can now tender for a job. However client cannot get a tax clearance certificate to do so. Client is in urgent need of this tax clearance certificate. We therefore kindly ask that the debt be waived for this client as the debt on 2005 is now more than 15 years ago and tax clearance certificate were obtained on 13 February 2013.

Yours faithfully

DJ CRAUWCAMP

PROFESSIONAL ACCOUNTANT (SA)

DJ Crauwcamp
N Crauwcamp, E de Bruyn, C Viljoen, N Kotze and M Adlem L Swart - Tax
Reg No. 2012/184142/21

Office Block No 1 Glen Eagle Office Park I C/O Monument and Breambos Road Glen Marais 1619 I Postnet Suite 170 Private Bag X7 Aston Manor 1630
011 972 5000 www.djcrauwcamp.co.za info@djck.co.za

SOUTH AFRICAN INSTITUTE OF PROFESSIONAL ACCOUNTANTS
Member of the South African Institute of Tax Professionals

Lussie Loeto

From:	Danie <elecwinding@mweb.co.za>
Sent:	Thursday, November 05, 2020 7:44 AM
To:	Lussie Loeto; johan.grobler.ets@gmail.com
Cc:	kagishomatsiong@gmail.com; thabo.tebos@icloud.com; odirile377@gmail.com; Mosadiotsile Itumeleng
Subject:	RE: TAX STATUS
Attachments:	ELECTRICAL.PDF; doc07464420200819142326.pdf

Good day Lussie, Thabo,
We are familiar with the situation of not being compliant.

This issue came to our attention in July this year.
However I have attached our most recently obtained tax clearance letter as proof that this is a situation that is quite unique.

The outstanding money due to SARS was for 2005, 15 years ago.
I have also attached a letter that was send by our accountants to SARS and we are awaiting their reply.

I do believe the fact that we were compliant most of this year and then all of a sudden we are not complaint for faults of 2005 is a unique situation.
I also believe that as we are busy addressing the situation the payment can be made.

I await your reply.

Note:
Due to Covid 19 and the price effects the pandemic had on our economy, Electrical Winding will have a price increase.
The new prices will be in effect as from 15th of October 2020.

"Alone we can do so little, together we can do so much." –Helen Keller

Regards,

Danie Greyling
Sales
elecwinding@mweb.co.za
Cell: 081 044 2564
Tel: 011 395 2246
Fax: 086 226 4174



ELECTRICAL WINDING CC
REG NO. CK 88/04545/23 VAT NO. 4380101727
SUITE 382, PRIVATE BAG X043, BENONI, 1500
STAND 55 ROAD 5, BRENTWOOD PARK
TEL: 011 395 2246
FAX: 011 395 2455
Email: elecwinding@mweb.co.za

Last Updated: 05/10/2020

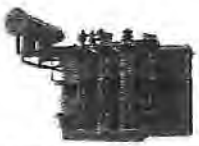
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From: Lussie Loeto [mailto:LoetoL@Naledi.local.gov.za]
Sent: Wednesday, November 4, 2020 4:05 PM
To: elecwinding@mweb.co.za
Cc: kagishomatsiong@gmail.com; thabo.tebos@icloud.com; odirile377@gmail.com; Mosadiotsile Itumeleng <ItumelengM@Naledi.local.gov.za>
Subject: TAX STATUS

Good day

According to the tax compliance system you should be tax compliant before payment can be made. Kindly correct your tax status so that payment can be processed.

Regards



ELECTRICAL WINDING CC

REG NO. CK 88/04545/23 VAT NO. 4380101727

SUITE 382
PRIVATE BAG X043,
BENONI, 1500

STAND 55 ROAD 5
BRENTWOOD
PARK

TEL : 011 395 2246
FAX: 011 395 2455
Email: elecwinding@mweb.co.za

TO Naledi Local Municipality
19 A Market Street
Vryburg 8601
Vat no: 40001 42648
ATT: Thabu

Quote: 2020/187

Date: 15/09/2020

Re: Strip, And Quote

We thank you for your enquiry and have pleasure submitting the following quotation

1	4 x 50 KVA6800/400v Rebuild transformer Collection 4 to 8 weeks from order and deposit received Full payment before collection @R25000.00 per unit	R100,000.00
2	2 x 100 KVA1100/400v Rebuild transformer Collection 4 to 8 weeks from order and deposit received Full payment before collection @R32000.00 per unit	R64,000.00
	Price Excluding Vat	**R 164,000.00**
	Vat @ 15 %	**R 24,600.00**
	Total Price Including Vat	**R 188,600.00**

Any objections to the below mentioned terms and contditions must be stated in writing, failing to do so, we will assume your acceptance of the terms and conditions.

Price Basis

Our prices are fixed and firm and free of variation.

All COD customers: Please note:
50% of payment on placement of all order for any item you require from Electrical Winding.
The outstanding payment needs to be settled before collection. If no deposit is received, no jobs will be started.
Clients with 30 days accounts please note:
If you place an order and cancel the order after we started production on the unit, you are liable to pay a cancelation fee up to the value of 40% of the quoted price.

VALUE ADDED TAX

Our prices include VAT at 15 %

TERMS OF PAYMENT

Our standard terms of payment is COD and can be done by Bank transfer or Bank guaranteed cheque.
Cash payment must be accompanied by the 15 % Vat amount.

VALIDITY

Our quote is valid for 7 days (including weekends) from date of quote.

GUARANTEE

Our standard Guarantee is 12 months from the date of delivery (EX WORKS).
however the Oil in the Transformer is Guaranteed to be at NRS 079 at date of Tanking
and that the oil is to be Maintained by the Customer.
Please note that any problems that develops with an item bought from Electrical Winding will only be treated under Guarantee at our factory in Benoni and also only after proven that it's a manufacturers fault. Transport and cost to get the item(s) back to

Electrical Winding will not be covered in the guarantee and will not be Electrical Windings responsibility

DELIVERY

Our Price does not include delivery. Delivery can be arranged if asked for by the Client. It is at an extra cost

NOTES ON TENDER

1. For any additions please ask for a quote before commencement.
2. Our transformers, mini-subs and switchgear is refurbished as new and tested to a SABS routine test requirement.
3. Our price is based on a refurbished transformer's price.
4. We can quote for your delivery/transport needs.
5. Banking Details: Nedbank, Sunward Place, Account No 1904084974, Branch code 190442.
6. Please note: Transport of goods is not included in this quote unless the customer asked for it specifically
7. Our quote is valid for 7 Day (including a saterday and Sunday, if the quote period falls around them and only while stocks lasts.
8. Please note that the deposit paid on an order is not refundable to our clients should they decide to cancel that order.
9. Please take note: There will be no refunds after monies has been received and order placed.
10. Please email all Proof of payments to either Danie at elecwinding@mweb.co.za.
11. Please note that if a deposit is paid, and you cancel your order, or do not want your transformer a 30% cancelation fee will be charged. Transformers ordered from us by any client that will be rewinded from LV has a no return on deposit policy.
12. Note that all delivery times given are subject to the transformer or item passing testing on the first trail. Should it fail take note that the delivery time will change.
13. All verbal quotes are subject to the same conditions as the formal quotes that Electrical Winding issues.
14. Please take note: Electrical Winding will not take responsibility for the cost or contribute to the cost of transport for any transformer that will need to be returned to Electrical Winding for repairs be it a warrantee job or a replacement job or a repair job. The transport is entirly the responsibility of our clients.
15. Electrical Winding does not quote on the replacement or the repairs of any transformer's Bucholts Relay. We will fit a new unit if requested by the client. If not specified the old unit will be placed back on the transformer without being tested and also not fall under the Guarantee or warrantee of a sale or a tranformer repaired. The connection of the Bucholtz Relay is also outside our Warrantee. Any transformer that suffers damage due to faulty Bucholtz relay or faulty connection of the Bucholtz relay will be returned to Electrical Winding on the Clients own cost.
16. If a transformer / or any unit is brought in for strip and quote but not repaired by this factory, all units are subject to a 15 % (excl vat) strip and quote cost (to a posible minimum of R7000.00 Excl Vat) cover the labour. VAT will also be added.
17. Electrical Winding CC do not accept any penalties or consequential damages that may arise, whether due to defect, negligence, faulty workmanship, delays or otherwise.
18. Risk: Risk for the equipment will pass to the client on delivery of the equipment.
19. Ownership of the quipment provided by Electrical Winding CC will remain our property untill all dues has been settled in full.
20. The offered transformer may not be mechanically interchangeable with the existing transformer, unless otherwisely stated in writing. Should a interchangeable transformer be required we will need to re evaluate our offer which may necessitate a price review.

For any further enquiry's please feel free to contact Danie Greyling @ 011.395.2246 of elecwinding@mweb.co.za

Yours sincerely

_____

DANIE GREYLING

ARB Electrical Wholesalers (Pty) Ltd.

Power & Instrumentation Cable
Overhead Line Equipment & Conductors
General Electrical Contracting Materials
Lighting & Renewable Energy Solutions

BBBEE LEVEL 2 CONTRIBUTOR

HEAD OFFICE - DURBAN
10 Mack Road
Prospecton
P.O. Box 26426
Isipingo Beach 4115
Tel: (031) 910 0200
Fax: (031) 910 0299
Website: www.arb.co.za
VAT REG No. 4260214327
REG No. 2004/012797/07

QUOTE FOR:
NALEDI LOCAL MUNICIPALITY
P O BOX 35
VRYBURG
8601

Tel No: 0539282200
Fax No:

DELIVER To:
19A MARKET STREET
VRYBURG
VENDOR A-00048

QUOTE NUMBER: BLM-1086505

VALID UNTIL	CUST REF	OUR REF	CONTACT	CREATED BY	ACCOUNT	DOC DATE	PAGE
30-10-2020	NALEDI	JACOB	KAGISHO MATSION	jacobm	BNALE01	19-10-2020	1

PROD CODE	DESCRIPTION	UOM	DOC QTY	UNIT PRICE EXCL	TOTAL EXCL
BNALE0129550000P	50KVA 6.6 - 415KV TRANS POLE MOUNT DISTRIBUTION TRANSFORMER Ex Stock - Subject to Prior Sale		4.00	39,400.00	157,600.00
BNALE0137500000PJ	100KVA 11-415KV DISTR TRANS POLE MO MOUNT Ex Stock - Subject to Prior Sale		2.00	50,000.00	100,000.00

TERMS & CONDITIONS
- Our Standard company terms & conditions are applicable to this quotation
  VAT is indicated at the current prevailing rate and the quote will automatically change if a VAT change is legislated
- Line items are Exclusive of VAT
- GUARANTEE: All products supplied for this quotation are covered by our standard guarantee clause. A copy of which is available on request
- All Availability Quoted is "Strictly Subject to Prior Sale"
- All Availability Quotes is from date of official order being received
- Our quoted prices include delivery in BLOEMFONTEIN area and excludes off-loading

PLEASE NOTE
- No provision has been made for any retention monies to be deducted from the prices quoted.
- The acceptance of any order would be subject to satisfactory credit/payment terms being arranged.
- E & OE (Errors and Omissions excepted)

VALIDITY:
This Quotation is valid until 30-10-2020

BANKING DETAILS
Name: ARB Electrical Wholesalers (Pty) Ltd
Bank: Nedbank
Branch: Branch Business KZN, 164826
Account: 1307029345

ARB Electrical Wholesalers (Pty) Ltd.

Power & Instrumentation Cable
Overhead Line Equipment & Conductors
General Electrical Contracting Materials
Lighting & Renewable Energy Solutions

BBBEE LEVEL 2 CONTRIBUTOR

HEAD OFFICE - DURBAN
10 Mack Road
Prospecton
P.O. Box 26426
Isipingo Beach 4115
Tel: (031) 910 0200
Fax: (031) 910 0299
Website: www.arb.co.za
VAT REG No. 4260214327
REG No. 2004/012797/07

QUOTE FOR:
NALEDI LOCAL MUNICIPALITY
P O BOX 35
VRYBURG
8601

Tel No: 0539282200
Fax No:

DELIVER To:

19A MARKET STREET
VRYBURG
VENDOR A-00048

QUOTE NUMBER: BLM-1086505

VALID UNTIL	CUST REF	OUR REF	CONTACT	CREATED BY	ACCOUNT	DOC DATE	PAGE
30-10-2020	NALEDI	JACOB	KAGISHO MATSION	jacobm	BNALE01	19-10-2020	2

PROD CODE	DESCRIPTION	UOM	DOC QTY	UNIT PRICE EXCL	TOTAL EXCL

Regards

Jacob Mokonotela
COUNTER SALES PERSON
Tel: 0514000400
Fax: 0514476846
jacobm@arb.co.za

TOTAL EXCL (ZAR):	257,600.00
VAT @ 15.00%:	38,640.00
TOTAL INCL (ZAR):	296,240.00

LKP 22497

VEC ELEKTRIESE GROOTHANDELAARS
BK - CC89/25898/23
POSBUS 124, VRYBURG,
TEL : (053) 927 3941
FAX : (053) 927 4971
Vat vendor no.4330106909
Deliver:

Quote

TO/AAN:

NALEDI LOCAL MUNICIPALITY
P.O. BOX 35
VRYBURG
BTW NO:4000142648

Sales Rep:5-HENNIE STOLS JNR WS: 3 PA. 1

DATE/DATUM	DOC. NO./DOK.NR.	ACC. NO./REKNR.	YOUR ORDER NO./U BESTELLINGNR.
2020/09/16 16:20	73904	368	73904

Code	Description	Qty	Price	Disc%	Vat	Total
N2808	TRANSFORM 50KVA 6.6KVA/415V	4.0000	40581.00	0.00	24348.60	186672.60
N2798	TRANSFORMER 100KVA 11KVA/415V	2.0000	51508.00	0.00	15452.40	118468.40
Totals		6.0000	265340.0	0.00	39801.00	AMOUNT DUE BEDRAG VERSKULDIG
Standard Rate: 15.00	Total Vat: 39801.00	Invoice Disc%:0.00				305141.00

Ek bevestig hiermee dat ek bogenoemde goedere ontvang het en aanvaar dat indien ek of my prinsipaal nie binne 30 dae vanaf bogenoemde datum die faktuur vereffen nie, rente @ 2% per maand op uitstaande bedrae gehef sal word.
Alle goedere verkoop uit hoofde van hierdie faktuur bly die eiendom van VEC Elektriese Groothandelaars BK totdat dit ten volle vereffen is.

Naam en van in drukskrif..... Handtekening:.....

CENTRAL SUPPLIER DATABASE FOR GOVERNMENT

Report Date:
04 Nov 2020 15:40:29.085 PM
Report Ran By:
loatol@naledi.local.gov.za

CSD REGISTRATION REPORT

SUPPLIER IDENTIFICATION

Supplier number	MAAA0883733	South African company/CC registration number	1988/004545/23
Is supplier active?	Yes	Have Bank Account	Yes
Supplier type	CIPC Company	Total annual turnover	More than R10 million and less than R50 million
Supplier sub-type	Close Corporation	Financial year start date	01 Apr 2018 00:00:00:000
Legal name	ELECTRICAL WINDING	Registration date	22 Feb 1988 00:00:00:000
Trading name	Electrical Winding CC	Created by	elecwinding@mweb.co.za
Identification type	South African Company/Close Corporation Registration Number	Created date	21 Aug 2018 10:50:39:000
Government breakdown	Close Corporations (CC)	Edit by	elecwinding@mweb.co.za
Business status	In Business	Edit date	08 Aug 2020 23:50:00:000
Country of origin	South Africa	Restricted Supplier	No

SUPPLIER INDUSTRY CLASSIFICATION INFORMATION

INDUSTRY CLASSIFICATION 1

Main group	Manufacturing		
		Core industry	Manufacture of electrical equipment
Division	Manufacture of electrical equipment	% share of annual turnover	50.00
Division	Manufacture of machinery and equipment n.e.c.	% share of annual turnover	30.00
Division	Other manufacturing	% share of annual turnover	15.00
Division	Repair and installation of machinery and equipment	% share of annual turnover	5.00

SUPPLIER CONTACT INFORMATION

CONTACT 1

Contact type	Bid Office	Cellphone number	081 044 2564

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

CENTRAL SUPPLIER DATABASE FOR GOVERNMENT

Report Date:
04 Nov 2020 15:40:29 132 PM
Report Ran By:
loetol@naledi.local.gov.za

CSD REGISTRATION REPORT

Account holder	ELECTRICAL WINDING CC	Is the identifier linked at the bank	Yes
Is this a preferred account?	Yes	Is this a Shared Funding Account	No
Active start date	21 Aug 2018 10:32:53:000	Funding Partner(s)	
Created by	elecwinding@mweb.co.za		

TAX INFORMATION

Income tax number	9044020809	Last validation date	04 Nov 2020 15:40:00.000
Income Tax Status	Non-compliant tax status found	Would you like to receive notifications?	Yes
VAT number	4380101727	Overall Tax Status	Non-Compliant Tax Status
VAT Status	Non-compliant tax status found	Created by	elecwinding@mweb.co.za
Is this supplier a VAT vendor?	Yes	Created date	21 Aug 2018 10:50:39:440
PAYE number	7400715977	Edit by	csd.reverifybatch@treasury.gov.za
PAYE Status	Non-compliant tax status found	Edit date	27 Jul 2020 14:31:34:000
Are you Registered with SARS?	Yes		

B-BEEE INFORMATION

Are you an empowering supplier	Yes	B-BBEE Procurement Recognition	125%
% Owned by black people	0.00	Accept and understand the content of the affidavit	Yes
% Owned by black people who are women	0.00	Commisioner of Oath	Judy Klopper
% Owned by black people who are youth	0.00	Date affidavit signed by commisioner of oath	01 Aug 2018 00:00:00:000
% Owned by black people with disabilities	0.00	Affidavit expiry date	31 Jul 2019 00:00:00:000
% Owned by black who are unemployed	0.00	Created by	elecwinding@mweb.co.za

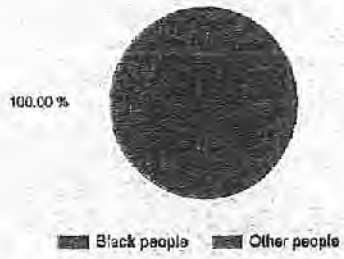
national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

CENTRAL SUPPLIER DATABASE FOR GOVERNMENT

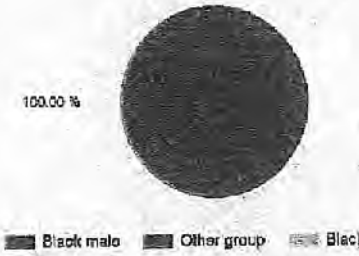
Report Date:
04 Nov 2020 15:40:29.444 PM
Report Ran By:
loetol@naledi.local.gov.za

CSD REGISTRATION REPORT

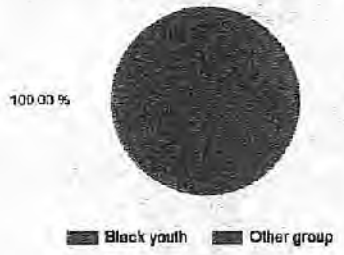
People % Ownership



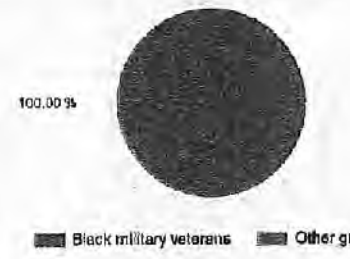
Gender % Ownership



Youth % Ownership



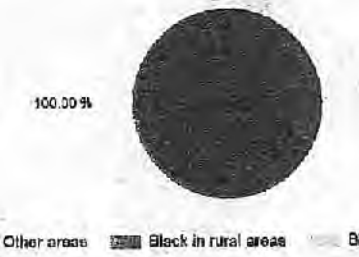
Military veteran % Ownership



Disabled % Ownership



Living area % Ownership



national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

CENTRAL SUPPLIER DATABASE
FOR GOVERNMENT

Report Date:
04 Nov 2020 15:40:30.335 PM
Report Ran By:
loetol@naledi.local.gov.za

CSD REGISTRATION REPORT

The CSD does not automatically verify foreign company registration number, international securities identification number, foreign identification numbers, foreign passport numbers, work permit numbers, foreign bank accounts, B-BBEE, demographic and accreditation information. Organs of State are required to manually verify this information with the applicable verification institutions as per their current policies and procedures.

Tips and Frequently Asked Questions (FAQ)

Identifier

CSD cannot electronically verify the identity of a supplier other than a South African Individual / Sole Proprietor (through Home Affairs) or a company registered at the Companies and Intellectual Property Commission (CIPC). For this reason, a disclaimer is displayed for supply chain practitioners to obtain supporting documentation to verify the identity and legitimacy of a supplier in these cases.

Bank

For help on how to resolve bank failures click here: I received an email stating the bank information I captured on the CSD was sent for bank account validation and could not be validated. The response received from the bank contains an error message.
The various possible error messages received from the bank are highSomiBolded in red. Search for the applicable message and follow the detailed steps associated with that error message.

Tax

Tax Compliance Status
For help on how to deal with tax status differences between CSD and the tax clearance certificate click here: What should a supplier do if the tax status on CSD difference from the tax clearance certificate?

Tax Compliance Expiry Date
For help on how to deal with tax status differences between CSD and the tax clearance certificate click here: How does CSD determine the tax compliance expiry date?

CIPC

Should the director/member information reflected on the CIPC registration report differs to that reflected on CSD for help click here: The active Directors/Members are not being populated on the CSD Directors/Members screen as they appear at CIPC, how can I rectify this?

State Employee

For more information pertaining to government employment status click here: Will there be verification done to identify if a supplier is a government employee?

BBBEE

CSD does not automatically verify all certificate information with the various accreditation bodies. Organs of State are required, where not automatically verified by CSD, to manually verify this information with the applicable accreditation body as per current policies and procedures. Expired certificate information do not reflect on the report.

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

CENTRAL SUPPLIER DATABASE FOR GOVERNMENT

Report Date:
06 Nov 2020 13:06:00.740 PM
Report Ran By:
loetoi@naledi.local.gov.za

CSD REGISTRATION REPORT

SUPPLIER IDENTIFICATION

Supplier number	MAAA0863733	South African company/CC registration number	1988/004545/23
Is supplier active?	Yes	Have Bank Account	Yes
Supplier type	CIPC Company	Total annual turnover	More than R10 million and less than R50 million
Supplier sub-type	Close Corporation	Financial year start date	01 Apr 2018 00:00:00:000
Legal name	ELECTRICAL WINDING	Registration date	22 Feb 1988 00:00:00:000
Trading name	Electrical Winding CC	Created by	elecwinding@mweb.co.za
Identification type	South African Company/Close Corporation Registration Number	Created date	21 Aug 2018 10:50:38:000
Government breakdown	Close Corporations (CC)	Edit by	elecwinding@mweb.co.za
Business status	In Business	Edit date	08 Aug 2020 23:50:00:000
Country of origin	South Africa	Restricted Supplier	No

SUPPLIER INDUSTRY CLASSIFICATION INFORMATION

INDUSTRY CLASSIFICATION 1

Main group	Manufacturing		
		Core industry	Manufacture of electrical equipment
Division	Manufacture of electrical equipment	% share of annual turnover	50.00
Division	Manufacture of machinery and equipment n.e.c.	% share of annual turnover	30.00
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Division	Repair and installation of machinery and equipment	% share of annual turnover	5.00

SUPPLIER CONTACT INFORMATION

CONTACT 1

Contact type	Bid Office	Cellphone number	061 044 2564

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

CENTRAL SUPPLIER DATABASE
FOR GOVERNMENT

Report Date:
06 Nov 2020 13:05:00.788 PM
Report Ran By:
oetol@nalesdi.local.gov.za

CSD REGISTRATION REPORT

Account holder	ELECTRICAL WINDING CC	Is the identifier linked at the bank	Yes
Is this a preferred account?	Yes	Is this a Shared Funding Account	No
Active start date	21 Aug 2018 10:32:53:000	Funding Partner(s)	
Created by	elecwinding@mweb.co.za		

TAX INFORMATION

Income tax number	9044020809	Last validation date	06 Nov 2020 13:04:00:000
Income Tax Status	Non-compliant tax status found	Would you like to receive notifications?	Yes
VAT number	4380101727	Overall Tax Status	Non-Compliant Tax Status
VAT Status	Non-compliant tax status found	Created by	elecwinding@mweb.co.za
Is this supplier a VAT vendor?	Yes	Created date	21 Aug 2018 10:50:39:440
PAYE number	7400715977	Edit by	csd.reverifybatch@treasury.gov.za
PAYE Status	Non-compliant tax status found	Edit date	27 Jul 2020 14:31:34:000
Are you Registered with SARS?	Yes		

B-BEEE INFORMATION

Are you an empowering supplier	Yes	B-BBEE Procurement Recognition	125%
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% Owned by black people who are women	0.00	Commisioner of Oath	Judy Klopper
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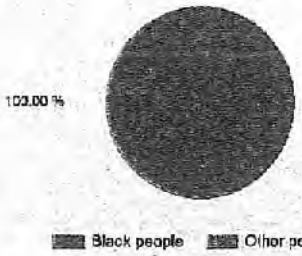
national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

CENTRAL SUPPLIER
DATABASE
FOR GOVERNMENT

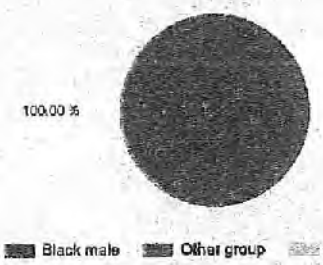
Report Date:
06 Nov 2020 13:05:00.954 PM
Report Ran By:
loetol@naledi.local.gov.za

CSD REGISTRATION REPORT

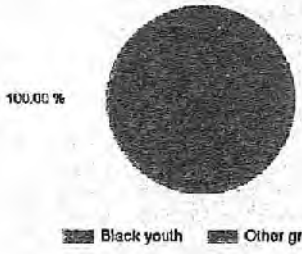
People % Ownership



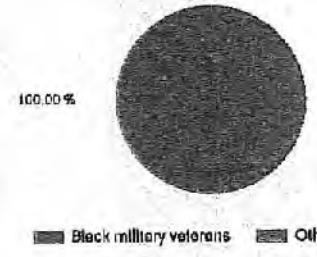
Gender % Ownership



Youth % Ownership



Military veteran % Ownership



Disabled % Ownership



Living area % Ownership



national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

CENTRAL SUPPLIER DATABASE FOR GOVERNMENT

Report Date:
08 Nov 2020 13:05:01 971 PM
Report Ran By:
loetoh@naledi.local.gov.za

CSD REGISTRATION REPORT

The CSD does not automatically verify foreign company registration number, international securities identification number, foreign identification number, foreign passport numbers, work permit numbers, foreign bank accounts, B-BBEE, demographic and accreditation information. Organs of State are required to manually verify this information with the applicable verification institutions as per their current policies and procedures.

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REQUEST FOR APPROVAL TO DEVIATE FROM SCM POLICY

FROM: TECHNICAL DESIGNATION: ELECTRICAL

DATE: 22/10/2020 REQUEST NO: 030406

Section 283 of the Supply Chain Management Policy states that the Accounting Officer may :

*a) dispense with the official procurement processes established by the above section of the policy and to procure any goods or services through any convenient process, which may include direct negotiations, but only under the following conditions, (**please mark with an (X) whichever is applicable to your deviation**).*

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 and/or nature & game reserves; or ☐

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

AND

b) 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..... ☐

RECOMMENDED:

Manager of Unit: .....

.....

.....

.....

SUPPORTED / **NOT SUPPORTED**

Comments :

.....

.....

.....

Head of Department: ..... ***DATE:*** .....

SUPPORTED / NOT SUPPORTED

Comments: .....

.....

Head of SCM/Manager ..... DATE 22/10/2020

RECOMMENDED / NOT RECOMMENDED

Comments: .....

.....

.....

ACTING -CFO ..... DATE: 22/10/2020

APPROVED / ~~NOT APPROVED~~

Comments: .....

.....

.....

ACTING-MM/Accounting Officer ..... DATE: 26/10/2020

TAX COMPLIANCE STATUS

PURPOSE

The purpose of this Circular is to provide information to Accounting Officers of municipalities and municipal entities regarding the implementation of a revised tax management system applicable to supply chain management processes and introduces a revised Municipal Bidding Document 1(MBD) to give effect to the new Tax Clearance System (TCS) as a way of verifying the tax compliance status of bidders. This circular also updates the information on tax clearance certificates contained in MFMA Circular 29.

BACKGROUND

Government is committed to reducing supply chain related fraud and ensuring that persons conducting business with the State are not afforded any scope to abuse the supply chain management system.

It is therefore essential to ensure that persons conducting business with the State are tax compliant when participating in tenders or other bidding processes. On 18 April 2016, the South African Revenue Service (SARS) introduced an enhanced TCS system aimed at improving compliance and making it easier for taxpayers to manage their tax affairs.

Section 112(1)(l)(iii) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA) read together with Regulation 43 of the Municipal SCM Regulations, prohibits municipalities or municipal entities from awarding bids to persons whose tax matters have not been cleared by SARS.

Therefore, the new TCS impacts on SCM processes and documentation that must be submitted as SARS no longer issues tax compliance certificates.

IMPLEMENTATION OF THE TAX COMPLIANCE STATUS SYSTEM

In order to comply with the new TCS system and the condition of bids that a successful bidder's tax matters must be in order, Accounting Officers of all municipalities and municipal entities should:

- Designate officials, preferably from the supply chain management unit, whose function will be to verify the tax compliance status of a taxpayer and to manage the TCS system on the SARS website and have the functionality to verify the tax compliance status of a taxpayer on the SARS' e-Filing system. Guidance to the Tax Compliance functionality on eFiling is available on the SARS website www.sars.gov.za.
- Utilise the Municipal Bid Document 1 (MBD1) issued with this circular when inviting bids.
- As a bid condition, request bidders to register on government's Central Supplier Database (CSD) and include in their quotations or bids, their Master Registration Number or tax compliance status PIN to enable the municipality to verify the bidder's tax compliance status.

Where goods or services have been delivered satisfactorily without any dispute, accounting officers should not delay processing payment of invoices due to outstanding tax matters. Municipalities and municipal entities are advised to update their current SCM policies to ensure alignment with the new TCS.

CONTACT

National Treasury

Private Bag X115, Pretoria 0001

Phone ***012 315 5850***

Fax ***012 315 5230***

Email – General ***mfma@treasury.gov.za***

Website ***www.treasury.gov.za/mfma***

TV PILLAY
Chief Director: MFMA Implementation
30 January 2018

"N7C"

NALEDI LOCAL MUNICIPALITY

EXPENDITURE DOCUMENT

Mark applicable block	Cheque		Electronic payment	x
Cheque / Remittance Number:	11240			

Supplier	ELECTRICAL WINDING CC
Creditor Number	E - 0 0 0 3 4
Acount number	
Branch Code	
Reference number	
Name of bank	

TOTAL AMOUNT
R 69 552,00

DETAILS	VOTE NUMBER												
TESTING AND REPAIRS OF SCHWEIZER SUB TRANSFORMER	1	6	0	0	0	2	0	0	6	4	0	R 60 480	0
									V	A	T	R 9 072	0

CHIEF FINANCIAL OFFICER

MUNICIPAL MANGER

TSHEPO RAKOBANE
Compiled by: (Name in Print) and sign

BOITUMELO MOGOTSI
Authorised by: (Name in Print) and sign

Released by: (Name in Print) and sign



TAX INVOICE

NUMBER: **INV12914**
REFERENCE:
DATE: **29/07/2021**
DUE DATE: 31/07/2021
SALES REP: RUWAN VAN ZYL
OVERALL DISCOUNT %: 0.00%
PAGE: 1/1

FROM
ELECTRICAL WINDING CC

VAT NO: 4380101727

POSTAL ADDRESS:
SUITE 382
PRIVATE BAG X 043
BENONI
1500

PHYSICAL ADDRESS:
STAND 55
ROAD 5
BRENTWOODPARK
BENONI
1501

TO
NALEDI LOCAL MUNICIPALITY

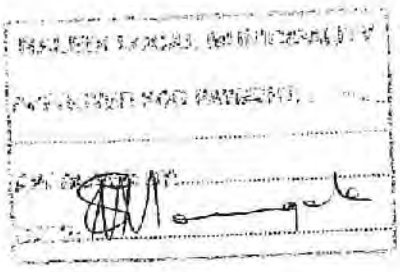
CUSTOMER VAT NO: 4000142648

POSTAL ADDRESS:

PHYSICAL ADDRESS:
19 A MARKET STREET
VRYBURG

8601

Description	*Quantity*	*Excl. Price*	*Disc %*	*VAT %*	*Excl. Total*	*Incl. Total*
POIL - OIL *2000LT OF REGENERATED OIL @ R15 PER/LITER.*	**2000.00**	R 15.00	0.00%	15.00%	R 30,000.00	**R 34,500.00**
TRANSPORT - TRANSPORT *TRAVEL TO SITE ABCK AND FORTH TWICE WITH BAKKE AND 1000LT FLOWBIN.*	**1.00**	R 6,000.00	0.00%	15.00%	R 6,000.00	**R 6,900.00**
SERVICE ITEM - SERVICE ITEM *TESTING OF 2MVA TRANSFORMER.*	**1.00**	R 18,000.00	0.00%	15.00%	R 18,000.00	**R 20,700.00**
TRAVELING COST - TRAVEL TO AND FROM SITE *TRAVELING COST TO AND FROM SITE IN NALEDI LOCAL MUNICIPALITY 450KM AWAY (900KM TOTAL) AT R7.20 PER KILOMETRE.*	**900.00**	R 7.20	0.00%	15.00%	R 6,480.00	**R 7,452.00**



Nedbank
Current account
Account no: 1904084974
Branch code: 190442

Total Discount:	**R 0.00**
Total Exclusive:	**R 60,480.00**
Total VAT:	**R 9,072.00**
Sub Total:	**R 69,552.00**
Grand Total:	**R 69,552.00**

BALANCE DUE
R 69,552.00

[PURCHASE ORDER]

Order No.: 43879 Duplicate Date: 29/07/2021
Creditor No.: E-00034
Requisition No.: 3191
Acc.:

ELECTRICAL WINDING CC
SUITE
PRIVATE BAG X042
BENONI
1500

Fax: 0113952455 Contact Person: KAGISHO PEACE MA

	Stock/Cost Cd	Description	Quant.	Ex Vat	Vat Amt.	Amount
1	16000200640000	TESTING AND REPAIRS OF SCHWEIZER SUB TRANSFORMER	1	60480.00	9072.00	69552.00

Total	60480.00	9072.00	69552.00

(Chief Financial Officer)

(Date)

Request Number : 3191 [Initial request]
Authorization Ref. : 31903
Archiving document :
Contract ID : 0
Request Type : Normal SCM process

Application Date : 29/07/2021
Applicant : MATSIONGK KAGISHO PEACE MATSIONG
Contact details:- Extension Number 2247
Cellphone Number
Fax Number 0539276181
Captured by : MATSIONGK KAGISHO PEACE MATSIONG
Authorized by : MOTHUSIO MOTHUSI ODIRILE AWAITING AUTHORIZATION

Required by : 28/08/2021

Preferred supplier 1: E-00034 ELECTRICAL WINDING CC
Reason : CHEAPEST: CSD IS OFF LINE

Preferred supplier 2: N-00075 NANDINA TRADING 551 CC
Reason : CSD IS OFF LINE
Preferred supplier 3: M-00429 MATLAKASE
Reason : CSD IS OFF LINE

Delivery Instructions: 19A MARKET STREET VRYBURG 8601

Total reserved value : 62652.00
Provisional SCM process : Q4 R30 000 - R70 000 THREE FORMAL WRITTEN QUOTATION I

VRYM TESTING AND REPAIRS OF SCHWEIZER SUB TRANSFORMER

Costcode : 2021 16000200640000 UKey: 20170621024668 Qty.: 1.000 Value : 62652.00
Electricity : Contracted Services : Contracted Serv:Outsourced Ser



NALEDI LOCAL MUNICIPALITY
GOODS & SERVICES REQUISITION

NLM 031903

	G/L ACCOUNT	DESCRIPTION OF GOODS AND SERVICES	QTY	AMOUNT (INCL. VAT)
1		TESTING AND REPAIRS		
2		OF SCHWEIZER S/S	1	
3		TRANSFORMER		
4				
5		REFILL OIL	200L	
6				
7				
8				
			TOTAL	

	TICK PREFERED	SUPPLIER NO.	SUPPLIER NAME	AMOUNT (INCL. VAT)
1	☐		ELECTRICAL WINDING	R62,652.00
2	☐		NANDINA TRADING 551	R87,029.57
3	☐		MATLAKSE	R92,931.50
4	☐			
5	☐			

	SCM REQUIREMENTS	TICK APPLICABLE
1	Less than R2,000 (Incl. VAT) = 1 quotation	☐
2	More than R2,000 less than R30,000.00 (Incl. VAT) = 3 quotations	☐
3	More than R30,000.00 less than R200,000.00 (Incl. VAT) = 3 quotations + 1 week advertised on notice board and website	☐
4	More than R200,000.00 (Incl. VAT) = formal bid process	☐
5	SCM procedures not followed. (Detailed signed memo explaining non-adherence to the attached)	☐

Please note that it is a prerequisite of the municipality that all service providers are to be registered on the Municipality's supplier database. Only bids or quotations from service providers that are registered on the Municipality's supplier database can be considered. The submission of up to date and valid tax clearance certificates are compulsory.

I hereby declare and confirm adherence to the requirements of the approved SCM Policy of the Municipality and furthermore declare that all reasonable steps have been taken to prevent abuse of the SCM system in relation to this requisition.

SIGNATURE

GOODS/SERVICES CATEGORY	MAINTENANCE	DATE	27 JULY 2021
RESPONSIBLE OFFICIAL	G. LETLHOTO	DEPARTMENT	TECHNICAL
ORDER NO.			

28/07/2021 — AUTHORIZED BY HOD — DATE

28/07/21 — APPROVED BY CFO — DATE

Tedmans Vryburg 2156

NALEDI LOCAL MUNICIPALITY

MEMORANDUM

TO	:	Acting Municipal Manager CFO
FROM	:	Technical; Electrical Unit
DATE	:	27 July 2021
SUBJECT	:	Procurement for Testing and Repairs on the Schweizzer Sub Transformer

PURPOSE

The purpose of the Memorandum is to request the SCM to precure the services of specialists for the testing and repairs to the transformer on the Schweizzer Sub.

BACKGROUND

The have been a spate of electricity cable theft and vandalism during winter. On Sunday, 25 July 2021 a transformer on the Schweizzer Sub was torched down. A burning tyre was placed under the transformer and the oil tap was opened up. This caused a huge damage to the transformer and 2000 L of oil spilt out. There was also a wire which was thrown on the conductors to trip the transformer.

The Fire Department managed to dose the fire. The transformer could not be switched ON again since there might be short circuit inside and the casing was empty without oil.

RECOMMENDATIONS

- That the SCM note the three quotations submitted.
- That one Service Provider is supplying purified oil and the other two are providing Virgin oil.
- That the distance and availability be factored for rapid response.

Hoping you find this in order.

Sehlono G.G.
AM: Electrical and Mechanical

S.N. Mongale
Technical Director

K. Maruping
CFO

Mongale S.N.
Acting Municipal Manager

PROVIDE VIRGIN OIL AND NOT ALTERNATIVE.

MATLAKSE

eliable Partner Reliable Products

3 Ribblesdale Road
Ribblesdale
Bloemfontein
Free State
South Africa
VAT No. 4470269178

Quotation

Date: 2021/07/27
Quotation Number: MTLK-21-1528 Rev 1
Quotation Validity: 30-Days
Prepared by: Michelle Badenhorst & JDB

Drawing Preparation:
Manufacturing:
Payment Terms: 40% On Order
60% On Completion / FAT

Quotation For:
Mr.Thabu Tsotetsi

Incoterms: Ex Works, Bloemfontein

Item No.	Description	Qty	Unit Price	Total Price
1	Transformer Ratio Test	1	R 2 500,00	R 2 500,00
2	Transformer DC Resistance Test	1	R 2 500,00	R 2 500,00
3	Transformer Insulation Test	1	R 3 150,00	R 3 150,00
4	Fulle Profile Oil Sample	1	R 2 900,00	R 2 900,00
5	Traveling Time,Traveling & Testing Labour	1	R 14 810,00	R 14 810,00
6	Transport of Transformer Oil (Offloading)	1	R 9 800,00	R 9 800,00
7	210L Virgin Transformer oil	10	R 4 515,00	R 45 150,00
8				
9				
			Sub Total Excluding 15% VAT	R 80 810,00
			15% VAT	R 12 121,50
			Grand Total Including 15% VAT	R 92 931,50

Matlakse Terms and Conditions of Sale and Tender will apply on acceptance of this quotation / order placement. (A copy is available on request).

Jackie Meintjies 082 358-6841
André du Toit 076 550-7849
Rhona Walbrugh 083 794-7707
HO 053 841-0890 F 053 841-0889
Vat No: 4740258720

NANDINA TRADING 551 CC T/A TRS
HO Cnr Tienie Louw & Pauling,
Kimberley, 8301

NW 20 Parys Avenue,
Potchefstroom, 2521

Quotation

Date	27/07/2021
Page	1
Document No	QU1C6199

Naledi Local Municipality
PO Box 35
Vryburg
8600

Deliver to

19A Market Straet
Vryburg
8600

Account	Your Reference	Tax Exempt	Tax Reference	Sales Code	Expiry	
N026	THABO TSOTETSI	N			16/08/2021	Exclusive

Code	Description	Quantity	Unit	Unit Price	Disc%	Tax	Nett Price
	TEST OF TRANSFORMER AND SUPPLY OF VIRGIN TRANSFORMER OIL AT VRYBURG						
018	Do Complete Trax Test on 2MVA Transformer Complete with Report	1.000		12,500.00		15.00%	R12,500.00
010	Supply and Pump Virgin Transformer Oil to level	1.000		58,900.00		15.00%	R58,900.00
013	Transport and Travel Time	1.000		3,220.00		15.00%	R3,220.00
004	Consumables	1.000		1,050.00		15.00%	R1,050.00
	NOTE: THIS QUOTE IS VALID FOR 15DAYS						

Std Bank (005534) 421361301
Official order required

I, the undersigned hereby accept the above cost and the terms & conditions attached.

Signed_____ Date_____

Sub Total		R75,670.00
Discount @	0.00%	R0.00
Amount Excl Tax		R75,670.00
Tax		R11,350.50
Total		R87,020.50

® Sage South Africa (Pty) Ltd 2013

Quote



ELECTRICAL WINDING CC

VAT No: 4880101727

SUITE 382
PRIVATE BAG X 043
BENONI
1500

STAND 55
ROAD 5
BRENTWOODPARK
BENONI
1501

Number:	QUO0412
Date:	26/07/2021
Page:	1/2
Reference:	
Sales Rep:	RUWAN VAN ZYL
Due Date	06/08/2021
Overall Discount %:	0.00%

NALEDI LOCAL MUNICIPALITY

Customer VAT No: 4000142648

19 A MARKET STREET
VRYBURG

8601

Description	Quantity	Excl. Price	Disc %	VAT %	Exclusive Total	Inclusive Total
POIL - OIL 2000LT OF REGENERATED OIL @ R15 PER/LITER.	2000.00	R 15.00	0.00%	15.00%	R 30,000.00	R 34,500.00
SERVICE ITEM - SERVICE ITEM TESTING OF 2MVA TRANSFORMER.	1.00	R 18,000.00	0.00%	15.00%	R 18,000.00	R 20,700.00
TRAVELING COST - TRAVEL TO AND FROM SITE TRAVELING COST TO AND FROM SITE IN NALEDI LOCAL MUNICIPALITY 450KM AWAY (900KM TOTAL) AT R7.20 PER KILOMETRE.	900.00	R 7.20	0.00%	15.00%	R 6,480.00	R 7,452.00

General:
Any objections to the quoted items and the terms and conditions must be stated in writing and emailed to elecwinding@mweb.co.za. Failure to inform Electrical Winding CC of your disagreement, will still hold the client quoted, responsible as to acceptance of the items and or terms and conditions.
Our prices are fixed and firm and free of variation. Our Quote is valid for 10 days and will include Saturday's and Sunday's.
COD Clients:
50 % payment on placement of an order for any item you wish to buy from Electrical Winding CC. The outstanding payments needs to reflect in Electrical Winding CC's bank account before the ordered items will be allowed to leave the property. Without a deposit and an order in writing no work will be started on any item.
30 day account Clients:
A written order is still required to start any work on any item.
All Clients:
All orders and POP's can be mailed to Electrical Winding CC at elecwinding@mweb.co.za.
Please note, that weather you are a COD or a 30 day client, once work has started after receiving your POP of deposit or order, no cancellations will be accepted. And if we at Electrical Winding CC agree to a cancellation, there will be a cancellation fee, calculated on the value of the items being cancelled.
Quotes:
Verbal quotes are given as a value without VAT added. The client needs to add the VAT (15%). Our written quoted include VAT at 15 % of the value of the quote given.
Payment:
Electrical Winding CC does not provide a card facility as payment option. All payment must be made by EFT only. Clients need to take into consideration the amount of days a payment might take to reflect in the account of Electrical Winding CC. IF a client needs to collect the same day that the payment is made, an immediate transfer will be required and the bank charges are then for the client. With immediate payments the payment still needs to reflect in Electrical Winding CC's bank account.
Guarantee;
Our standard guarantee is 12 Months from date of collection or the date the items leave our yard. No exception to this rule. Our guarantee cover faulty workmanship. All items will need to be inspected at our factory and a report will be issued. The report will say if it's a guarantee claim or a repair for the account of the client. Please take special note: all units that are faulty must be returned to Electrical Winding CC's yard. The cost of transport, be in in land, coastal or across borders will not be covered by Electrical Winding CC in full or in part.
The transformer oil is guaranteed to be NRS 079 standard at time and date of insertion. Oil is to be maintained by the client.
Delivery:
Our price does not include delivery. Delivery can be quoted on, on request of the client.
Notes on tender:
These notes are considered to be an extension of our terms and conditions:
For any additions to the quote given, the client needs to send a written inquiry.
Our transformers, Mini-sub and switches are sold as rebuild units, unless stated otherwise.
Our prices are based on rebuild prices.

Quote



ELECTRICAL WINDING CC

VAT No: 4380101727

SUITE 382
PRIVATE BAG X 043
BENONI
1500

STAND 55
ROAD 5
BRENTWOODPARK
BENONI
1501

Number:	QUO0412
Date:	26/07/2021
Page:	2/2
Reference:	
Sales Rep:	RUWAN VAN ZYL
Due Date	06/08/2021
Overall Discount %:	0.00%

NALEDI LOCAL MUNICIPALITY

Customer VAT No: 4000142648

19 A MARKET STREET
VRYBURG

8601

Description	Quantity	Excl. Price	Disc %	VAT %	Exclusive Total	Inclusive Total

Deposit paid for and order is non-refundable.
If a unit is ordered and re-winded from LV, and the deposit or full payment has been received and if the work has already been started and or are completed, the client will be liable for the full cost.
Delivery or expected collection dates are a planned date. It is subject to the units passing final tests. Take note that a unit can fail final test on the day of collection and that collection will then need to be delayed.
Verbal quotes are subject to these terms and conditions.
Our standard norm on quote is not to quote on the replacement of the bucholz relay of any unit. Client need to specify if this is a requirement. It's our norm to place the old unit back and it does not fall under the guarantee of the unit.
We do not connect bucholz relay to a box. That responsibility lies with the client.
A transformer that suffers damage due to an old bucholz relay will not be covered under warranty.
All units carry a strip and quote cost. If a unit or item is not repaired by Electrical Winding CC the strip and quote cost is payable before collection. The value will be determined by the word done to strip and quote.
Electrical Winding CC does not accept any penalties or consequential damages that may arise, whether due to defect, negligence, faulty workmanship, delays or otherwise.
Risk of units will pass to the client when the unit leaves our yard, weather on our own vehicle or the client's.
Electrical Winding CC remains the true and rightful owner of all items and units bought but not paid or not fully paid. We reserve the right to recall all those units to our yard with immediate effect.
Note. The units ordered (transformers, mini-subs and switch-gear) may not be mechanically interchangeable with the existing system of the client. Unless stated otherwise in writing from Electrical Winding CC. Should an interchangeable Unit be required we will re-evaluate our offer which can lead to price increases.
With "item" or "unit" we are referring to the quoted items as listed above.

For any other information, please contact us on LANDLINE: 011 395 2246 or CELL: 0810442564 elecwinding@mweb.co.za or vanzyl.ruwan@gmail.com.

Nedbank
Current account
Account no: 1904084974
Branch code: 180442

Total Discount:	R 0.00
Total Exclusive:	R 54,480.00
Total VAT:	R 8,172.00
Sub Total:	R 62,652.00
Total:	R 62,652.00

REQUEST FOR APPROVAL TO DEVIATE FROM SCM POLICY

FROM: GILBERT LEPHOTO DESIGNATION: ASST. ELEC & MECH

DATE: 28/07/2024 REQUEST NO:.....

Section 283 of the Supply Chain Management Policy states that the Accounting Officer may :

a) dispense with the official procurement processes established by the above section of the policy and to procure any goods or services through any convenient process, which may include direct negotiations, but only under the following conditions, (**please mark with an (X) whichever is applicable to your deviation**).

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 and/or nature & game reserves; or..... ☐

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

AND

b) 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..... ☐

RECOMMENDED:

Manager of Unit:.....

.....

.....

.....

SUPPORTED / ~~**NOT SUPPORTED**~~

Comments : Plots are without electricity for a long time already

.....

.....

Head of Department:..... **DATE:** 28/07/24

SUPPORTED / NOT SUPPORTED

Comments:.....

Head of SCM/Manager.....DATE: 28/07/2021

RECOMMENDED / NOT RECOMMENDED

Comments:.....

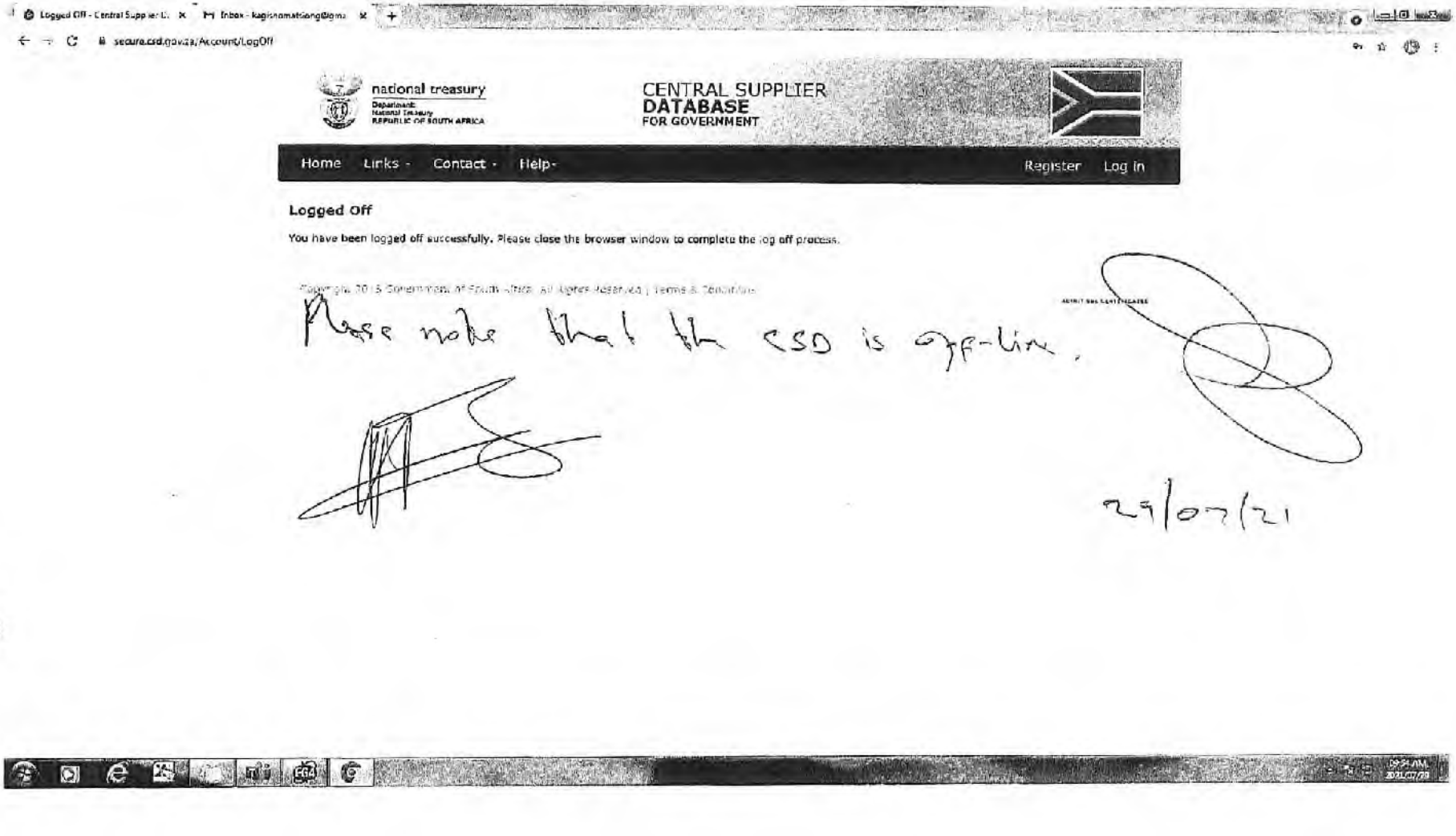
CFO:.....DATE: 28/07/21

APPROVED / NOT APPROVED

Comments:.....

APPROVED

ACTING-MM/Accounting Officer.....DATE: 28/07/2021


Logged Off - Central Supplier D...
Inbox - kagishomatsong@gma...
secure.csd.gov.za/Account/LogOff
national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA
CENTRAL SUPPLIER
DATABASE
FOR GOVERNMENT
Home
Links -
Contact -
Help -
Register
Log In
Logged Off
You have been logged off successfully. Please close the browser window to complete the log off process.
Copyright 2015 Government of South Africa. All rights reserved | Terms & Conditions
Please note that the CSD is off-line.
29/07/21

"N8"

IN THE HIGH COURT OF SOUTH AFRICA
NORTH WEST DIVISION, MAHIKENG

CASE NO: M311/2021

In the matter between:

SAKELIGA NPC	Applicant
and	
THE MEMBER OF THE EXECUTIVE COUNCIL: NORTH WEST PROVINCE: COOPERATIVE GOVERNANCE, HUMAN SETTLEMENT AND TRADITIONAL AFFAIRS	First Respondent
THE MEMBER OF THE EXECUTIVE COUNCIL: NORTH WEST PROVINCE: FINANCE	Second Respondent
THE MINISTER: NATIONAL DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS	Third Respondent
THE MINISTER OF FINANCE	Fourth Respondent
DITSOBOTLA LOCAL MUNICIPALITY	Fifth Respondent
NALEDI LOCAL MUNICIPALITY	Sixth Respondent
THE PREMIER: NORTH WEST PROVINCE	Seventh Respondent
ESKOM SOC LIMITED	Eighth Respondent
MAGALIES WATER BOARD	Ninth Respondent
SEDIBENG WATER BOARD	Tenth Respondent

CONFIRMATORY AFFIDAVIT OF SELLO NELSON MONGALE

S.M

I, the undersigned,

SELLO NELSON MONGALE

do hereby state under oath as follows:

1. I am adult male and presently employed as Director: Technical Services by the Naledi Local Municipality, sixth respondent, with our offices situated at 19A Market Street, Vryburg, North West Province.

2. The facts herein contained are within my personal knowledge unless from the context it appears otherwise and, are to the best of my knowledge and belief, both true and correct. Where I refer to legal issues and/or make legal submissions in this affidavit, I do so on the legal advice of the sixth respondent's legal representatives, which advice I believe to be correct.

3. I am the immediate past acting Municipal Manager of the sixth respondent and completed my acting stint on 31 August 2021 in view of the appointment of a substantive Municipal Manager who commenced his duties with effect from 1 September 2021.

4. I have read the answering affidavit of MODISENYANE THOMPSON SEGAPO, the Municipal Manager, and confirm the correctness of its content in as far as same refers to the state of the sixth respondent and the interventions made, both past and present, in an effort to assist the

S.M

sixth respondent to improve of its financial position and ability to render basic services to the community.

SELLO NELSON MONGALE

The deponent has acknowledged that he knows and understands the contents of this affidavit, which was signed and sworn to before me at VRYBURG on this the 8th day of **SEPTEMBER 2021**, the regulations contained in Government Notice No. R1258 of 21 July 1972, as amended, and Government Notice No. R1648 of 19 August 1977, as amended, having been complied with.

FRANCOIS FORTUIN
KOMMISSARIS VAN EDE
COMMISSIONER OF OATHS
42 VOORTREKKER STREET • VRYBURG • 8601
PRAKTISERENDE PROKUREUR (RSA)
PRACTISING ATTORNEY (RSA)

COMMISSIONER OF OATHS

"N9"

IN THE HIGH COURT OF SOUTH AFRICA

NORTH WEST DIVISION, MAHIKENG

CASE NO: M311/2021

In the matter between:

SAKELIGA NPC	Applicant
and	
THE MEMBER OF THE EXECUTIVE COUNCIL: NORTH WEST PROVINCE: COOPERATIVE GOVERNANCE, HUMAN SETTLEMENT AND TRADITIONAL AFFAIRS	First Respondent
THE MEMBER OF THE EXECUTIVE COUNCIL: NORTH WEST PROVINCE: FINANCE	Second Respondent
THE MINISTER: NATIONAL DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS	Third Respondent
THE MINISTER OF FINANCE	Fourth Respondent
DITSOBOTLA LOCAL MUNICIPALITY	Fifth Respondent
NALEDI LOCAL MUNICIPALITY	Sixth Respondent
THE PREMIER: NORTH WEST PROVINCE	Seventh Respondent
ESKOM SOC LIMITED	Eighth Respondent
MAGALIES WATER BOARD	Ninth Respondent
SEDIBENG WATER BOARD	Tenth Respondent

CONFIRMATORY AFFIDAVIT OF KAGISHO MC DONALD MARUPING

K. M. D

I, the undersigned,

KAGISHO MC DONALD MARUPING

do hereby state under oath as follows:

1. I am adult male and presently employed as Chief Financial Officer by the Naledi Local Municipality, sixth respondent, with our offices situated at 19A Market Street, Vryburg, North West Province.

2. The facts herein contained are within my personal knowledge unless from the context it appears otherwise and, are to the best of my knowledge and belief, both true and correct. Where I refer to legal issues and/or make legal submissions in this affidavit, I do so on the legal advice of the sixth respondent's legal representatives, which advice I believe to be correct.

3. I have read the answering affidavit of MODISENYANE THOMPSON SEGAPO and confirm the correctness of its content in as far as same refers to the financial affairs of the sixth respondent and the interventions made, both past and present, in an effort to assist the sixth respondent to improve of its financial position.

KAGISHO MC DONALD MARUPING

K.M.D

The deponent has acknowledged that he knows and understands the contents of this affidavit, which was signed and sworn to before me at VRYBURG on this the 6th day of **SEPTEMBER 2021**, the regulations contained in Government Notice No. R1258 of 21 July 1972, as amended, and Government Notice No. R1648 of 19 August 1977, as amended, having been complied with.

FRANCOIS FORTUIN
KOMMISSARIS VAN EDE
COMMISSIONER OF OATHS
42 VOORTREKKER STREET • VRYBURG • 8601
PRAKTISERENDE PROKUREUR (RSA)
PRACTISING ATTORNEY (RSA)

COMMISSIONER OF OATHS

"N10"

6. **COUNCIL MATTERS: NOTICE OF APPLICATION IN THE HIGH COURT OF SOUTH AFRICA (NORTH WEST DIVISION, MAHIKENG)**

RESOLVED

1. That Council takes note of the application by SAKALIGA NPC against MEC: COGHSTA and 10 others.

2. That Council note that the Office of the Acting Municipal Manager has already instructed legal representatives to oppose the application and said action is approved by Council.

3. That the Acting Municipal Manager is mandated to proceed opposing this application on behalf of Council.

4. That the MEC COGHSTA be consulted.

5. That there must be a full report coming to Council informing the Council of the discussion with MEC.

6. That the Acting Municipal Manager must refrain from taking the decision without the Council approval.

Department : Municipal Manager

Delegated.

RES. NO.: 224/2021

LOCAL MUNICIPALITY / MASEPALA WA SELEGAE / PLAASLIKE MUNISIPALITEIT

MARKET STREET/MMILA WA MARKET/MARKSTRAAT 19A
P.O. BOX / LEBOKOSE POSE / POSBUS 35
VRYBURG
8600

TELEPHONE/MOGALA/TELEFOON (053) 928-2199 / 2200
FAX / FEKESE / FAKS (053) 927 3482

Address all letters to the Municipal Manager
Makwalo otlhe a lebesiwa go Motsamaise wa Masepala
Rig alle briewe aan die Munisipale Bestuurder

NALEDI

DEPARTMENT: CORPORATE SERVICES
LEFAPHA:
DEPARTEMENT:

Ref. No.
No. Tshupelso: 1/2/1/2

Enquiries:
Dipotsiso: M.G BUTJIE

MODIBOA ATTORNEYS
107 READMAN STREET
WILKOPPIES
KLEKSDORP
2535

03 AUGUST 2021

RE: COUCIL RESOLUTION RELATED TO THE MATTER OF SAKELIGA / NALEDI LOCAL MUNICIPALITY

The above matter refers.

Kindly find the attached herein, the Council Resolution in the matter of SAKELIGA v NALEDI LOCAL MUNICIPALITY for purposes of your record as agreed per our previous virtual meeting.

Should you seek any clarity herein, please contact the writer hereof.

Hope you find the above in order.

Regards,

S N MONGALE
ACTING MUNICIPAL MANAGER