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| **8.4.1** | **APPROVAL OF DEBT AGREEMENT** |

**Collaborator No: 730948**

**IDP KPA Ref No: Good Governance**

**Meeting Date: Mayco: 08 June 2022 & Special Council: 22 June 2022**

1. **SUBJECT: APPROVAL OF DEBT AGREEMENT**

**2. PURPOSE**

To obtain Council’s approval for the raising of an external loan in terms of   
Section 46 (2) of the Municipal Finance Management Act (Act No 56 of 2003).

**3. DELEGATED AUTHORITY**

Council

**4. EXECUTIVE SUMMARY**

During March 2022 an advertisement was placed inviting interested parties to make submissions regarding the financing of the proposed loan of R144 million. Submissions were received from 6 authorised financial institutions:

(a) Development Bank of Southern Africa (DBSA);

(b) ABSA Bank;

(c) Nedbank;

(d) Standard Bank

(e) First National Bank (FNB); and

(f) INCA

After due process, in terms of the municipality’s approved Supply Chain Policy, the offer of *Standard Bank for the term of 10 years*, was adjudicated by the Bid Adjudication Committee and approved by the Municipal Manager as being the most favorable for Council.

**SPECIAL COUNCIL MEETING: 2022-06-22: ITEM 8.4.1**

**RESOLVED** (nem con)

(a) that Council approves the debt agreement as stipulated in **APPENDIX 1**; and

(b) that the Municipal Manager be mandated to enter into a loan agreement with Standard Bank.

**FOR FURTHER DETAILS CONTACT:**

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| ***Name*** | **Monique Steyl** |
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| ***Report Date*** | ***02 June 2022*** |