



STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Ref no.3/4/2/5

2018-06-13

MINUTES

MAYORAL COMMITTEE MEETING:

2018-06-13 AT 10:00

MINUTES
MAYORAL COMMITTEE MEETING
2018-06-13

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PRESENT: Executive Mayor, Ald GM Van Deventer (Ms) (**Chairperson**)
Deputy Executive Mayor, Cllr N Jindela

Ald: JP Serdyn (Ms)

Councillors: PW Biscombe
JN De Villiers
AR Frazenburg
E Groenewald (Ms)
XL Mdemka (Ms)
S Peters
Q Smit

Also Present: Councillor PR Crawley (Ms)
Councillor WC Petersen (Ms)
Councillor WF Pietersen

Officials: Municipal Manager (G Mettler (Ms))
Director: Community and Protection Services (G Esau)
Director: Human Settlements (T Mfeya)
Acting Chief Financial Officer (K Carolus)
Director: Infrastructure Services (D Louw)
Chief Audit Executive (F Hoosain)
Senior Manager: Governance (S de Visser (Ms))
Manager: LED (W Moses)
Committee Clerk (B Mgcushe (Ms))
Committee Clerk (N Mbali (Ms))
Interpreter (J Tyatyeka)

1.	OPENING AND WELCOME
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The Executive Mayor welcomed everyone present.

1.1	COMMUNICATION BY THE CHAIRPERSON
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NONE

1.2	DISCLOSURE OF INTERESTS
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NONE

2.	APPLICATIONS FOR LEAVE OF ABSENCE
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The following applications for leave were approved in terms of the Rules of Order of Council:-

Director Strategic and Corporate Services (A de Beer (Ms)) – 13 June 2018
 Chief Financial Officer (M Wüst) – 13 June 2018

3.	CONFIRMATION OF PREVIOUS MINUTES
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3.1 The minutes of the Mayoral Committee Meeting held on 2018-05-16 were **confirmed as correct.**

3.2 The minutes of the Special Mayoral Committee Meeting held on 2018-05-23 were **confirmed as correct.**

4.	REPORT/S BY THE MUNICIPAL MANAGER RE OUTSTANDING RESOLUTIONS TAKEN AT PREVIOUS MAYORAL COMMITTEE MEETINGS
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NONE

5.	STATUTORY MATTERS
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5.1	COMMUNITY DEVELOPMENT AND COMMUNITY SERVICES: (PC: CLLR AR FRAZENBURG)
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NONE

5.2	CORPORATE AND STRATEGIC SERVICES: (PC: CLLR E GROENEWALD (MS))
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NONE

5.3	ECONOMIC DEVELOPMENT AND PLANNING: (PC: ALD JP SERDYN (MS))
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5.3.1	THE AWARDING OF RIGHTS TO THE LOCAL ECONOMIC DEVELOPMENT HUBS
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Collaborator No: 593720
File number: 7/4/2/2/1 x 7/4/2/2/1
IDP KPA Ref No: 046
Meeting Date: 13 June 2018

1. SUBJECT: THE AWARDING OF RIGHTS TO THE LOCAL ECONOMIC DEVELOPMENT HUBS

2. PURPOSE

To request Council to adopt the recommendations on the awarding of leasing rights of the Local Economic Development Hubs to the successful applicants.

3. DELEGATED AUTHORITY

In terms of Section 14 of the Municipal Financial Management Act (MFMA), Regulation 34(1) of the of the Asset Transfer Regulation and the Systems of Delegations adopted by Council on 2015-06-01, the **Municipal Manager** has the powers to grant rights to use, control or manage a fixed capital asset up to an annual contract value not exceeding R 1 000 000.

4. EXECUTIVE SUMMARY

The item deals with the awarding of rights to lease the Local Economic Development Hubs as per approval granted by Council on 29 March 2017.

The Call for Proposals for the lease of the Local Economic Development Hubs were advertised and closed on 19 September 2017. A panel of six officials evaluated the proposals and the final report (**APPENDIX 1**) was recommended by the Municipal Manager for final adoption by Council.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2018-06-13: ITEM 5.3.1

- (a) that Council adopts the recommendation to award the leases of the Local Economic Development Hubs to the entities that scored the highest points for each property, as follows:

Property	Applicant
1. The Old Clinic Building (Erven 6487 & 6488)	Ranyaka
2. Triangle Building (Erf 228)	Hugenote Fine Chocolates
3. Mooiwater Building (Erf 2253)	ABC Empowerment

(Profiles attached **Appendix 2**)

- (b) that once Council approves and awards the leasing rights to the highest scoring applicants, the Property Manager be mandated to draft and sign lease agreements with the successful applicants;

- (c) that the contract must make provision for termination on non-performance in terms of the agreement; and
- (d) that the contract be awarded for a period of 9 years and 11 months.

FOR FURTHER DETAILS CONTACT:

<i>NAME</i>	Widmark Moses
<i>POSITION</i>	<i>Manager: LED</i>
<i>DIRECTORATE</i>	<i>ECONOMIC DEVELOPMENT AND PLANNING</i>
<i>CONTACT NUMBERS</i>	<i>021 808 8974</i>
<i>E-MAIL ADDRESS</i>	<i>Widmark.moses@ Stellenbosch.gov.za</i>
<i>REPORT DATE</i>	<i>06 June 2018</i>

5.4	FINANCIAL SERVICES: (PC: CLLR S PETERS)
5.4.1	NE INDUSTRIES (PTY) LTD – APPLICATION FOR COURT TO RE-REGISTER THE COMPANY AND TO DECLARE ITS PROPERTY, ERF 66 KAYAMANDI, AS NO LONGER BEING <i>BONA VACANTIA</i>

Collaborator No: 593820
 IDP KPA Ref No:
 Meeting Date: 13 June 2018

1. **SUBJECT: NE INDUSTRIES (PTY) LTD – APPLICATION FOR COURT TO RE-REGISTER THE COMPANY AND TO DECLARE ITS PROPERTY, ERF 66 KAYAMANDI, AS NO LONGER BEING *BONA VACANTIA***

2. **PURPOSE**

To request Council approval to make application to the Court for the company to be reinstated and the property to be declared executable for purposes of satisfying the debt.

3. **DELEGATED AUTHORITY**

Council to approve.

4. **EXECUTIVE SUMMARY**

NE industries (Pty) Ltd is the single, largest debtor on the municipality's debtor book. Outstanding debt amounts to R3 495 258.64 at time of writing this item. The company was de-registered by CIPC in 2010, and all normal debt collecting measures have therefore been ineffective.

The only recourse open to the municipality is to make application to a court for the company to be reinstated to enable the municipality to obtain a court order that the immovable property can become executable for purposes of satisfying the debt.

The reinstatement of the company will then enable the municipality to institute legal action against the debtor to obtain an order of attachment of the property on which rates and taxes are owed. The result will be that the immovable property, which is situated in Kayamandi, could be sold in execution. Should a suitable buyer not be found, the municipality can take ownership of the land by purchasing it for a nominal amount at the sale in execution.

Council will be requested to write off the irrecoverable, outstanding debt to close the outstanding debt matter.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2018-06-13: ITEM 5.4.1

That Council approves the institution of a court application to:

- (i) Reinstatement NE Industries (Pty) Ltd in terms of Section 83(4) of the Companies Act;
- (ii) Declare the immovable property more fully described as Erf 66, Kayamandi, Stellenbosch, to be no longer *bona vacantia*;
- (iii) Request judgment to the amount of the outstanding debt of at least R3 495 258.64; and

- (iv) Declare the immovable property described as Erf 66, Kayamandi, Stellenbosch especially executable.

FOR FURTHER DETAILS CONTACT:

<i>NAME</i>	<i>M Wüst</i>
<i>POSITION</i>	<i>Chief Financial Officer</i>
<i>DIRECTORATE</i>	<i>Finance</i>
<i>CONTACT NUMBERS</i>	<i>021 808 8528</i>
<i>E-MAIL ADDRESS</i>	<i>Marius.wust@stellenbosch.org.za</i>
<i>REPORT DATE</i>	<i>07 June 2018</i>

5.4.2	MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR MAY 2018
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Collaborator No: 594059
File No: 8/1
BUDGET KPA Ref No: Good Governance and Compliance
Meeting Date: 13 June 2018

1. SUBJECT: MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR MAY 2018

2. PURPOSE

To comply with Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 4.36.2 of the Supply Chain Management Policy 2017/2018 to report the deviations and ratifications to Council.

3. DELEGATED AUTHORITY

Municipal Council.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2018-06-13: ITEM 5.4.2

That Council notes the deviations and ratifications as listed for May 2018:

DEVIATION NUMBER	CONTRACT DATE	NAME OF CONTRACTOR	CONTRACT DESCRIPTION	REASON	SUBSTANTIATION WHY SCM PROCESS COULD NOT BE FOLLOWED	TOTAL CONTRACT PRICE R
D/SM 42/18	09/05/2018	JR Wendy & JOJO Vertical Water Tanks	Emergency procurement of 24 Wendy houses for the resettlement of Longlands families affected during a recent fire incident	Exceptional case and it is impractical or impossible to follow the official procurement process	A fire incident occurred at Longlands Emergency Housing Site on 05 May 2018 and raised 24 wooden structures to the ground.	R314 200.00
D/SM 43/18	15/05/218	Cornerstone Environmental Consultants	Continuation of appointment: Environmental officer for Kayamandi housing project	Exceptional case and it is impractical or impossible to follow the official procurement process	The Environmental Control Officer was appointed in 2015 when the project started to oversee the environmental compliance matters, for 187 units. The then appointed contractor for various reasons, could not complete the construction of all the units within the targeted time frames. A new contractor has	R63 510.80

DEVIATION NUMBER	CONTRACT DATE	NAME OF CONTRACTOR	CONTRACT DESCRIPTION	REASON	SUBSTANTIATION WHY SCM PROCESS COULD NOT BE FOLLOWED	TOTAL CONTRACT PRICE R
					been appointed to complete the last 20 units and therefore it will be impractical to appoint a different Environmental Control Officer that has no background and history of the project.	
D/SM 44/18	15/05/2018	Siyakhatala Safety	Continuation of appointment: Occupational health and safety officer Kayamandi housing project (20 units)	Exceptional case and it is impractical or impossible to follow the official procurement process	The Occupation Health and Safety Officer was appointed in 2015 when the project started to oversee the health and safety compliance matters, for 187 units. The then appointed contractor for various reasons, could not complete the construction of all the units within the targeted time frames. A new contractor has been appointed to complete the last 20 units and therefore it will be impractical to appoint a different OHS Officer that has no background and history of the project.	R 81 656.03
D/SM 46/18	29/09/2018	Absolute Ablution	Appointment of Absolute Ablution: Repairs of 2x Kayaloo units	Emergency as well as goods and services are procured from single provider	The prefabricated Kayaloos were developed and patented by Absolute Ablutions for specific use in the informal settlements.	R 188 680.00
D/SM 47/18	29/05/2018	Red Ants	Appointment of Red Ant Security to prevent invasion of municipal land	Emergency. Exceptional case and it is impractical or impossible to follow the official procurement process.	Evidence of illegal land invasion has necessitated the municipality to take immediate steps to address the occupying of municipality land in the Kayamandi and Langrug area.	R 433 550.00
D/SM 48/18	24/05/2018	Amabamba Fencing	Betaview Fencing - additional gates	Exceptional case and it is impractical or impossible to	It is impractical to appoint another service provider to install the gates	R 55 825.00

			required B/SM 17/18	follow the official procurement process.	when a service provider has been appointed for the installation of the fence and SCM also sourced additional quotations to ascertain whether it was cost effective and Amabamba was the cheapest.	
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The following ratifications were approved with the reasons as indicated below:

RATIFICATION NUMBER	CONTRACT DATE	NAME OF CONTRACTOR	CONTRACT DESCRIPTION	REASON	SUBSTANTIATION WHY SCM PROCESS COULD NOT BE FOLLOWED	TOTAL CONTRACT PRICE R
R/SM 11/18	08/05/2018	Tunitrim (PTY) LTD	Mechanical faults at the Primary Treatment Area of the Plant.	4.36.1(b) to ratify any minor breaches of the procurement processes	<p>The nature of the breach: is it simply technical in nature, not impacting significant way on the essential fairness, equity, transparency, competitiveness and cost effectiveness of the procurement process?</p> <p>On the 25th of December 2017 the Wemmershoek Waste Water Treatment Plant experienced mechanical faults at the Primary Treatment Area of the Plant, namely the Inlet Works. During a routine inspection the process controller observed that screen 1 was not operational. After further investigation it was found that the screen chain came off track from the bars and unable to function. Although the in-let screens works on a duty and standby setup, at high flow screens are required to operate. Insufficient screening at high flow will lead to water bypassing the screens and impact on final water quality. In order to get both screens operating as soon as possible an external service provider was contacted to resolve this matter. Due to the holiday season other service providers was contacted were reluctant to come and investigate and Tunitrim was the only service provider that responded. The whole screen had to be removed from its housing and stripped in order to do the necessary repairs once fixed it had to remounted back into the screen housing</p>	R17 527.50

5.5	HUMAN SETTLEMENTS: (PC: CLLR PW BISCOBE)
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NONE

5.6	INFRASTRUCTURE: (PC: CLLR J DE VILLIERS)
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5.6.1	UPDATE REPORT ON THE DROUGHT SITUATION AS WELL AS COSTING THEREOF
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Collaborator No:

File No:

BUDGET KPA Ref No:

Good Governance and Compliance

Meeting Date:

13 June 2018

1. SUBJECT: UPDATE REPORT ON THE DROUGHT SITUATION AS WELL AS COSTING THEREOF

2. PURPOSE

To provide Council with an update on the drought situation and the preparation of augmenting and the supply of water as well as the costing thereof.

3. EXECUTIVE SUMMARY

Stellenbosch Municipality found in May 2017 that if the water consumption level continues as in the past and if the same rainfall is experienced in the past year then the water supply to Stellenbosch would have been depleted in May 2018. In order to manage this risk Stellenbosch Municipality created a Drought Management Plan to augment the water supply such that Stellenbosch Municipality will be able to supply its inhabitants with water at Level 6B restrictions regardless of the state of surrounding dams.

Stellenbosch declared a local state of emergency in June 2017 which was overtaken by a State of Disaster declared by National Government on March 2018. Plans were made to ensure the sufficient supply of water as per the Bill of Human Rights of the Constitution.

An amount of R15 000 000 was transferred for the purpose of investigating and drilling of water as well as reducing leaks and controlling water demand. This amount was increased to R45 000 000 during the latter months in 2017 in order to appoint drilling contractors and plan for purification units. This amount was then enlarged to R67 000 000 during the budget adjustment process, in order to purchase the purification plants as well as the electricity supplies and pipe connections needed. The difference between R45 000 000 and R67 000 000 was made up moving funds within the budget and not the increase of the total budget.

All of the water augmentation plans have been successfully sourced and all purification plants have been placed on the various sites. Three of these sites are waiting on Eskom to finalise electricity connections and would be operational within the next month.

Stellenbosch has achieved the target of being able to supply water to its community with an alternate water source independent on the main Western Cape Dams, but at the current Level 6B water restrictions.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2018-06-13: ITEM 5.6.1

- (a) that the report be noted;
- (b) that it be noted that approximately R67 100 000 will be spent on the 2017/18 budget;
- (c) that it be noted that a further approximate amount of R11 000 000 will be spent on the 2018/19 budget to finalise the borehole drilling project; and
- (d) that it be noted that the current Level 6B water restrictions will remain in place until sufficient water is available in dams to last until beyond the next winter.

FOR FURTHER DETAILS CONTACT:

<i>NAME</i>	Adriaan Kurtz
<i>POSITION</i>	<i>Project Manager</i>
<i>DIRECTORATE</i>	<i>Water Services/ Infrastructure</i>
<i>CONTACT NUMBERS</i>	<i>0829033123/021 808 8221</i>
<i>E-MAIL ADDRESS</i>	<i>Project.water@stellenbosch.gov.za</i>
<i>REPORT DATE</i>	<i>08 June 2018</i>

5.7	PARKS, OPEN SPACES AND ENVIRONMENT: (PC: CLLR N JINDELA)
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NONE

5.8	PROTECTION SERVICES: (PC: CLLR Q SMIT)
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NONE

5.9	YOUTH, SPORT AND CULTURE: (PC: XL MDEMKA (MS))
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NONE

6.	REPORTS SUBMITTED BY THE MUNICIPAL MANAGER
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NONE

7.	REPORTS SUBMITTED BY THE EXECUTIVE MAYOR
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NONE

8.	MOTIONS AND QUESTIONS RECEIVED BY THE MUNICIPAL MANAGER
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NONE

9.	URGENT MATTERS
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NONE

10.	MATTERS TO BE CONSIDERED IN-COMMITTEE
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NONE

The meeting adjourned at 10:45.

CHAIRPERSON:

DATE:

Confirmed on **with/without amendments**