



STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

POLICY ON

THE MANAGEMENT OF STELLENBOSCH MUNICIPALITY'S IMMOVABLE PROPERTY

Directorate: Integrated Human Settlements

Department: Property Management

Approved by Council: 28-03-2018

PREAMBLE

Stellenbosch Municipality is the owner of a large number of immovable properties. In the exercise of its powers, duties and functions the Municipality has the right to acquire, hold, enhance, lease and alienate Immovable property. The inequitable spread of ownership of Immovable property throughout the municipal area and the historical causes thereof are recognized, and the Municipality acknowledges that it has a leading role to play in redressing these imbalances by ensuring that the Immovable property assets under its control are dealt with in a manner that ensures the greatest possible benefit to the Municipality and the community that it serves.

WHEREAS Stellenbosch Municipality is the custodian of the Immovable property of the Municipality and is responsible for the proper management and administration thereof;

WHEREAS Stellenbosch Municipality is required and committed to manage its Immovable property in a fair, transparent and equitable manner; and

WHEREAS Stellenbosch Municipality realise that Immovable property held by it, should be dealt with in a manner which will ensure the greatest benefit to the Municipality and the public in a sustainable manner;

AND IN ORDER TO-

- make available economic opportunities in the municipality;
- promote an efficient administration and good governance; and
- create a culture of accountability, openness and transparency in its administration or in the exercise of its powers or the performance of its functions, by giving effect to the right to just administrative action,

NOW THEREFORE this policy provides, as follows:

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CHAPTER 1: INTERPRETATION, SCOPE, PURPOSE AND OBJECTIVES OF POLICY

1. DEFINITIONS

1.1 In this policy, unless inconsistent with the context, the following expressions bear the meanings assigned to them below:

“adequate notice” means a notice period of not less than 30 days within which representations, comments or objections may be made.

“advertise” means the giving of adequate notice of the nature and purpose including the material substance of the proposed administrative actions, by publishing a notice in one or more of the local newspapers, and where deemed necessary by the Municipal Manager, any additional form of notice, which may include-

- (a) serving of a notice; or
- (b) displaying on a notice board; or
- (c) holding a public meeting.

“agricultural allotments” means portions of agricultural land, demarcated and set aside for *“bona fide”* emerging farmers.

“alienate” means to dispose with ownership of Immovable property in favour of another person with the intention of transferring the ownership of the Immovable property to the acquirer thereof.

“BBEE Act” means the Broad-Based Black Economic Empowerment Act, 53 of 2003.

“BEE” means the economic empowerment envisaged by the BEE Act of all black people including women, workers, youth, people with disabilities and people living in rural areas through diverse but integrated socio-economic strategies that include, but are not limited to-

- (a) increasing the number of black people that manage, own and control enterprises and productive assets;
- (b) facilitating ownership and management of enterprises and productive assets by communities, workers cooperatives and other collective enterprises;
- (c) human resources and skill development;
- (d) achieving equitable representation in all occupational categories and levels in the workforce;
- (e) preferential procurement; and
- (f) investments in enterprises that are owned or managed by black people.

“basic municipal service” means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

“bid” means a written offer submitted in a prescribed or stipulated form, in response to an invitation by the Municipality for a procurement or disposal, as part of the competitive bidding process of the Municipality;

“Black people” means Africans, Coloured and Indians, as referred to in the B-BBEE Act, No. 53 of 2005.

“Buffer 1” means endangered areas of biodiversity overlapping with extensive agriculture.

“calendar month” means a period extending from a specific day in one calendar month to the preceding day in the following month;

“chief financial officer” means a person designated in terms of Section 80(2)(a) of the MFMA.

“close” in relation to a public street or public place, means to close for all public purposes or for vehicular or pedestrian traffic only.

“Core 1” means proclaimed national parks, provincial and municipal nature reserves, mountain catchment areas, unprotected but critically endangered areas of biodiversity;

“Core 2” means river and ecological corridors outside areas earmarked for urban development

“corrupt practice” means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the selection process or in contract execution;

“commercial service” means a commercial service as defined in section 1 of the MATR;

“competitive bidding process” means a process whereby prospective bidders are invited through public media to submit bids and such bids are administered in a fair, transparent, competitive and cost effective manner;

“constitution” means the Constitution of the Republic of South Africa, 1996

“Council” means the Municipal Council of the Municipality of Stellenbosch and includes any Political Structure, Political Office Bearer, Councillor or Official, acting under delegated authority.

“disposal”, means the sale, exchange or donation, of Immovable property, the conclusion of any form of land availability agreement in respect of immovable property with any person and the registration of any real or personal right in respect of Municipal land, including servitudes;

“EIA” means an Environmental Impact Assessment in terms of the NEMA Regulations promulgated from time to time.

“emergency” means an emergency dispensation in which one or more of the following conditions are present –

the possibility of human injury or death;

the prevalence of human suffering or deprivation of rights;

the possibility of damage to property, or suffering and death of livestock and animals;

the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the Municipality as a whole;

the possibility of serious damage occurring to the natural environment;

the possibility that failure to take necessary action may result in the municipality not being able to render an essential service; and

the possibility that the security of the state could be compromised.

“exchange” means the simultaneous acquisition and disposal of Immovable property or any right in respect of Immovable property in terms of an agreement between the Municipality and any other party or parties where the compensation payable by the parties to each other, are offset and only the difference, if any, is payable to the appropriate party.

“fair market value” means the value at which a knowledgeable willing buyer would buy and a knowledgeable willing seller would sell the capital asset in an arm’s length transaction.

“fraudulent practice” means a misrepresentation of fact in order to influence a selection process and includes:

collusive practices among bidders (prior to or after submission of proposals) designed to establish prices at artificial, non-competitive levels and to deprive the municipality of the benefits of free and open competition.

“high value” means that the fair market value of the Immovable property exceeds R50 million or 1% of the total value of the capital assets of the Municipality as determined from the latest available audited annual financial statements of the Municipality, or such lower amount as may from time to time be determined by resolution of the Municipal Council;

“housing stock” means housing units that are leased to members of the public and or members of staff as well as subsidised housing units that are earmarked for disposal to qualifying beneficiaries.

“IDP” means the approved Integrated Development Plan of Stellenbosch Municipality, as provided for in Chapter 5 of the Systems Act, as amended from time to time.

“Immovable property” includes, but is not limited to –

- (a) any land registered under separate title and includes the ownership therein, whether in full or reduced form, and any improvements in, on, over or under such land or unregistered land where the ownership can be determined/property or buildings or any share therein registered in the name of a person or entity, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person or entity;
- (b) a right to an exclusive use area held in terms of a notarial deed of cession;
- (c) a real right registered against Immovable property in the name of a person or entity, excluding a mortgage bond registered against the Immovable property;
- (d) any share in a share block company as defined in section 1 of the Share Blocks Control Act, 59 of 1980;

- (e) a "public place" or "public street" as defined in this policy ;
- (f) Immovable property as defined in section 107 of the Deeds Registries Act, 47 of 1937; and including property consisting of land, buildings, crops, or other resources still attached to or within the land or improvements or fixtures permanently attached to the land or a structure on it.

"Income tax act" means Act 58/1962

"land" means-

- (a) any land registered under separate title and includes the ownership therein, whether in full or reduced form, and any improvements in, on, over or under such land; or
- (b) unregistered land where the ownership can be determined.

"Land Availability Agreement" means an agreement that has been concluded between the municipality and a developer, in terms whereof the developer is allowed to develop the municipal land on behalf of the municipality, whilst the ownership of the land remains with the municipality.

"lease" means the letting of Municipal land/Immovable property/buildings in terms of which the use and enjoyment of the land/property/building is granted for a specified period exceeding 1 month without ceding legal ownership in the asset or any form of land availability agreement in respect of Immovable property and letting has a corresponding meaning.

"lease agreement" means a written agreement entered into between the Municipality and the lessee specifying rights and duties pertaining to the exclusive use of Immovable property for a continuous period of time longer than thirty (30) calendar days, and which sets forth the terms and conditions of the use, management and control of the Immovable property.

"MATR" means the Municipal Asset Transfer Regulations promulgated in terms of the MFMA and published in *Government Gazette* No. 31346 of 22 August 2008;

"MFMA" means the Local Government: Municipal Finance Management Act, 56 of 2003, including any Regulations promulgated in terms thereof from time to time;

"municipality" means the Stellenbosch Municipality established in terms of Section 4 of the Establishment Notice (PN 489 of 22 September 2000), as amended;

"municipal area" means the area under the jurisdiction and control of Stellenbosch Municipality.

"municipal function" means any of those functions set out in Schedule 4 B and 5 B of the Constitution.

"municipal land audit (MLA)" means the audit of municipal owned properties which was conducted during 2003 and as updated from time to time

"municipal manager" means a person appointed in terms of Section 82 of the Municipal Structures Act, No 117 of 1998 as the head of the Municipality's administration and accounting officer of the Municipality or his/her delegate.

"municipality's property" or "property" means all the Immovable property owned and

managed by the Municipality in terms of this Policy;

“Municipal Systems Act” means the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000).

“NEMA” means the National Environmental Management Act no 107 of 1998

“non-viable Immovable property” means Immovable property that, owing to urban planning, physical constraints or extent cannot be developed on its own or function as a separate entity and that can therefore become functional only if used by an adjoining owner in conjunction with such owner’s Immovable property;

“official” means an employee of the Municipality or a person seconded to the Municipality or contracted by the Municipality to work as a member of staff..

“owner” in relation to Immovable property, means the person in whose name that Immovable property is registered in a deeds registry, which may include the holder of a registered servitude right or lease and any successor in title of such a person, and includes any person authorized to act as such by the registered owner, any person who in law has been entrusted with the control of such assets or a person to whom Immovable property has been made available in terms of a land availability agreement.

“plight of the poor” means the needs of the people that are vulnerable and unable to meet their socio-economic needs independently or to support themselves and their dependents and are in need of social assistance.

“public interest” means disposal or letting to:-

- a) promote the achievement of equality by taking measures to protect or advance persons or categories of persons, disadvantaged by unfair discrimination;
- b) afford black people who are South African citizens a preference in respect of the disposal and letting of Immovable property as envisaged in Section 9(2) of the Constitution;
- c) promote BBBEE through disposal and letting;
- d) ensure and promote first time home ownership and enterprise development of black people that qualify in terms of the Municipality’s GAP housing policy have access to adequate housing on a progressive basis;
- e) advance agricultural projects for land reform purposes;
- f) promote welfare and charitable purposes including non-profit rehabilitation facilities; shelters for the indigent and destitute, youth development and drug counseling; or
- g) foster equitable access to public amenities, social and/or sports clubs and similar organizations by providing discounted prices or rates in the event that the beneficiaries or the membership component of such institution or body consist of at least 50% black people and/or the membership or subscription fee of black people is less than 50% of the normal membership or subscription fee.

“property laws” means the relevant provisions of the MFMA and the MATR collectively;

“property right” means a right to use, control or manage an Immovable

property for a period exceeding a calendar month, as granted by the Municipality without ceding legal ownership in the Property. For the sake of clarity, a servitude, way leave or encroachment in, on, over or under Immovable property granted by the Municipality, or a lease agreement entered into by the Municipality as lessor, constitutes a Property Right and it expressly excludes any reference to land use rights in terms of the Municipality's Integrated Zoning Scheme/Bylaw;

"private treaty" means where the proposed disposal involves a disposal without public competition as defined in the MFMA to a non-government entity.

"property transaction" means either a Disposal of Immovable property or the granting of a Property Right in Immovable property;

"public place" means any Immovable property indicated on an approved plan, diagram or map as an open space of which ownership as such vests in the Municipality.

"public street" means-

- (a) any street which has at any time been-
 - (i) used without interruption by the public for a period of at least thirty years;
 - (ii) declared or rendered such by a Municipality or other competent authority; or
 - (iii) constructed by the Municipality; and
 - (iv) constructed by someone other than the Municipality and which vests in the Municipality.
- (b) any Immovable property, with or without buildings or structures thereon, which is shown as a street on-
 - (i) any plan of subdivision or diagram approved by the Municipality or other competent authority and acted upon, or
 - (ii) any plan or diagram as defined in Section 15 of the Land Survey Act, 1997 (Act 8 of 1997), registered or filed in the office of the Registrar of Deeds or the Surveyor-General's office.

unless such Immovable property is on such plan or diagram described as a private street.

"real rights" means the rights to traverse privately owned property with servitudes which are notarially registered in the Deeds Office or contained in Title Deed Conditions

"SCM policy" means the Supply Chain Management Policy of the Municipality, as approved and amended from time to time and implemented in terms of section 111 of the MFMA, read with the SCM Regulations;

"SCM regulations" means the Municipal Supply Chain Management Regulations promulgated in terms of the MFMA and published under GN 868 in *Government Gazette* No. 27636 of 30 May 2005;

"significant Property Right" means a Property Right with a value in excess of R10 million which is granted for a period exceeding 3 years;

“spatial development framework” means a spatial development framework referred to in Chapter 4 of Act No. 16 of 2013 Spatial Planning and Land Use Management Act, 2013 and the framework contemplated in Section 26(1)(e) of the Municipal Systems Act.

“Systems act” means the Local Government: Municipal Systems Act, 32 of 2000, including any Regulations promulgated in terms thereof from time to time;

“unsolicited bid” is a bid/proposal received from a developer to acquire Immovable property, or rights in immovable property, that is owned by the Municipality, outside the normal bidding process, i.e. without the Municipality having asked for such proposal/bid.

“viable Immovable property” means Immovable property that can be developed and function as a separate entity capable of registration by the Registrar of Deeds.

- 1.2 Words and phrases not defined in this Policy have the meaning assigned to them in the MATR.

2. SCOPE AND PURPOSE

- 2.1 The purpose of this Policy is to provide a framework for the management and disposal of the municipality’s Immovable property that are not needed to provide the minimum level of basic municipal services and that are surplus to the municipality’s requirements.
- 2.2 The Municipality’s Immovable property shall be disposed of in the manner as provided for in this policy. The Property Management Department is responsible for the administration of this Policy, and shall in this regard, in consultation with the Supply Chain Management Unit of the municipality, be responsible for the administration of the competitive bidding process relating to the disposal and leasing of the Municipality’s Immovable property.
- 2.3 In compliance with the provisions of section 14(1) of the MFMA, the Municipality shall not transfer ownership as a result of a sale or other transaction, or otherwise permanently dispose of an Immovable property that is needed to provide the minimum level of basic municipal services. The local government matters listed in Schedule 4B and 5B of the Constitution must be used as a basis to determine whether a service is regarded as a municipal service.

CHAPTER 2: POLICY FRAMEWORK, APPLICATION AND GUIDING PRINCIPLES

3. LEGISLATIVE AND POLICY FRAMEWORK FOR THE MANAGEMENT OF THE MUNICIPALITY'S IMMOVABLE PROPERTY

- 3.1 The legislative framework for the management of the Municipality's Immovable property is contained in a number of legislation, including but not limited to:
- 3.1.1 the MFMA, in particular section 14, which deals with disposal of capital assets (i.e. Immovable property as defined herein);
- 3.1.2 the MATR, which governs –
- a) the transfer and disposal of capital assets by municipalities and municipal entities; and
 - b) the granting by municipalities and municipal entities of rights to lease, use, control or manage capital assets;
- 3.2 The object of this Policy is to provide a practical framework for the management of the Municipality's Immovable property.
- 3.3 This Policy must be read together with and in accordance with the Property Laws and all other laws which deal with Immovable property.

4. APPLICATION OF THE POLICY

- 4.1 Section 14 of the MFMA and the MATR apply to capital assets, which are defined in the MATR to include Immovable property, as well as certain movable assets. This Policy only applies to Immovable property.
- 4.2 This Policy does not apply to:
- 4.2.1 The municipality's housing stock or land for subsidised housing on municipal Immovable property and the transfer of that municipal Immovable property to beneficiaries of such subsidised housing.
- 4.2.2 Property owned by the Municipality which is subject to a Public Private Partnership.
- 4.3 In terms of section 40 of the Municipal Supply Chain Management Regulations, a Municipal Supply Chain Management policy must provide for an effective system of disposal management for the disposal and letting of assets. For that purpose of immovable assets of the municipality, this policy must be seen as the disposal management system of the municipality.

5. GUIDING PRINCIPLES

- 5.1. The following principles and values should underpin Immovable property disposal activities:
- (a) The use of the Municipality's Immovable property to promote social integration, to redress existing spatial inequalities, to promote economic growth, to build strong, integrated and dignified communities and to provide access to housing, services, amenities, transport and opportunities for employment.
 - (b) The promotion of access by black people to the social and economic benefit of Immovable property ownership, management, development and use.
 - (c) The management of the Municipality's Immovable property as a sustainable resource, where possible, by leveraging environmental, social and economic returns on such Immovable property while the Municipality retains ownership thereof.

CHAPTER 3: DISPOSAL OF IMMOVABLE PROPERTY AND AWARDING OF RIGHTS IN IMMOVABLE PROPERTY

6. AUTHORITY TO DISPOSE OF IMMOVABLE PROPERTY

- 6.1 The Municipality may in terms of Section 14 of the MFMA, read with the MATR, dispose of Immovable property or Property rights in Immovable property by way of sale, letting or registration of a servitude once it is satisfied that such Immovable property or Property rights is not required to provide the minimum level of basic municipal services and once it has considered the fair market value thereof as well as the economic and community value to be received in exchange for such Immovable property or Property right.
- 6.2 The Municipality shall not transfer ownership of, or lease out for a period exceeding ten (10) years, any Immovable property, or portion thereof which is classified as a Core 1, Core 2 or Buffer 1 area in terms of the Municipality's Spatial Development Framework- , unless it is satisfied that such transfer or lease will at least maintain or enhance the conservation status and environmental sustainability of such eco system or Area on that property.

7. DISPOSAL MANAGEMENT PRINCIPLES

7.1 Core Principles

In terms of section 14(5) of the MFMA, a Disposal of Immovable property by the Municipality must be fair, equitable, transparent, competitive and consistent with the Municipality's SCM Policy.

7.2 General Principles pertaining to the disposal of Immovable property and Property rights in Immovable property

- 7.2.1 Unless otherwise provided for in this policy, the disposal of Viable Immovable property shall be effected-
- (a) by means of a process of public competition; and
 - (b) at market value except when the public interest or the plight of the poor demands otherwise.
- 7.2.2 All transactions for the disposal of Immovable property must be considered in accordance with this policy and other applicable legislation.
- 7.2.3 Before alienating Immovable property or rights in Immovable property the Municipality shall be satisfied that alienation is the appropriate methodology and that reasonable economic, environmental and social return cannot be derived whilst ownership of the Immovable property or Property rights is retained by the Municipality.
- 7.2.4 The Municipality reserves the right to entertain unsolicited proposals for the development of viable Immovable property for development purposes, with the proviso that it is in line with the Municipality's strategic objectives and more specifically that it favours the promotion of black ownership, entrepreneurship and community upliftment.
- 7.2.5 The Municipality may grant occupation of its Immovable property prior to the transfer thereof on condition that:

- 7.2.5.1 the land use rights have been determined and established;
- 7.2.5.2 all required authorization and approvals in terms all relevant legislation have been granted;
- 7.2.5.3 all conditions of the said approvals and authorisations have been met;
- 7.2.5.4 a suitable sale has been entered into;
- 7.2.5.5 the purchase price is paid in full or alternatively that an acceptable financial guarantee is provided to secure the purchase price;
- 7.2.5.6 occupational rent is payable at a rate specified by the Municipality; and
- 7.2.5.7 the Municipality is indemnified against any and all claims that may arise out of the occupation of the Immovable property by the purchaser. .
- 7.2.6 Viable Immovable property purchased from the Municipality by a first time homeowner shall not, without the Municipality's prior written consent, and right of first refusal be resold within a period of 5 years of the date of transfer.

7.3 General principles and guidelines pertaining to the letting by the Municipality of Immovable property

- 7.3.1 The Municipality's Immovable property should be managed under the principles of sustainable development. Where possible, such management should synergize environmental, social and economic benefits on such Immovable property while the Municipality retains ownership thereof.
- 7.3.2 Immovable Properties that have been let shall be inspected at reasonable time periods to ensure compliance with the terms and conditions of the agreement of lease.
- 7.3.3 No application for a lease agreement shall be processed by the Property Management Department unless;
 - 7.3.3.1 the land use rights have been determined and established by the Municipality through a process prescribed in the relevant By-law;
 - 7.3.3.2 all required authorisations and approvals in terms all relevant legislation have been granted;
 - 7.3.3.3 all conditions of the said approvals and authorisations have been met or the implementation thereof is made part of the specifications for the bid/ competitive process for the disposal.
- 7.3.4 No application for a lease agreement shall be processed by the Property Management Department unless the prescribed application fee as per tariff has been paid nor shall any proposed lease be advertised unless the application has confirmed, in writing , that it will adhere to land use conditions and, where applicable, a deposit as per prescribed rate to cover incidental costs has been paid.

8. MOST APPROPRIATE USE ASSESSMENT

- 8.1 Before an Immovable property is declared as surplus, and earmarked for disposal or the awarding of rights, it must first be assessed for its most appropriate use.
- 8.2 The most appropriate use for a surplus property is one which achieves an optimum balance between the following three key elements of sustainable development:

- (a) the protection of ecological processes and natural systems;
- (b) the optimum financial return to and economic development of the municipal area; and
- (c) the enhancement of the cultural, economic, physical and social wellbeing of people and communities.

8.3 The three elements of sustainability will apply to all surplus Immovable Properties, however their significance and the relationships between them will vary for individual Immovable Properties.

8.4 In determining the most appropriate use of surplus properties, regard should be given to:

- (a) Spatial development framework(s);
- (b) Regional plans;
- (c) Sectoral studies/plans;
- (d) Government policies;
- (e) Relevant legislation; and
- (f) The views of interested and affected parties.

8.5 Where appropriate, opportunities should be provided for community involvement in the assessment process.

9. METHODS OF DISPOSAL AND AWARDING OF RIGHTS

Subsequent to determining the most appropriate use of a property and after the Municipality has decided that the Immovable property could be disposed of, or that rights may be awarded, the method of disposal or method of awarding rights should be determined.

The Municipality may use any of the following methods, depending on the circumstances pertaining the specific Immovable property:

9.1 Competitive Processes

9.1.1 Formal Tender

- a) The type of a formal tender may vary, depending on the nature of the transaction:
 - i) Outright tender may be appropriate where the Immovable property ownership is not complex, and the Municipality is seeking obligations to be placed on the successful tenderer which are clear and capable of specification in advance.
 - ii) Qualified tenders/call for proposals will be appropriate where the Immovable property ownership position is complex or the development proposals for the Immovable property are insufficiently identified or otherwise incapable of detailed specification at the pre-tender stage.
 - iii) Call for proposals on a build-operate transfer (B.O.T) basis will be used if a developer is required to undertake the construction, including the financing, of a facility on Municipal-owned land, and the operation and

maintenance thereof. The developer operates the facility over a fixed term during which it is allowed to charge facility users appropriate fees, rentals and charges not exceeding those proposed in its bid or as negotiated and incorporated in the contract, to enable the developer to recover its investment and operating and maintenance expenses in the project. The developer transfers the facility to the municipality at the end of the fixed term.

- b) The nature of the formal tender process is that a legally binding relationship is formed between the parties when the Municipality accepts a tender in writing. It is essential therefore, that every aspect of the disposal is specified in the tender documents. The tender documents could include a contract for sale or lease which could be completed with the tenderer's details, the tender price and be signed by the tenderer. A binding legal agreement is created upon the acceptance in writing of a tender by the Municipality.
- c) Such a process may, depending on the nature of the transaction, include a two-stage or two-envelope bidding process (proposal call) in terms of which only those bidders that meet the pre-qualification criteria specified in the first stage are entitled to participate in the second stage.

9.1.2 Public Auction

- a) Disposal by public auction may be appropriate where there is no obvious potential purchaser and where speed and the best price can be obtained by auction.
- b) The decision to dispose of Immovable property by way of public auction must be recorded in writing and must include-
 - (i) the reasons justifying a disposal by public auction;
 - (ii) the reserve price, if any, for the auction;
 - (iii) the authority for a staff member to attend the auction and to act on behalf of the Municipality.
- c) The contract for sale or lease must be ready for exchange at the auction.
- d) The binding contract will be made on the acceptance of the highest bid providing it has reached the reserve price. Contracts for the sale or lease will immediately be signed and exchanged.
- e) The terms and conditions of each auction shall be determined on a project-by-project basis, appropriate to the specific characteristics and attributes of the Immovable property, and to the Municipality's strategic objectives.
- f) Where the services of an auctioneer are utilised, the auctioneer's commission shall be payable by the successful bidder and shall not form part of the financial offer to the Municipality.

9.1.3 Closed Tender

- a) If a Non-Viable Immovable property has more than one adjacent owner and if such an Immovable property is capable of being consolidated with more than one of the properties owned by such adjacent owners, then a closed bid will

be called from all the registered owners of all the adjacent properties with which the Immovable property can be consolidated.

9.1.4 Unsolicited proposals

a) It is important that the municipality is in a position to entertain unsolicited proposals in exceptional circumstances. Such proposals may *inter alia* include property development proposals, land sales and leases. In this regard the following principles will apply:

- i) Proposals received will be analysed and evaluated by the municipality in compliance with the relevant legislation;
- ii) Realistic propositions will be advertised in the media to elicit competitive proposals or objections from the public;
- iii) Should the advertisement elicit a response from the market, then a competitive proposal call will be initiated by means of an invitation to bid;
- iv) The final lease or sale transaction will be submitted to the Municipal council for approval;
- v) The prudent control will be by way of the market valuation certificate.

9.2 Non-Competitive Processes: Private Treaty Agreements

9.2.1 Non-Viable Immovable property

In respect of Non-Viable Immovable property which can only be utilised by one adjacent land owner, a Property Transaction(s) may be approved without any competitive process having been followed, including in response to an unsolicited application, on the basis that no purpose would be served by a competitive process but subject to the determination of the fair market value and public notice of the intent to dispose of the property.

9.2.2 Viable Property: Deviation from a Competitive process

9.2.2.1 The Municipal Council may dispense with the competitive processes established in this policy, and may enter into a Private Treaty Agreement through any convenient process, which may include direct negotiations, including in response to an unsolicited application, but only in the following circumstances, and only after having advertised Council's intention so to act. Should any objections be received as a consequence of such a notice, such objections first be considered before a final decision is taken to dispense with the competitive process established in this policy. However, should any objections, be received from potential, competitive bidders, then a public competitive process must be followed. The advertisement referred to above should also be served on adjoining land

owners, where the Municipal Manager is of the opinion that such transaction may have a detrimental effect on such adjoining land owner(s):

- (a) due to specific circumstances peculiar to the property under consideration, it can only be utilized by the one person/organization wishing to enter into the Property Transaction;
- (b) an owner of fixed immovable property who leases Municipal-owned immovable property, may be substituted by a successor-in title as deemed necessary on the same terms and conditions and/or additional terms and conditions;
- (c) sport facilities and other public amenities may be let by Private Treaty to Sport boards, Sport Federations and other similar bodies Community based bodies and non-professional sporting bodies shall be charged the tariff rentals as approved by the Municipality from time to time. Professional sport bodies and bodies operating for profit shall be charged a fair market related rental based on the market value of the property to be leased.
- (d) where unsolicited applications are received for access servitudes, right of ways and way leaves over municipal land, subject to approved tariff structure.
- (e) in exceptional cases where the Municipal Council is of the opinion the public competition would not serve a useful purpose or that it is in the interest of the community and the Municipality, and where none of the conditions as set out in the policy provides for such exception, is permitted, and where they are not in conflict with any provision of the policy. In such cases reasons for preferring such out-of hand sale or lease to those by public competition; must be recorded
- (f) where any immovable property is offered for sale or lease by public competition, any remaining immovable property may be sold or leased out of hand by the Municipality at the upset price or higher, as long as it is satisfied that market prices are stable.

The upset price must be determined in such a way that it corresponds with a fair market value and must include the recoverable development costs such as municipal services, advertising and survey costs.

The position must be reviewed by the Municipality at least every six months. Not more than one erf may be sold out of hand to a purchaser where the demand for erven exceeds the number of erven available for sale;

- (g) where unsolicited applications/proposals are received from telecommunication companies to construct or put up communication infrastructure on Municipal owned Property, such as masts, dishes, ect, subject to approved tariff structure;
- (h) where encroachment applications are received from adjoining owners, including applications for outdoor dining permits, subject to approved tariff structure;
- (i) where the applicant is an organization receiving funding support from a government department-

which makes a substantial contribution towards the outputs of such a government department; or

whose contribution to such government departments outputs would depend upon or be substantially enhanced by gaining priority to a particular property;

- (j) where the applicant is an organization receiving funding support from the municipality for the rendering of a municipal function(s) within the municipal area, on behalf of the municipality;
- (k) where the land is part of a larger area of land that is proposed for development, redevelopment or regeneration. Also, the nature and complexity of the proposed development of the overall site is such that the Municipality's corporate objectives and best consideration can only be achieved by a sale to a purchaser with an existing interest in land in the area;
- (l) lease contracts with existing tenants of immovable properties, not exceeding ten(10) years, may be renegotiated where the Executive Mayor is of the opinion that public competition would not serve a useful purpose or that renewal is aligned with the Municipality's strategic objectives and in the interest of the Community, subject to such renewal being advertised calling for public comment. The existing tenant shall give notice of the intention to renegotiate the lease at least six months before the date of termination;
- (m) where agricultural allotments becomes available, it can be allocated to qualifying emerging farmers on the waiting list for a lease period not exceeding 9 years and eleven months, subject to the approved tariff structure.
- (n) In an emergency limited to the awarding of temporary rights for a period not exceeding 6 calendar months. Should circumstances necessitate the extension of the 6 months period, the Municipal Manager shall compile a report and submit it, to Council, recommending such extension of time.

9.2.2.2 The reasons for any such deviation from the competitive disposal process must be recorded.

9.2.3 Exchange of Land

9.2.3.1 Disposal by exchange of land will be appropriate when it is advantageous to the Municipality and other parties to exchange land in their ownerships and will achieve best consideration for the municipality.

9.2.3.2 The Municipal Council must authorise the disposal of land by exchange with another land owner for alternative land. Reasons for justifying this manner of disposal must be recorded in writing.

9.2.3.3 The exchange will usually be equal in value. However, an inequality in land value may be compensated for by other means where appropriate. In such circumstances the Municipality must seek an independent valuation to verify that "*best consideration*" will be obtained.

9.3. DISPOSAL AND LETTING OF IMMOVABLE PROPERTY FOR SOCIAL CARE USES

9.3.1 Social care is defined as services provided by registered welfare, charitable, non-profit cultural and religious organisations and includes, but is not limited to, the following types of uses :-

- (a) Place of Worship to the degree and for that portion of a facility being used for spiritual gathering by, and social/pastoral/manse/welfare caring and support to Worshippers and the broader Community;
- (b) Child care facility insofar as it contributes to the functioning of a multi-use childcare facility and is operated on a non-profit basis;
- (c) Schools or centres – utilised as homes for the handicapped and disabled persons.
Non-profit rehabilitation centres;
Homes/centres for indigent, battered or destitute persons;
Organisations for the homeless and elderly;
Youth activity centres;
Facilities for the accommodation, care and burial of animals; and
Cemeteries, NPO funeral parlours and non-profit crematoria.

9.3.2 The Municipality reserves the right to entertain unsolicited bids for the purchase or lease of viable immovable property for social care uses with the proviso that it abides by the Municipality's IDP objectives.

CHAPTER 4: PREFERENCE POINT SYSTEM

10. OBJECTIVES

- 10.1 Although municipalities are not obliged to implement a preference point system when disposing of Immovable property or when awarding Property rights in Immovable Property, Stellenbosch Municipality is of the view that the achievement of equality is one of the fundamental goals to be attained. The objectives of the preferred points system are to:
- (a) promote broad-based black economic empowerment;
 - (b) promote the redress of current, skewed land ownership patterns;
 - (c) enhance the economy of the municipal area;
 - (d) give preference to marginalised groups in the society, including women and people with disability;
 - (e) give preference to people residing in the municipal area;
 - (f) ensure that the most appropriate developments take place; and
 - (g) further an integrated approach to development.

11. PUBLIC AUCTIONS

- 11.1 The Municipal Council may determine, on a project-by-project basis, appropriate to the specific characteristics and attributes of the Immovable property involved, limitations on categories of people who may take part in a public auction with the view of furthering the objectives as set out above, without excluding any category of people to take part in such public auction.

12. OUTRIGHT TENDER / CLOSED TENDER

- 12.1 For Immovable property transactions with a contract value up to R10 Million, the awarding of tenders shall be adjudicated on a maximum one hundred (100) points system, set out as follows:
- (a) **Price:** Sixty (60) points maximum. The highest financial offer shall score sixty (60) points, with lower offers scoring proportionally in relation to the highest.
 - (b) **Status:** Forty (40) points maximum for black people and legal entities owned by black people. Points for legal entities will be proportionally allocated according to the percentage ownership by black people.,
- 12.2 For Immovable property transactions with a contract value above R10 Million up to R50 Million, the awarding of tenders shall be adjudicated on a maximum one hundred (100) points system, set out as follows:
- (a) **Price:** Eighty (80) points maximum. The highest financial offer shall score eighty (80) points, with lower offers scoring proportionally in relation to the highest.

(b) **Status:** Twenty (20) points maximum for local black people and local legal entities owned by black people. Points for legal entities will be proportionally allocated according to the percentage ownership by black people.

12.3 For Immovable property transactions with a contract value above R50 Million, the awarding of tenders shall be adjudicated on a maximum one hundred (100) points system, set out as follows:

(a) **Price:** Ninety (90) points maximum. The highest financial offer shall score ninety (90) points, with lower offers scoring proportionally in relation to the highest.

(b) **Status:** Ten (10) points maximum for black people and legal entities owned by black people. Points for legal entities will be proportionally allocated according to the percentage ownership by black people.

13. QUALIFIED TENDERS/PROPOSAL CALLS

13.1 Unless otherwise determined by the Municipal Council for a specific transaction, the awarding of qualified tenders or proposal calls shall be adjudicated on a maximum one hundred (100) points system, set out as follows:

(a) **Price:** Sixty (60) points maximum. The highest financial offer shall score sixty (60) points with lower offers scoring proportionally in relation to the highest offer.

(b) **Status:** Twenty (20) points for black people and legal entities owned by black people. Points for legal entities will be proportionately allocated according to the percentage ownership by black people.

(c) **Development Concept:** Twenty (20) points maximum, which shall be measured and adjudicated as per criteria to be agreed upon for the specific project.

14. MODIFICATIONS

14.1 The Municipal Council may, on an *ad hoc* basis adjust the scoring system set out in this section for a specific immovable property or group of immovable properties to enable it to achieve specific targets or a specific outcome.

15. NOTIFICATION OF PERFORMANCE POINT SYSTEM

15.1 The Tender/Call for proposal document(s) must stipulate the preference point system which will be applied in the adjudication of the specific tender.

16. EQUITY OWNERSHIP

16.1 Equity Ownership is tied to the percentage of an enterprise or business owned by individuals or, in respect of a company, the percentage of a company's shares that are owned by individuals, who are actively involved in the management of the enterprise or business and exercise control over the enterprise, commensurate with their degree of ownership at the closing date of the tender.

16.2 Preference points may not be claimed in respect of individuals who are not actively

involved in the management of an enterprise or business and who do not exercise control over an enterprise or business commensurate with the degree of ownership.

- 16.3 Equity claims for a Trust may only be allowed in respect of those persons who are both trustees and beneficiaries and who are actively involved in the management of the Trust.

17. TENDERS MUST BE AWARDED TO THE BIDDER SCORING THE HIGHEST POINTS

- 17.1 Tenders must be awarded to the bidder that scores the highest points in terms of the preference points system unless there are objective and reasonable criteria that justify the award of the tender to another tenderer.

18. QUALIFYING CRITERIA/TWO STAGE BIDDING

- 18.1 Criteria other than price, status and development concept, such as technical capability and environmentally sound practices, cannot be afforded points for evaluation. They can be specified in a call for tenders but they will serve as qualification criteria or entry level requirements, i.e a means to determine whether or not a specific tenderer is a complying tenderer in the sense of having submitted an acceptable tender. Only once a tender is regarded as a complying tenderer would it then stand in line for the allocation of points based on price, status and development concept.

CHAPTER 5 CONTRACTUAL OBLIGATIONS

19. TERMS AND CONDITIONS OF SALE

- 19.1 Regulations 17 and 30 of the MATR sets out the minimum terms and conditions that needs to form part of Sales Agreements. The terms and conditions listed below is supplementary to the above.
- 19.2 All costs pertaining to a transaction, inclusive of any costs relating to transfer, registration survey-, re-zoning-, sub-division-, consolidation-, advertisement- and relocation or provision of services cost shall be borne by an applicant, provided that the Municipality may waive its right to claim those costs if the reason for the sale is to rid the Municipality of a burden to maintain the Immovable property or exercise control thereover.
- 19.3 Where applicable, existing services shall be secured by means of the registration of a servitude in favour of the Municipality.
- 19.4 When Immovable property is sold, development must commence where, applicable, within 1 (one) year or such longer period as may be agreed to from the date of transfer or possession or in accordance with the provisions of the deed of sale or the development programme submitted by the purchaser and be completed in accordance with the provisions of the deed of sale or the development programme. The Municipality furthermore reserves the right to impose such conditions as deemed necessary, including a reversionary or penalty clause in the event that the development has not progressed as per the agreement, without limiting its rights to liquidated damage and reversionary clauses.
- 19.5 A reversionary clause must be inserted in the deed of sale if the Immovable property is sold below market value or where the conditions of sale are not met.
- 19.6 Unless approved in writing by the Municipality, the Immovable property may only be used for the purpose as approved by the Municipality and purpose regularized by the relevant by-laws and any applicable legislation.
- 19.7 Where a disposal agreement is subject to the implementation of land use and/or development conditions the agreement will incorporate suspensive conditions which could nullify the contract failing compliance with such land use or development conditions.

20. TERMS AND CONDITIONS OF LEASE

- 20.1 Regulation 45 of the MATR sets out the minimum terms and conditions that needs to form part of Lease Agreements. The terms and conditions listed below is supplementary to the above.
- 20.2 All cost pertaining to a transaction such as legal-, survey-, re-zoning-, sub-division-, consolidations-, advertisement-, relocation or provision of services cost shall be borne by the applicant.
- 20.3 The following deposits shall apply to leases where the rental is based on market value-
- (a) a deposit equal to 2 months rental for commercial transactions;

- (b) a deposit equal to 1 month's rental for residential and social services transactions.
- (c) No deposit are payable in respect of encroachment agreements.

- 20.4 An owner of fixed Immovable property who leases an adjoining municipal Immovable Property may be substituted by his successor in title for the duration of the remainder of the lease term on the same terms and conditions or additional terms and conditions as deemed necessary.
- 20.5 Lessees shall be liable for payment of rates and service charges, unless otherwise agreed upon.
- 20.6 The letting of lanes, public open spaces, road reserves shall be subject to the following:
 - (a) closing off/securing to the Municipality's satisfaction;
 - (b) costs for the relocation or installation of services, where required, shall be for the account of the lessee; and
 - (c) securing of servitudes.
- 20.7 Lessees shall indemnify the Municipality against any possible claims arising from the lease or use of the Immovable property.
- 20.8 No lessee of Immovable property shall without the prior consent in writing of the Municipality, sublet such Immovable property or any portion thereof or assign any right acquired by him in respect hereof and any such subletting or assignment without such consent shall be null and void.
- 20.9 Save with prior approval the Immovable property may only be used for the purpose for which it was let and purposes regularized by town planning schemes.
- 20.10 Officials from the Municipality shall at all reasonable times be entitled to enter/inspect the Immovable property, having regards for the right to privacy as contemplated in Chapter 2 of the Constitution.
- 20.11 All agreements shall contain a clause which requires the lessee to maintain the leased Immovable property.
- 20.12 All agreements shall contain a clause which requires that improvements provided by the lessee and which the Municipality wishes to retain shall revert, free of charge, to the Municipality once the lease period has terminated and/or in the event the agreement, due to breach of conditions by the lessee, has been cancelled. Provision must also be made on how to deal with such improvements should the Municipality terminate the contract prior to the lapse of the lease period, where the lessee has not been in default.
- 20.13 All agreements shall contain a clause which states that the municipality reserves the right, where necessary, to resume Immovable property let, or a portion thereof, and to cancel an existing lease in its entirety where such Immovable property is required for *bona fide* municipal purposes, in pursuance of the municipality's strategic objectives or in the

interests of the community. In such an event the lessee shall be compensated for improvements established by him/her on a basis to be determined by an independent valuator, taking into account the remaining period of the lease agreement.

CHAPTER 6: FAIR MARKET VALUES/RENTALS

21. CRITERIA FOR DETERMINING COMPENSATION AND FAIR MARKET VALUES

- 21.1 Immovable property may be Disposed of only at market-related prices, except when the plight of the poor or the public interest which impact on the economic and community value to be received by the Municipality demand otherwise.
- 21.2 If the Municipality, on account of the public interest, particularly in relation to the plight of the poor, intends to dispose of a Non-Exempted Immovable property for less than market value it must take into account the following factors:
- (a) the interests of the State and the local community;
 - (b) the strategic and economic interests of the municipality, including the long-term effect of the decision on the municipality;
 - (c) the constitutional rights and legal interests of all affected parties;
 - (d) whether the interests of the parties to the transfer should carry more weight than the interest of the local community, and how the individual interest is weighed against the collective interest; and
 - (e) whether the local community would be better served if the capital asset is transferred at less than its fair market value, as opposed to a transfer of the asset at fair market value.
- 21.3 Subject to the Municipality's Section 14 Determinations and an In Principle Approval in respect of a specific Disposal, the Municipality shall Dispose of social care Immovable Properties at a purchase price of between 10% and 60% of fair market value subject to a suitable reversionary clause being registered against the title deed of the Immovable property. In the event of the subject Immovable property ceasing to be used for the purpose originally intended, reversionary rights are triggered and the Municipality reserves the right to demand compensation equal to the difference between the actual purchase price and the fair market value of the Immovable property, or that the Immovable property be transferred into the ownership of the Municipality at no cost to the Municipality.
- 21.4 If the Municipality appoints a private sector party or Organ of State through a competitive bidding process as the service provider of a Commercial Service, the compensation payable to the Municipality in respect of the Disposal of Immovable property as an integral component of the performance of that Commercial Service to that service provider, shall reflect fair market value.
- 21.5 Fair market value of Immovable Properties will be calculated as the average of the valuations sourced from two independent valuers, unless determined otherwise by the Municipal Manager, taking into account the value of the property *vis-à-vis* the cost of obtaining such valuations.

22. CRITERIA FOR DETERMINING OF FAIR MARKET RENTALS

- 22.1 Immovable property may only be let at market-related rates, except when the plight of the poor or the public interest which impact on the economic and community value to be received by the Municipality demand otherwise.
- 22.1.1 In respect of certain categories of Immovable Properties the Municipality shall be entitled to adopt below market-related tariffs in respect of Immovable Properties, leased to non-Profit Organisations, NGOs, Sporting Bodies, *bona fide* small farmers, ect. Such tariffs must form part of the municipality's tariff structure, approved from time to time.
- 22.1.2 The Municipality shall be entitled, in its sole discretion and from time to time, to specify the types of Immovable property Transactions in respect of which applications are permitted to be made to the Municipality and to impose application fees, charges, rates, tariffs, scales of fees or other charges relating to the Immovable property Transaction.
- 22.1.3 In such circumstances, the Municipality shall also be entitled not to process the application for the Immovable property Transaction unless the applicant has:
- a) confirmed in writing that it will pay the charges and bear all such costs in respect of the Immovable property Transactions as the Municipality may require (for example legal costs, survey costs, costs of rezoning, subdivision, and consolidations, advertising costs, cost of relocation or cost of provision of services); and/or
 - b) if required by the Municipality, has paid a deposit as specified by the Municipality to cover such incidental costs.
- 22.1.4 The fair market rentals of individual Immovable Properties will be calculated as the average of the valuations sourced from two service providers, unless determined otherwise by the Municipal Manager, taking into account the estimated rental(s) *vis-à-vis* the cost of obtaining such valuations.

23. MUNICIPAL LAND REGISTER (MLR)

- 23.1 The MLR is a computerized database that contains details of all municipal-owned Immovable property.
- 23.2 The MLR database is electronically linked with the Geographical Information System of the Municipality to provide spatial information to complement the data stored in the MLR database.
- 23.3 As from date of commencement of this policy, all departments must record relevant details about their Master Infrastructure Plans and needs for Immovable property in the MLR.
- 23.4 As a minimum requirement, sites for planned community infrastructure, municipal infrastructure, housing projects, ect must be recorded on the MLR.
- 23.5 All changes in the status of municipal-owned Immovable Properties must be recorded in the MLR.

24. STRATEGIC IMMOVABLE PROPERTY MANAGEMENT PLAN

- 24.1 As soon as possible after the approval of this policy the Municipality must, as part of its strategic planning process, develop and adopt a Strategic Immovable property Management Plan.
- 24.2 Such a Strategic Immovable property Management Plan must consist of at least-
- (a) A strategic analysis of the Municipality's Immovable property portfolio (Land Audit), as well as state-owned Immovable property within the municipal area.
 - (b) Categorisation of such Immovable property-holdings, to include, but not limited to:-
 - (i) Immovable property of strategic importance for, *inter alia*:-
 - (aa) housing purposes;
 - (bb) municipal infrastructure; and
 - (cc) public transport, -parking and related used
 - (dd) environmental conservation; and
 - (ee) heritage purposes
 - (ii) Immovable property that should be retained for future generations;
 - (iii) Surplus Immovable property, capable of being developed.
 - (iv) Immovable property that should be acquired for strategic purpose.
 - (v) Immovable property that should be exchanged for strategic purposes.
 - (c) A management plan for each category of Immovable property.
 - (d) A performance assessment of each category of Immovable property.
 - (e) The maintenance activities required for each category of Immovable property.
- 24.3 The Strategic Immovable property Management Plan must be developed within the context of approved spatial development frameworks, sectoral plans, planning related policies and regional plans.
- 24.4 When developing the SLMP, the public should be given ample opportunity to make inputs.

- 24.5 The Municipal Council must annually revise its Strategic Immovable property Management Plan and must incorporate the revised plan into its IDP.

25. FRAUD AND CORRUPTION

- 25.1 Stellenbosch Municipality's policy is to require that bidders observe the highest standard of ethics during the selection and execution of contracts.
- 25.2 The Municipal Manager must reject a proposal for award if he/she determines that the person recommended for award, has engaged in corrupt or fraudulent activities in competing for the contract in question.
- 25.3 Where evidence in support of corrupt, fraudulent practices or criminal offences are reported and substantiated, the Municipal Manager is to initiate criminal proceedings against such business entity, official or other role player, and inform the Provincial Treasury and the Municipality of such measures.
- 25.4 Employees found guilty after a disciplinary process of conniving with bidders or contravening this Policy may be dismissed.
- 25.5 Bidders and their directors who have been found guilty of abusing this Policy will be barred/suspended from doing business with the Municipality and National Treasury will be informed accordingly.
- 25.6 The Municipality reserves the right to criminally prosecute any person found to have violated or abused this Policy.
- 25.7 The Municipality reserves the right to cancel or not to award bids to bidders found to:
- a) have unfairly influenced the process of award and have been found guilty of improper conduct;
 - b) have been convicted of fraud or corruption during the past 5 years;
 - c) have willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 - d) have been listed in the Registrar for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act No 12 of 2004.
- 25.8 All employees and/or officials are expected to assist the Municipality in fighting corruption and to this extent are encouraged to report all suspicious acts.

26. INDUCEMENTS, REWARDS, GIFTS AND FAVOURS TO OFFICIALS AND OTHER ROLE PLAYERS

- 26.1 No person who is a tenderer or prospective tenderer for municipal Immovable property may either directly or through a representative or intermediary promise, offer or grant -
- (a) any inducement or reward to the municipality for or in connection with the award of a contract; or
 - (b) any reward, gift, favour or hospitality to any official of the Municipality or other role player who may affect the outcome of a tender process.
- 26.2 The Municipal Manager must promptly report any alleged contravention of clause 49(1) to the Municipality.

27. OBJECTIONS AND COMPLAINTS

- 27.1 Persons aggrieved by decisions or actions taken in the implementation of this policy may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action to the Municipal Manager, or if the Municipal Manager is involved to the Executive Mayor.

28. RESOLUTION OF DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES

- 28.1 The Municipal Manager must appoint an independent and impartial person, not directly involved in the adjudication processes:-

(a) to assist in the resolution of disputes between the municipality and other persons regarding-

- (i) any decisions or actions taken in the implementation of this policy; or
- (ii) any matter arising from a contract awarded in terms of the Policy; or

(b) to deal with objections, complaints or queries regarding any such decisions or actions or any matter arising from such contract.

- 28.2 The Municipal Manager or another official designated by the Municipal manager or Executive Mayor is responsible for assisting the appointed person to perform his or her functions effectively.

- 28.3 The person appointed must -

(a) strive to resolve promptly all disputes, objections, complaints or queries received; and

(b) submit monthly reports to the Municipal Manager or the Executive Mayor as the case may be, on all disputes, objections, complaints or queries received, attended to or resolved.

- 28.4 This paragraph must not be read as affecting a person's rights to approach a court at any time.