

6. CONTRACT NO. SC 1890/2018: BULK WATER SERVICES OPERATION AND MAINTENANCE: REPORT ON SOCIAL RESPONSIBILITY CONTRIBUTIONS BY VEOLIA WATER SOLUTIONS & TECHNOLOGIES SOUTH AFRICA (PTY) LTD

8/3/1/SC1890/2018

H Blignaut

Deputy Director: Engineering Planning

10 February 2020

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1. Executive Summary

At the November 2019 Council meeting the Council requested that a report be submitted to inform Council specifically about the social responsibility contributions made to date by the successful bidder on Contract SC 1890/2018, i.e. Veolia Water Solutions & Technologies South Africa (Pty) Ltd. (Veolia). The purpose of this report is therefore to provide the required information for cognisance by Council.

2. Service Delivery and Budget Implementation Plan - IGNITE

Directorate: Infrastructure & Planning

Department: Engineering Planning (Bulk Water Services)

3. Compliance with Strategic Priorities

Provision and maintenance of municipal services

Creation and maintenance of a safe and healthy environment

The promotion of tourism and economic and social development

4. Delegated Authority

None

5. Legal Requirements

Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA)

Municipal Supply Chain Management Regulations

Preferential Procurement Regulations

Overstrand Municipality Supply Chain Management Policy

6. Background/Evaluation/Conclusion

Background

At the Council meeting of 27 November 2019 the Council requested a report on social responsibility contributions made to date by the successful bidder on Contract SC 1890/2018 (Bulk Water Services Operation and Maintenance),

i.e. Veolia Water Solutions and Technologies South Africa (Pty) Ltd (Veolia) – refer to Annexure A. The above mentioned 15 year contract was awarded to Veolia on 4 September 2018 and approved by Council in terms of section 33 of the MFMA on 28 November 2018. The contract commenced on 8 December 2018.

Before tender stage it was agreed at the Specifications Committee that it will be required of the successful bidder to become involved in social responsibility projects in the Overstrand municipal area, with a focus on vulnerable groups and designated groups (refer to Annexure B). No minimum monetary level of such contributions was specified, which is a similar arrangement to most tender processes in the municipality to date.

Evaluation

Table 1 below provides a summary of Veolia's performance to date in terms of involvement in social responsibility projects in the Overstrand:

Table 1: Social responsibility projects:

Veolia Social Responsibility Projects	Value (Rand)		
	2018/19 Dec 2018 to Jun 2019 (actual)	2019/20 Jul 2019 to Dec 2019 (YTD actual)	2020/21 (planned)
Gifts: Jubilee Haven – Hawston (7 children): ear muffs & facecloths; Overstrand Child and Youth Care Centre - (26 children): Toiletries, ear muffs, combs, facecloths; EJ Lombardi - Mount Pleasant (30 elderly people): Gloves, Beanies; Siyazama - Zwelihle (45 elderly people): Gloves, Beanies, Coffee, tea, beverages.	5 000		
Employee Child Study bursary, Kleinmond	8 000		
Employee Study bursary, Kleinmond	9 381		
SHE officer Trainee, Hermanus (not HDI)	6 000	12 000	
Training 6 HDI students, Franskraal WTW	57 000	57 000	
Charity Project: Overstrand Association for persons with disabilities, Hawston		7 500	
Vacation work student, Hermanus (not HDI)		6 000	
In-service Training: assistance towards ND: Engineering, Buffels River WTW		46 650	46 650
SETA Learnerships, Overstrand			90 000
TOTAL	85 381	129 150	136 650

In their Annual Plan for 2020/21, Veolia states that they intend to provide two 12 month learnerships to unemployed youth at water and waste water treatment sites, and also financial contributions for the upgrade of early childhood development facilities in the Overstrand.

Conclusion

From the above table it can be concluded that Veolia complies with the requirements of Contract SC 1890/2018 in terms of social responsibility involvement to date, and that they are planning progressively increasing involvement in the future.

7. Financial Implications

None

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

None

10. Annexures

Annexure A: Extract from Council minutes 27 November 2019

Annexure B: Extract from Tender SC 1890/2017 Specifications

RECOMMENDATION TO THE COUNCIL:

that the social responsibility contributions made to date in the Overstrand area by Veolia Water Solutions and Technologies South Africa (Pty) Ltd in execution of Contract SC 1890/2018, Bulk Water Services Operation and Maintenance, for Overstrand Municipality, **be noted**.

RESPONSIBLE OFFICIAL:	H BLIGNAUT
TARGET DATE FOR IMPLEMENTATION :	N/A
TARGET DATE TO INFORM APPLICANT :	N/A
TARGET DATE TO INFORM OBJECTOR :	N/A

MINUTES : ORDINARY MEETING OF THE COUNCIL 27 NOVEMBER 2019**5.9**

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(ITEM 6, PAGE 9 : MAYORAL COMMITTEE MEETING : 27 NOVEMBER 2019)

CLLR S TEBELE, SECONDED BY CLLR V PUNGUPUNGU, REQUESTED THAT A SECOND PARAGRAPH BE ADDED TO THE RESOLUTION. THE EXECUTIVE MAYOR, ALD D COETZEE, SECONDED BY CLLR A KOMANI, INDICATED THAT THERE IS NO OBJECTION AGAINST ADDING THE SECOND PARAGRAPH TO THE RESOLUTION. COUNCIL THUS:

RESOLVED (SUPPORTED BY 24 COUNCILLORS):

1. that cognisance be taken of the subcontracting to EME's and QSE's to date, as well as social responsibility contributions made to date in the Overstrand area by Veolia Water Solutions and Technologies South Africa (Pty) Ltd in execution of Contract SC 1890/2018, Bulk Water Services Operation and Maintenance, for Overstrand Municipality; and
2. that a full report be brought back to Council including details of Veolia's social responsibilities.

RESPONSIBLE OFFICIAL:	H BLIGNAUT
TARGET DATE FOR IMPLEMENTATION :	N/A
TARGET DATE TO INFORM APPLICANT :	N/A
TARGET DATE TO INFORM OBJECTOR :	N/A

Instruction to Bidders

- a cooperative which is at least 51% owned by black people;
- an EME or QSE which is at least 51% owned by black people who are military veterans;
or
- more than one of the categories referred to above.

The Operator will encourage sub-contracting of local EME or QSE organisations for implementing the Contract, where feasible. Any EME or QSE organisations sub-contracted must be registered on the Central Suppliers data base. If the EME or QSE is not registered on the data base it shall apply for registration on the data base before being employed on the contract.

EME or QSE organisations may be employed to carry out the following works:

- Civil maintenance;
- Building maintenance; and
- Grounds maintenance including but not limited to grass cutting and bush clearing.

The Operator will be responsible for ensuring that the EME or QSE is capable of carrying out the specific tasks assigned to it. The Operator shall retain the responsibility of maintenance of all the works to the required specifications and standards, including that performed by the EME or QSE organisations, for the duration of the contract.

4.6. Social Responsibility

The intensifying triple challenges of Unemployment, Poverty and Inequality contributes negatively to the well-being of the poor and disadvantaged, resulting in deteriorating socio-economic conditions that affect the quality of life in the Overstrand Municipal area. The current economic climate places tremendous strain on the income of poor communities and perpetuates unemployment and poverty exposing the vulnerable and poor to dilapidating socio-economic conditions.

Tenders shall be expected to indicate or provide an outline of socio-economic projects to be implemented through its Corporate Social Responsibility in the Overstrand Municipal area. Proposed projects must be measurable with specific focus on vulnerable groups and designated groups (youth, woman, people with disabilities and children).

Tenders can propose the following socio-economic project practices for consideration or identify additional projects:

- On the job training and development of staff (learnerships), particularly for the unemployed or young people including the recruitment of long-term job seekers and handicapped people;
- Young women / mothers upliftment / leadership programme;
- Skills development initiatives (technical and soft skills) must be provided by accredited and recognized institutions;
- Financial support / bursaries to previously disadvantaged youth;
- Youth leadership and empowerment projects;
- Early childhood development;
- Projects can be in collaboration with Local Community Based Organisations (CBOs), Non-Government Organisation (NGOs) and relevant local institutions;
- Business skills and enterprise support including mentoring of local enterprises; and
- Development of Parks and open spaces.