

7.

CONTRACT NO. SC1792/2017 /2016:**PROPOSED AMENDMENT: LEASE AGREEMENT FOR THE HAWSTON / ONRUS RADIO MAST SITE FOR HOSTING 7 ANTENNAE WITH RFG ELECTRONICS CC FOR A CONTRACT PERIOD ENDING 30 JUNE 2020**

8/2/2

**C Johnson
2017/06/15****(028) 313 8190****Hermanus Administration**

1. Executive Summary

The purpose of this report is to provide the necessary information and motivation on the proposed amendment of CONTRACT NUMBER SCD 2897/2016: Deviation: Lease agreement for the Hawston / Onrus radio mast site for hosting 7 antennae with RFG Electronics cc for a contract period ending 30 June 2017, in terms of the enabling provisions of Section 116(3) of the Local Government: Municipal Finance Management Act, Act No. 56 of 2003 (MFMA), in order to enable the Council to make an informed decision whether to consent to the amendment of the contract.

2. Service Delivery and Budget Implementation Plan - IGNITE

Directorate: Management Services
Department: Information Communication Technology

3. Compliance with Strategic Priorities

Provision of democratic, accountable and ethical governance
Provision and maintenance of municipal services

4. Delegated Authority

None

5. Legal Requirements

Local Government: Municipal Finance Management Act, 2003(Act 56 of 2003)
Overstrand Municipality Supply Chain Management Policy, as amended
Overstrand Municipality Contract Management Policy, as amended
MFMA Circular No. 73 issued by National Treasury

6. Background/Discussion/Evaluation/Conclusion**Background**

The Municipality has a current lease agreement with RFG Electronics CC for the use of their radio network mast in the Hawston area. The Lease Agreement

was initially in effect for a period of three years from 04 June 2010 till 03 June 2013, then subsequently via Deviations till 30 June 2017.

The mast is used to host 7 of the municipalities RF Network antennae which is part of the backbone (core) data and voice communications network of the municipality. Without this mast and the connectivity it affords, the municipality would not be able to provide data and voice capabilities to its administrative offices in Onrus and beyond. This link also forms the core connection for the Municipality's Disaster Recovery Solution, where the DR site is located in Onrus.

Section 116(3) of the MFMA provides as follows:

“(a) the reasons for the proposed amendment have been tabled in the council of the municipality or, in the case of a municipal entity, in the council of its parent municipality; and
 (b) the local community-
 (i) has been given reasonable notice of the intention to amend the contract or agreement; and
 (ii) has been invited to submit representations to the municipality or municipal entity.”

The proposed amendment of contract SCD 2897/2016 was advertised for public comment as follows:

Date of advertising:	6 April 2017
Method of advertising:	Die Burger, Cape Times, Overstrand Website & Municipal Notice Boards
Closing date for comments:	4 May 2017

No comments were received by the closing date of 4 May 2017.

Section 116 (3) of the MFMA should however be read together with MFMA Circular No. 73 issued by National Treasury, May 2013. In terms of the said circular, the following power/duty was conferred to Council which is cited as follows:

‘Considering the reasons for the proposed amendment of a contract or agreement and any representations that may have been received regarding the proposed amendment of a contract or an agreement procured through the supply chain management policy of the municipality and deciding whether to consent to the amendment of the contract or agreement.’

ICT mandate and is to provide for infrastructure and systems to enable the municipality to deliver services to the community. To this end the Radio Frequency infrastructure is the core of the communications backbone of the municipality, and needs to be stable and reliable.

Services migration strategies (moving between Service Providers) for local government institutions must remain aligned with architectures and

technologies of selected manufacturers, vendors as well as trusted relationships with selected service providers. Investments made by local government institutions in business system architectures and trusted relationships with service providers are seen as long term investments which cannot readily be changed without exposing the municipality to continuity and contingency risks.

Discussion

Overview

The municipality currently utilises 5 x main radio network masts for its data network, located at various sites in the Overstrand municipal region. All radio masts in the Overstrand Municipality operates on a 24/7 basis to ensure an ongoing and quality data and communications services to all the municipal regional offices.

The radio mast in the Hawston area, owned by RFG Communications, forms an integral part of the Overstrand data network core backbone, which is responsible for all major network traffic being routed to the Onrus, Hawston and outlying areas. Currently there are 7 x municipality antennas installed at this Hawston radio network mast. The Hawston site was specifically selected in 2009 for its location to provide the required data network services and coverage. To date there are no alternative sites in the Hawston area that provides similar host radio network services and coverage area, nor are there any other mast providers to consider at this location.

Municipal Radio Network High Sites and longer term strategic intent

Municipal Radio Network High Sites

All other high sites in the municipal region, except the municipally owned high site at Rotary Way, are rented from Vodacom. It is standard practice in the communications industry for service providers to rent space on existing masts to deliver their communication services to their clients in the various regions, the alternative being to construct, erect and maintain a municipal tower at a suitable high site.

Establishment of new radio communications mast

To establish a radio communications mast is a costly investment and requires extensive negotiations with ICASA to ensure compliance with all the regulatory requirements, capital investment for the building of the tower, building to house the equipment and power to be routed to the site, as well as the maintenance and upkeep of the site. In addition, a participative process must be followed to allow residents in the affected communities to submit comments, proposals or concerns regarding the erection of a new radio mast in the area – such processes are very time consuming and has no guarantee that such negotiations will eventually be successful. The utilisation of existing

infrastructure that meets all the requirements in terms of location, space availability and resources is therefore a less costly alternative.

Longer term strategic intent

As part of the longer term strategy for data communications, the use of fibre optic technology will also be considered, when it becomes a viable alternative to the municipalities own radio frequency network. The initial investment costs for fibre optics technology is very costly, including the civil construction work to be done to install such a technology. The area and geographic coverage needs to be taken into account as this will impact on either the provider or the municipality providing the needed infrastructure. However, should fibre optics be considered in the future, a more holistic approach will be followed taking into consideration the Broadband strategies of Provincial and National Governments as well as potential sponsorships to assist with the initial investment costs.

Contractual Considerations with Service Providers

It is proposed that business system contract SCD 2897/2016 terminating on 30 June 2017, be amended to remain in effect for a period of three financial years from 2017/2018 to 2019/2020, for the following reasons:

- (a) To limit the administrative costs of following Supply Chain Management processes to request deviations and funding over the short term.
- (b) To make provision for the required funding for a period of three years for a core infrastructure requirement for the Overstrand Municipality.

7. Financial Implications

The intent is to ensure that the physical infrastructure that the municipalities core systems and communications rely on is secured for the next three years. The contract is unit cost based - the total expenditure for the 3 year amendment is indicated in the table below:

LICENSE AND SUPPORT FEES			
YEAR	Budget 2017/2018	Budget 2018/2019	Budget 2019/2020
SCOA Description	OperCost:Ext Comp Serv-Software Licence		
SCOA Cost Account	20150212015956	20150212015956	Not available on financial system
SCOA Unique Key	10660204370000	10660204370000	
Budget Provision	R 3 363 474.00	R 3 531 648.00	R 3 815 192.00 (estimated)
Balance Available	R 3 363 474.00	R 3 531 648.00	R 3 815 192.00 (estimated)
Total Estimated Expenditure (excl VAT)	R 84 000.00	R 89 460.00	R 95 274.90
Total Estimated Expenditure Extension (excl VAT)	R 268 734.90		
Escalation (if any)	6.5%		
Escalation date	Anniversary date of implementation of the contract		

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

Contract Management Office - Manager: Contracts and Logistics, Mr M Potgieter - (028) 313 8951

It is confirmed that contract SCD 2897/2016 is still active and the proposed extension to the contract SC1792/2017 is supported.

This is the first extension to the existing contract and a Section 116(3) amendment as required by the MFMA is being followed. The successful amendment of this contract is subject to Council's consent to the proposed amendment of the contract.

10. Annexures

- Annexure A: Public notice of intention to amend the Contract
- Annexure B: Addendum to the Contract (intent to amend)
- Annexure C: RFG 3 Year - Monthly Rate Quotation
- Annexure D: SCM compliance checklist
- Annexure E: Approval of report by Director Management Services
- Annexure F: Calculations of estimated expenditure
- Annexure G: Extract from minutes of Bid Specification Committee meeting

RECOMMENDATION TO THE COUNCIL:

1. that **cognisance be taken** of the reasons for the proposed amendment of **Contract SC1792/2017** for lease agreement for the Hawston / Onrus radio mast site for hosting 7 antennae with RFG Electronics cc for a contract period ending 30 June 2020, in terms of the enabling provisions of Section 116(3) of the Local Government: Municipal Finance Management Act 2003 (Act 56 of 2003), and that the amendment be consented to; and
2. that **cognisance be taken** that no recommendations or representations were received from the local community by closing date, 4 May 2017.

RESPONSIBLE OFFICIAL :

**C JOHNSON
M POTGIETER**

TARGET DATE FOR IMPLEMENTATION :

1 JULY 2017

NOTICE/KENNISGEWING/ISAZISO

NOTICE IN TERMS OF SECTION 116(3) OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003 (ACT 56 OF 2003) FOR THE PROPOSED AMENDMENT OF THE EXISTING AGREEMENT WITH RFG ELECTRONICS CC FOR A LEASE AGREEMENT FOR THE HAWSTON / ONRUS RADIO MAST SITE FOR HOSTING 7 X ANTENNAE.

Notice is hereby given in terms of Section 116 (3) (a) and (b) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) that it is the intention of the Overstrand Municipality to amend the existing contract with RFG Electronics cc. The proposed amendment of the contract is to provide for the extension of the lease agreement for a period ending 30 June 2020.

Notice is hereby further given in terms of Section 21 and 21A of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) that the local community and affected parties are invited to submit comments or representations on the proposed amendment of the agreement. Such comments or representations must be submitted by not later than Friday, 4 May 2017 at 12:00.

Comments or representations must be submitted in a sealed envelope clearly endorsed **"SCD2897/2016: COMMENTS ON NOTICE OF AMENDMENT OF EXISTING AGREEMENT WITH RFG ELECTRONICS CC"** and be deposited in tender box no. 7.

All submissions must be addressed to:

The Municipal Manager
Tender box no 7
Overstrand Municipality
Magnolia Avenue
Hermanus
7200

Persons who are physical disabled or who cannot read or write but wish to participate in the process, may come during office hours to the Municipal Offices, Magnolia Avenue, Hermanus where a staff member will assist that person to transcribe that person's comments or representations.

**Coenie Groenewald
Municipal Manager**

KENNISGEWING INGEVOLGE ARTIKEL 116(3) VAN DIE WET OP PLAASLIKE REGERING: MUNISIPALE FINANSIËLE BESTUUR, 2003 (WET 56 VAN 2003) VIR DIE VOORGESTELDE WYSIGING VAN DIE BESTAANDE OOREENKOMS MET RFG ELECTRONICS CC VIR 'N HUUROOREENKOMS VIR DIE HAWSTON / ONRUS RADIO MAST WERF VIR DIE DRA VAN 7 X ANTENNA'S.

Kennis geskied hiermee ingevolge artikel 116(3) (a) en (b) van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, 2003 (Wet 56 van 2003) dat die Munisipaliteit Overstrand van voornemens is om die bestaande ooreenkoms met RFG Electronics cc te wysig. Die voorgestelde wysiging van die ooreenkoms is om voorsiening te maak vir die uitbreiding van die huurooreenkoms vir 'n periode wat eindig op 30 Junie 2020.

Kennis geskied verder ingevolge artikel 21 en 21A van die Wet op Plaaslike Regering: Munisipale Stelsels, 2000 (Wet 32 van 2000), dat die plaaslike gemeenskap en geaffekteerde partye genooi word om kommentaar of versoë oor die voorgestelde wysiging van die ooreenkoms aan die Munisipaliteit te lewer. Hierdie kommentaar of versoë moet teen nie later nie as Vrydag, 4 Mei 2017 om 12:00 ingedien word.

Alle kommentare of versoë moet ingedien word in 'n verseëld koevert, duidelik gemerk **"SCD2897/2016: KOMMENTAAR OP KENNISGEWING VAN WYSIGING VAN BESTAANDE OOREENKOMS MET RFG ELECTRONICS CC"** en geplaas word in Tenderbus nr. 7.

Alle voorleggings moet geadresseer word aan:

Die Munisipale Bestuurder
Tenderbus nr. 7
Munisipaliteit Overstrand
Magnoliaaan
Hermanus
7200

Personne wat liggaamlik gestremd is of nie kan lees of skryf nie, maar aan die proses wil deelneem, kan gedurende kantoorure na die Munisipale Kantore, Magnoliaaan, Hermanus kom, waar 'n personeelid hulle sal help om die kommentaar of versoë nader te skryf.

**Coenie Groenewald
Munisipale Bestuurder**

ISAZISO SECANDELO-116(3) LOMTHETHO ILOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, NO.56 WANGO-2003 OKUBA UJONGE UKWANDISA ISIVUMELWANO NO MNIKI NKONZO U-RFG ELECTRONICS CC, NESIVUMELWANO NGESIZA SEPALI KANOMATHOTHOLO EHAWSTON / ONRUS UKUBAMBA 7 X YEANTENA.

UMasipala weNgingqi yase-Overstrand, wazisa ukuba unqwenela ukwandisa isivumelwano no- mniki nkonzo u-RFG Electronics CC, oko kusenziwa ngokwemimiso yamaCandelo-116(3) (a) no (b) lomthetho iLocal Government: Municipal Finance Management Act, No.56 wango-2003. Lomnqweno ubekwayo ngowokuba kwandiswe isivumelwano esikhoyo ukuze kuqhubeka inkonzo, uyotsho nge 30 Juni 2020.

Abantu abasuka ekuhlaleni nabanye abantu abanomndla bayamenywa ukuba bathumele izimvo zabo okanye izinto abazibhalileyo kuMasipala ngokumayela nesi sivumelwano siphakanyiswayo,oko kwenziwa phambi ko 12:00, 4 Meyi 2017,Okokwenziswa ngokwemimiso yamaCandelo 21 kunye nele- 21A lomthetho iLocal Government: Municipal Systems Act, 32 wowama-2000.

Izimvo ezibhalileyo Zibhalwe ngokucacileyo kwimvulophu ethyiniweyo kwabhalwa **"SCD2897/2016: IZIMVO ZESAZISO SOKWANDISA ISIVUMELWANO NO- MNIKI NKONZO U-RFG ELECTRONICS CC"** mayifakwe kwi Bhokisi yeZiniki-maxabiso no. 7.

Zonke izibhalo zithunyelwe kwi:

Umpatho kaMasipala
Bhokisi yeZiniki-maxabiso no. 7
UMasipala weNgingqi yase-Overstrand
Magnolia Avenue
Hermanus
7200

Abantu abakhubazekileyo kunye nabantu abangakwaziyo ukubhala kodwa bayangawenela ukuthatha inxaxheba kulomba, bayacelwa baye kwi ofisi zika Masipala eMagnolia Avenue,eHermanus apho khona banokufumana uncedo ngokubeka izimvo zabo.

**Coenie Groenewald
UManejala kaMasipala**



Enquiries: Craig Johnson
Date: 23 March 2017

OFFICE OF THE DIRECTOR:
MANAGEMENT SERVICES

ADDENDUM – INTENT TO AMEND A CONTRACT

The parties agree to the following intention to amend the existing contract SCD2897/2016, which were signed between them on 27/05/2016 and record this was done freely and willingly, without any coercion whatsoever from any one party:

The parties agree to the amendment of the contract end date, regarding the abovementioned agreement to the 30 June 2020 on the same terms and conditions.

The supplier acknowledges that they do have the capacity to fulfil the obligation as set out in the terms and conditions.

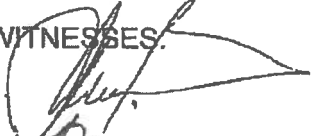

The parties agree that the amendment of the contract is subject to the completion of a Supply Chain Management process, including completing a process as prescribed by section 116(3) of the Municipal Finance Management OR Circular 62 from National Treasury.

The parties further agree to commit to this amendment of contract after the date of completion of the prescribed Supply Chain Management process.

23 MARCH

Thus done and signed at thisday of 2017 in the presence of the undersigned witnesses.

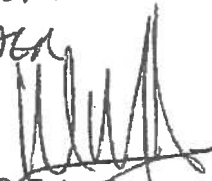
WITNESSES:

1. 
2. 

for and on behalf of RFG Communications:

NAME: W MARTIN

DESIGNATION: OWNER



Thus done and signed at HERMANUS thisday of 2017 in the presence of the undersigned witnesses.

WITNESSES:

- 1.
- 2.

for and on behalf of Overstrand Municipality:
Desiree Arrison, Director: Management Services

Quotation

RFG ELECTRONICS CC
 P O BOX 307
 SOMERSET WEST
 7129

Tax Registration **4520255763**
 Telephone **021-853 5140**
 Fax **021-853 5141**

To:
RENOSM
OVERSTRAND MUNICIPALITY
 P.O. BOX 20
 HERMANUS
 7200
 VAT REG#4140106396

Account	Date	Order No	Delivery Note	Our Reference
RENOSM	2017/03/24			IVQ4270

<u>Item Code</u>	<u>Item Description</u>	<u>Quantity</u>	<u>Unit</u>	<u>Price (Ex)</u>	<u>Disc %</u>	<u>Tax</u>	<u>Total (Incl)</u>
0	ONRUST SITE	0.00		0.00			
RENT	7 x IP Antennas	7.00		1000.00		980.00	7 980.00
0	3 year contract only	0.00		0.00			
0	Each year 6.5% increase	0.00		0.00			

Total (Excl) 7 000.00

Tax 980.00

Total (Incl) 7 980.00

Discount 0.00



Rounding 0.00

Total (Incl) 7 980.00

Received by _____

Date _____

Signed _____

Overstrand Municipality Evaluation in terms of the Preferential Procurement Regulations			
Compliance Check of Tender No.		SC1792/2017	
CONTRACT NUMBER:		LEASE AGREEMENT FOR THE HAWSTON / ONRUS RADIO MAST SITE	
Name of Service Provider		RFG Electronics CC	
Authority to sign bid		Authorised	
Valid Tax Clearance Certificate (provide expiry date)	MBD2	2018/02/01	
TCC Number		0700/2/2017/A000698454	
VAT Registration (provide number)		4520255763	
Income Tax Number		9133001025	
Declaration of Interest	MBD4	Declared	
Declaration of Past SCM Practices	MBD8	Declared	
Certificate for Payment of Municipal Services	MBD15	Declared	
Municipal Account		In order	
Suppliers database registration		1167	
OHASA		Completed & Signed	
WCA registration number		990000136224	
Indemnity		Completed & Signed	
National Treasury Register for Tender Defaulters		Not listed	
National Treasury Database for Restricted Suppliers		Not listed	
E-Mail address		info@rfacom.co.za	
NOTES			
Certification: It is hereby certified that the abovementioned information have been compiled from the applicable tender documents and that verifications required in terms of the Supply Chain Management Policy have been undertaken and that the recommended tenderer(s) comply in all respects, except if and where specifically indicated otherwise.			
Compiled by: (SCM Office)	A Moore		2017/05/05
	Name	Signature	Date
Verified by: (SCM Office)	L du Preez		2017/05/05
	Name	Signature	Date

Annexure: E

TO : The Manager: Demand & Procurement

TENDER NO. SC 1792/2017

PROPOSED AMENDMENT OF CONTRACT SCD 2897/2016: LEASE AGREEMENT FOR THE HAWSTON/ONRUS RADIO MAST SITE FOR HOSTING 7 ANTENNAE WITH RFG ELECTRONICS CC FOR A CONTRACT PERIOD ENDING 30 JUNE 2020


PART A – SUPPLY CHAIN MANAGEMENT COMPLIANCE EVALUATION

Author: A Moore
Date: 2017/06/08

Tel No: 028 313 8147

I confirm

- * that the contents of the report was checked; and
- * that I agree with the contents of the report.



Manager: Demand & Procurement

2017/06/09
Date

TO : THE DIRECTOR: MANAGEMENT SERVICES

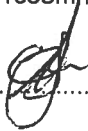
PART B – TECHNICAL EVALUATION

Author: C Johnson
Date: 2017/06/06

Tel No: 028 313 8000

I confirm

- * that the contents of the report was checked;
- * that I agree with the contents of the report, and
- * that I recommend that the report serve on the agenda of the BEC meeting as indicated below.



C Johnson

2017/06/09
Date

TO : SUPPLY CHAIN MANAGEMENT

Report for the submission to the meeting :

BID EVALUATION COMMITTEE dated :

Item for insertion of the above meeting's agenda :-



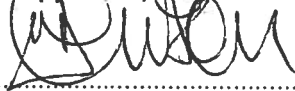
approved; or



approved with amendments; or



rejected



DIRECTOR: MANAGEMENT SERVICES

Date

9/6/2017
Date

COMMENTS:

.....
.....

LEASE OF 7 x IP Antennas		Budget Year		
YEAR		2017/2018	2018/2019	2019/2020
Monthly Expenditure	<i>Amount (excl. VAT)</i>	R7 000.00	R7 455.00	R7 939.58
	<i>VAT at 14%</i>	R980.00	R1 043.70	R1 111.54
Total Monthly Expenditure (Incl.VAT)		R7 980.00	R8 498.70	R9 051.12
<i>Escalation</i>	<i>Percentage (Fixed for Contract period)</i>	-	6.50%	6.50%
	<i>Date (Anniversary Date of implementation of the contract)</i>	Not Applicable	Anniversary Date	Anniversary Date
Yearly Expenditure (Monthly x 12)	<i>Amount (excl. VAT)</i>	R84 000.00	R89 460.00	R95 274.90
	<i>VAT at 14%</i>	R11 760.00	R12 524.40	R13 338.49
Total Yearly Expenditure (Incl.VAT)		R95 760.00	R101 984.40	R108 613.39
3 Year Contract Expenditure (Yearly x 3)	<i>Amount (excl. VAT)</i>	R268 734.90		
	<i>VAT at 14%</i>	R37 622.89		
Total 3 Year Contract Expenditure (Incl.VAT)		R306 357.79		



CONTRACT AMENDMENT MEETING

ATTENDANCE REGISTER AND UNDERTAKING OF CONFIDENTIALITY AND IMPARTIALITY

DATE:	24/03/2017	CONTRACT NO:	SCD 2897/2016
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I, the undersigned, hereby declare:

1. that all information, documentation and decisions regarding any matter before the committee are confidential and undertake not to make known anything in this regard
2. that I will treat all providers and potential providers equitably and will not purposefully favour or prejudice anybody
3. that I will make known details of any private or business interest which I, or any close family member, partner or associate may have in any proposed procurement or disposal process of, or in any award or contract and that I will immediately withdraw from participating in any manner whatsoever

NAME	DEPARTMENT / SECTION MUNICIPALITY	SIGNATURE
Johannkre Grobler	SCM	
CRAIG JOHNSON	ICT	
DRIM POTGIETER	SCM	



DATE OF MEETING	24/03/2017	SC NUMBER:	SCD2897/2016
		BIN NUMBER:	SCD2897A/2016

MINUTES OF A CONTRACT AMENDMENT MEETING HELD IN THE SCM UNIT

CONTRACT TITLE:	DEVIATION: LEASE AGREEMENT FOR THE HAWSTON / ONRUS RADIO MAST SITE		
	FOR HOSTING 7 ANTENNAE WITH RFG ELECTRONICS CC		
	FOR A CONTRACT PERIOD ENDING 30 JUNE 2017		
BUDGET HOLDER	Craig Johnson	TEL. NO:	028 313 8190
CONTACT PERSON (Municipal Official)	Craig Johnson	TEL. NO:	028 313 8190
CONTACT PERSON (Contractor)	Wayne Martin	E-mail address	wayne@rfgcom.co.za
Current Agreement: Expiry date:	30/06/2017		

1. FINANCIAL INFORMATION : CURRENT CONTRACTUAL										
a. Budget Information										
		YEAR 1 (20 16 / 20 17)	YEAR 2 (20 / 20)	YEAR 3 (20 / 20)						
	Current Contract Expenditure: (EXCL. VAT):	85 386.00 +	+	=	Total Contract Cost: (EXCL. VAT)	85 386.00	Total (INC. VAT)	97 340.04		
	Budget 1				U-Key	20150212015922				
		Cost Account	10660203670000							
		SCOA Project Segment	Municipal Running Cost							
		SCOA Item Segment	OperLease: Machinery & Equipment							
	Budget 2				U-Key					
		Cost Account								
		SCOA Project Segment								
		SCOA Item Segment								
	Total budget	85 386.00 +	+	=	TOTAL BUDGET	85 386.00				
b.	Points	80/20		90/10		Recurring Contract	YES	<input checked="" type="checkbox"/>	NO	
c.	VERIFICATION CERTIFICATE FROM THE CFO – bids in excess of R10M – all applicable taxes incl.) Issued PRIOR to advertising (Form A1)						YES		NO	<input checked="" type="checkbox"/>

2. FINANCIAL INFORMATION: AMENDMENT									
		YEAR 1 (20 17 / 20 18)	YEAR 2 (20 18 / 20 19)	YEAR 3 (20 19 / 20 20)					
	QUOTED Contract Expenditure: (EXCL. VAT):	84 000.00 +	89 460.00 +	95 274.90 =	Total Contract Cost: (EXCL. VAT)	268 734.90	Total (INC. VAT)	306 357.78	
	Budget 1	105 675.00	110 958.00	Financial Year is Not Defined in the System	U-Key	20150212015922			
		Cost Account	10660203670000						
		SCOA Project Segment	Municipal Running Cost						
		SCOA Item Segment	OperLease: Machinery & Equipment						
	Budget 2	-	-	-	U-Key				
		Cost Account							
		SCOA Project Segment							
		SCOA Item Segment							
	Total budget	105 675.00 +	110 958.00 +	=	TOTAL BUDGET				



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Y 004

DATE OF MEETING	24/03/2017	SC NUMBER:	SCD2897/2016
		BIN NUMBER:	SCD2897A/2016

3.	CIDB DETAILS	N.A				At least a minimum of:			
CIDB GRADING (Indicate with an "X")									
1 = UP TO R200,000.00	2 = UP TO R650,000.00	3 = UP TO R2M	4 = UP TO R4M	5 = UP TO R6,5M					
6 = UP TO R13M	7 = UP TO R40M	8 = UP TO R130M	9 = NO LIMIT						

4.	CONTRACT AMENDMENT INCREASE National Treasury Circular 62 Threshold = 20%								
Contract Number and Name		N.A							
Total value		Extension/amendment Value							
Date Awarded		Value %							

5.	MOTIVATION FOR AMENDMENT – COMPULSORY FOR A SECTION 62 AND 116 AMENDMENT								
Practically impossible to make use of another supplier due to the mast ownership belonging to one company.									

6.	ADVERTISEMENT								
Date Advertised		06/04/2017			Closing Date		05/05/2017		
Closing Time		12:00			BIN / Tender Box Number		4-7		

ADVERTISE IN THE FOLLOWING MEDIA:									
NAME	ADV.	SENT	NAME	ADV.	SENT	NAME	ADV.	SENT	
Overstrand Website	✓		Notice Boards	✓		Purchasing Department			
Hermanus Times	✓		Cape Times			Die Burger			
Gansbaai Courant			Overstrand Herald			e-Tender			
CIDB Website			Other						

7.	CONTRACT CLASSIFICATION								
SET VALUE		TARIFFS /RATES			AS AND WHEN				
✓									

8.	MEETING DATES Submit before: 09/06/2017 Submit before: 09/05/2017								
28/06/2017	28/06/2017	28/06/2017	28/06/2017	28/06/2017	28/06/2017				

9. Budget Office : (COMPLETED SPECIFICATIONS MUST BE ATTACHED)

I hereby certify that the project and item segments and a budget allocation exist for the cost account/s listed above as at this date.

Comments: The budget office does not confirm the budget amounts listed above unconditionally, as it is the Budget Holder's responsibility to ensure that sufficient funds are available before the award of the tender and to ensure that all prior commitments have been taken into consideration.

Name: B.A. Lin. Signature: Date: 2017-03-30



DATE OF MEETING	24/03/2017	SC NUMBER:	SCD2897/2016
		BIN NUMBER:	SCD2897A/2016


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10. Expenditure & Assets Office: (COMPLETED SPECIFICATIONS MUST BE ATTACHED)

I hereby certify that the correct cost accounts are used for the project and that this project will be funded by the: (Please indicate with an "X")

Capital Budget		Operational Budget	X
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Comments: *Operating lease agreement.*

Name: *J. Vester* Signature:  Date: *3/1/3/2017*

CERTIFICATION BY DULY DELEGATED BUDGET HOLDER

In the capacity as: (Designation) System Development Manager

I hereby certify that the attached draft specifications have been prepared, duly considering the requirements of Clause 27(2) of Council's Supply Chain Management Policy (Annexure A), that the project has been duly budgeted for and that the estimated budget for the project is a reasonable reflection of what might be expected in the current market conditions cognisant of the requirements of Clause 8 of Council's Preferential Procurement Policy (Annexure B).

In terms of my duties as technical expert I hereby recommend that the attached specifications be approved.

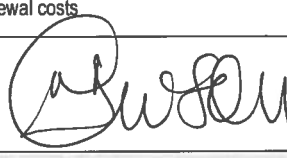
Craig Johnson		24/03/2017
Name	Signed	Date

CERTIFICATION BY DIRECTOR

In the capacity as DIRECTOR: Management Services

I hereby approve the attached bid specification as recommended above (*Paragraph 27.1 of the Supply Chain Management Policy states that the appropriate bid specification committee must compile the specifications for each procurement transaction for goods or services by the Municipality, depending on the department involved. The specifications must be approved by the relevant director prior to publication of the invitation for bids in terms of clause 27.2.g of this Policy.*), and confirm that:

1. budgetary provision exists for procurement of the goods, services and/or infrastructure; and
2. provision has been made for: any ancillary budgetary implications related to this bid, e.g. does budgetary provision exist for the operation of this project, maintenance costs relating to this project, administration costs and rehabilitation / renewal costs

Desiree Arrison		3/3/2017
Name	Signed	Date