

12.

PROPOSED EXTENSION OF CONTRACT SC1379/2013: PROVISION OF PARKING MANAGEMENT SYSTEM FOR HERMANUS CENTRAL BUSINESS DISTRICT

8/4

X Kosi

(028) 313 8195

Corporate Head Office

12 May 2016

1. Executive Summary

The purpose of this report is to provide the necessary information and motivation on the proposed amendment of the Contract SC1379/2013: Provision of Parking Management System for Hermanus Central Business District, ending 30 JUNE 2016, in terms of the enabling provisions of section 116(3) of the Local Government: Municipal Finance Management Act, Act No. 56 of 2003 (MFMA), to enable Council to make an informed decision whether to consent to the amendment of the contract.

2. Service Delivery and Budget Implementation Plan - IGNITE

Economic Development and Tourism

3. Compliance with Strategic Priorities

Provision of democratic, accountable and ethical governance
Promotion of tourism, economic and social development

4. Delegated Authority

None

5. Legal Requirements

Local Government: Municipal Finance Management Act, 56 of 2003
Overstrand Municipality Supply Chain Management Policy
Overstrand Municipality Contract Management Policy
Circular 62 of National Treasury

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

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

- (a) the reasons for the proposed amendment have been tabled in the council; and
- (b)(i) the local community has been given reasonable notice of the Intention to amend the contract or agreement; and
- (b)(ii) has been invited to submit representations to the municipality.

The Section 116(3) process that was followed:

Date of Advertising:	14 April 2016 (refer to Annexure B)
Method of Advertising:	Hermanus Times, Overstrand Municipality Website, Overstrand Municipality Notice boards
Closing Date for Comment:	16 May 2016

Discussion

Recommendations or representations from the local community are not included in this report as the closing date is 16 May 2016. Such recommendations or representations, if any, will be tabled during the Mayoral Committee meeting preceding the Council meeting.

The provision of the Parking Management System tender was awarded to Numque 20 CC for a contract from 01 December 2013 to 30 June 2016.

The system has proved to be a success over time and got to be accustomed to the locals and users alike for its efficiency in promoting vehicle turnover. All benefits promised by the service provider were delivered to our expectation and more.

The key and most important challenges addressed in the contract period can be identified as follows – Improved vehicle turnover, Marshall productivity and live interactive IT based solution accessible to the public. (Generally speaking council enjoys a product that adds value to its needs including the improvement of service delivery. Currently the municipality enjoys customer satisfaction and confidence in the system).

Numque 20 CC provided a most affordable and attractive offer in 2013 – at 14% per month with the closest competitor 5% more. The Service Provider (Numque 20cc) confirmed in writing that the offer will remain the same for the next financial year. This will provide the municipality with continuity and better alignment in the implementation of the by-law thus making the system effective.

The current tender provides useful and valuable information to dealing with serial offender (those who refuse to pay), thus giving the Municipality scope to implement the current parking by-law and in the process increase revenue

Motivation

The following are some of the exceptional reasons which militate for the extension of Contract SC1379/2013.

- (i) OVERSTRAND MUNICIPALITY PARKING MANAGEMENT BY LAW: The execution of the by-law, currently under consideration by Law Enforcement Department, might necessitate that there be changes in how the PMS is

carried out going forward. The effect of going out on a new tender and thereby securing service of a new service provider will have implications on the current operational requirements of the contract. Furthermore training of the parking marshals particularly in line with how the municipal by law must be implemented and the retraining of staff will also have a negative impact on the budget.

- (ii) The Directorate motivates for the extension of the contract on the basis that it needs to maximise the benefits accrued out of this system and continue providing exceptional service to the locals.
- (iii) Additional funds which were deployed in the training of the parking marshals to improve current productivity levels will be recouped should the extension of the contract be affected.
- (iv) Furthermore, the well trained parking wardens have gained better insight on the system and have increased customer satisfaction and confidence in the efficiency of the system.

7. Financial Implications

YEAR	2016/2017
SOURCE OF FUNDING	Operational Budget
SCOA Description	OperLease:Machinery&Equipment
SCOA Cost Account	11130203670000
SCOA Unique Key	20150212018364
Budget Provision	R233 200.00
Estimated Total Expenditure	R233 200.00
Estimated Total Expenditure of Extension	R233 200.00

Note: The expenditure of this proposed amendment to the contract is based on the income received, and a percentage of 14% is paid to the service provider.

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

Expenditure & Asset Management: Mr H Vorster – (028) 313 8046

As this is a revenue generating project, with commission calculated as a percentage of income collected, with no direct impact on the valuation of assets,

there is no objection to the report. It is trusted that this will be found to be in order.

Supply Chain Management: Mr I Witbooi – (028) 313 5016

SCM compliance checks on the service provider was done and all verifications in terms of the SCM Policy were found to be in order, hence we are satisfied that the bidders comply in all aspects. We are further satisfied that the extension in terms of Section 116(3) of the MFMA is in order. However, the user department must ensure that the extension of the contracts is in line with the fair, cost-effective, transparent, competitive and equitable principles of the Supply Chain Management system

Contract Management: Mr M Potgieter – (028) 313 8951

It is verified that the content of this submission is in full compliance with the regulatory requirements of Section 116 (3) (MFMA, 2003) and the Overstrand Supply Chain- and Contract Management Policy Frameworks.

Since the contracts are of tariff nature, and the contract values could not be determined from the beginning of the contract, Circular 62 of National Treasury recommends that a public participation process be followed to amend the contract (section 116(3) of the MFMA).

The period advertised for public comments and recommendations closed on 16 May 2016. Cognisance should therefore be taken that no recommendations or representations was received by 16 May 2016.

10. Annexures

- Annexure A: Addendum (Intent to Amend)
- Annexure B: Public notice of intention to amend the Contract SC1379/2013
- Annexure C: Price Confirmation
- Annexure D: SCM Compliance checklist

RECOMMENDATION TO THE COUNCIL:

1. that **cognisance be taken** of the reasons for the proposed amendment to contract SC1379/2013 for provision of Parking Management System for Hermanus Central Business District, in terms of the enabling provisions of Section 116(3) of the Municipal Finance Management Act 2003 (Act 56 of 2003);

Ref no	Service Provider Name
SC1379/2013	Numque 20 CC

2. that the Municipal Manager be authorised to sign the necessary agreement and documents for the above contract; and

3. that, subject to the consideration of recommendations or representations to be received on or before 16 May 2016, if any, cognisance to be taken **of the reasons for the proposed amendments to contracts for Parking Management related systems and services as listed in the schedule below, in terms of the enabling provisions of Section 116(3) of the Municipal Finance Management Act 2003 (Act 56 of 2003).**

Service Provider / Supplier:		Numque 20 CC		SCM Supplier #	2959
Service / Goods Provided:		Parking Management System for Hermanus Central Business District			
Vote:	Item Description	OperLease:Machinery&Equipment		Cost Code	N/A
	Cost Account	11130203670000			
	Unique Key	20150212018364			
Amount (Excl. VAT)		Tariff based: 14% of income (Refer to annexure C)		Contingency:	N/A
Escalation Percentage:		N/A		Escalation Date:	N/A
Contract Owner:		Solomzi Madikane		Contract Champion:	Xolile Kosi
CONTRACT PERIOD:					
Implementation date:		01 July 2016	End date:	30 June 2017	Period: 12 Months

RESPONSIBLE OFFICIALS :

**S MADIKANE
X KOSI**

TARGET DATE FOR IMPLEMENTATION :

1 JULY 2016



Enquiries: Chantelle Hill
Date: 01 April 2016

OFFICE OF THE DIRECTOR:
LOCAL ECONOMIC DEVELOPMENT

ADDENDUM – INTENT TO AMEND A CONTRACT

The parties agree to the following intention to amend the existing contract SC1379/2013 which were signed between them on 27 November 2013 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 30 June 2017 on the same terms and conditions.


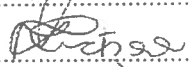
The supplier acknowledges that they do have the capacity to fulfil the obligation as set out in the terms and conditions.

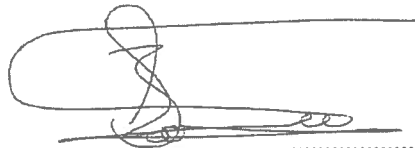
The parties agree that the amendment of the contract is subject to the completion of a Supply Chain Management process, including completing a process as prescribed by section 116(3) of the Municipal Finance Management OR Circular 62 from National Treasury.

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

Thus done and signed at CAPE TOWN this 4th day of APRIL 2016
in the presence of the undersigned witnesses

WITNESSES:

- 1. 
- 2. 


 T COETZEE
 for and on behalf of NUMQUE 20 CC:

Thus done and signed at this day of 2016
in the presence of the undersigned witnesses

WITNESSES:

- 1.
- 2.

.....
for and on behalf of Overstrand Municipality: Solomzi Madikane,
Director: Economic Development and Tourism



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 NUMQUE 20 CC FOR THE PROVISION OF PARKING MANAGEMENT SYSTEM FOR THE HERMANUS CENTRAL BUSINESS DISTRICT

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 Numque 20 CC. The proposed amendment of the contract to provide for the extension of the services and support for a period ending 30 June 2017.

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 contract. Such comments or representations must be submitted by not later than Monday, 16 May 2016 at 12:00.

Comments or representations must be submitted in a sealed envelope clearly endorsed "**SC1379A/2013: COMMENTS ON NOTICE OF AMENDMENT OF EXISTING AGREEMENT WITH NUMQUE 20 CC**" and be deposited in tender box no. 3.

All submissions must be addressed to:

The Municipal Manager
Tender box no.3
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



Annexure C

NUMQUE 20 CC

Office G2 Slaney Centre, 39 Durban Road, BELLVILLE, 7530

P.O. Box 30, West Coast Village, 7433 Tel: 021 - 948 0050 Fax: 086 519 1560 VAT No 411022389

Reg No. 2002/025666/23

2016-05-11

The Municipal Manager
Overstrand Municipality
P O Box 20
Hermanus
7200

Dear Sir/Madam

TENDER NO SC 1379/2013 PROVISION OF A PARKING MANAGEMENT SYSTEM FOR THE HERMANUS CENTRAL BUSINESS DISTRICT

With reference to above contract and your recent correspondence regarding the extension of the contract validity for another year, I have pleasure in confirming that we have no objection to such an extension under the same terms and conditions as contained in the original agreement.

It is herewith also confirmed that the extension will be subject to the retention of the monthly payment of an amount equal to 14% (fourteen percent) of the total turnover generated in lieu of parking management in the Hermanus CBD towards us.

We are looking forward to being of service to your Municipality for another year.

Be assured of our support in matters of mutual interest.

Yours faithfully

T Coetzee
Numque 20 cc
0825586233

Annexure D

Overstrand Municipality
 Evaluation in terms of the Preferential Procurement Regulations

Compliance Check of Tender No.: SC1379/2013
 Tender Name: PROVISION OF A PARKING MANAGEMENT SYSTEM FOR THE HERMANUS CBD

Rank number of tenderer (in opening order)		Max Points	2
Name of tenderer			Numque 20 CC
Authority to sign bid			Authorised
Valid Tax Clearance Certificate (Y/N)	MBD2		2016/08/31
TCC Certificate number			0002/2/2015/0007504181
VAT Registration (Y/N)			4110222389
Declaration of Interest (Y/N)	MBD4		Declared
Declaration of Past SCM Practices (Y/N)	MBD8		Declared
Certificate for Payment of Municipal Services	MBD15		Declared
Municipal Account			Declared
OHASA			990000372873
WCA Registration			2017/03/31
NOTES			

Certification:

It is hereby certified that the abovementioned information have been compiled from the applicable tender documents and that none of the bidders are registered on the National Treasury Databases for Tender Defaulters or Restricted Suppliers

Compiled by: (SCM Office)

A Moore



2016/04/13

Name

Signature

Date

Verified by: (SCM Office)

L du Preez



2016/04/13

Name

Signature

Date