

## 30. TRAINING

- 30.1. The Operator shall plan for and provide a reasonably adequate and appropriate budget for staff training and development.
- 30.2. The Operator is to achieve regulatory compliance with regard to skills required for the Bulk Works within a period of three years from the Effective Date.
- 30.3. An annual employee professional development plan shall be submitted with the Annual Plan including a comprehensive training, development and succession planning programme to be designed and implemented by the Operator.
- 30.4. Every manager in the Operator will be responsible for the training and development of their subordinate staff, to provide opportunity for individual growth and to meet the needs of the Operator. This will be done in conjunction with the introduction of a performance management system which will monitor progress and identify training requirements of staff.

## 31. CONTROL OF EMPLOYEE CONDUCT

- 31.1. The Operator shall at all times ensure that sufficient suitable and appropriately qualified and experience personnel will be employed to perform as is required by this Contract. This requirement shall include ensuring that sufficient and adequate staff are on duty and/or available outside normal working hours to deal with such service requirements or emergencies as may occur. Without limiting the generality of the foregoing, the Operator shall ensure that all key personnel positions are filled as soon as reasonably possible as identified in the Organisational Plan.
- 31.2. The Municipality may only require the Operator to remove any employee or other personnel if it is permissible by law and because such personnel has engaged in conduct which is reasonably certain to result in a breach of any provision of this Contract.

## 32. SAFETY AND SECURITY

The Operator shall set up and maintain policies and procedures covering all matters relevant to performance under the Contract including without limitation discipline, grievance, equal opportunities and health and safety.

## PART H: CONTRACTING

## 33. ASSIGNMENT, TRANSFER, CESSION AND DELEGATION

No Party shall be entitled to assign, transfer, cede or delegate any of its rights and obligations in terms of this Contract without the prior written consent of the other Party, which consent shall not be unreasonably withheld.

## 34. PROCUREMENT AND ECONOMIC EMPOWERMENT

- 34.1. The Operator is solely responsible for independently procuring goods and services for the undertaking of its obligations in accordance with this Contract.
- 34.2. For the period ending 30 June 2017 the Operator is to use the Municipality's chemicals supply contract.
- 34.3. The Operator's procurement policy shall promote sustainable:
- 34.3.1. broad-based black economic empowerment; and
  - 34.3.2. support of small and medium enterprises within the area of jurisdiction of the Municipality.

## 35. SUB-CONTRACTING

- 35.1. The Operator may, in its sole discretion, appoint consultants, contractors and suppliers to undertake any portion of its obligations in terms of this Contract, which appointment shall be at its own cost and risk. In making such appointments, preference shall be given to contractors local to the area in which the contract shall be executed.
- 35.2. The Operator may not sub-contract any of its rights, duties and obligations in terms of this Contract to the extent that the agreement in terms of which such rights, duties and obligations are sub-contracted does not terminate prior to or on the termination of this Contract, without the prior written consent of the Municipality first being obtained, which

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consent shall not unreasonably be withheld. In such circumstance, the Municipality may prescribe matters to be included or addressed in such sub-contract.

- 35.3. The appointment of any sub-contractor shall not release the Operator of its duties or obligations in terms of this Contract or in any way affect the Operator's responsibility in respect of fulfilling such duties and obligations.
- 35.4. The Operator shall keep records of all contracts entered into in connection with or associated with its rights, duties or obligations in terms of this Contract and shall on request provide information in respect thereof to the Municipality.

#### PART I: DISPUTE RESOLUTION

#### 36. INTERDICT AND URGENT RELIEF

The provisions of clauses 37, 38 and 39 will apply except where an interdict is sought or urgent relief may be obtained from a court of competent jurisdiction on reasonable grounds.

#### 37. AMICABLE SETTLEMENT

- 37.1. If any dispute arises in terms of this Contract the parties shall try to resolve it. If it cannot be resolved, it shall be referred to the Municipal Manager of the Municipality and the Chief Executive Officer of the Operator who shall meet within 10 (ten) days of written notice of the dispute being given to reach an amicable settlement.
- 37.2. If the Municipal Manager and the Chief Executive Officer do not or cannot resolve the dispute within 10 (ten) days of the referral, or they fail to meet within the 10 (ten) day period, then either Party may immediately indicate its written intention to refer the dispute to expert determination in terms of clause 38.2 or arbitration in terms of clause 39.

#### 38. EXPERT DETERMINATION

- 38.1. Where a dispute arises in respect of the determination of any matter in the Contract that requires the intervention of an expert, the provisions of clause 38.2 shall apply.
- 38.2. The dispute shall be referred to an appropriately experienced expert appointed by agreement between the parties who shall be, if the matter in dispute relates primarily -
- 38.2.1. to an accounting or financial matter, a practicing chartered accountant of not less than 10 (ten) years standing as such;
  - 38.2.2. to, *inter alia*, engineering, construction, technical or other similar matter a practicing professional engineer of not less than 10 (ten) years standing as such; or
  - 38.2.3. to a legal matter, a practicing Attorney or Advocate of not less than 10 (ten) years standing as such.
- 38.3. If the Parties cannot agree on the identity of the expert timeously, the parties shall refer the matter to the President of the relevant professional body to nominate the expert.
- 38.4. The expert, who shall not act as an arbitrator, shall have the fullest and freest discretion with regard to the proceedings, save where any clause of this Contract confines the discretion of the expert.
- 38.5. The determination of the expert shall be final and binding on the Parties, save that if any determination is manifestly unjust and if a court determines what a just and equitable valuation would be, the Parties shall be bound by such a modified valuation.
- 38.6. The expert shall determine the liability for his charges.
- 38.7. The Parties shall use their best endeavours to ensure that the decision of the expert is rendered within 10 (ten) days after the dispute has been referred to him.

#### 39. ARBITRATION

- 39.1. If amicable settlement of a dispute is not reached in terms of clause 37 above, either Party shall be entitled by giving 10 (ten) days written notice to the other Party to require that the dispute be settled by arbitration. The arbitration shall be held:
- 39.1.1. at Hermanus unless otherwise agreed by the Parties;
  - 39.1.2. in a summary manner, that is, on the basis that it shall not be necessary to

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- observe or carry out either the usual formalities or procedures as prescribed by any relevant arbitration legislation or rules of evidence in South Africa;
- 39.1.3. with legal representation if required by either of the Parties; and
- 39.1.4. as soon as is reasonably practicable in the circumstances and with a view to it being completed within 30 (thirty) days of the dispute being referred to the arbitrator in terms of clause 39.1. The Parties hereby undertake to use their best endeavours to procure the expeditious completion of the arbitration.
- 39.2. The arbitrator shall be a person agreed to between the Parties within 10 (ten) days after the notice in clause 39.1 has been given, failing that, an appropriately experienced person nominated by the President of the relevant professional body subject to the following provisions –
- 39.2.1. if the question in issue relates primarily to an accounting or financial matter, the arbitrator shall be a practicing chartered accountant of not less than 10 (ten) years standing as such;
- 39.2.2. if the question in issue relates primarily to, *inter alia*, engineering, construction, technical or other similar matter, the arbitrator shall be a practicing professional engineer of not less than 10 (ten) years standing as such; or
- 39.2.3. if the question in issue relates primarily to a legal matter, the arbitrator shall be a practicing Attorney or Advocate of not less than 10 (ten) years standing as such.
- 39.3. Immediately after the arbitrator has been appointed, he may be called upon by either of the Parties to fix a date for the arbitration proceedings to be held and to settle the procedure and manner in which proceedings shall be held.
- 39.4. The arbitrator or his representative shall be entitled to investigate or cause to be investigated any matter, fact or thing which he considers necessary or desirable in connection with the dispute. The Parties to the dispute shall co-operate with the arbitrator by providing all reasonably relevant information, plans, manuals, databases, inventories, surveys, financial and other records and analyses compiled by either Party in accordance with this Contract as may be in their possession upon request.
- 39.5. The arbitrator shall –
- 39.5.1. decide the matters submitted to arbitration according to South African law, taking into account where appropriate all relevant market-related factors and having regard to all relevant evidence and circumstances;
- 39.5.2. make an award or orders relating to the subject matter of the dispute including a grant of interim relief and the costs of the arbitration or relating to any other matter arising therefrom; and
- 39.5.3. give his award in writing, fully supported by reasons.
- 39.6. The Parties irrevocably agree and undertake that any award, ruling or order made by the arbitrator –
- 39.6.1. shall be final and binding upon them;
- 39.6.2. may at the option of either party be made an order of the division of the High Court of South Africa to which jurisdiction the Parties are subject; and
- 39.6.3. the arbitrator shall have the power to give default judgment if any party fails to make submissions on due date or fails to appear at the arbitration, provided that reasonable notice has been given to Parties to make their submission or appearances.
- 39.7. The provisions of this clause 39 are severable from the rest of this Contract and shall remain in effect even after this Contract is terminated for any reason.
- 39.8. The Parties irrevocably consent to comply with the provisions of this clause 39 and neither Party shall be entitled to withdraw from or claim at any such proceedings that it is not bound by these provisions or by any ruling or procedure laid down in terms of such provisions.

- 39.9. No dispute arising from this Contract shall entitle the other party to discontinue or suspend the execution or exercise of any of its powers, rights, duties or obligations in terms of this Contract, pending the settlement of the dispute.

#### PART J: BREACH, FORCE MAJEURE & TERMINATION

#### 40. BREACH

- 40.1. If any Party commits a breach of this Contract after the Effective Date and should the other Party wish to claim specific performance or damages or both from the defaulting Party in respect of such breach, then prior to the latter Party exercising such right, it shall deliver a written notice to the defaulting Party notifying it of the breach giving rise to such right and requesting the defaulting Party to remedy the breach in question within a period of 15 (fifteen) days (or such longer period stipulated in the notice if the breach in question cannot reasonably be remedied by the defaulting Party within a 15 (fifteen) day period), and should the defaulting Party fail to remedy the breach within such period then the Party giving notice may institute legal proceedings to claim specific performance or damages or both, as the case may be. If any damages are claimed, the defaulting Party shall not be absolved from performing such acts, until payment of the damages has been received.
- 40.2. If the defaulting Party again commits a breach in respect of which the other Party has previously instituted legal proceedings and successfully claimed damages or specific performance in terms of clause 40.1 as a result of legal proceedings, the breach shall be deemed to be a material breach if the defaulting Party fails to remedy the breach within the 15 (fifteen) day notice period given in terms of clause 40.1 and the other Party shall at its election be entitled to terminate the Contract (or part thereof).
- 40.3. Prior to the Party invoking any right to terminate this Contract in terms of clause 40.2, it shall deliver a further written notice to defaulting Party notifying it of the material breach giving rise to such right and requesting the defaulting Party to remedy the breach in question within a further period of 7 (seven) days (or such longer period stipulated in the notice if the breach in question cannot reasonably be remedied by the defaulting Party within a 7 (seven) day period) and stating the intention to terminate the Contract (or part thereof if relevant).
- 40.4. Should the defaulting Party fail to remedy the material breach in question within the period reflected in the notice, the termination process referred to in clause 42 shall commence.

#### 41. FORCE MAJEURE

- 41.1. For the purposes of this Contract, force majeure shall be any relevant event, occurrence, circumstance or condition (including viz major, causus fortuitus or act of State) beyond the control of the Parties which could not have been reasonably foreseen when the Contract was entered into and which, despite the exercise of diligent efforts, could not have been prevented, limited or minimised and which results in either of the Parties not being able to comply with all or a material part of its obligations under this Contract. It may include without limitation:
- 41.1.1. war, civil war, insurrection, rebellion, revolution, armed conflict or terrorism riot, commotion, civil disorder, strike or lock-out by persons, other than the Operator's own personnel and those of their sub-contractors;
  - 41.1.2. any act of God, including extra-ordinary flood, drought, lightning, earthquake and the impact of meteorites;
  - 41.1.3. a consequence arising from or inherent in the design, specification or defective materials of the existing Bulk Works; and
  - 41.1.4. material adverse governmental action through changes in the Regulatory Provisions, or in the judicial or official government interpretation of such Regulatory Provisions after the Contract becomes legally effective.
- 41.2. The Party claiming relief from performance shall be relieved from liability under this Contract to the extent that by reason of the Force Majeure event it is not able to perform all or a material part of its obligations under this Contract.
- 41.3. Where a Party is or claims to be affected by an event of Force Majeure it shall take all reasonable steps to mitigate the consequences of such an event upon the performance of its obligations under this Contract, resume performance of its obligations affected by the

event of Force Majeure as soon as is practicable and use all reasonable endeavours to remedy its failure to perform.

- 41.4. The Party claiming relief shall serve written notice on the other Party within 10 (ten) days of it becoming aware of the relevant event of Force Majeure. Such initial notice shall give sufficient details to identify the particular event claimed to be an event of Force Majeure.
- 41.5. A subsequent written notice shall be served by the Party claiming relief on the other Party within a further 10 (ten) days which shall contain such relevant information relating to the failure to perform (or delay in performing) as is available including the effect of the Force Majeure on the ability of the Party to perform, the action being taken to mitigate, the date of the occurrence of the events of Force Majeure and an estimate of the period of time required to overcome it and/or its effects.
- 41.6. The Party claiming relief shall notify the other as soon as the consequences of the event of Force Majeure have ceased and when performance of its affected obligations can be resumed.
- 41.7. If, following the issue of any notice referred to in clause 41.4, the Party claiming relief receives or becomes aware of any further information relating to the event of Force Majeure and/or any failure to perform, it shall submit such further information to the other Party as soon as reasonably possible.
- 41.8. The Parties shall endeavour to agree any modifications to this Contract which may be equitable having regard to the nature of an event or events of Force Majeure, unless the impact is such that the essence of the Contract is made impossible to achieve in which case the Contract may be terminated as more fully set out in 42.

#### 42. TERMINATION

- 42.1. The termination of this Contract may occur at the instance of the Municipality and on a date specified in writing by the Municipality:
- 42.1.1. where any judgment has been granted which is not subject to appeal or review, or if it is, where such an appeal or review is not diligently pursued, for the winding up or judicial management of the Operator;
  - 42.1.2. if the Operator defaults under any agreement for the payment of money, where the creditor obtains judgment against Operator in an amount exceeding R 500 000 (five hundred thousand rand);
  - 42.1.3. if, subject to clause 41 and the Prevention and Emergency Plan, the Operator fails in the undertaking of the Function to such an extent that there is significant widespread danger to public health, which will be presumed to be the case if the Operator fails to undertake the Function for a continuous period of 5 (five) days;
  - 42.1.4. by reason of Force Majeure which goes to the essence of the Contract as set out in 41; or
  - 42.1.5. by reason of an unremedied material breach as set out in clause 40.
- 42.2. The parties acknowledge that termination of this Contract will be a process rather than an event and undertake in good faith to work together efficiently to ensure as far as reasonably possible an uninterrupted operation and maintenance of the Bulk Works.
- 42.3. The termination process shall be initiated by a notice from either Party who has the right to deliver such notice in accordance with clauses 40 and 41, or 6 (six) months prior to the expiry of the Contract. This notice shall trigger a "transitional phase".
- 42.4. During the transitional phase triggered in terms of clause 42.3:
- 42.4.1. the Municipality shall determine whether the business (including without limitation the employees, operational assets, liabilities and IT licenses) of the Operator is to transfer as a going concern to the Municipality or its nominee, and the consequences of such decision;
  - 42.4.2. the parties shall agree on a "hand back process" which is cost-effective, efficient, orderly and designed to ensure an uninterrupted operation and maintenance of the Bulk Works and delivery of the IA Services;

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- 42.4.3. the Operator shall continue to undertake the Function in accordance with the Contract until the Municipality or its nominee have taken control of the provision of the Services.
- 42.5. This Contract shall terminate on a date or an occurrence of an event agreed between the parties or if no such date or event is agreed between the parties when a new operator is appointed by the Municipality.
43. EFFECT OF TERMINATION
- 43.1. On the date of termination of the Contract as referred to in clause 42.5 -
- 43.1.1. the rights and obligations of the Operator in respect of undertaking the Function shall terminate;
- 43.1.2. the rights and obligations of the Operator in relation to the Bulk Works shall terminate;
- 43.1.3. the Bulk Works owned by the Municipality together with all requisite licenses shall be returned and handed over to the Municipality in good condition of use and operation, fair wear and tear excepted, based on the premise that the Bulk Works is an integral system that must be returned to the Municipality in proper functioning order;
- 43.1.4. the obligations of the Operator under this Contract as well as the staff and Bulk Works, shall be transferred at no additional cost to the Municipality in accordance with the instructions of the Municipality;
- 43.1.5. all the records, plans, specifications, engineering documents, operation procedures, utility location plans, recorded maps, license, permit and contracts associated with or connected to the Bulk Works and the undertaking of the Function shall be handed over to the Municipality; and
- 43.1.6. all monies due and payable by either Party to the other shall be settled.

## PART K: GENERAL

44. GOOD FAITH AND CO-OPERATION
- 44.1. The Parties hereby undertake to exercise good faith in all dealings with one another arising out of the negotiation, conclusion, implementation and termination of this Contract and undertake to take such steps as may be reasonably necessary in order to ensure the successful implementation and fulfilment of this Contract.
- 44.2. The Parties shall at all times co-operate with each other to facilitate the prompt and successful completion of their obligations in terms of this Contract.
45. LIABILITY
- 45.1. Subject to terms stated in this Contract, the Operator undertakes and assumes the responsibility for the undertaking of the Function and provision of the IA Services at its own risk and will be liable to the Municipality for the fulfilment and discharge of its obligations and requirements in respect of the Function with effect from the Effective Date.
- 45.2. The Operator shall not assume any of the liabilities of the Municipality that arose prior to the Effective Date and the Municipality shall indemnify the Operator against any losses, damages, injury or costs, charges, penalties, levies, fines and expenses of whatsoever nature suffered by the Operator, its employees, agents, contractors or representatives which are connected to, based on, or arising from any such liabilities or against any actions or claims demands, proceedings, damages, costs, charges and expenses of whatsoever nature by any third party of whatsoever nature whether brought before or after the Effective Date and which are connected to, based on, or arising from any such liabilities, and the Operator will not be held responsible for such liability.
- 45.3. Subject to clause 45.2, the Operator shall, with effect from the Effective Date and during the currency of this Contract -
- 45.3.1. take all reasonable precautions for the protection of life and property on and about or in any way connected with the whole or any part of undertaking the Function and the Bulk Works;

- 45.3.2. indemnify and not hold the Municipality accountable for any losses, claims, demands, proceedings, damages, costs, charges and expenses of whatsoever nature in respect of injury to or death of any person or loss of or damage to any part of the Bulk Works or any person or property arising from or attributable to any act or omission of the Operator, its employees or agents, unless such injury, death, loss or damage was caused in whole or in part due to any act or omission of the Municipality its employees or agents, contractors or any other person for whom it may be liable in law; and
- 45.3.3. report all material occurrences in terms of this paragraph to the Municipality within 3 (three) business days of becoming aware of such occurrence.
- 45.4. Subject to clause 45.2, the Municipality shall with effect from the Effective Date not be liable to third parties for the discharge of any obligations which the Operator is responsible for in terms of this Contract.
- 45.5. The Operator will be obliged to intervene and shall assume responsibility in respect of any action or right that is instituted against the Municipality in respect of any act or omission of the Operator or any person for whom it may be liable in law in respect of the Bulk Works or the provision or failure to undertake the Function or provide the IA Services in terms of this Contract that may occur after the Effective Date.
46. EXCLUSION OF CONSEQUENTIAL LOSS FOR DIRECT DAMAGES
- Neither Party shall be liable for any indirect, special or consequential loss or damage of any kind whatsoever or howsoever caused (whether arising under contract, delict or otherwise and whether the loss was actually foreseen or reasonably foreseeable), sustained by the other party, including but not limited to any loss of profits, loss of operation time, loss of information or loss of contracts.
47. PREVENTION OF CORRUPTION
- The Parties hereby undertake to identify Corrupt Action and to take all reasonable steps to prevent employees, sub-contractors, agents or anybody under their control and the employees, sub-contractors, agents of the other party or anybody under the other party's control from involvement in Corrupt Action.
48. FAILURE TO REACH AGREEMENT
- Where it is specified in this Contract that certain matters are to be agreed between the Parties, failure to reach agreement in respect of such matter will not affect the validity and enforceability of the remaining provisions of this Contract.
49. SEVERABILITY
- Any provision in this Contract which is or may become illegal, invalid or unenforceable in any jurisdiction affected by this Contract shall, as to such jurisdiction, be ineffective to the extent of such prohibition or un-enforceability and shall be treated *pro non scripto* and severed from the balance of this Contract, without invalidating the remaining provisions of this Contract or affecting the validity or enforceability of such remaining provisions.
50. GOVERNING LAW
- The interpretation, implementation and termination of this Contract will be in accordance with the laws of South Africa which shall, for all purposes of this Contract, be the governing law of this Contract.
51. CONSENT TO JURISDICTION
- The Parties agree that any legal action or proceeding arising out of any proceedings in terms of arbitration or in respect of any interdict or urgent relief in terms thereof may be brought in the High Court of South Africa (Cape Local Division) (or any successor to that court) and irrevocably submit to the exclusive jurisdiction of such court. Each appoints a person (at the address chosen as its *domicilium citandi et executandi*) to receive for and on its behalf service of process in such jurisdiction in any legal action or proceedings with respect to this Contract. The Parties irrevocably waive any objection they may now or hereafter have that such action or proceeding has been brought in an inconvenient forum. Nothing herein shall affect the right to serve process in any manner permitted by law.
52. PRESERVATION OF THE POWERS AND DUTIES OF THE MUNICIPALITY

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Nothing in this Contract shall curtail the statutory powers of the Municipality in its capacity as the water services authority and provider as defined in the Water Services Act in respect of the provision of water services in any manner whatsoever.

53. CONTRACT BINDING ON SUCCESSORS-IN-TITLE

- 53.1. This Contract shall be binding on any successor in title of the Operator and any successor in title of the Municipality.
- 53.2. The Operator shall not be construed as giving rise to a partnership or quasi-partnership.

54. DOMICILIUM CITANDI ET EXECUTANDI

- 54.1. The Parties choose as their *domicilia citandi et executandi* for all purposes under this Contract, whether in respect of court process, notices or other documents or communications of whatsoever nature (including the exercise of any option), the following addresses –

54.1.1. **Municipality:**

Attention: Municipal Manager  
 Physical Address: Magnolia Avenue Hermanus  
 Postal Address: P O Box 20 Hermanus 7200  
 Telephone No: 028 313 8000

54.1.2. **Operator:**

Attention: Chief Executive Officer: Operator  
 Physical Address: Unit 7 Riverside Industrial Park, 25 Textile Street, Paarl, 7646  
 Postal Address: P O Box 7240 Noorder Paarl 7623  
 Telephone No: 021 871 1877

- 54.2. Any notice or communication required or permitted to be given in terms of this Contract shall be valid and effective only if in writing, but it shall be competent to give notice by telefax.
- 54.3. Notwithstanding anything to the contrary herein contained a written notice or communication actually received by a party shall be an adequate written notice or communication to it notwithstanding that it was not sent to or delivered at its chosen *domicilium citandi et executandi*.

55. WHOLE AGREEMENT, NO AMENDMENT

- 55.1. This Contract including the annexures constitutes the whole agreement between Parties relating to the subject matter hereof. No representations, warranties or other terms and conditions of whatever nature not contained or recorded herein have been made or agreed to.
- 55.2. No amendment or consensual cancellation of this Contract or any provision or term hereof or of any agreement, bill of exchange or other document issued or executed pursuant to or in terms of this Contract and no settlement of any disputes arising under this Contract and no extensions of time, waiver or relaxation or suspension of or agreement not to enforce or to suspend or postpone the enforcement of any of the provisions or terms of this Contract or of any agreement, bill of exchange or other document issued pursuant to or in terms of this Contract shall be binding unless recorded in a written document signed by the Parties. Any such extension, waiver or relaxation or suspension which is so given or made shall be strictly construed as relating strictly to the matter in respect whereof it was



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made or given.

- 55.3. No extension of time or waiver or relaxation of any of the provisions or terms of this Contract, bill of exchange or other document issued or executed pursuant to or in terms of this Contract, shall operate as an estoppel against any Party in respect of its rights under this Contract, nor shall it operate so as to preclude such Party thereafter from exercising its rights strictly in accordance with this Contract.
- 55.4. To the extent permissible by law no Party shall be bound by any express or implied term, representation, warranty, promise or the like not recorded herein, whether it induced the Contract or whether it was negligent or not.

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56. SIGNATURES

- 56.1. This Contract is signed by the parties on the dates and at the places indicated below.
- 56.2. This Contract, together with its annexures, may be executed in several counterparts, each of which shall together constitute one and the same document.
- 56.3. The persons signing this agreement in a representative capacity warrant their authority to do so.

<u>DATE</u>	<u>PLACE</u>	<u>WITNESS</u>	<u>SIGNATURE</u>
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For: **OVERSTRAND LOCAL MUNICIPALITY**

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For: **VEOLIA WATER SOLUTIONS & TECHNOLOGIES SOUTH AFRICA (PTY) LTD**

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## ANNEXURE A: PRICING SCHEDULE

A) Fixed Monthly Rates				
Ref no	ITEM	No of months	Fixed rate pm (excluding VAT)	TOTAL
A	GENERAL			
<b>A.1</b>	<b>FIXED CHARGES WASTEWATER TREATMENT WORKS</b>			
	Contractual Requirements (includes all costs required to undertake the Function as per Technical Specifications)			
A.1.1	Hawston WWTW: O&M	12	R 19 220.00	R 230 640.00
A.1.2	Hermanus WWTW: O&M	12	R 46 830.00	R 561 960.00
A.1.3	Stanford WWTW: O&M	12	R 18 225.00	R 218 700.00
A.1.4	Gansbaai WWTW: O&M	12	R 26 250.00	R 315 000.00
A1.5	Kleinmond WWTWL O&M	12	R 23 170.00	R 278 040.00
<b>A.1</b>	<b>SUBTOTAL A.1</b>			<b>R 1 604 340.00</b>
<b>A.2</b>	<b>FIXED CHARGES WATER TREATMENT WORKS</b>			
	Contractual Requirements (includes all costs required to undertake the Function as per Technical Specifications)			
A.2.1	Preekstoel WTW: O&M	12	R 432 920.00	R 5 195 040.00
A.2.2	Buffels River WTW: O&M	12	R 17 680.00	R 212 160.00
A.2.3	Franskraal WTW: O&M	12	R 54 740.00	R 656 880.00
A.2.4	Pearly Beach WTW: O&M	12	R 3 760.00	R 45 120.00
A.2.5	De Kelders WTW: O&M	12	R 5 075.00	R 60 900.00
A.2.6	Stanford WTW: O&M	12	R 115.00	R 1 380.00
A.2.7	Baardskeerdersbos WTW: O&M	12	R 4 890.00	R 58 680.00
A.2.8	Kleinmond WTW: O&M	12	R 35 660.00	R 427 920.00
A.2.9	Buffeljags WTW: O&M	12	R 135.00	R 1 620.00
<b>A.2</b>	<b>SUBTOTAL A.2</b>			<b>R 6 659 700.00</b>

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<b>A) Fixed Monthly Rates</b>				
<b>Ref no</b>	<b>ITEM</b>	<b>No of months</b>	<b>Fixed rate pm (excluding VAT)</b>	<b>TOTAL</b>
<b>A.3</b>	<b>FIXED CHARGES SURFACE WATER SOURCES</b>			
	Contractual Requirements (includes all costs required to undertake the Function as per Technical Specifications)			
A.3.1	Monthly charge for all surface water sources combined	12	R 38 300.00	R 459 600.00
<b>A.3</b>	<b>SUBTOTAL A.3</b>			<b>R 459 600.00</b>
<b>A.4</b>	<b>FIXED CHARGES BOREHOLE PUMPS</b>			
	Contractual Requirements (includes all costs required to undertake the Function as per Technical Specifications)			
A.4.1	Monthly charge for all borehole pumps combined	12	R 2 725.00	R 32 700.00
<b>A.4</b>	<b>SUBTOTAL A.4</b>			<b>R 32 700.00</b>
<b>A.5</b>	<b>FIXED CHARGES SURFACE WATER PUMPSTATIONS</b>			
	Contractual Requirements (includes all costs required to undertake the Function as per Technical Specifications)			
A.5.1	Monthly charge for all surface water pump stations combined	12	R 22 810.00	R 273 720.00
<b>A.5</b>	<b>SUBTOTAL A.5</b>			<b>R 273 720.00</b>
<b>A.6</b>	<b>FIXED CHARGES BULK WATER PIPELINES</b>			
	Contractual Requirements (includes all costs required to undertake the Function as per Technical Specifications)			
A.6.1	Monthly charge for all bulk water pipelines combined	12	R 74 210.00	R 890 520.00
<b>A.6</b>	<b>SUBTOTAL A.6</b>			<b>R 890 520.00</b>

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<b>A) Fixed Monthly Rates</b>				
<b>Ref no</b>	<b>ITEM</b>	<b>No of months</b>	<b>Fixed rate pm (excluding VAT)</b>	<b>TOTAL</b>
<b>A.7</b>	<b>FIXED CHARGES RESERVOIRS</b>			
	Contractual Requirements (includes all costs required to undertake the Function as per Technical Specifications)			
A.7.1	Monthly charge for all reservoirs combined	12	R 25 060.00	R 300 720.00
<b>A.7</b>	<b>SUBTOTAL A.7</b>			<b>R 300 720.00</b>
<b>A.8</b>	<b>FIXED CHARGES SEWER PUMPSTATIONS</b>			
	Contractual Requirements (includes all costs required to undertake the Function as per Technical Specifications)			
A.8.1	Monthly charge for all sewer pumpstations	12	R 28 760.00	R 345 120.00
<b>A.8</b>	<b>SUBTOTAL A.8</b>			<b>R 345 120.00</b>
<b>A.9</b>	<b>FIXED CHARGES BULK SEWER PIPELINES</b>			
	Contractual Requirements (includes all costs required to undertake the Function as per Technical Specifications)			
A.9.1	Monthly charge for all sewer pipelines combined	12	R 63 250.00	R 759 000.00
<b>A.9</b>	<b>SUBTOTAL A.9</b>			<b>R 759 000.00</b>

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<b>B) Variable Rates based on Overstrand Chemicals Contract</b>					
<b>Ref no</b>	<b>ITEM</b>		<b>No of months</b>	<b>Rate per kl (excluding VAT)</b>	<b>TOTAL (for year)</b>
<b>B</b>	<b>VARIABLE CHARGES (Based on OM Chemicals contract)</b>				
<b>B.1</b>	<b>VARIABLE CHARGES WASTEWATER TREATMENT WORKS</b> Contractual Requirements (includes all costs required to deliver undertake the Function as per Technical Specifications)	Assume monthly demand (kl/m) for bidding purpose		Rate per Kl received	
B.1.1	Hawston WWTW	10 490	12	R 0.36	R 45 316.80
B.1.2	Hermanus WWTW	227 490	12	R 0.20	R 545 976.00
B.1.3	Stanford WWTW	14 170	12	R 0.43	R 73 117.20
B.1.4	Gansbaai WWTW	35 190	12	R 0.18	R 76 010.40
B.1.5	Kleinmond WWTW	42 920	12	R 0.10	R 51 504.00
	<b>SUBTOTAL B.1</b>				<b>R 791 924.40</b>
<b>B.2</b>	<b>VARIABLE CHARGES WATER TREATMENT WORKS</b> Contractual Requirements (includes all costs required to deliver undertake the Function as per Technical Specifications)	Assume monthly demand (kl/m) for bidding purpose		Rate per Kl treated water received by Overstrand	
B.2.1	Preekstoel WTW: O&M	334 340	12	R 0.24	R 962 899.20
B.2.2	Buffels River WTW: O&M	73 700	12	R 0.83	R 734 052.00
B.2.3	Franskraal WTW: O&M	81 610	12	R 4.13	R 4 044 591.60
B.2.4	Pearly Beach WTW: O&M	15 850	12	R 0.94	R 178 788.00
B.2.5	De Kelders WTW: O&M	46 420	12	R 0.42	R 233 956.80
B.2.6	Stanford WTW: O&M	24 640	12	R 0.03	R 8 870.40
B.2.7	Baardskeerdersbos WTW: O&M	970	12	R 4.97	R 57 850.80
B.2.8	Kleinmond WTW: O&M	63 080	12	R 0.55	R 416 328.00
B.2.9	Buffelsjags Bay	140	12	R 0.00	R 0.00
	<b>SUBTOTAL B.2</b>				<b>R 6 637 336.80</b>

Note: if the cession of Overstrand Municipality's chemicals contract to Veolia for the remainder of the contract period is not successful, the amounts for chemicals supplied by Overstrand Municipality will be deducted from payments due to Veolia for the function.

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<b>C) Variable Rates based on Veolia's own chemical supply</b>					
Ref no	ITEM		No of months	Rate per k (excluding VAT)	TOTAL (for year)
<b>C</b>	<b>VARIABLE CHARGES (Based on own Chemicals supply)</b>				
<b>C.1</b>	<b>VARIABLE CHARGES WASTEWATER TREATMENT WORKS</b> Contractual Requirements (includes all costs required to undertake the Function as per Technical Specifications)	Assume monthly demand (kl/m) for bidding purpose		Rate per Kl received	
C.1.1	Hawston WWTW	10 490	12	R 0.28	R 35 246.40
C.1.2	Hermanus WWTW	227 490	12	R 0.18	R 491 378.40
C.1.3	Stanford WWTW	14 170	12	R 0.36	R 61 214.40
C.1.4	Gansbaai WWTW	35 190	12	R 0.15	R 63 342.00
C.1.5	Kleinmond WWTW	42 920	12	R 0.07	R 36 052.80
	<b>SUBTOTAL C.1</b>				<b>R 687 234.00</b>
<b>C.2</b>	<b>VARIABLE CHARGES WATER TREATMENT WORKS</b> Contractual Requirements (includes all costs required to undertake the Function as per Technical Specifications)	Assume monthly demand (kl/m) for bidding purpose		Rate per Kl treated water received by Overstrand	
C.2.1	Preekstoel WTW: O&M	334 340	12	R 0.22	R 882 657.60
C.2.2	Buffels River WTW: O&M	73 700	12	R 0.76	R 672 144.00
C.2.3	Franskraal WTW: O&M	81 610	12	R 3.73	R 3 652 863.60
C.2.4	Pearly Beach WTW: O&M	15 850	12	R 0.82	R 155 964.00
C.2.5	De Kelders WTW: O&M	46 420	12	R 0.27	R 150 400.80
C.2.6	Stanford WTW: O&M	24 640	12	R 0.02	R 5 913.60
C.2.7	Baardskeedersbos WTW: O&M	970	12	R 4.22	R 49 120.80
C.2.8	Kleinmond WTW: O&M	63 080	12	R 0.52	R 393 619.20
C.2.9	Buffelsjags Bay	140	12	R 0.00	R 0.00
	<b>SUBTOTAL C.2</b>				<b>R 5 962 683.60</b>

D.1	PROVISIONAL SUMS		Veolia: Provisional Sum (excluding VAT)
D.1.1	Provisional capital sum for equipment or major repairs (in excess of R50 000 per incident) as may be required by the Employer	Sum	R 350 000.00
D.1.2	Provisional sum for upgrading of facilities	Sum	R 200 000.00
	SUBTOTAL (OM chemicals)		<b>R 19 304 681.20</b>
	Contingencies (5%)		R 965 234.06
	SUBTOTAL 1		<b>R 20 269 915.26</b>
E.	SALARY CONTRIBUTION (OM STAFF COSTS)	Sum	<b>R 13 283 247</b>
	SUB TOTAL 2 (Estimated value of contract for 2015/2016, excluding VAT)		R 33 553 162.26
	14% VAT ON SUBTOTAL 1		R 2 837 788.14
	<b>TOTAL TENDER SUM FOR YEAR 1 (Estimated value of contract for 2015/2016, including VAT, for 12 months)</b>		<b>R 36 390 950.40</b>
<b>F. VEOLIA: TENDERED IMPLEMENTING AGENT FEE</b>			
	Veolia % Implementing Agent Fee		<b>6 %</b>

**Notes:**

1. The total is the annual amount for the period 2015/16. The Operator will only be paid from the Effective Date of the Contract for the remainder of the 2015/16 Financial Year.
2. The amounts in D.1.1 and D.1.2 are indicative amounts which will be drawn against as and when costs are incurred by the Operator and invoiced.
3. Provisional sum D.1.1. will be determined annually and budgeted for by the Municipality in accordance with the requirements of the Function as determined in the Annual Plan.
4. Provisional sum D.1.2 is only applicable in the first year.
5. The fixed cost contribution for salary costs of posts associated with the Function as at October 2014 (E) will be paid out monthly in 12 equal payments. This amount will be escalated yearly based on the SALGBC increases and the schedule below will be used for the calculation.
6. The Salary Contribution determination was based on the assumption that SALGBC will apply a 6.1 % average increase from 1 July 2015 and the amounts in the schedule reflects this assumption.



**SCHEDULE: SALARY CONTRIBUTION COST BASE 2015****Note:**

1. Schedule to be used only for determination of annual escalation of Salary Contribution.
2. The Salary Contribution determination was based on the assumption that SALGBC will apply a 6.1 % average increase from 1 July 2015 and the amounts in the schedule reflects this assumption.
3. Costs and benefits of the posts in the schedule to be escalated and increased as per annual published SALGBC increases.



## ANNEXURE B: PERFORMANCE INDICATORS

[Note: Base lines for measuring performance to be established in Hand Over period and agreed in first Annual Plan and annually thereafter]

	KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATOR	Measure	Frequency	Penalty
1	Blue Drop Status	Achieve and maintain status for each water scheme	Blue Drop	Annually	2% of the previous Financial Years Annual Operator Fee for the scheme that did not achieve that scheme's target agreed in the Annual Plan, or R50 000, whichever is the greater
2	Water quality	Compliance with Regulatory Standards (SANS 241)	Percentage of compliance	Monthly	100% of the pro rate monthly Fixed Charges due for the treatment work for period when the sample was taken until proven to comply,; provided that the feed water quality and quantity is within the design limits, and funding for prioritised and related Large Repair and Maintenance projects has been approved by the Municipality.
3	Green Drop Status	Achieve and maintain status for each waste water scheme	Green Drop	Annually	2% of the previous Financial Years Annual Operator Fee for the waste water scheme that did not achieve that scheme's target agreed in the Annual Plan, or R50 000, whichever is the greater
4	Waste Water Quality	Achievement of Regulatory standards (Department of Water and Sanitation)	Monthly tests	Monthly	100% of pro rata monthly Fixed Charges due for the treatment work for the period when the sample was taken until proven to comply, for the treatment work where there is non-compliance; provided that the feed water quality and quantity is within the design limits, and funding for prioritised and related Large Repair and Maintenance Projects has been approved by the Municipality.
5	Treatment Capacity (WTW)	Production capacity managed to exceed demand (up to design capacity)	Interruptions in supply	Monthly	100% of Operator Fee due for the treatment work pro rata for period when the supply is interrupted; provided that the feed water quality and quantity is within the design limits, and funding for prioritised and related Large Repair and Maintenance Projects has been approved by the Municipality.
6	Treatment Capacity (WWTW)	Treatment capacity managed to exceed demand (up to design capacity)	Inflow volumes treated to the required standards	Monthly	100% of Operator Fee due for the treatment work pro rata for the period when the treatment process is interrupted; provided that the feed water quality and quantity is within the design limits, and funding for prioritised and related Large Repair and Maintenance Projects has been approved by the Municipality.
7	Planned Maintenance	Maintenance undertakings in Operations and	Plan submitted and accepted by	Annually	Operator to be liable for all and any costs from issues arising that are routine maintenance and were not

	KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATOR	Measure	Frequency	Penalty
		Maintenance Plan undertaken	Municipality and maintenance undertakings achieved		addressed as part of Plan
8	Water Efficiency	Water losses managed per facility as per Operations and Maintenance Plan	Water meter reading report per facility	Monthly	Volume lost in excess of base line loss to be deducted from variable volume based fee
9	Electricity Efficiency	Energy consumption per facility managed as per Energy Management Plan and with the aim of achieving improved energy efficiency	Electricity meter reading report per facility	Monthly	Any proven saving in the cost of energy obtained by operational improvements implemented by the Operator will be shared equally by the Operator and the Municipality.  Operator to be liable for actual additional cost of consumption in excess of planned consumption should there be a future deterioration in performance due to lack of proper management
10	Pump Station Failure	Overflows managed	Per spillage incident	Monthly	R10 000 per day; provided that the design of the system, the redundant capacity and the installed back-up power are sufficient in accordance with industry norms
11	Complaints which can be related to the Function	Number of complaints directly related to Function minimised	Number of complaints	Monthly	Report only
12	Reporting	Routine reporting and meetings with Municipality undertaken	Meetings and Reports	Monthly or as is contractually agreed	0.5% of monthly fixed fee if reporting not undertaken in a required period
13	Contract Management	Contract and Annual Plan updated and implemented	Contract and Annual Plan	Annually or as is required	0.5% of monthly fixed fee per month that Annual Plan is not updated as per contractual process
14	Health and Safety compliance	Health and Safety Incidents managed	Compliance with regulatory provisions	Monthly	Operator to be liable for costs from issues arising that were not addressed as part of Annual Plan for account of Operator
15	Training and Development	Employee training and development undertaken	Plan submitted and accepted by Municipality and undertakings in Plan achieved (including the plan to achieve Regulatory compliance over 3 years)	Annually	Penalty equal to annual budget not spent by Operator as planned for; provided that the handover issues in regard to the Transferred Employees are not the cause of the delays.

APPENDIX: REQUEST FOR PROPOSAL



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**WATER AND WASTE WATER  
TREATMENT WORKS CONTRACT:  
MFMA REPORT TO COUNCIL – 4 JULY 2015**

27057KD0/R20 – 1

[JULY 2015]

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### PROJECT 27057KD0/R20 - OVERSTRAND MUNICIPALITY

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REV	DESCRIPTION	ORIG	REVIEW	WORLEY-PARSONS APPROVAL	DATE	CLIENT APPROVAL	DATE
		C Libenberg	JT Human	JCF Prins	2015-07-16		



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**WATER AND WASTE WATER TREATMENT WORKS CONTRACT: ASSESSMENT REPORT**

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## ABBREVIATIONS

Contract	The contract to be concluded between the Municipality and the Operator in regard to the Works
DWS	Department of Water & Sanitation or its successor in title
HR	Human Resource
IA	Implementing Agent
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
LLF	Local Labour Forum
MFMA	Municipal Finance Management Act
Operator	the successful bidder to undertake the Project
O&M	Operation and Maintenance
Procurement	
Process	The process undertaken by the Municipality to procure the Operator
RFQ	Request for Qualification
RFP	Request for Proposal
SALGBC	South African Local Government Bargaining Council
Stakeholders	National and Provincial Treasury, Department of Water and Sanitation and national Department responsible for local government
S78	Section 78 of the Municipal Systems Act 2000
Technical Report	The report describing the Works attached to the RFP
WSA	Water Services Authority
Works	The WTW and WWTW in scope of the Project, as described in the Technical Report
WTW	Water Treatment Works
WWTW	Waste Water Treatment Works



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**1. REPORT OBJECTIVE**

Duly authorised by Council resolution of January 2014, the Municipality has made public its intention to enter into a 15 year contract in regard to the operations and maintenance of its water and waste water treatment works in its area of jurisdiction, and initiated a procurement process.

Because the proposed contract is for more than three years, and because the right to use, control and manage the Municipality's water and waste water treatment works will vest in an operator, the Municipality must comply with S33 of the Local Government: Municipal Finance Management Act No. 56 of 2003; and with the Local Government: Municipal Finance Management Act Municipal Asset Transfer Regulations No. R. 878 published in Government Gazette No. 31346 on 22 August 2008.

The objective of this report is to present Council with the Contract in its final form and to seek resolution of Council that the contract may be signed by the Municipal Manager.

**2. BACKGROUND**

**2.1 S78**

Overstrand Local Municipality is the water services authority and water services provider for its area of jurisdiction. To enable the Municipality to meet the growing demand for services, it has invested in upgrading infrastructure and technology associated with the bulk infrastructure (water purification and waste water treatment plants and pump stations).

The Municipality undertook an investigation in terms of s78 of the Local Government: Municipal Systems Act into the way in which it is structured to deliver water services to its community. Council took an s78 (2) decision in January 2014 to continue to deliver water services by way of an internal mechanism. In other words, the water services provide (WSP) mechanism continues to vest directly in Overstrand Municipality, who will continue to operate the reticulation works and be directly accountable to the community for water services delivery.

The s78 assessment did however reveal potential long-term challenges with regard to the operations and maintenance of the bulk water and waste water treatment works, in particular, the need to sustain access to and affordability of the skills and expertise to operate the technology and bulk works.

**2.2 Council decision**



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After considering a number of factors, including the views of organised labour, Council resolved in January 2014 in terms of s78(2) of the Municipal Systems Act as follows:

1. That the outcome of the independent assessment be noted;
2. That the comments received from organised labour be noted;
3. That the continuation of water services delivery by way of an internal mechanism be approved;
4. That it be approved in principle that a competently skilled and experienced operator be contracted to operate and maintain the Water Treatment Works and Waste Water Treatment Works;
5. That the Director: Infrastructure & Planning be delegated to:
  - 5.1 Undertake a more detailed study to inform the bid specifications;
  - 5.2 Initiate the procurement process;
  - 5.3 Report back with regard to the implications of future financial commitments in terms of s33 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).

See Annexure: Council Resolution.

**2.3 Impact of Council decision**

Water services delivery to the community will be delivered by a WSP mechanism structured as an internal Department within the Municipal structures. In other words from the community's perspective the municipal services delivery mechanism continues to be the Municipality. The s78 (2) decision is thus the final decision in regard to the structuring of the WSP municipal services delivery mechanism and there is no need to proceed in terms of s78 (3).

The Municipality must allocate sufficient capacity to deliver services by way of an internal WSP Mechanism.

In its capacity as water services authority, the Council continues to set the policies, by-laws and tariffs in regard to the municipal services delivery.

The operations and maintenance of the Works is a function which supports municipal services delivery. In itself, the operation and maintenance of the bulk works is not a municipal service to the community. The Council has authorised that the feasibility of the proposed Contract for the O&M of the Works be tested. The Director: Infrastructure and Planning was delegated to undertake a study to inform the bid specifications;



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initiate the procurement process; and report back with regard to the implications of the Local Government: Municipal Finance Management Act, 2003 (MFMA).

In discussion, National and Provincial Treasury have confirmed that the transaction is not a public private partnership. Nor would the transaction constitute privatisation as the assets remain with the Municipality and the Municipality remains accountable for the function. Privatisation would in effect divest the Municipality from any responsibility in regard to the assets or function. In this case the Municipality has a vested interest in that it owns the assets and in order to ensure service delivery, and it must take steps ensure that the bulk works are operated and maintained optimally, and that it has step in rights if the operator des not perform in accordance with the Contract.

**3. PROGRESS**

This report is written as at 4 July 2015. In implementing the Council resolution in 2.2 above, the following actions have been undertaken:

- The water and waste water treatment works were identified and a technical report was developed identifying the Works and subsidiary assets that will be in scope of the Contract.
- In anticipation of the impact on staff, the Local Labour Forum (LLF) was voluntarily engaged and a working group was constituted in March 2014. A terms of reference for the Working Group was agreed in June 2014 and regular engagements were facilitated to ensure information dissemination; Identify potentially impacted employees; Identify options for potentially impacted employees; Identify legal consequences of options and implementation risks. There was regular progress reports to the LLF. Communication was initiated with potentially affected employees. From May 2015 IMATU mandated direct engagement but SAMWU instructed that there was to be no engagement with SAMWU members.
- Stakeholders were informed of the outcome of Council's decision and the proposed approach in June 2014. The Department of Water And Sanitation acknowledged receipt. A discussion was held with National and Provincial Treasury in July 2014.
- A request for pre-qualification was issued by the Municipality's Supply Chain Management Unit from August 2014 and a compulsory bidders' briefing was held on 2 September 2014 at which all potential bidders registered on the attendance register. Closing date for submission was 26 September 2014. The purpose of the RFQ process was to establish the skills, experience, capacity and credentials of interested parties. See Annexure: RFQ.



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### WATER AND WASTE WATER TREATMENT WORKS CONTRACT: ASSESSMENT REPORT

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- Of the 8 bids received, 4 bidders were prequalified after assessment of their technical competencies and all four were considered as quite capable from a technical perspective to execute a project of this nature and extent.
- The 4 short listed bidders were issued with the Request for Proposal (RFP) on 3 December 2014. See Annexure: RFP
- A bidders' briefing was held on 10 December 2014 where all four Bidders were present. A presentation was made and site visits were facilitated for all 4 bidders. The draft contract and a written responses to written clarification requests was circulated to them on 23 December 2014. See Annexure: Contract. The second bidders briefing was held on 14 January 2015. All 4 prequalified bidders were present.
- At close of tender on Friday 30 January 2015, 3 bids were received from Veolia Water Solutions & Technologies South Africa (Pty) Ltd (Veolia), Water and Sanitation Services South Africa (Pty) Ltd (WSSA) and Bosch Munitech (Pty) Ltd. Sembcorp did not submit its bid and indicated its board of directors decided that the tender does not fit their investment criteria.
- Clarification was requested in writing from Veolia and WSSA on 17 February 2015. Bidders responded to the request for clarification in writing on 19 February 2015.
- The Bid Evaluation Committee sat on 26 and 27 February 2015, with input from SCM and the technical team. See Annexure: BEC and BAC Report
- The Bid Adjudication Committee sat on Friday 6 and Monday 9 March 2015.
- The Municipal Manager announced the preferred (Veolia) and second preferred (WSSA) bidders on 10 March 2015.
- The Municipality published its intention to enter into the contract on 12 March 2015. A notice was published in local paper (see Annexure: Public Notice) and an Information Statement was available for inspection. The local community and other interested stakeholders were invited to submit to the Municipality comments or representations in respect of the proposed contract and granting of the right to an operator to operate and maintain the Municipality's water and waste treatment works.
- A working session was facilitated on Thursday 19 March 2015 with Stakeholders to discuss and clarify issues arising. Views and recommendations were received only from Provincial Treasury (see Annexure: Provincial Treasury Views). The views are take into account in the finalisation of the Contract.
- Bid validity extension beyond 29 July 2015 was requested on 3 July 2015.