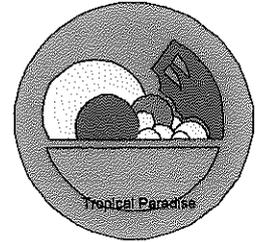


**GREATER TZANEEN MUNICIPALITY
GROTER TZANEEN MUNISIPALITEIT
MASIPALA WA TZANEEN
MASEPALA WA TZANEEN**



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www.gretertzaneen.gov.za

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 - a) Attachment to the Public Protector's letter
 - b) Security report

MMS

William Molokomme

From: William Molokomme
Sent: Thursday, 14 February 2019 18:48
To: John M.J. Matlala
Cc: Serapelo SB, Matlala; Mandy Arjoon; Palesa Makhubela
Subject: FW: Rates Adjustments Letter
Attachments: Adjustment of rates letter feb 2019.pdf; BoQ rates page Feb 2019.pdf
Importance: High

PMU

Please convene a meeting and also invite the CFO once date has been secured

Kind Regard,

Mr C.W Molokomme
Director: Engineering Services

076 809 5626 | 015 307 8000 | 015 307 8049 | william@tzeaneen.gov.za

website: www.greatertzeaneen.gov.za



From: Kwena Maphoto [mailto:kwena@letsopa.co.za]
Sent: Thursday, 14 February 2019 17:19
To: John M.J. Matlala
Cc: William Molokomme; Letsopa - Head Office
Subject: FW: Rates Adjustments Letter
Importance: High

Sir,

The Greater Tzaneen Municipality appointed Tshiamiso Trading 135 for the construction of Mulafi Access Road, as per their letter dated 21 January 2019.

After receiving the priced Bill of Quantities from the Client, we noted some discrepancies with regards to the amounts which were transferred to the summary schedule. We therefore requested the contractor adjust the rates to meet condition number 1 of his letter of appointment which reads as follows:

"1. That the total amount of Tshiamiso Trading 135 must not exceed the amount of R 26 824 512.88 Inclusive of 15% VAT."

We received a response wherein the contractor is indicating that he will not adjust the accepted rates.

LETSOPA'S INPUT:

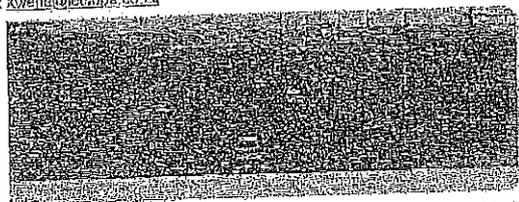
1. This is a procurement matter and Item F.3.9 should have or can still be activated, where there is a discrepancy between the tender offer and the corrected total of prices.
2. An urgent high-level meeting between the contracting parties (Client and Contractor) is inevitable as this has a huge bearing on the scope of work on the ground.

MGM WSK

- a. The contractor is on site and finalising his site establishment. We are expecting his invoice in the next week.
 - The challenge will be which rates to apply. If we stick to his approved rates, we need to start looking for more money to cover the full project scope.
3. Letsopa in submitting its next invoice, will stick to the initial estimates until the matter is resolved

Regards

Kwena Maphoto Pr Tech Eng, Pr OPM, MSAICE, IPET, IMESA
Accounting Manager
Unit 4, No. 5A Schoeman Street, Polokwane 0690; P O Box 4736, Polokwane 0700
Telephone: +27 (0) 15 291 4785, Fax: +27 (0) 15 204 2687
Cell: +27 (0) 82 584 2443, E-mail: kwene@letsopa.co.za



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MSM

MSM

MMA

**INTERNAL MEMORANDUM
ENGINEERING SERVICES DEPARTMENT**

TO : BS Matlala
Municipal Manager

FROM: CW Molokomme
Director: Engineering Services

DATE : 13 March 2019

**REQUEST FOR LEGAL OPINION ON ARITHMETIC ERRORS FOR
UPGRADING OF MULATI ACCESS ROAD SCMU: 15/2018**

BACKGROUND

1. Tshiamiso Trading 135 is appointed as a Contractor for the above mentioned project on the 21st of January 2019 for the amount of R26, 624, 512.88 Vat Inclusive.
2. Following their appointment, it was discovered that there were arithmetic errors in the Bill of Quantities. The corrected arithmetic errors amounted to R60, 351, 374.32 Vat Inclusive.
3. As per previous appointments with the same circumstances within the Municipality, the appointed contractors were requested to adjust their rates to match their offered tender price.
4. In the letter dated 08 February 2019, Letsopa Project Managers and Consulting Engineers, wrote to the Contractor alerting them of the discrepancies in the Bill of Quantities and further requesting them to adjust the rates in the Bill of Quantities to match their appointed amount.
5. In the letter dated the 11 February 2019, The Contractor stated as follows:
"In terms of the General Conditions of our Contract stipulated in our

MGM

W.S.M.

accepted and signed Bid Document "C2.1 PRICING INSTRUCTIONS" and the GCC 3rd Edition 2015: clause 6.8 sub-clause 6.8.1", unfortunately we cannot adjust accepted and signed rates in the Bill of Quantities".

DELIBERATIONS

A meeting was held on the 05th of March 2019, where the Consultant, Contractor, Project Management Unit, Chief Financial Officer and Supply Chain Manager was present.

The following are the outcomes of the meeting:

- i. The Engineer must provide the contractor with the estimated rates, so that the contractor can consider reviewing their rates in the Bill of Quantities.
- ii. The Engineer must indicate the scope of work that can be completed with the contractor's appointed amount of R 26,824,612.88 Vat Inclusive.
- iii. The Engineer must specify the items on the scope of work which can be omitted without reducing the 5.8km stretch of the road that is to be constructed.
- iv. The Engineering Department should consult with the Legal Division on the contract entered into by the Municipality and the Contractor.
- v. It should be noted that the contractor has begun with physical works on site.

RECOMMENDATION

- That Legal Division advise on interpretation of the related contract clauses and provide an opinion as a matter of urgency, considering the fact that the project is on progress.



M. Matlala
Manager: Project Management Unit

MGM

USM

RECOMMENDED/ NOT RECOMMENDED

Urgent intervention is requested from the
municipal manager:

[Signature]
CVV Molekomme
Director: Engineering Services Department

RECOMMENDED/ NOT RECOMMENDED

[Signature] for development being in mind CENB, ECMA, G.SSC
norms & standards

[Signature]
MP Makhubele
CFO

APPROVED/ NOT APPROVED

[Signature]
BS Matlala
Municipal Manager

MGM

U.S.M



DEPARTMENT OF
CO-OPERATIVE GOVERNANCE,
HUMAN SETTLEMENTS & TRADITIONAL AFFAIRS

Enquiry: Moloto MM (015 284 5417)
Ref: CH 11/2/1

The Municipal Manager
Greater Tzaneen Local Municipality
P O Box 24
TZANEEN
0850

Dear Mr. Matlala B.S

**MUNICIPAL INFRASTRUCTURE GRANT (MIG) PROGRAMME: REGISTRATION OF
PROJECT: MIG MIS ID NO. 365824: GREATER TZANEEN LM: UPGRADING OF
MULATI ACCESS ROAD**

The above-mentioned project has been evaluated and registered as follows: -

Original Total project cost	:	R37 224 193.28
Original MIG amount registered	:	R37 224 193.28
Cost per km (MIG)	:	R6 417 964.35
Total number of kilometers	:	5.8km
Revised Total project cost	:	R64 209 502.43
Revised MIG amount registered	:	R64 209 502.23
Revised Cost per km (MIG)	:	R11,070,603.87
Total number of kilometers	:	5.8km

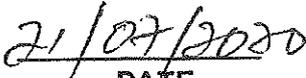
The project is approved with the following conditions:

- the municipality engage Road Agency Limpopo before implementation for approval on using paving blocks.
- Any further increase on the project cost will be referred to the sector department (Department of Transport) for assessment and recommendation.
- All other conditions as agreed upon by the Municipal Manager in the project registration form must be adhered to.

Kind regards,



HEAD OF DEPARTMENT


DATE

Cc: DCOG



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
**CO-OPERATIVE GOVERNANCE,
HUMAN SETTLEMENTS & TRADITIONAL AFFAIRS**

Enquiry: Moloto MM (015 284 5417)
Ref: CH 11/2/1

The Municipal Manager
Greater Tzaneen Local Municipality
P O Box 24
TZANEEN
0850

Dear Mr. Matlala B.S

**MUNICIPAL INFRASTRUCTURE GRANT (MIG) PROGRAMME: REGISTRATION OF
PROJECT: MIG MIS ID NO. 365829: GREATER TZANEEN LM: CODESA TO HANI
STREET PAVING**

The above-mentioned project has been evaluated and registered as follows: -

Original Total project cost	:	R13 211 323.00
Original MIG amount registered	:	R13 211 323.00
Cost per km (MIG)	:	R 7 636 602.89
Total number of kilometers	:	1.73
Revised Total project cost	:	R16 763 374.71
Revised MIG amount registered	:	R16 763 374.71
Revised Cost per km (MIG)	:	R 9 689 811.97
Total number of kilometers	:	1.73

All the conditions as agreed upon by the Municipal Manager in the project registration form must be adhered to.

Kind regards,

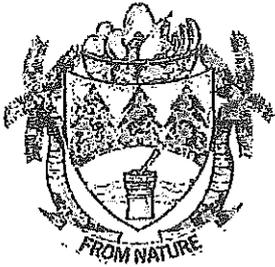


HEAD OF DEPARTMENT


DATE

Cc: DCOG

"BS 4"

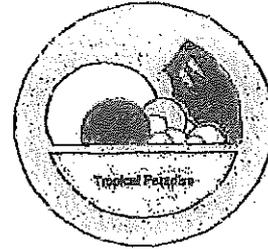


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Date: 22 October 2019
From: CLLR MG Mangena
His Worship: Mayor
Greater Tzaneen Municipality
Tel: 083 894 3231 / 015 307 8014

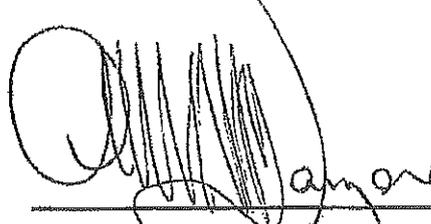
**Mr BS Matlala
Municipal Manager
Greater Tzaneen Municipality**

Dear Mr BS Matlala (Municipal Manager)

**NOTICE OF INTENTION TO SUSPEND: MR BS MATLALA: MUNICIPAL MANAGER:
GREATER TZANEEN MUNICIPALITY**

1. The above matter bears reference.
2. In its specially convened Council sitting of the 22 October 2019, in terms of Council Resolution A16, Council considered your report on two roads: Namely Codesa to Hani Street and Mulati Access Road.
3. Council holds a view that there are lot of challenges as highlighted in the report but also problems that Councillors have seen emanating from those roads. To demonstrate on few:
 - 3.1 Discrepancies on the Bill of Quantities (BOQ) and the contract amount.
 - 3.2 Appointment without discovering or exposing the discrepancies.

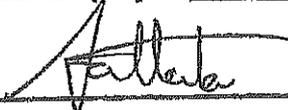
- 3.3 Consulting Engineer's discovery, advice to Greater Tzaneen Municipality (GTM) and GTM proceedings amid discrepancies.
 - 3.4 Resultant sub-contractors and employees disruption of Council, attack on Municipal Manager, legal battles, deployment of high threat risk security, terminations, project stoppage etc.
4. In the light of the above examples, Council seek more scientific information on the following:
- 4.1 Your role as Accounting Officer on the whole development which led to where we are currently, projects stoppage and way forward.
 - 4.2 Provide accountability / reasons to the Mayor why Council should not put you on suspension pending investigations on two roads.
 - 4.3 Your response should be forwarded to the Mayor on or before end of seven (07) working days from today, the 23 October 2019, the seventh day of which shall be on Friday, the 01st of November 2019.
 - 4.4 Be at liberty to add any information which you believe is necessary for Council to note as it processes your response.
5. Attached hereto find Council Resolution A16 for your ease of reference.
6. I trust that you will find the above in order.
7. Your kind cooperation will be appreciated.


23/10/19

CLLR MANGENA GODFREY MARIPE
THE MAYOR
GREATER TZANEEN MUNICIPALITY

a) Received by the Employee

Full Names of the Employee: BS MATWALA

Signature: 

Signed at.....Izaneen..... on the...23.....day of November 2019.

Time: 10H57

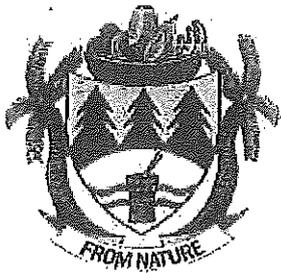
b) If the employee refuses to sign

Full Names of Witness: _____

Signature: _____

Date: _____

Time: _____

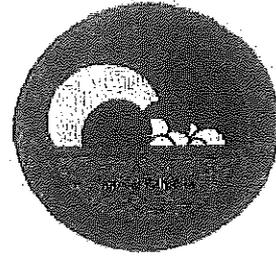


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"BS7"

Date: 12 November 2019
From: CLLR MG Mangena
His Worship: Mayor
Greater Tzaneen Municipality
Tel: 083 694 3231 / 015 307 8014

Mr BS Matlala
Municipal Manager
Greater Tzaneen Municipality

Dear Mr BS Matlala (Municipal Manager)

**NOTICE OF SUSPENSION: MR BS MATLALA: MUNICIPAL MANAGER: GREATER
TZANEEN MUNICIPALITY**

1. The above matter bears reference.
2. In its specially convened Council sitting of the 12 November 2019, in terms of Council Resolution A30 (see Annexure A), council interrogated your representations dated 01 November 2019 and resolved as follows:
 - 2.1 That the allegations of misconduct against yourself addressed in the notice of intention to suspend dated 23 October 2019, are serious.
 - 2.2 That you are therefore placed on precautionary suspension until investigations in the matter are concluded.
 - 2.3 That you are entitled to your remuneration and benefits during the period of your suspension
 - 2.4 You are therefore instructed as follows:

A 16 REPORT ON MULATI ACESS ROAD AND CODESA TO HANI STREET
(E/C 2019 10 22; C 2019 10 22) (16/3/3/-13/1)

RESOLVED

- (a) That Council notes the Municipal Managers' report on Mulati access road and Codesa to Hani street projects.
- (b) That Council believes there is misleading information regarding the access road and street projects.
- (c) That council mandate the Mayor to write a letter to the Municipal Manager to give reasons why he should not be put on suspension while Council do an investigation on the matter.
- (d) That the Municipal Manager be given seven (7) working days to respond to the Mayor's letter.
- (e) That upon receipt of Municipal Manager's response, Council be convened to consider such a response.
- (f) That council notes the content of the report and situation resulting from the developments about the projects.
- (g) That the Municipal Manager not commit the Municipality to major financial obligations during the seven (7) days within which he is to provide his response.

Signed by the Speaker

Councillor DJ Mmetle.....



"BS6"

6

**A 30 REPORT ON MULATI ACESS ROAD AND CODESA TO HANI STREET –
CONSIDERATION OF THE RESPONSE FROM THE MUNICIPAL MANAGER
(MR BS MATLALA)**

(E/C 2019 11 12; C 2019 11 12)

(16/3/31-13/1)

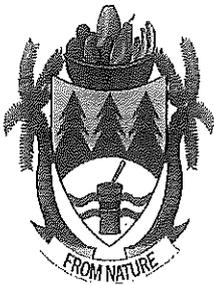
RESOLVED

- (a) That Council received and considered the representations of the Municipal Manager.
- (b) That Council believes that there are matters regarding Mulati Access Road and Codesa to Hani Street projects that need to be investigated.
- (c) That Council resolves to put the Municipal Manager (Mr. BS Matlala) in a precautionary suspension with immediate effect.
- (d) That the Mayor be delegated to appoint an independent Investigator within seven (7) days.
- (e) That the Independent Investigator must submit a report with recommendations to the Mayor within thirty (30) days of his/ her appointment.
- (f) That Council be convened within Seven (7) days upon receipts of the report of the Independent Investigator.
- (g) That the CFO, Ms. P Makhubela be appointed as the Acting Municipal Manager with immediate effect for a period not exceeding three (3) months .
- (h) That these Council resolutions be communicated to the MEC of Corporative Governance, Human Settlements and Traditional Affairs in Limpopo Province.

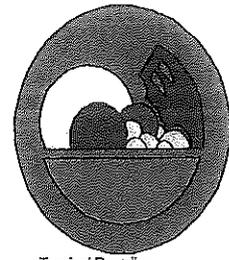
Note: That the EFF and COPE raised their objections against the precautionary suspension of the Municipal Manager.

Signed by the Speaker
Councillor DJ Mmetle.....





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Abor Park
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To: M Mashiane
Limpopo Legislature
Committee Coordinator
mashianem@limpopoleg.gov.za

14 October 2020

Submission of documents to Coghsta Committee

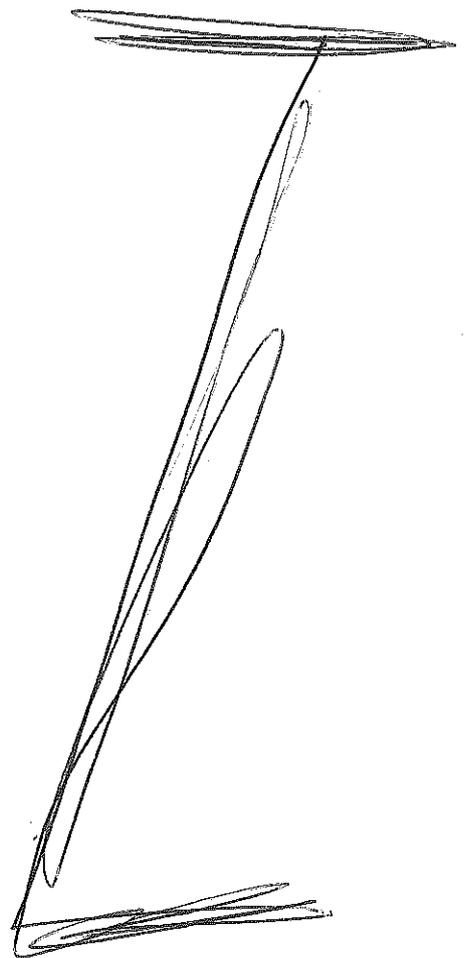
Kindly receive the documents as requested with reference to the letter received by Greater Tzaneen Municipality on 12 October 2020.

Refer to 12 hard copy files deliverable in Lebowakgomo Government Complex.

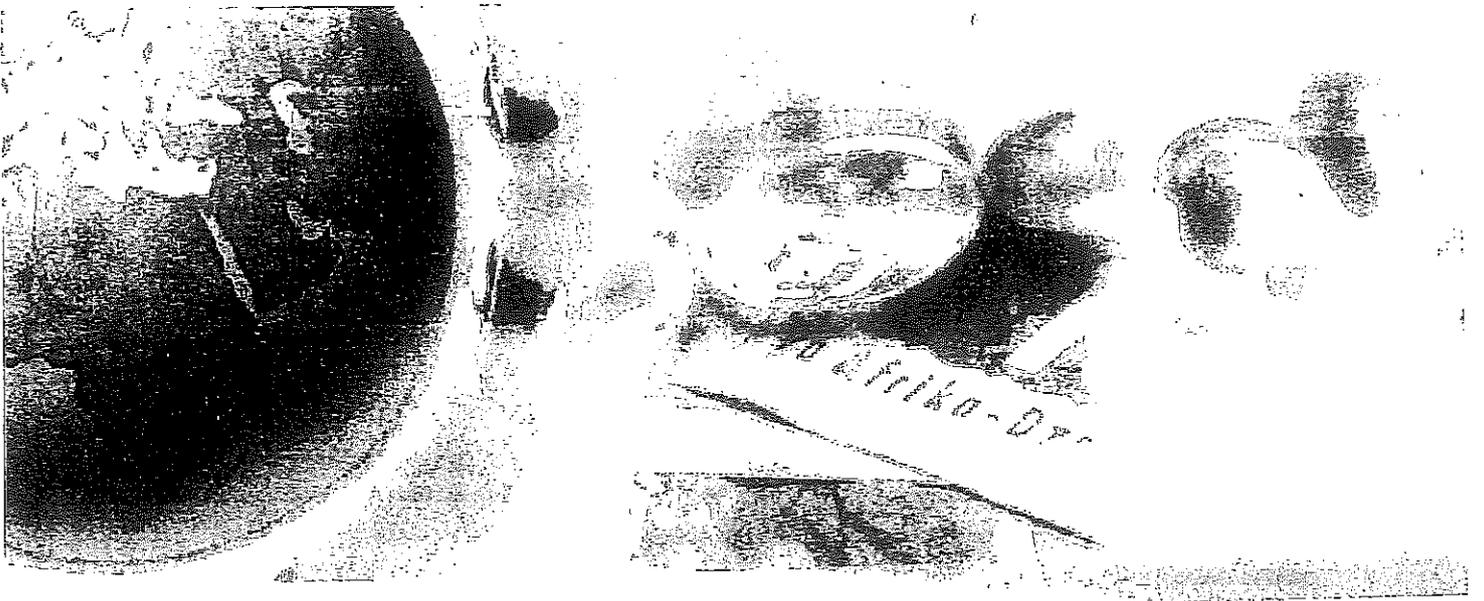
Regards

.....
Municipal Manager
Tzaneen Local Municipality

CC: Honorable Mayor
Tzaneen Local Municipality



AUDIT REPORT



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

adjustments were necessary to the irregular expenditure stated at R32 826 799 in the consolidated financial statements.

Context for the opinion

5. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
6. I am independent of the Municipality in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* and, parts 1 and 3 of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion

Emphasis of matters

8. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

9. As disclosed in note 62 to the consolidated financial statements, the corresponding figures for 30 June 2018 were restated as a result of an error in the consolidated financial statements of the municipality at, and for the year ended, 30 June 2019.

Material impairments – receivables

10. As disclosed in note 60 to the consolidated financial statements, material losses to the amounts of R132 298 457 was incurred, as a result of ineffective revenue collection practices.

Significant uncertainties

11. With reference to note 41 to the consolidated financial statements, the municipality is the defendant in a number of claims. The municipality is opposing these claims. The ultimate outcome of the matters cannot presently be determined and no provision for any liability that may result has been made in the consolidated financial statements.

Material losses - electricity

12. As disclosed in note 52 to the consolidated financial statements, material electricity losses of R123 565 476 (2018: R108 946 468) was incurred, which represents 20.62% (2018: 22.01%) of the total electricity purchased

Other matters

13. I draw attention to the matters below. My opinion is not modified in respect of these matters.

performance areas presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

21. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators/ measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
22. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected key performance areas presented in the annual performance report of the Municipality for the year ended 30 June 2019:

Key Performance Areas	Pages in the annual performance report
KPA: Service delivery	09 – 17
KPA: Economic growth	18 – 57

23. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
24. The material findings in respect of the usefulness and reliability of the selected key performance areas are as follows:

KPA: Service delivery

Reported achievement did not agree with the evidence provided, i.e. not valid and/or accurate and/or complete

25. The reported achievement in the annual performance report did not agree to the supporting evidence provided for the indicator listed below.

Indicator description	Reported achievement	Audited value
Construction of Bund wall at ERF 2990 Koede street	200%	10%

matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

Consolidated annual financial statements, performance and annual reports

31. The consolidated financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.

Material misstatements of non-current assets and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements resulted in the consolidated financial statements receiving a qualified opinion.

Procurement and contract management

32. Some of the contracts were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of Preferential Procurement Policy Framework Act, 2000 (Act No 5 of 2000) and preferential procurement regulations.

33. Some of the contracts were made to bidders other than those recommended by the bid evaluation committee without ratification by the accounting officer, as required by supply chain management (SCM) regulation 29(5)(b).

34. Sufficient appropriate audit evidence could not be obtained that contracts were awarded to bidders based on points given for criteria that were stipulated in the original invitation for bidding, as required by SCM regulations 21(b) and 28(1)(a) and preferential procurement regulations.

Expenditure management

35. Reasonable steps were not taken to prevent irregular expenditure amounting to R7 438 134 as disclosed in note 47 to the annual financial statements, as required by section 62(1)(d) of the MFMA.

36. Reasonable steps were not taken to prevent unauthorised expenditure to the amount of R83 028 989 as disclosed in note 45, as required by section 62(1)(d) of the MFMA.

37. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R9 957 974 as disclosed in note 46 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the fruitless and wasteful expenditure was caused by payments relating to legal fees.

Human resource management

38. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the Municipal Systems Act, 2000 (Act No. 32 of 2000).

Other information

39. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report which includes the the audit committee's report. The other information does not include the consolidated financial

Annexure – Auditor-general’s responsibility for the audit¹

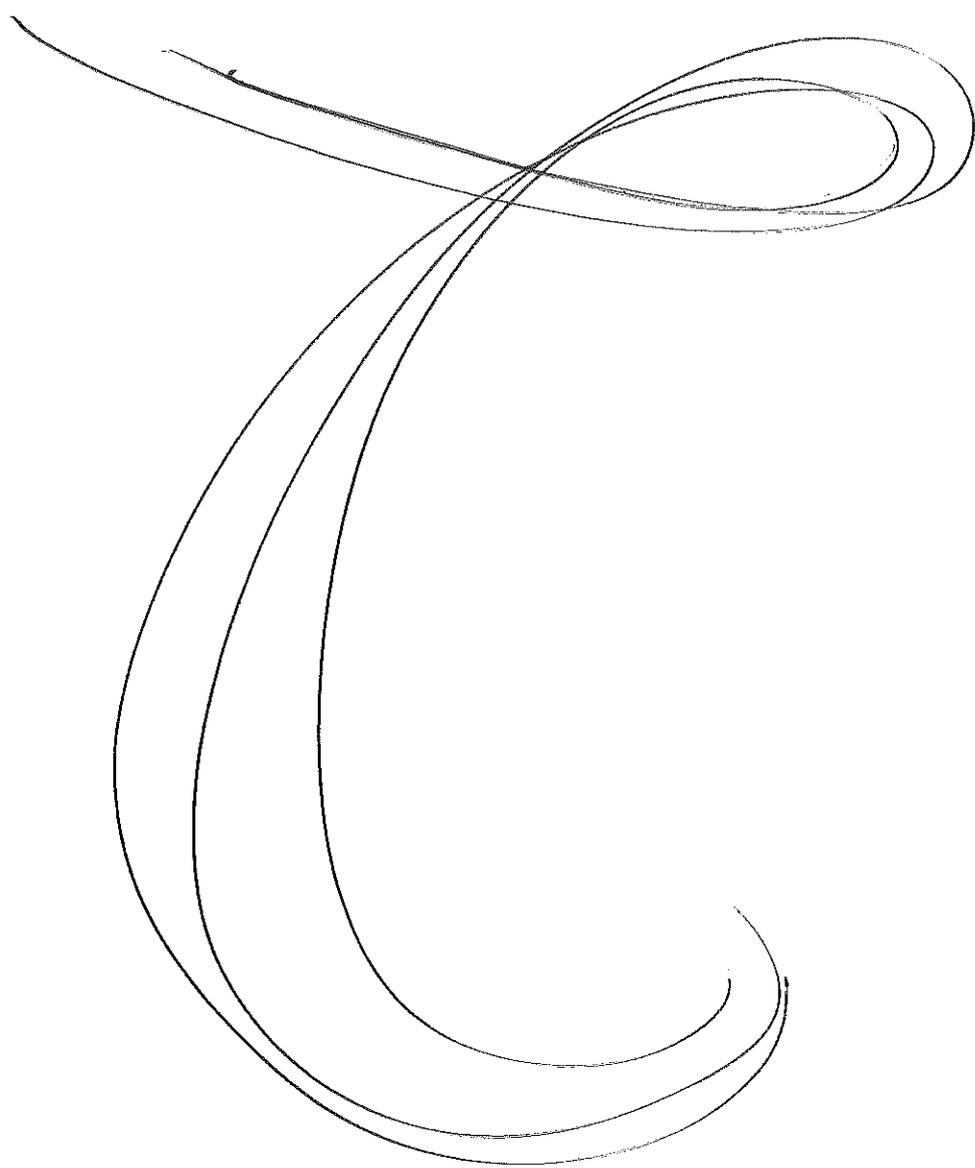
1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the consolidated financial statements, and the procedures performed on reported performance information for selected objectives and on the municipality’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the consolidated financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the consolidated financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - conclude on the appropriateness of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Greater Tzaneen Municipality and its subsidiary ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease continuing as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
 - [obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion]²

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may



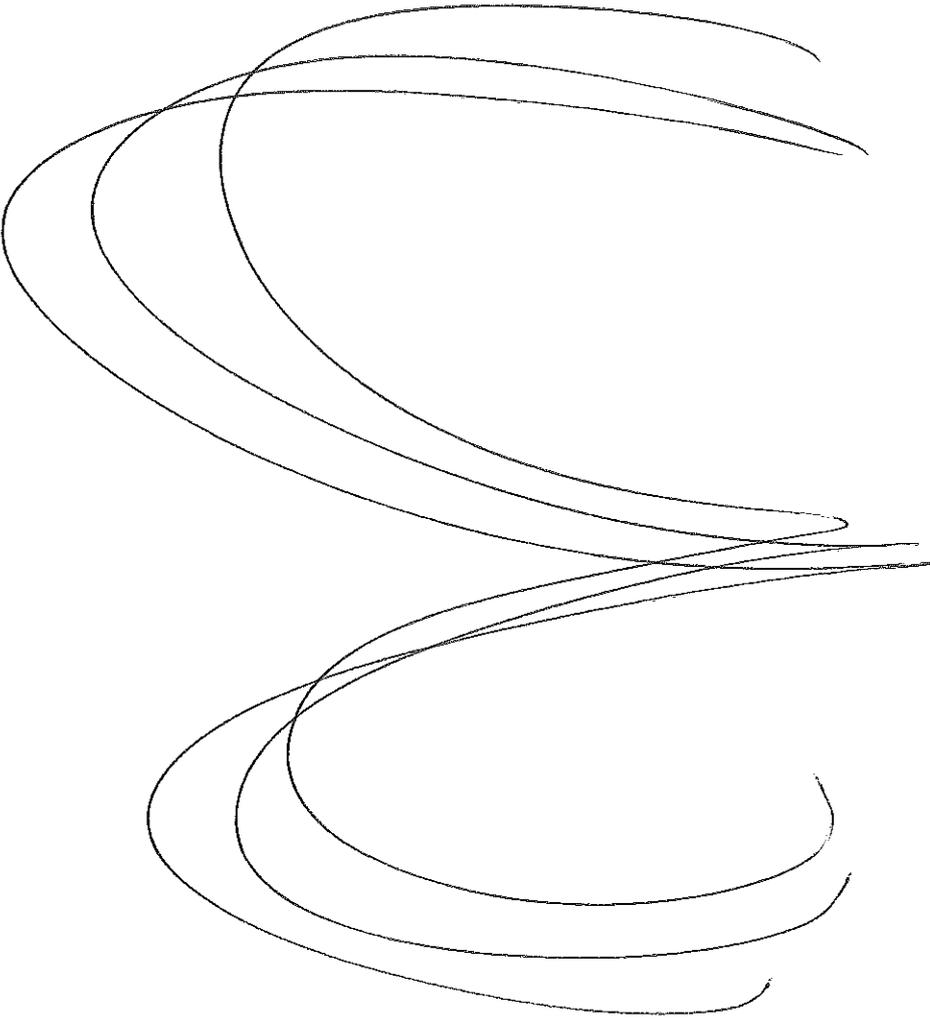
AUDIT ACTION PLAN

9	51	Budget and Treasury	Disruptive irregular expenditure	7	New	Management did not ensure that all municipalities comply with the provisions of the MFMA.	31/07/2020	31/05/2020	Palma Mkhahaba	GFO	Matters referred above to confirm 42, 43, 46	The irregular expenditure for 2019/2020 is updated and audited for purposes of the MFMA. The irregular expenditure is disclosed in the 16/19 and 19/20 financial statements.	Yes	Yes	Final Audit Report
10	56.2	Office of the AM	Reported performance irregularities	recurring	Management did not review that sufficient evidence is provided to support reported performance irregularities.	Management will ensure appropriate evidence is provided to support reported performance irregularities.	31/07/2020	31/05/2020	Meddie Mabasa	Managerial support	Management will ensure appropriate evidence is provided to support reported performance irregularities.	In Progress. Our audit is currently in progress. We are currently in progress with the audit of the 16/19 and 19/20 financial statements. We are currently in progress with the audit of the 16/19 and 19/20 financial statements.	Yes	Yes	Final Audit Report
11	56.2	Office of the AM	Performance irregularities	recurring	Management did not review that sufficient evidence is provided to support reported performance irregularities.	Management will ensure appropriate evidence is provided to support reported performance irregularities.	31/07/2020	31/05/2020	Mabasa Mabasa	Managerial support	Management will ensure appropriate evidence is provided to support reported performance irregularities.	In Progress. Our audit is currently in progress. We are currently in progress with the audit of the 16/19 and 19/20 financial statements. We are currently in progress with the audit of the 16/19 and 19/20 financial statements.	Yes	Yes	Final Audit Report
12	56.3	Office of the AM	Performance irregularities	recurring	Management did not review that sufficient evidence is provided to support reported performance irregularities.	Management will ensure appropriate evidence is provided to support reported performance irregularities.	31/07/2020	31/05/2020	Mabasa Mabasa	Managerial support	Management will ensure appropriate evidence is provided to support reported performance irregularities.	In Progress. Our audit is currently in progress. We are currently in progress with the audit of the 16/19 and 19/20 financial statements. We are currently in progress with the audit of the 16/19 and 19/20 financial statements.	Yes	Yes	Final Audit Report

OTHER IMPORTANT MATTERS

13	30	Corporate Services Department	Overstatement of employees	9	new	Management did not ensure that the Municipality complies with the provisions of the MFMA.	31/07/2020	31/05/2020	Recent Results	HR Manager/Management	POE submitted and All employees are notified by the HR Manager when they have days forfeited. The employees are able to be notified of the days forfeited. The employees are able to be notified of the days forfeited.	Yes	Yes	Other Important Matters
13	30	Corporate Services Department	Overstatement of employees	9	new	Management did not ensure that the Municipality complies with the provisions of the MFMA.	31/07/2020	31/05/2020	Recent Results	HR Manager/Management	POE submitted and All employees are notified by the HR Manager when they have days forfeited. The employees are able to be notified of the days forfeited. The employees are able to be notified of the days forfeited.	Yes	Yes	Other Important Matters

20	13	Budget and Treasury	83	Accounting	Management of the CFO and Manager	3/10/2020	3/10/2020	Reva Vjorn	Revenue	Manager Revenue	The control delivered up in the reporting cycle. Management Report	On time in the reporting cycle. Please find attached reports on progress for credit control for credit control management. The policy will be submitted to the next audit.	On sample	yes	no	Administrative matters	In Progress
21	14	Corporate Services Department	81	Accounting	The HR did not ensure that the municipality will ensure that controls are in place with the reporting cycle. The Director Corporate Services and Manager HR will ensure that controls are in place with the reporting cycle. The finding will be reported in the next audit cycle. <td>3/10/2020</td> <td>3/10/2020</td> <td>W. Sibanda</td> <td>Corporate Services</td> <td>Corporate Services</td> <td>Management Report</td> <td>Drift checked and the finding will be reported in the next audit cycle. <td>POE not submitted</td> <td>yes</td> <td>no</td> <td>Administrative matters</td> <td>In Progress</td> </td>	3/10/2020	3/10/2020	W. Sibanda	Corporate Services	Corporate Services	Management Report	Drift checked and the finding will be reported in the next audit cycle. <td>POE not submitted</td> <td>yes</td> <td>no</td> <td>Administrative matters</td> <td>In Progress</td>	POE not submitted	yes	no	Administrative matters	In Progress
22	16	Finance and Treasury	37	Accounting	The CFO and Manager Revenue will ensure that controls are in place with the reporting cycle. The finding will be reported in the next audit cycle. <td>3/10/2020</td> <td>3/10/2020</td> <td>Reva Vjorn</td> <td>Manager Revenue</td> <td>Manager Revenue</td> <td>Management Report</td> <td>Management Report</td> <td>Drift checked and the finding will be reported in the next audit cycle. <td>yes</td> <td>no</td> <td>Administrative matters</td> <td>In Progress</td> </td>	3/10/2020	3/10/2020	Reva Vjorn	Manager Revenue	Manager Revenue	Management Report	Management Report	Drift checked and the finding will be reported in the next audit cycle. <td>yes</td> <td>no</td> <td>Administrative matters</td> <td>In Progress</td>	yes	no	Administrative matters	In Progress
23	20	Corporate Services Department	44	HR	The HR did not ensure that the municipality will ensure that controls are in place with the reporting cycle. The finding will be reported in the next audit cycle. <td>3/10/2020</td> <td>3/10/2020</td> <td>Helen Masika</td> <td>HR Manager</td> <td>HR Manager</td> <td>Management Report</td> <td>Management Report</td> <td>Drift checked and the finding will be reported in the next audit cycle. <td>yes</td> <td>no</td> <td>Administrative matters</td> <td>In Progress</td> </td>	3/10/2020	3/10/2020	Helen Masika	HR Manager	HR Manager	Management Report	Management Report	Drift checked and the finding will be reported in the next audit cycle. <td>yes</td> <td>no</td> <td>Administrative matters</td> <td>In Progress</td>	yes	no	Administrative matters	In Progress
24	21	Corporate Services Department	46	HR	The HR did not ensure that the municipality will ensure that controls are in place with the reporting cycle. The finding will be reported in the next audit cycle. <td>3/10/2020</td> <td>3/10/2020</td> <td>W. Sibanda</td> <td>Corporate Services</td> <td>Corporate Services</td> <td>Management Report</td> <td>Management Report</td> <td>Drift checked and the finding will be reported in the next audit cycle. <td>yes</td> <td>no</td> <td>Administrative matters</td> <td>In Progress</td> </td>	3/10/2020	3/10/2020	W. Sibanda	Corporate Services	Corporate Services	Management Report	Management Report	Drift checked and the finding will be reported in the next audit cycle. <td>yes</td> <td>no</td> <td>Administrative matters</td> <td>In Progress</td>	yes	no	Administrative matters	In Progress
25	22	Corporate Services Department	49	HR	The HR did not ensure that the municipality will ensure that controls are in place with the reporting cycle. The finding will be reported in the next audit cycle. <td>3/10/2020</td> <td>3/10/2020</td> <td>Helen Masika</td> <td>HR Manager</td> <td>HR Manager</td> <td>Management Report</td> <td>Management Report</td> <td>Drift checked and the finding will be reported in the next audit cycle. <td>yes</td> <td>no</td> <td>Administrative matters</td> <td>In Progress</td> </td>	3/10/2020	3/10/2020	Helen Masika	HR Manager	HR Manager	Management Report	Management Report	Drift checked and the finding will be reported in the next audit cycle. <td>yes</td> <td>no</td> <td>Administrative matters</td> <td>In Progress</td>	yes	no	Administrative matters	In Progress



UIF REPORT

COUNCIL RESOLUTION

**A18 UNATHORISED, IRREGULAR. FRUITLESS AND WASTEFUL
EXPENDITURE INVESTIGATION REPORT OF MUNICIPAL PUBLIC
ACCOUNTS COMMITTEE OF GREATER TZANEEN MUNICIPALITY**

RESOLUTION

- a) That the Financial Misconduct Disciplinary Board investigate any element of financial misconduct and against any alleged transgressor;
- b) That expenditure be condoned in line with (MFMA Sec 32 (2)(a)) on the basis that it is mainly non-cash items, no loss was incurred by the municipality;
- c) That the municipality adhere to the SCM Policy, Regulations and processes;
- d) That the Budget and Treasury Office (Office of the CFO) conduct awareness workshops regularly on SCM Policy and Regulations to sensitize employees about SCM processes;
- e) That consequence management be implemented on non-compliance;
- f) That unauthorized, irregular or fruitless and wasteful expenditure policy or procedure manual be developed;
- g) That monitoring and evaluation of projects be strengthened;
- h) That Contract management be strengthened, and each municipal department develop its own contract register;
- i) That communication gap between SCM and user departments be strengthened;
- j) That budget practices be strengthened, and availability of budget be monitored to avoid unauthorized expenditure;
- k) That payments to services providers not be effected where user departments cannot produce proper documentation;
- l) That unauthorized, irregular or fruitless and wasteful expenditure be reported to Council on a quarterly basis.
- m) That the progress report on the implementation of these recommendations be tabled in the next council sitting.

Signed by the Speaker.....

Councillor DJ Mmetle

IRREGULAR EXPENDITURE REGISTER 2018/2019

No	Transaction details			Person Liable (Official or Political Office Bearer)	Type of Prohibited Expenditure
	Vendor Name	Total YTD Amount JUNE 2019	Description of Incident		
1	Contour Technology (pty) Ltd	19 124.71	New bid advertised ,termination letter with notice period sent to SP	Finance+ electrical	Irregular Expenditure
2	Focus Outsourcing Solutions CC	12 161.18	Bid adjudicated -printing of municipal statements - awaiting appointment by MM	Finance	Irregular Expenditure
3	Contour Technology (pty) Ltd	20 851.51	New bid advertised ,termination letter with notice period sent to SP	Finance+ electrical	Irregular Expenditure
4	Focus Outsourcing Solutions CC	14 256.16	Bid adjudicated -printing of municipal statements - awaiting appointment by MM	Finance	Irregular Expenditure
5	Contour Technology (Pty) Ltd	20 704.26	New bid advertised ,termination letter with notice period sent to SP	Finance+ electrical	Irregular Expenditure
6	Contour Technology (Pty) Ltd	19 182.72	New bid advertised ,termination letter with notice period sent to SP	Finance+ electrical	Irregular Expenditure
7	Focus Outsourcing Solutions CC	11 918.64	Bid adjudicated -printing of municipal statements - awaiting appointment by MM	Finance	Irregular Expenditure
8	Focus Outsourcing Solutions CC	12 033.18	Bid adjudicated -printing of municipal statements - awaiting appointment by MM	Finance	Irregular Expenditure
9	Theuwedi Trading Enterprise	547 128.07	NEW Bid Advertised and appointed	Community Services	Irregular Expenditure
10	Theuwedi Trading Enterprise	547 128.07	NEW Bid Advertised and appointed	Community Services	Irregular Expenditure
11	Theuwedi Trading Enterprise	557 128.07	NEW Bid Advertised and appointed	Community Services	Irregular Expenditure
12	Theuwedi Trading Enterprise	600 378.24	Wrong Criteria used on Bid Advert	Community Services	Irregular Expenditure
13	Theuwedi Trading Enterprise	600 378.24	Wrong Criteria used on Bid Advert	Community Services	Irregular Expenditure
14	Focus Outsourcing Solutions CC	24 367.52	Bid adjudicated -printing of municipal statements - awaiting appointment by MM	Finance	Irregular Expenditure
15	Contour Technology (Pty) Ltd	43 893.11	Contract Expired- Bid at specification stage	Finance	Irregular Expenditure
16	Theuwedi Trading Enterprise	600 378.24	Wrong Criteria used on Bid Advert	Community Services	Irregular Expenditure

17	Contour Technology (Pty) Ltd	20 942.12	New bid advertised ,termination letter with notice period sent to SP	Finance + Electrical	Irregular Expenditure
18	Focus Outsourcing Solutions	12 582.19	Bid adjudicated -printing of municipal statements - awaiting appointent by MM	Finance	Irregular Expenditure
19	Theuwedi Trading Enterprise	600 378.24	Wrong Criteria used on Bid Advert	Community Services	Irregular Expenditure
20	Focus Outsourcing Solutions	11 852.76	Contract Expired- Bid Advertised, awaiting Adjudication	Finance	Irregular Expenditure
21	Theuwedi Trading Enterprise	600 378.24	Wrong Criteria used on Bid Advert	Community Services	Irregular Expenditure
22	Theuwedi Trading Enterprise	600 378.24	Wrong Criteria used on Bid Advert	Community Services	Irregular Expenditure
23	Contour Technology (Pty) Ltd	44 549.26	New bid advertised ,termination letter with notice period sent to SP	Finance + Electrical	Irregular Expenditure
24	Focus Outsourcing Solutions CC	11 970.15	Bid adjudicated -printing of municipal statements - awaiting appointent by MM	Finance	Irregular Expenditure
25	Theuwedi Trading Enterprise	600 378.24	Wrong Criteria used on Bid Advert	Community Services	Irregular Expenditure
26	Contour Technology (Pty) Ltd	45 576.84	New bid advertised ,termination letter with notice period sent to SP	Finance + Electrical	Irregular Expenditure
27	Focus Outsourcing Solutions CC	10 778.78	Bid adjudicated -printing of municipal statements - awaiting appointent by MM	Finance	Irregular Expenditure
28	Theuwedi Trading Enterprise	600 378.24	Wrong Criteria used on Bid Advert	Community Services	Irregular Expenditure
29	Theuwedi Trading Enterprise	600 378.24	Wrong Criteria used on Bid Advert	Community Services	Irregular Expenditure
30	Contour Technology (Pty) Ltd	26 600.18	New bid advertised ,termination letter with notice period sent to SP	Finance + Electrical	Irregular Expenditure
31	TSHIAMISO TRADING (Mulati)	3 086 697.55	(AG Audit finding- Disagreement) - Bids awarded a month apart - on both bids proof of Risk assessment done not adequate	Engineering Services	Irregular Expenditure

32	Eternity star investment (ESI)- (Mopye High School)	931 362.44	(AG Audit finding- Disagreement) - Tendered amount over estimated - Tender not awarded to the lowest bidder	Engineering Services	Irregular Expenditure
33	Eternity star investment (ESI)- (Mopye High School)	370 915.26	(AG Audit finding- Disagreement) - Tendered amount over estimated - Tender not awarded to the lowest bidder	Engineering Services	Irregular Expenditure
	TOTAL	R11 827 108.89			

Greater Tzaneen Municipality
IRREGULAR EXPENDITURE REGISTER 2019/20

No	Transaction details			Person Liable (Official or Political Office Bearer)	Type of Prohibited Expenditure
	Vendor Name	Total YTD Amount JUNE 2020	Description of Incident		
1	Contour Technology (pty) Ltd	R 27 702,30	Contract Expired- Bids Awaiting Approval for appointment	Municipal Manager/Budget & Treasury/Electrical	Irregular Expenditure
2	Focus Outsourcing Solutions CC	R 33 818,40	Contract Expired- Bids Awaiting Approval for appointment	Municipal Manager/Budget & Treasury	Irregular Expenditure
3	Theuwedi Trading Enterprise	R 600 378,24	Wrong Criteria used on Bid Advert	Community Services	Irregular Expenditure
4	Theuwedi Trading Enterprise	R 585 378,24	Wrong Criteria used on Bid Advert	Community Services	Irregular Expenditure
5	Focus Outsourcing Solutions CC	R 10 564,21	Contract Expired- Bids Awaiting Approval for appointment	Municipal Manager/Budget & Treasury	Irregular Expenditure
6	Theuwedi Trading Enterprise	R 660 378,24	Wrong Criteria used on Bid Advert	Community Services	Irregular Expenditure
7	Contour Technology (Pty) Ltd	R 31 343,29	Contract Expired- Bids Awaiting Approval for appointment	Municipal Manager/Budget & Treasury/Electrical	Irregular Expenditure
8	Theuwedi Trading Enterprise	R 660 416,05	Wrong Criteria used on Bid Advert	Community Services	Irregular Expenditure
9	Focus Outsourcing Solutions CC	R 10 913,13	Contract Expired- Bids Awaiting Approval for appointment	Municipal Manager/Budget & Treasury	Irregular Expenditure
10	Theuwedi Trading Enterprise	R 660 416,05	Wrong Criteria used on Bid Advert	Community Services	Irregular Expenditure
11	Contour Technology (Pty) Ltd	R 31 305,76	Contract Expired- Bids Awaiting Approval for appointment	Municipal Manager/Budget & Treasury/Electrical	Irregular Expenditure
12	Focus Outsourcing Solutions CC	R 10 350,55	Contract Expired- Bids Awaiting Approval for appointment	Municipal Manager/Budget & Treasury	Irregular Expenditure
13	Theuwedi Trading Enterprise	R 660 416,05	Wrong Criteria used on Bid Advert	Community Services	Irregular Expenditure
14	Contour Technology (Pty) Ltd	R 62 001,50	Contract Expired- Bids Awaiting Approval for appointment	Municipal Manager/Budget & Treasury/Electrical	Irregular Expenditure
15	Focus Outsourcing Solutions cc	R 10 151,75	Contract Expired- Bids Awaiting Approval for appointment	Municipal Manager/Budget & Treasury	Irregular Expenditure
16	Theuwedi Trading Enterprise	R 660 416,05	Wrong Criteria used on Bid Advert	Community Services/bid committees	Irregular Expenditure

17	TSHIAMISO TRADING (Mulati)	R 6 771 529,30	(AG Audit finding- Disagreement) - Bids awarded a month apart -on both bids proof of Risk assessment done not adequate	Engineering Services	Irregular Expenditure
18	Eternity star investment (ESI)- (Mopye High School)	R 600 149,63	(AG Audit finding- Disagreement) - Tendered amount over estimated - Tender not awarded to the lowest bidder	Engineering Services	Irregular Expenditure
19	Focus Outsourcing Solutions cc	R 24 797,97	Contract Expired- Bids Awaiting Approval for appointment	Municipal Manager/Budget & Treasury	Irregular Expenditure
20	Contour Technology (Pty) Ltd	R 31 296,35	Contract Expired- Bids Awaiting Approval for appointment	Municipal Manager/Budget & Treasury/Electrical	Irregular Expenditure
21	Theuwedi Trading Enterprise	R 660 416,05	Wrong Criteria used on Bid Advert	Community Services	Irregular Expenditure
22	LETSOPA PROJECTS (Mulati)	R 95 337,55	(AG Audit finding- Disagreement) - Tendered amount over estimated - Tender not awarded to the lowest bidder	Engineering Services	Irregular Expenditure
23	Focus Outsourcing Solutions cc	R 21 415,96	Contract Expired- Bids Awaiting Approval for appointment	Municipal Manager/Budget & Treasury	Irregular Expenditure
24	Contour Technology (Pty) Ltd	R 59 819,94	Contract Expired- Bids Awaiting Approval for appointment	Municipal Manager/Budget & Treasury/Electrical	Irregular Expenditure
25	Theuwedi Trading Enterprise	R 660 416,05	Wrong Criteria used on Bid Advert	Community Services	Irregular Expenditure
26	Eternity star investment (ESI)- (Mopye High School)	R 1 729 939,65	(AG Audit finding- Disagreement) - Tendered amount over estimated - Tender not awarded to the lowest bidder	Engineering Services	Irregular Expenditure
27	Theuwedi Trading Enterprise	R 660 416,05	Wrong Criteria used on Bid Advert	Community Services	Irregular Expenditure
28	Eternity star investment (ESI)- (Mopye High School)	R 735 604,91	(AG Audit finding- Disagreement) - Bids awarded a month apart -on both bids but municipality not submitted adequate proof of Risk assessment that contractor would have capacity to finish both projects	Engineering Services	Irregular Expenditure

29	MMQOMO Trading (Session to ESI)	R 613 318,00	(AG Audit finding- Disagreement) - Bids awarded a month apart -on both bids proof of Risk assessment done not adequate	Engineering Services	Irregular Expenditure
30	Theuwedi Trading Enterprise	R 660 416,05	Wrong Criteria used on Bid Advert	Community Services	Irregular Expenditure
31	Theuwedi Trading Enterprise	R 660 416,05	Wrong Criteria used on Bid Advert	Community Services	Irregular Expenditure
32	Contour Technology (Pty) Ltd	R 93 251,50	Contract Expired- Bids Awaiting Approval for appointment	Municipal Manager/Budget & Treasury/Electrical	Irregular Expenditure
33	TSHIAMISO TRADING (Mulati)	R 6 067 783,46	(AG Audit finding- Disagreement) - Bids awarded a month apart -on both bids proof of Risk assessment done not adequate	Engineering Services	Irregular Expenditure
Total :		R 24 862 274,29			

Summary :

FRUITLESS AND WASTEFUL 18-19: Greater Tzaneen Municipality

No	Transaction details			Person Liabile (Official or Political Office Bearer)	Type of Prohibited Expenditure
	Description	Total Amount YTD June 2019	Description of Incident		
1	Eskom-Bulk Purchases	R482 115,50	Interest on late payment due to cash flow constraints	All Departments	Fruitless and Wasteful
2	ESKOM-N'wamitwa High Mast	R50,30	Interest on late payment	All Departments	Fruitless and Wasteful
3	ESKOM-N'wamitwa High Mast	R38,20	Interest on late payment	All Departments	Fruitless and Wasteful
4	Eskom-Bulk Purchases	R354 030,53	Interest on late payment due to cash flow constraints	All Departments	Fruitless and Wasteful
5	Eskom-Bulk Purchases	R803 798,91	Interest on late payment due to cash flow constraints	All Departments	Fruitless and Wasteful
6	Eskom-Bulk Purchases	R1 083 932,73	Interest on late payment due to cash flow constraints	All Departments	Fruitless and Wasteful
7	DBSA-LTL Redemption	R8 723,36	Interest on late payment- Payment captured on bank, did not go through	All Departments	Fruitless and Wasteful
8	Eskom-Nkowa Nkowa Stadium House	R44,07	Interest on late payment	All Departments	Fruitless and Wasteful
9	Eskom	R132,23	Interest on late payment	All Departments	Fruitless and Wasteful
10	Eskom-N'wamitwa High Mast	R871,42	Interest on late payment	All Departments	Fruitless and Wasteful
11	Eskom-Bulk Purchases	R146 283,99	Interest on late payment due to cash flow constraints	All Departments	Fruitless and Wasteful
12	Steven Murray & Associates	R11 924,00	Interest on late payment	All Departments	Fruitless and Wasteful
13	Eskom-Nkowa Nkowa Stadium House	R43,01	Interest on late payment- municipal official not paying for services as well residing there	All Departments	Fruitless and Wasteful
14	Eskom-Nkowa Nkowa Stadium House	R9,49	Interest on late payment- municipal official not paying for services as well residing there	All Departments	Fruitless and Wasteful
15	Eskom-Bulk Purchases- Tarentaal	R1 294 480,90	Interest on late payment due to cash flow constraints	All Departments	Fruitless and Wasteful

16	Eskom Bulk Purchases	R609 199,17	(AG Audit finding)-Interest on late payment due to cash flow constraints	All Departments	Fruitless and Wasteful
17	Moruji Access Road : Readira Matlala/Nyapele JV	R5 180 296,49	(AG Audit finding)-Expenditure incurred in vain (P & Gs) Moruji-Matshwi-Kheshokolwe	Engineering Services Department	Fruitless and Wasteful
	TOTAL	R9 975 974,30			

Name of Municipality: Greater Tzaneen Municipality

FRUITLESS EXPENDITURE REGISTER 19-20

No	Transaction details			Person Liable (Official or Political Office Bearer)	Type of Prohibited Expenditure		
	Vendor name	Payment Number	Total Amount YTD JUNE 2020			Description of Incident	
1	Forest Properties NYDA Rental	Fig - Office	1082316	R 242,78	Interest on late payment due to cashflow constraints	Corporate Services	Fruitless and Wasteful
2	Forest Properties NYDA Rental	Fig - Office	1082457	R 318,33	Interest on late payment due to cashflow constraints	Corporate Services	Fruitless and Wasteful
3	Compensation Commission		1082855	R 70 751,90	Interest on late payment due to cashflow constraints	Corporate Services / Budget & Treasury	Fruitless and Wasteful
4	Forest Properties NYDA Rental	Fig - Office	1082804	R 1 701,69	Interest on late payment due to cashflow constraints	Corporate Services	Fruitless and Wasteful
5	ESKOM-Bulk Purchases		1083434	R 371 443,83	Interest on late payment due to cashflow constraints	All department	Fruitless and Wasteful
6	ESKOM-Bulk Purchases		1084433	R 1 780 292,45	Interest on late payment due to cashflow constraints	All department	Fruitless and Wasteful
7	ESKOM-Bulk Purchases		1085610	R 404 528,20	Interest on late payment due to cashflow constraints	All department	None Applicable
9	Auditor General		1085789	R 5 580,83	None Applicable	None Applicable	None Applicable
10	Eskom Bulk Purchases		1086724	R1 024 453.50	None Applicable	None Applicable	None Applicable
11	Eskom Bulk Purchases		1084724	R 58 291.71	None Applicable	None Applicable	None Applicable
TOTAL:				R3 717 605.32			



SUPPLY CHAIN MANAGEMENT DOCUMENTS

- **FRAUD CASE, SWORN AFFIDAVIT**
- **APPOINTMENT LETTER**
- **SERVICE LEVEL AGREEMENT**
- **PAYMENTS**

Suid-Afrikaanse Polisiediens



South African Police Service

Private Bag X 9428

Fax No.: 015 298 4142

Your Reference/ U verwysing:
My Reference: Tzaneen cas 116/12/2019

THE COMMANDER
SERIOUS CORRUPTION INVESTIGATION UNIT
DIRECTORATE FOR PRIORITY CRIME INVESTIGATION
POLOKWANE

Enquiries/Navrae Captain Malabela
Tel: 071 481 3485

The Municipal Manager
Greater Tzaneen Municipality
38 Agatha Street
Tzaneen
0850

CAPT. MAKUWA
071 3517278

REQUEST FOR DOCUMENTS: TZANEEN CAS 116/12/2019

1. Our office is investigating allegations of Fraud, Corruption and theft committed at Greater Tzaneen Municipality.
2. We therefore request your assistance in our investigations by providing our office with the following information:
 - 2.1 The procurement policy to procure goods, services and also procedure documents.
 - 2.2 All services rendered by TSIAMISO TRADING (Pty) Ltd at the municipality and the procedure which was used during the appointment.
 - 2.3 The Bid advertisement for tenders where TSIAMISO TRADING (Pty) Ltd was appointed to render services at the municipality.
 - 2.4 The contract documents between TSIAMISO TRADING (Pty) Ltd and the municipality.
 - 2.5 All the invoices paid out to TSIAMISO TRADING (Pty) Ltd for the services rendered at the municipality.
 - 2.6 All the documents and minutes of the meetings held by Bid specification committee, Bid evaluation committee and Bid adjudication committee during the appointment of TSIAMISO TRADING (Pty) Ltd.
 - 2.7 Affidavit in terms of Section 212 of the Criminal Procedure Act 51 of 1977.

LT COLONEL
UNIT COMMANDER: SERIOUS CORRUPTION INVESTIGATION
DIRECTORATE FOR PRIORITY CRIME INVESTIGATION
LIMPOPO PROVINCE
RD LESUFI
DATE: 2020/03/23

RECEIVED BY: *BSS MATLALA*
GREATER TZANEEN MUNICIPALITY
2020-03-24
MUNICIPAL MANAGER'S OFFICE
TEL: 015 307 8002

AFFIDAVIT IN TERMS OF SECTION 212 OF THE CRIMINAL PROCEDURE
ACT, 1977 (ACT 51 OF 1977)

I, the undersigned,

SERAPELO BARTHOLOMEW MATLALA

do hereby make oath and state as follows: -

1.

- 1.1 I am the respondent's Municipal Manager employed as such by the Greater Tzaneen Municipality at its main address situated at 1 Agatha Street, Arbor Park, Tzaneen, Limpopo Province.
- 1.2 I depose to this affidavit on the behalf of the respondent having been duly authorised to do so by the respondent. In corroboration I make to the respondent's delegation of authority, confirming the respondent's resolution authorising me as the Municipal Manager to depose to the answering affidavit in the proceedings.
- 1.3 The "delegations of powers" document of the Municipality empower me as the head of administration to dispose of this document on behalf of Council.

1.4 The facts contained herein are, except where the contrary indications expressly appear and the contexts indicates otherwise, within my personal knowledge and are to the best of my belief both true and correct.

1.5 Where I make submissions for administrative purpose, I do so on behalf of Council, the documents of which as submitted I readily believe to be correct.

2.

2.1 I have perused the submission for request of documents from South African Police Service through their chief investigator, ("Captain Makuwa" or "the chief investigator") dated 23 March 2020.

3.

3.1 The chief investigator on behalf of the South African Police Service is involved in investigation of allegations of fraud, corruption and theft committed at the Greater Tzaneen Municipality.

3.2 The allegations of fraud, corruption and theft committed at the Greater Tzaneen Municipality was as a results of irregular appointment of the service provider to provide services of construction of two roads projects in Mulati Village and Nkowankowa Township.

3.3 The allegations of fraud, corruption and theft committed at the Greater Tzaneen Municipality occurred as a result of misrepresentation of Bill of Quantities (BOQ's) with regard to the projects in Mulati and Nkowankowa.

3.4 The Bill of Quantities which were submitted at the close of the tenders were deliberately imbalanced in the tendered rates to defraud the Municipality at the execution of the projects.

3.5 The documents requested by the South African Police Services clearly illustrate that the incorrect value that was given by the service provider in respect of both tenders were not merely some or other *bona fide* mistake. It was done deliberately and calculated to deliberately mislead the Council.

4.

4.1 The documents requested by the South African Police Services

4.1.1 The South African Police Services requested the following documents from the Municipality to be able to investigate the case based on conclusive evidence provided through the documents requested as tendered documents submitted and signed off by the service provider.

4.1.2 I duly cooperated with the South African Police Services through their chief investigator whom I furnished with the following documents as

requested: -

- 4.1.2.1 The procurement policy to procure goods, services and also the procedure documents.
- 4.1.2.2 All services rendered by Tshiamiso Trading 135 (Pty) Ltd at the Municipality and the procedure which was used during the appointment.
- 4.1.2.3 The Bid advertisement for tenders where Tshiamiso Trading 135 (Pty) Ltd was appointed to render services at the Municipality.
- 4.1.2.4 The contract documents between Tshiamiso Trading 135 (Pty) Ltd for the services rendered at the Municipality.
- 4.1.2.5 All documents and minutes of the meeting held by Bid specification committee, Bid evaluation committee and the Bid Adjudication committee during the appointment of Tshiamiso Trading 135 (Pty) Ltd.
- 4.1.2.6 Affidavit in terms of section 212 of the Criminal Procedure Act, 1977 (Act 51 of 1977).

5

5.11 therefore state herein that I am the Accounting Officer / Head of Administration and Chief Information Officer of the Municipality as appointed in terms of section 54A of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).

5.2 I therefore submit this affidavit in compliance with the submission as requested by the South African Police Services in terms of section 212 of the Criminal Procedure Act, 1977 (Act 51 of 1977).

WHEREFORE

DEPONENT

SIGNED AND SWORN TO AT _____ ON THIS THE _____ DAY OF **AUGUST 2020**. THE DEPONENT HAVING ACKNOWLEDGED THAT HE KNOWS AND UNDERSTANDS THE CONTENTS OF THIS AFFIDAVIT, THAT IT IS TRUE AND CORRECT AND THAT HE CONSIDERS THE OATH TO BE BINDING ON HIS CONSCIENCE.

COMMISSIONER OF OATHS

NAME : _____
ADDRESS : _____
CAPACITY : _____
AREA : _____

WITNESS STATEMENT: SERAPELO BARTHOLOMEW MATLALA

I, the undersigned,

SERAPELO BARTHOLOMEW MATLALA

I hereby declare under oath as follows:

1. I am the duly appointed Municipal Manager of the applicant.
2. The content of this affidavit is true and correct and falls within my own personal knowledge, unless the contrary clearly appears from the context or is otherwise stated.
3. **THE SALIENT FACTS**
 - 3.1 On 12 October 2018 the applicant published an invitation to tender in both the Mopani Herald and the Letaba Herald, being local newspapers. The advertisements that were placed in the Mopani Herald respectively dated 12 October 2018 and 26 October 2018.
 - 3.2 The tender advertisement in respect of SCMU15/2018 (upgrading of Mulati access road) ("the Mulati Tender") and also in respect of SCMU21/2018 (Nkowankowa Codesa Street to Hani Street) ("the Codesa Street Tender").
 - 3.3 Both the aforementioned tenders were evaluated on the basis that a minimum score of 70% had to be attained in respect of functionality. Regarding price, both tenders were evaluated on the 80/20 preference point scoring system.

3.4 As provided the published tendering procedures in respect of the Mulati Tender and in respect of the Codesa Street Tender.

3.5 As provided, a copy of the Supply Chain Management Policy of the applicant. The honourable Court is referred specifically to the following provisions of the Supply Chain Management Policy:

"4. Delegation of Supply Chain Management Powers and Duties

(1) *The Council hereby delegates all powers and duties to the Accounting Officer which are necessary to enable the Accounting Officer:*

(a) ...

(b) ...

(c) *To enforce reasonable cost effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this policy; and*

(d) ..."

"38. Combatting of Abuse of Supply Chain Management System

(1) *The Accounting Officer must:*

(a) *take all reasonable steps to prevent abuse of the Supply Chain Management system;*

(b) *investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this policy, and when justified:*

(i) *take appropriate steps against such official or other role player; or*

(ii) *report any alleged criminal conduct to the South African Police Service;*

(c) *check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;*

(d) *reject any bid from a bidder:*

(i) *if any municipal rates and taxes or municipal services charges owed by that bidder or any of its directors to the Municipality, or to any other Municipality or municipal entity, are in arrears for more than three months; or*

(ii) *who during the last five years has failed to perform satisfactorily on a previous contract with the Municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;*

(e) *reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;*

- (f) cancel a contract awarded to a person if –
 - (i) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
 - (ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and
 - (g) reject the bid of any bidder if that bidder or any of its directors–
 - (i) has abused the Supply Chain Management System of the Municipality or has committed any improper conduct in relation to such system;
 - (ii) has been convicted for fraud or corruption during the past five years;
 - (iii) has wilfully neglected, reneged on or failed to comply with any Government, municipal or other public sector contract during the past five years; or
 - (iv) has been listed in the register for tender defaulters in terms of section 29 of the Prevention and Combatting of Corrupt Activities (No 12 of 2004).
- (2) *The Accounting Officer must inform the National Treasury and relevant Provincial Treasury in terms of any actions taken in terms of subparagraphs (1)(b)(ii), (e) or (f) of this policy."*

3.6 As provided, the tender data in respect of the Mulati Tender.

3.7 As provided, the tender data in respect of the Codesa Street Tender.

3.8 As a result of the fact that the tender data in respect of both the aforementioned tenders are similar, I will only refer the honourable Court to the following relevant provisions in the tender data of the Mulati Tender:

3.8.1 The following is stated in clause F.4.6"

"Imbalance in Tendered Rates

In the event of tendered rates or lump sums being declared by the Employer to be unacceptable to it because they are either excessively low or high or not in proper balance with other rates or lumps sums, the Tenderer may be required to produce evidence and advance arguments in support of the tendered rates or lump sums objected to. If, after submission of such evidence and any further evidence requested, the Employer is still not satisfied with the tendered rates or lump sums objected to, it may request the Tenderer to amend these rates and lump sums along the lines indicated by it.

The Tenderer will then have the option to alter and/or amend the rates and lump sums objected to and such other related amounts as are agreed on by the Employer, but this shall be done without altering the tender offer as tendered or, if applicable, the corrected total of prices in accordance with F3.9.3.

Should the Tenderer fail to amend his tender in a manner acceptable to the Employer, the Employer may reject the tender."

- 3.9 In clause F.1.3.3 of the Standard Conditions of Tender "*corrupt practice*" and "*fraudulent practice*" are defined as follows:

"Corrupt practice means the offering, giving, receiving or soliciting of anything of value to influence the action of the Employer or his staff or agents in the tender process;

Fraudulent practice means the misrepresentation of the facts in order to influence the tender process or the award of a contract arising from a tender offer to the detriment of the Employer, including collusive practices intended to establish prices at artificial level."

- 3.10 Clause F.1.6.1 reads as follows:

"Unless otherwise stated in the tender data, a contract will, subject of F.3.13, be concluded with the tenderer who in terms of F.3.11 is the highest ranked or tenderer scoring the highest number of tender evaluation points, as relevant, based on the tender submissions that are received at the closing time for tenders."

- 3.11 Clause F.3.13 provides as follows:

"Acceptance of Tender Offer

Accepted tender offer, if in the opinion of the Employer, it does not present any unacceptable commercial risk and only if the Tenderer:

is not under restrictions, or has principals who are under restrictions, preventing participating in the Employer's procurement, can, as necessary and in relation to the proposed contract, demonstrate that he or she possesses the professional and technical qualifications, professional and technical competence, financial resources, equipment and other physical facilities, managerial capability, reliability, experience and reputation, expertise and the personnel, to perform the contract, has the legal capacity to enter into the contract, is not insolvent, in receivership, bankrupt or being wound-up, has his affairs administered by a Court or a Judicial Officer, has suspended his business activities or is subject to legal proceedings in respect of any of the foregoing, complies with the legal requirements, if any, stated in the tender data, and is able, in the opinion of the Employer, to perform the contract free of conflicts of interest."

- 3.12 Clause F.3.7 provides as follows.

"Grounds for Rejection and Disqualification

Determine whether there has been any effort by a Tenderer to influence the processing of tender offers and instantly disqualify a Tenderer (and his tender offer) if it is established that he engaged in corrupt or fraudulent practices."

- 3.13 Clause F.3.9 provides as follows:

"Arithmetic Errors

F.3.9.1 Check responsive tenders for discrepancies between amounts and words and amounts in figures. Where there is a discrepancy between the amounts in figures and the amount in words, the amount in words shall govern.

F.3.9.2 Check the highest ranked tender or tenderer with the highest number of tender evaluation points after the evaluation of tender offers in accordance with F.3.11 for:

the gross misplacement of the decimal point in any unit rate;

omissions made in completing the pricing schedule or bills of quantities;
or

arithmetic errors in:

line item totals resulting from the product of a unit rate and a quantity in bills of quantities or schedules of prices; or

the summation of the prices."

3.14 Clause F.3.9.4 provides as follows:

"Where the Tenderer elects to confirm the tender offer as tendered, correct the errors as follows:

If bills of quantities or pricing schedules apply and there is an error in the line item total resulting from the product of the unit rate and the quantity, the line item total shall govern and the rate shall be corrected. Where there is an obviously gross misplacement of the decimal point in the unit rate, the line item total as quoted shall govern, and the unit rate shall be corrected.

Where there is an error in the total of the prices either as a result of other corrections required by this checking process or in the tenderer's addition of prices, the total of the prices shall govern and the tenderer will be asked to revise selected item prices (and their rates if bills of quantities apply) to achieve the tendered total of the prices."

3.15 As provided, a copy of the pricing instructions and the priced bill of quantities in respect of the Mulati Tender.

3.16 The tender document that was given to each of the tenderers in respect of both the Mulati Tender and the Codesa Street Tender, included a bill of quantities with the estimated quantities. All that was required of the tenderers in respect of both the aforementioned tenders, was to provide the specific rate in the bill of quantities. The sum total of all the quantities multiplied by the rates would then make up the tendered price of the particular tenderer. The scoring of all the tenderers was done based on the tendered price. The lowest tendered

price would then (depending on the relevant BBBEE score) ordinarily be awarded the highest points. Unless one of the exceptions provided for in the tender data apply, the applicant is then obliged, in terms of section 2(1)(f) of the Preferential Procurement Policy Framework Act, 5 of 2000 to award the contract to the tenderer who scores the highest points (unless objective criteria in addition to those contemplated in paragraph 2(1)(d) and (e) justify the award to another tender).

- 3.17** Based on the aforementioned it would be hugely beneficial of a tenderer to understate the tendered price. This is exactly what the service provider did in respect of both the Mulati Tender and the Codesa Street Tender. This was done in a deliberate and calculated manner.
- 3.18** The service provider expressly stated in the tender document that the total of the bill of quantities in respect of the Mulati Tender amounts to R20,733,923.00, whereas it in fact amounted to R44,451,516.00.
- 3.19** The applicant consequently should have stated its total tendered price to be R57,509,148.80 and not R26,824,512.88.
- 3.20** The amount of R57,509,148.80 includes the contract price adjustment of 2.5%, the contingencies of 10% and 15% VAT.
- 3.21** In respect of the Codesa Street Tender the service provider stated the total of the bill of quantities as R7,286,649.00, whereas it in fact amounted to R16,960,951.00.
- 3.22** In respect of the Codesa Street Tender the service provider indicated that its tendered price amounted to R9,217,610.99, whereas the amount should have been reflected as R21,455,603.00.

3.23 The amount of R21,455,603.00 is calculated on the basis that the correct total tendered amount of R16,960,951.00 includes the 10% contingency and 15% VAT.

3.24 On 20 December 2018 the applicant informed the service provider that the Codesa Street Tender was awarded to it. As a result of the importance of this letter it is necessary to refer the honourable Court to the specific wording thereof:

"RE: APPROVAL AS A SERVICE PROVIDER

Description: Upgrading of Nkowankowa Codesa Street to Hani Street Bid No: SCMU21/2018

The above matter refers.

It has been resolved by delegated resolution of the Greater Tzaneen Municipality:

That the bid from Tshiamiso Trading 135 be accepted for the abovementioned project at an amount of R9 217 610.99 inclusive of 15% VAT for a contract period of 10 months subject to the following conditions:

- 1. That the total amount of Tshiamiso Trading 135 must not exceed the amount of R9 217 610.99.*
- 2. That the service provider must confirm that the contract amount will remain fixed for the duration of the contract except for CPA where applicable.*
- 3. That the bidder undertakes in writing that he/she has sufficient plant and equipment to complete the project within the required specification, as required in the bid document.*
- 4. That the bidder undertakes in writing that he has sufficient and appropriately qualified personnel to complete the project within the required specification as required in the bid document.*
- 5. The council reserves the right to negotiate further conditions and requirements with the successful bidder based on their capabilities and experience.*
- 6. The service provider will execute any task within the scope of the bid upon notification and instruction by the Greater Tzaneen Municipality's engineering service.*
- 7. The instruction and/or notification by the Greater Tzaneen Municipality shall be communicated to the service provider in writing with the specific quantity and the job to be executed.*
- 8. This appointment is subject to your written acceptance within five (5) working days. In your acceptance you must indicate your understanding of paragraph 1 and 2 of this letter in relation to the conditions stipulated.*
- 9. Further in terms of section 116 of the Municipal Finance Management Act, you are required to enter into service level agreement with the Greater Tzaneen Municipality in compliance with our Financial Regulations.*

10. *Your communication with Greater Tzaneen Municipality will be through the Engineering Services Manager Mr MJ Matlala @ 015 307 8220.*

3.25 On 21 December 2018 the service provider accepted the conditions in the letter of award. The following was expressly stated in the letter:

"We refer to your letter dated 20 December, 2018.

On behalf of Tshiamiso Trading 135 (Pty) Ltd, I would like to thank you for giving us an opportunity to undertake the abovementioned project.

We therefore accept the offer with the conditions stipulated in the appointment letter.

We hope that you will find this in good order. Tshiamiso Trading 135 (Pty) Ltd is committed to partnering with you towards delivering quality services to your communities."

3.26 On 20 December 2018 the applicant addressed a further letter to the service provider. The following was stated in this letter:

"The above matter refers:

The Greater Tzaneen Municipality hereby informs your company that evaluation prices of the abovementioned bid is reaching its final stage. In order to finalise the Supply Chain Management process, your company is requested to confirm in writing, if the amounts of R9 217 610.99 inclusive of 15% VAT tendered in your bid document will render services sufficiently for the duration of the contract without any variations, with exception of matters that are outside the contractor's control.

Please render your response in writing on or before 21 December 2018."

3.27 The service provider responded to the aforementioned letter on 20 December 2018.

3.28 The service provider stated the following in the aforementioned letter:

"We acknowledge receipt of your letter dated 20 December, 2018 titled "Risk Assessment."

This letter therefore serves as confirmation that Tshiamiso Trading 135 (Pty) Ltd will be able to execute the abovementioned project efficiently, timely and in accordance with the project specifications and general conditions of contract for construction of works at our tendered amount of R9 217 610.99 VAT inclusive.

We hope and trust you will find this in good order."

3.29 On 21 January 2019 the applicant addressed the letter of award to the service provider in terms of which the Mulati Tender was awarded to the service

provider. The following was stated in this letter:

"RE: APPROVAL AS A SERVICE PROVIDER

Description: upgrading of Mulati access road.

Bid No: SCMU15/2018

The above matter refers.

It has been resolved by delegated resolution of the Greater Tzaneen Municipality:

That the bid from Tshiamiso Trading 135 be accepted for the abovementioned project at an amount of R26 824 512.88 inclusive of 15% VAT subject to the following conditions:

- 1. That the total amount of Tshiamiso Trading 135 must not exceed the amount of R26 824 512.88 inclusive of 15% VAT.*
- 2. That the service provider must confirm that the contract amount will remain fixed for the duration of the contract except for CPA where applicable.*
- 3. That the bidder undertakes in writing that he/she has sufficient plant and equipment to complete the project within the required specification, as required in the bid document.*
- 4. That the bidder undertakes in writing that he has sufficient and appropriately qualified personnel to complete the project within the required specification as required in the bid document.*
- 5. The council reserves the right to negotiate further conditions and requirements with the successful bidder based on their capabilities and experience.*
- 6. The service provider will execute any task within the scope of the bid upon notification and instruction by the Greater Tzaneen Municipality's Engineering Services.*
- 7. The instruction and/or notification by the Greater Tzaneen Municipality shall be communicated to the service provider in writing with the specific quantity and the job to be executed.*
- 8. This appointment is subject to your written acceptance within five (5) working days. In your acceptance you must indicate your understanding of paragraph 1 and 2 of this letter in relation to the conditions stipulated.*
- 9. Further in terms of section 116 of the Municipal Finance Management Act, you are required to enter into service level agreement with the Greater Tzaneen Municipality in compliance with our Financial Regulations.*
- 10. Your communication with Greater Tzaneen Municipality will be through the Engineering Services Manager Mr MJ Matlala @ 015 307 8220."*

3.30 The service provider accepted the award of the tender on 22 January 2019.

The following was stated in the aforesaid letter:

"LETTER OF ACCEPTANCE

We refer to your letter dated 21 January 2019.

On behalf of Tshiamiso Trading 135 (Pty) Ltd, I would like to thank you for giving us the opportunity and we therefore accept to undertake the abovementioned project.

We hope that you will find this in good order. Tshiamiso Trading 135 (Pty) Ltd is committed to partnering with you towards delivering quality services to your communities.

Yours faithfully."

- 3.31** As provided, the minutes of the meetings of the Bid Evaluation Committee in respect of the Codesa Street Tender as follows:
- 3.32** As provided, the minutes of the Bid Evaluation Committee dated 4 December 2018.
- 3.33** As provided, the minutes of the Bid Evaluation Committee dated 5 December.
- 3.34** As provided, a copy of the minutes of the Bid Adjudication Committee.
- 3.35** As provided, the following minutes of the meetings of the Bid Evaluation Committee:
- 3.35.1** The minutes of a meeting held on 5 December 2018.
- 3.35.2** The minutes of a meeting held on 17 January 2019.
- 3.35.3** The minutes of a meeting held on 17 January 2019.
- 3.36** In both the Mulati Tender and the Codesa Street Tender the service provider was specifically required to provide a cash flow projection. As provided hereto the typed cash flow projection and the schedule of estimated monthly expenditure that was submitted by the service provider in respect of the Mulati Tender.
- 3.37** As provided, the written cash flow projection and schedule of estimated monthly expenditure in respect of the Codesa Tender.

- 3.38 The aforementioned documents clearly illustrate that the incorrect value that as given by the service provider in respect of both tenders were not merely some or other *bona fide* mistake. It was done deliberately and calculated to deliberately mislead.
- 3.39 I should also emphasise the fact that the director of the service provider, Bruce Mohlaba, is a duly qualified civil engineer.
- 3.40 The preparation and compilation of a tender document is extremely important. All experienced tenderers know how important it is to be accurate in its tender document. For instance, if one important document is not annexed to the tender, it might rightly be found that the tender is not responsive. I emphasise the aforementioned simply to illustrate that the service provider and its representative, Bruce Mohlaba are extremely experienced entities in submitting state tenders.
- 3.41 To make matters worse, the service provider followed the same methodology in both the Mulati Tender and the Codesa Street Tender. In both the aforementioned tenders the service provider stated that its tendered price was less than 50% of the actual total.
- 3.42 As provided, a summary of all the tenderers that were evaluated on price in respect of the Mulati Tender.
- 3.43 If the service provider reflected the true amount in its tender (R57,509,148.80) the service provider would have been the most expensive tenderer out of all 51 tenderers that were evaluated on price.
- 3.44 As provided, the summary of all the tenderers that were scored in respect of the Codesa Street tender. Similarly, the service provider would never have

been awarded the tender if the service provider correctly stated the tendered price (R21,455,603.00). There were in fact 23 out of 45 tenderers that scored higher points because their tendered price was lower than that of the service provider.

3.45 The applicant has effected the payments to the service provider in respect of the Codesa and Mulati Tender, submitted to the South African Police Service as requested.

3.46 Regarding the Codesa Street Tender it is estimated that the service provider has thus far performed 90% of the work.

3.47 It is estimated that the service provider has thus far performed 70% of the work in respect of the Mulati Tender.

DEPONENT

SIGNED AND SWORN BEFORE ME AT _____ THIS _____ DAY OF _____ 2020 AFTER THE DEPONENT DECLARED THAT THE DEPONENT IS FAMILIAR WITH THE CONTENTS OF THIS STATEMENT AND REGARDS THE PRESCRIBED OATH AS BINDING ON THE DEPONENT'S CONSCIENCE AND HAS NO OBJECTION AGAINST TAKING THE SAID PRESCRIBED OATH. THERE HAS BEEN COMPLIANCE WITH THE REQUIREMENTS OF THE REGULATIONS CONTAINED IN GOVERNMENT GAZETTE R1258, DATED 21 JULY 1972 (AS AMENDED).

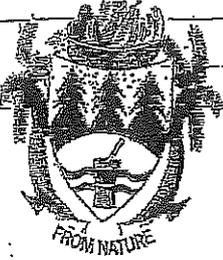
COMMISSIONER OF OATHS

NAME : _____

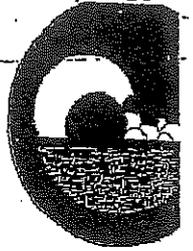
ADDRESS : _____

CAPACITY : _____

AREA : _____



Appointment letter: Mulati



GREATER TZANEEN MUNICIPALITY
GROTER TZANEEN MUNISIPALITEIT
MASIPALA WA TZANEEN
MASEPALA WA TZANEEN

P.O.Box 24 Tel: 015 307 8000
Tzaneen Fax: 015 307 8049
0850

Tropical Paradise
www.greatertzaneen.gov.za

SCMU 15/2018

ENQ: Zabel Modjadji

Date: 21 January 2019

Your ref:

Tshiamiso Trading 135
P.O. Box 2936
Burgersfort
1150

ATT: Bruce Mohlaba
TEL: 013 231 7252
CELL: -
FAX: 013 231 7252
EMAIL : tshiamiso@telkomsa.net

Sir / Madam

RE: APPROVAL AS A SERVICE PROVIDER

DESCRIPTION: UPGRADING OF MULATI ACCESS ROAD

ID NO: SCMU 15/2018

The above matter refers.

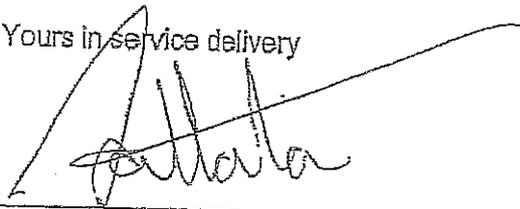
It has been resolved by delegated resolution of the Greater Tzaneen Municipality:

That the bid from Tshiamiso Trading 135 be accepted for the above mentioned project at an amount of R 26 824 512.88 inclusive of 15% VAT subject to the following conditions:

1. That the total amount of Tshiamiso Trading 135 must not exceed the amount of R 26 824 512.88 inclusive of 15% Vat
2. That the service provider must confirm that the contract amount will remain fixed for the duration of the

3. That the bidder undertakes in writing that he / she has sufficient plant and equipment to complete the project within the required specification, as required in the bid document
4. That the bidder under takes in writing that he has sufficient and appropriately qualified personnel to complete the project within the required specification as required in the bid document
5. The council reserves the right to negotiate further conditions and requirements with the successful bidder based on their capabilities and experience.
6. The service provider will execute any task within the scope of the bid upon notification and instruction by the Greater Tzaneen Municipality's Engineering services
7. The instruction and /or notification by the Greater Tzaneen Municipality shall be communicated to the service provider in writing with the specific quantity and the job to be executed.
8. This appointment is subject to your written acceptance within five (5) working days. In your acceptance you must indicate your understanding of paragraph.1 and 2 of this letter in relation to the conditions stipulated.
9. Further in terms of section 116 of the municipal finance Management Act, you are required to enter into Service Level Agreement with the Greater Tzaneen municipality in compliance with our financial regulations.
10. Your communication with Greater Tzaneen Municipality will be through the Engineering Services Manager Mr. MJ Matlala @ 015 307 8220.

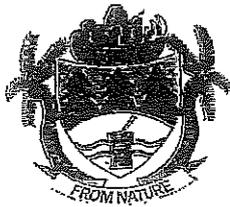
Yours in service delivery



Mr. BS Matlala
Municipal Manager
Greater Tzaneen Municipality

21/01/2019
Date

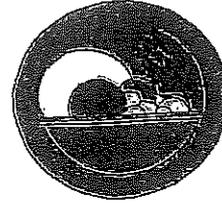
SERVICE LEVEL AGREEMENT: UPGRADING OF MULATI ACCESS ROAD: SCMU 15 / 2018



**GREATER TZANEEN MUNICIPALITY
GROTER TZANEEN MUNISIPALITEIT
MASIPALA WA TZANEEN
MASEPALA WA TZANEEN**

P.O. BOX 24
TZANEEN
0850

TEL: 015 307 8000
FAX: 015 307 8049



SERVICE LEVEL AGREEMENT

UPGRADING OF MULATI ACCESS ROAD (SCMU 15 / 2018)

Entered into between

GREATER TZANEEN MUNICIPALITY

As established in terms of section 12 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998); having its legal nature in terms of section 2 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); represented herein by **Mir Bartholomew Serapelo Matlala** of Identity Number: **7306245527084** in his capacity as the **Municipal Manager**; appointed by "the Council Resolution" Number (**A28: EC 26 02 2018: C27 02 2018**), as "the Municipal Manager and the Accounting Officer" of the Greater Tzaneen Local Municipality ("the Municipality" having its principal place of business at number **01 Agatha Street, Tzaneen** (herein referred to as "the Service Authority")

and

TSHIAMISO TRADING 135 (PTY) LTD

A Private Company with registration number **CK 2013 / 110686 / 07** registered as such in terms of the Companies Act, 2008 (Act No. 71 of 2008), having its principal place of business at Number **2443, Ficus Street, Burgersfort, 1150** herein represented by **Hlamalani Bruce Mohlaba**, Identity Number: **8004015356080**) in his capacity as the **EXECUTIVE DIRECTOR** duly authorized by "appointment"; (hereinafter referred to as "the Service Provider").

(Jointly "the parties")

"Municipal Finance Management Act" means Act 56 of 2003 and Regulations*.

"Applicable laws" means all laws applicable in the jurisdictions in which the parties operate, and includes any present or future constitution, decree, judgement, legislation, order, ordinance, regulation, statute, treaty, directive, rule, guideline or code, practice or practice note and circular issued by any relevant authority;

"National Treasury Regulations" means Government Gazette 27636 dated 30 May 2005 or any applicable relevant regulation/s;

"Bid File" means the bid document that the service provider submitted in reply to the advertisement of SCMU 15 / 2018;

"Annexure/s" means any annexure relevant to the contract as specified in the bid document or specified otherwise with consensus of both parties relevant to SCMU 15 / 2018;

"Contractor" means Tshiamiso Trading 135 (Pty) Ltd as registered in terms of the Companies Act, 2008 (Act No. 71 of 2008);

"Data / Information" means any information that the service provider may have before, during or from the duration of the contract under the service provider's care which shall belong and owned by the Municipality;

"Submission of Data" means submission of any information that the Municipality may require for future use which the service provider must hand over at the end of the contract for safe keeping.

"GCC" means the original and updated General Conditions of Contract; as updated in 2015, Third Edition which shall form part of this contract.

"Contract Value" means a rigid fixed amount of Two Six Eight Two Four Five One Two Rands comma Eight Eight Cents (R 26 824 512.88), including fifteen percent (15%) Value Added Tax (VAT).

the Municipality and the Municipality shall remunerate the Service Provider for the services rendered, subject to the terms and conditions of this contract, the Bid File, the Bid Documents for SCMU 15 / 2018 and satisfactory performance by the service provider, to the satisfaction of the Municipality and the relevant community.

5. Commencement and Duration

Notwithstanding the date of signature hereof, this contract comes into operation on commencement date and ends on the contract end date as stipulated in this contract.

6. Obligations of the Municipality

The Municipality shall provide the Service Provider with timeous access to information and sites reasonably required by the Service Provider to perform its duties in terms of this contract; the bid file and the tender document.

7. Obligations of the Service Provider

The Service Provider must–

- a. Comply with all specifications and standards outlined in the bid file and the tender document;
- b. Discharge, implement and manage the contract under the supervision of the Civil Engineering Department: Project Management Unit;
- c. Comply with all legislation applicable to the Service Provider and the rendering of the "specified services";
- d. Obtain the signature of the project sponsor on all documents or reports submitted by the Service Provider to the Municipality.
- e. The contractor shall ensure that the services are discharged as per Bill of Quantities as tendered; any changes to that effect shall be noted by consensus between the contracted parties before signing the contract.

outstanding claims that the Municipality may have against the Service Provider for damages, costs or any other indebtedness arising out of this contract or Judgement Creditors: Provided that the Municipality will provide the Service Provider with written notice of its intention to set off, supported by reasonable details of the actual damages, costs or indebtedness incurred by the Municipality or other creditors against the service provider.

8.7. A certificate of indebtedness signed by the Chief Financial Officer of the Municipality, reflecting the amount due and payable under clause 8.5 together with interests thereon, shall be sufficient and conclusive proof of the contents and correctness thereof, for the purposes of with-holding, deduction or set off by the Municipality or payment by the Service Provider or for provisional sentence, summary judgment or any other proceedings against the Service Provider in a court of law and shall be valid as a liquid document for such purposes.

8.8. In the event that the Municipality institutes legal action against the Service Provider for any matter in connection with this contract, on the basis of action, conduct, omission, criminal liability, civil liability or negligence by the Service Provider, the Service Provider shall be liable to damages and pay the Municipality's legal fees on an Attorney and own client scale.

9. Warranties and Representations

9.1 The Service Provider warrants that –

- a. the Service Provider has the capacity and resources to render the services as specified in the Bid and Tendered Documents;
- b. on delivery of the services, the services will be suitable for the purpose stipulated in this contract;
- c. the services will be supplied in compliance with this contract. Any unilateral departure by the Service Provider from specifications or approved national standards shall be a breach of this contract;



Procurement Policy Framework or National Preferential Procurement Policy Framework or in terms of applicable National Treasury regulations, guidelines and circulars.

- 11.2. The Municipality may not cede or assign any right or obligation in terms of this contract to any third party, unless the prior written consent of the Service Provider has been obtained, consent of which may not be unreasonably withheld.
- 11.3. Where the parties agree to a cession or assignment, the cession or assignment agreement must contain a provision that the cessionary or assignee is subjected to the same terms and conditions of this contract.

12. Confidentiality

- 12.1 Unless required by law, the parties must keep confidential and not disclose to any third party the terms of this contract, the results and any information relating to or acquired in connection with this contract.
- 12.2. The Service Provider's personnel must keep confidential all information regarding the sites.
- 12.3. The provisions of clause 12 shall continue to be binding on the parties notwithstanding termination or cancellation of this contract or any part thereof.

13. Indemnity

- 13.1 The Service Provider indemnifies and holds the Municipality harmless against any claim by any person (natural or juristic), relating to but not limited to any matter arising out of this contract. Should any such claim be made against the Municipality, the Service Provider must settle or defend such claim forthwith and is liable for the payment of all costs in connection therewith.
- 13.2 The provisions of clause 13.1 shall continue to be binding on the parties notwithstanding termination or cancellation of this contract or any part thereof.

- (a) commits an act of professional misconduct or professional or technical incompetence, which is substantial and serious;
- (b) commits or participates in any unlawful, dishonest or unethical act in the performance of its obligations under this contract;
- (c) breaches this contract twice during the contract period; or
- (d) Fail to comply with the Specifications in the Bid document.
- (e) has failed to comply with any legal or policy requirement that the Service Provider must comply with in order to enter into a valid contract with the Municipality, including but not limited to any public servant in the employ of the Service Provider not having the necessary permissions or authorisation in terms of the Municipal Finance Management Act (Act 56 of 2003), Municipal Systems Act 2000 (Act 32 of 2000) and 2011 (Act 7 of 2011) or not having made the necessary financial disclosures to the employer or not having declared any or all interests in the relevant bid documents.

15. Protection of rights

- 15.1. If the Service Provider fails to comply either timeously or at all with any obligation imposed upon it by this contract, the Municipality may, without prejudice to any of its rights, effect such compliance, and claim damages from the Service Provider of an amount equal to the expenses actually incurred by the Municipality in enforcing such compliance. The Municipality may, at its sole discretion, set off such claim for damages in terms of clauses 8.6 and 8.7.
- 15.2 The Service Provider will have no claim against, nor defence to any claim by the Municipality arising out of any act or omission on the part of the Municipality arising from or connected with effecting or attempting to effect such compliance or, even if the Municipality has undertaken to effect such compliance and then fails to do so properly or at all.
- 15.3 The Municipality's rights in terms of this clause are in addition and without prejudice to any other rights it may have in terms of this contract.



- 16.4.2 If any dispute arises in terms of this contract, either party may give five (05) days written notice to the other of such dispute, whereupon the parties shall meet promptly and in good faith and attempt to reach an amicable settlement of the dispute.
- 16.4.3 In the event that the dispute between the parties is not resolved amicably, the dispute shall be referred to mediation within five (05) days of either party declaring such a dispute.
- 16.4.4 A mediator shall be appointed by the parties, or alternatively by the chair of the Attorney's Association for Limpopo Province, for the purpose of presiding over the mediation.
- 16.4.5 Should the dispute not be resolved within 10 (ten) business days of the commencement of mediation, it shall be referred to arbitration.
- 16.4.6 An arbitrator shall be appointed by the parties, or alternatively by the chair of the Arbitration Foundation of South Africa (AFSA), to preside over the arbitration.
- 16.4.7 The rules of AFSA shall govern the conduct of the arbitration in terms of the relevant legislation.
- 16.4.8 Nothing in this paragraph shall prevent either party from approaching the High Court for suitable judicial relief in case either one of the parties is not satisfied by the arbitration outcomes.

16.5 Penalties

- 16.5.1 If the Service Provider fails to deliver on any or all of the terms and conditions of this Agreement / Contract or fails to perform the Services within period(s) specified in this Agreement, the Greater Tzaneen Municipality shall without prejudice to its other remedies under this agreement, impose such penalties on the service provider as prescribed under the General Conditions of Contract which shall include but not limited to recovery of damages from the Service Provider, authority to cede the amount of debts owed by the contractor to the creditors or to settle the damages with any balance outstanding to the Service Provider from the Municipality.



- 17.2.** Either party may from time to time decide to vary its address for the service of notices and processes by giving written notice to the other party and such notice must be posted by prepaid registered post or hand delivered to the other party's addresses for service of notices and processes and shall be presumed, until the contrary is proven, to have been received by that party on the 10th day after the day of posting or on the date of delivery, as the case may be.
- 17.3.** Any matters or other communication to be given to either of the parties in terms of this contract is valid and effective only if it is given in writing.
- 17.4** Any notice in terms of this contract to either party which is –
- 17.4.1** sent by prepaid registered post in a correctly addressed envelope to the address specified for it in clause 17.1 is deemed to have been received, unless the contrary is proved, within 14 days from the date on which it was posted;
- 17.4.2** delivered to the party by hand at the address specified for it in clause 17.1 is deemed to have been received on the day of delivery, if it has been delivered to a responsible person during ordinary business hours
- 17.4.3** sent by facsimile to a party at the telefax numbers specified for it in clause 17.1 is deemed to have been received, unless the contrary is proved, within four hours of transmission if it is transmitted during normal business hours of the receiving party or within 12 hours of the first business day of the receiving party after it is transmitted, if it is transmitted outside those business hours.
- 17.5** For the purposes of clause 17.4, any notice in terms of this contract to either party which is given on a date in December in any particular year, is deemed to be given on the corresponding date in January of the following year.
- 17.6** Notwithstanding anything to the contrary contained in this clause, a written notice or other communication actually received by either party and for which written acknowledgement of receipt has been obtained, is adequate written notice or communication to it notwithstanding that the notice was not sent to or delivered at its chosen address for service.



such time sheet and signed time sheets shall be submitted with the relevant Tax Invoices for payment.

- 4) Delays arising from the following shall not qualify for standing time claims:-
 - a) The first sixty (60) minutes of any single event.
 - b) Delays arising from statutory examinations.
 - c) Delays arising from planned maintenance.
 - d) Delays attributable to any form of neglect or failure on the part of the Contractor, the Contractor's agents, representatives, sub-contractors or the employees thereof.
- 5) Delays caused by inadequate assessment of the capacity of any Contractor's Equipment or similar items provided by the employer and used by the Contractor for the performance of the Contract.
- 6) Delays which could have been avoided by reporting to the employer's representative when the possibility thereof became apparent and during the period or periods covered by claims for standing time the Contractor's labour shall, at the request of the employer's representative, be made available to the employer for use on any work on the site where such labour can be suitably employed. In instances of protracted delays the employer's representative shall have the right to call upon the Contractor to reduce the labour force subject to a period of notice, to be agreed in writing, being given for the resumption of the Contract work.
- 7) The "Contract Completion Date" shall be extended for a period equal to the total extent of delays reported by the Contractor in writing and accepted by the employer's representative provided that such delays are caused by factors attributable to the employer.



22. Termination of the Contract

- a) This contract shall be terminated by the following circumstances:
- b) If the contractor is declared insolvent by relevant court of law.
- c) If the contractor is involved in any criminal or unlawful activity.
- d) If the contractor fails to deliver on any or all of the services within the period specified in the contract or within any extension thereof granted by the Municipality.
- e) If the contractor fails to perform any obligation/s under this contract.
- f) Termination of this contract in whole or in part shall not prevent the Municipality from procuring similar services upon terms and manner as it deem appropriate, services similar to those undelivered and the service provider shall be liable for excess costs thereof.
- g) Termination of this contract shall not prejudice or affect any right of action or remedy, which has accrued or will accrue thereafter to Municipality.

23. Severability

Any provision in this service level agreement which is or may become illegal, invalid or unenforceable in any jurisdiction affected by this service level agreement shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be treated as if it had never been written (*pro non scripto*) and severed from the balance of this service level agreement, without invalidating the remaining provisions of this service level agreement or affecting the validity or enforceability of such provision in any other jurisdiction.



SUPPLIER NAME: TSHIAMISO TRADING 135

SCMU 15/2018

MULATI ACCESS ROAD

R 26 824 512.88

TOTAL PAYMENTS

R 15 617 340.56

(MULATI ACCESS ROAD AND CODESA TO HANI STREET PROJECTS)

(Council, 29 AUGUST 2019)

(File No)

REPORT OF THE OFFICE OF MUNICIPAL MANAGER: MR BS MATLALA

1. PURPOSE OF THE REPORT

1.1 To inform council about the motion proceedings in High Court about the awarded two separate tenders for Mulati Access Road and CODESA to Hani Street to Tshiamiso Trading CC. The Municipality became aware of serious irregularities in respect of both the aforesaid tenders. In essence the effect of the irregularities is twofold. Firstly, absent the irregularities neither of the tenders would have been awarded to the Tshiamiso. Secondly, the effect of the irregularities is that the Municipality will have to pay the Tshiamiso an amount that is more than double the actual tendered price of the service provider in both the tenders. The amounts that the applicant will have to pay the service provider also far exceeds a fair and reasonable market related price.

1.2 The application by the Municipality is, *inter alia*, based on the provisions of section 1(c), 41(1) (b), 172, 195 and 217 of the Constitution of the Republic of South Africa (hereinafter referred to as the Constitution).

1.3 The Municipality seeks an order declaring the decision to award two tenders to be unlawful and invalid in terms of section 172(1)(a) of the Constitution, and an order setting aside the contracts concluded pursuant to the tender awards.

1.4 In addition to the aforesaid declaration the Municipality seeks a just and equitable remedy in terms of the provisions of section 172(b) of the Constitution. In essence the applicant seeks an order that the respondent will only be entitled to recover its actual expenses incurred in respect of the two tenders, and will not be entitled to profit from the unlawful and invalid tender awards and contracts.

1.5 See the attached full report from the Council attorneys, marked (Annexure A).

1.6 See further the service provider's acceptance letter and the Council appointment letter declaring the accepted offer between Council and the service provider, marked (Annexure B).

2. BACKGROUND

2.1 On 12 October 2018 the Municipality published an invitation to tender in both the Mopani Herald and the Letaba Herald, being local newspapers and 26th October 2018 in respect of Mulati access road and Nkowankowa Codesa Street to Hani Street respectively.

2.2 Both the aforementioned tenders were evaluated on the basis that a minimum score of 70% had to be attained in respect of functionality. Regarding price, both tenders were evaluated on the 80/20 preference point scoring system.

2.3 The following provisions of the Supply Chain Management Policy are by Council when appointing service providers:

2.3.1 *4. Delegation of Supply Chain Management Powers and Duties*

(1) *The Council hereby delegates all powers and duties to the Accounting Officer which are necessary to enable the Accounting Officer:*

(c) *To enforce reasonable cost effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this policy; and*

2.3.2 *Combatting of Abuse of Supply Chain Management System*

(f) *Cancel a contract awarded to a person if –*

(i) *The person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or*

3. DISCUSSION

3.1 As a result of the fact that the tender data in respect of both the aforementioned tenders are similar, we will only refer the honourable Council to the following relevant provisions in the tender data of the Mulati Tender

3.1.1 The following is stated in clause F.4.6” of the Bid Document

“Imbalance in Tendered Rates”

In the event of tendered rates or lump sums being declared by the Employer to be unacceptable to it because they are either excessively low or high or not in proper balance with other rates or lumps sums, the Tenderer may be required to produce evidence and advance arguments in support of the tendered rates or lump sums objected to. If, after submission of such evidence and any further evidence requested, the Employer is still not satisfied with the tendered rates or lump sums objected to, it may request the Tenderer to amend these rates and lump sums along the lines indicated by it.

4. RISK IMPLICATION

4.1 The risk implication for the two bids are that council would spend exorbitant amount of expenditure to complete the projects if the service provider does not correct the error and miscalculation of bill of quantities.

4.2 The Municipality further risk litigation by interested parties who bided together with the successful bidder.

5. LEGAL IMPLICATIONS

- 5.1** The service provider has misrepresented the bill of quantities which the correct calculation amount to the contract price of more than two times of the accepted offer between the municipality and the service provider.
- 5.2** In order to correct this mistake and regularize the tender, the court has to order an appropriate remedy under the circumstances to correct the misrepresented facts without affecting service delivery and completion of the project or rule otherwise as it deem fit in terms of the applicable law.
- 5.3** If the Municipality does not regularize the misrepresentation by the service provider in court, the accounting officer might risk accountability in terms of Public Audit Amendment Act, 2018 (Act 5 of 2018).
- 5.4** The new Public Audit Act provide in terms of irregular expenditure, responsible officials must repay the irregular expenditure out of their own pockets or face imminent arrests, the liability extend to Council Members if they took a resolution to that effect.

6. FINANCIAL IMPLICATIONS

- 6.1** If the municipality does not seek an appropriate order in court for justified remedy to the matter, the municipality would pay the service provider more than estimated R 60 000 000 to complete the Mulati road and more than estimated R 20 000 000 to complete the Codesa street project.

7. RECOMMENDATIONS

- 7.1** It is strongly recommended that the municipality continue with the application in High Court which has already been served on the service

provider to obtain an appropriate remedy from court to resolve the impasse.

7.2 That Council note the full report by Council attorneys marked (Annexure A) and

7.3 That Council notes the appointment and acceptance letter of the service provider marked (Annexure B) ,

7.4 That Council notes the letter Council wrote to the attorneys of the service provider marked (Annexure C).

7.5 That Council notes that the service provider has thus far not filed any notice to oppose nor answering affidavit.

DEPARTMENTAL COMMENTS

COMMENTS FROM CORPORATE SERVICES

COMMENTS FROM ENGINEERING SERVICES

COMMENTS FROM ELECTRICAL ENGINEERING

COMMENTS FROM PED

COMMENTS FROM COMMUNITY SERVICES

COMMENTS FROM THE CFO

COMMENTS FROM THE MUNICIPAL MANAGER

ATTACHMENT

CLUSTER COMMITTEE OUTCOME

CLUSTER COMMITTEE FEEDBACK

EXECUTIVE COMMITTEE OUTCOME

EXECUTIVE COMMITTEE FEEDBACK

COUNCIL COMMITTEE OUTCOME

COUNCIL COMMITTEE FEEDBACK

C1.1 FORM OF OFFER AND ACCEPTANCE

Offer

The employer, identified in the acceptance signature block, has solicited offers to enter into a contract for the procurement of the Upgrading of Mlulati Access Road project.

The tenderer, identified in the offer signature block, has examined the documents listed in the tender data and addenda thereto as listed in the returnable schedules, and by submitting this offer has accepted the conditions of tender.

By the representative of the tenderer, deemed to be duly authorized, signing this part of this form of offer and acceptance, the tenderer offers to perform all of the obligations and liabilities of the contractor under the contract including compliance with all its terms and conditions according to their true intent and meaning for an amount to be determined in accordance with the conditions of contract identified in the contract data.

THE OFFERED TOTAL OF THE PRICES INCLUSIVE OF VALUE ADDED TAX IS: Twenty six million eight hundred and twenty four thousand five hundred and twelve Rand and ninety eight Cents (in words);

R 26 824 512 -88 (in figures) .

This offer may be accepted by the employer by signing the acceptance part of this form of offer and acceptance and returning one copy of this document to the tenderer before the end of the period of validity stated in the tender data, whereupon the tenderer becomes the party named as the contractor in the conditions of contract identified in the contract data.

Signature(s) [Signature]
Name(s) BRUCE MHLABA
Capacity DIRECTOR
for the tenderer

Name and address of Organization:
ISHAMISO TRADING 135
P.O. BOX 2936 BURSERSPORT 1150

Name and signature of witness:
Signature M-E [Signature]
Name EMILE MASEMOLA Date 29/10/2018

Acceptance

By signing this part of this form of offer and acceptance, the employer identified below accepts the tenderer's offer. In consideration thereof, the employer shall pay the contractor the amount due in accordance with the conditions of contract identified in the contract data. Acceptance of the tenderer's offer shall form an agreement between the employer and the tenderer upon the terms and conditions contained in this agreement and in the contract that is the subject of this agreement.

The terms of the contract, are contained in:

- Part C1: Agreements and contract data, (which includes this agreement)
- Part C2: Pricing data
- Part C3: Scope of work
- Part C4: Site information

and drawings and documents or parts thereof, which may be incorporated by reference into Parts 1 to 4 above.

Deviations from and amendments to the documents listed in the tender data and any addenda thereto as listed in the tender schedules as well as any changes to the terms of the offer agreed by the tenderer and the employer during this process of offer and acceptance, are contained in the schedule of deviations attached forming part of this agreement. Amendments to or deviations from said documents as listed in the schedule.

The tenderer shall within two weeks after receiving a completed copy of this agreement, including the schedule of deviations (if any) and the employer's signed copy of the data as given in the contract data) to arrange for a validly bonded, creditable, and insurance and any other documentation to be provided in terms of the conditions of contract identified in the contract data. Failure to fulfil any of these obligations in accordance with those terms shall constitute a repudiation of this agreement.

ONLY TO BE COMPLETED AT ACCEPTANCE STAGE

Notwithstanding anything contained herein, this agreement comes into effect on the date when the tenderer receives one fully completed original copy of this document, including the schedule of deviations (if any). Unless the tenderer (now contractor) within five working days of the date of such receipt notifies the employer in writing of any reason why he cannot accept the contents of this agreement, this agreement shall constitute a binding contract between the parties.

Signature(s)

Name(s)

Capacity

Date

[Handwritten Signature]
 B S MATLALA
 Municipal MANAGER
 30/01/2019

[Handwritten mark]

For the Employer
Greater Tzaneen Municipality
P.O Box 24
Tzaneen
0850

Name and signature of witness:

Signature _____

Name _____

Date _____

Schedule of Deviations

Subject: _____

Details _____

Subject: _____

Details _____

Subject: _____

Details _____

**ONLY TO BE
COMPLETED AT
ACCEPTANCE STAGE**

Subject: _____

Details _____

RS.

By the duly authorised representatives signing this agreement, the employer and the tenderer agree to and accept the foregoing schedule of deviations as the only deviations from and amendments to the documents listed in the tender data and addenda thereto as listed in the tender schedules, as well as any confirmation, clarification or changes to the terms of the offer agreed by the tenderer and the employer during this process of offer and acceptance.

It is expressly agreed that no other matter whether in writing, oral communication or implied during the period between the issue of the tender documents and the receipt by the tenderer of a completed signed copy of this Agreement shall have any meaning or effect in the contract between the parties arising from this agreement.

For the Tenderer:

Signature(s) [Handwritten Signature]

Name(s) BRUCE MOHLABA

Capacity DIRECTOR

TCHUMISO TRADING 135, P.O. Box 2936, BULLERFORD, 1150
(Insert name and address of organisation)

Signature and name of witness:

Signature [Handwritten Signature]

Name M.V. Letsako

ONLY TO BE
For the Employer:
COMPLETED AT
Signature(s) _____
Name **ACCEPTANCE STAGE**
Capacity _____

(Name and address of organization) Greater Tzaneen Municipality
1 Agatha Street,
Tzaneen
0850

Signature and name of witness:

Signature [Handwritten Signature]

Name B S MATLELA

B

C1.2 CONFIRMATION OF RECEIPT

The Tenderer, (now Contractor), identified in the Offer part of this Agreement hereby confirms receipt from the Employer, identified in the Acceptance part of this Agreement, of one fully completed original copy of this Agreement, including the Schedule of Deviations (if any) today:

The 30 (day) of JANUARY (month) 20 19 (year)
At TZANEEN (place).

ONLY TO BE COMPLETED AT

For the Contractor:

ACCEPTANCE STAGE

Signature

Name

Capacity

[Handwritten Signature]
Bruce Mollabe
Director

Signature and name of witness:

Signature

Name

[Handwritten Signature]
M.K. Letsogo



ANNEXURE D

Thomas Mampane

PROOF CONTRACTOR REFUSED TO SIGN THE SLABS

From: Thomas Mampane
Sent: Tuesday, 11 June 2019 15:53
To: Roshnee Kesa
Subject: RE: SCMU 15/2018- UPGRADING OF MULATI ACCESS ROAD -TSHIAMISO TRADING 135 (PTY)LTD - SCMU:21/2018- UPGRADING OF OF NKOWANKOWA CODESA STREET TO HANI STREET-TSHIAMISO TRADINGS 135 (PTY) LTD

Thanks. Noted.

-----Original Message-----

From: Roshnee Kesa
Sent: Tuesday, June 11, 2019 10:03 AM
To: tshiamo@telkomsa.net; Masefenya M. Letsoalo
Cc: Thomas Mampane; Serapelo SB. Matlala; John M J. Matlala
Subject: FW: SCMU 15/2018- UPGRADING OF MULATI ACCESS ROAD -TSHIAMISO TRADING 135 (PTY)LTD - SCMU:21/2018- UPGRADING OF OF NKOWANKOWA CODESA STREET TO HANI STREET-TSHIAMISO TRADINGS 135 (PTY) LTD
Importance: High

Good Morning Sir

I have just called your office I spoke to Yvonne , and I called numerous time to get one of the Directors to come and sign the Service level Agreement to no avail. Yvonne could you please get some one from your offices to call urgently.

Hope you find the above in order.

Regards,

Roshnee Kesa
Greater Tzaneen Municipality
Legal Division
Municipal Managers Dept
Telephone Nr : 015 3078141/8079/8022

-----Original Message-----

From: Roshnee Kesa
Sent: Tuesday, February 19, 2019 12:00 PM
To: tshiamo@telkomsa.net; Masefenya M. Letsoalo
Cc: Thomas Mampane; Serapelo SB. Matlala
Subject: RE: SCMU 15/2018- UPGRADING OF MULATI ACCESS ROAD -TSHIAMISO TRADING 135 (PTY)LTD
Importance: High

Good Morning

Please see the attachment for your attention, as per our telephonic conversation.

Regards,

Roshnee Kesa

Thomas Mampane

From: Thomas Mampane
Sent: Tuesday, 19 February 2019 12:58
To: Roshnee Kesa; tshiamo@telkomsa.net; Masefenya M. Letsoalo
Cc: Serapelo SB. Matlala
Subject: RE: SCMU:21/2018- UPGRADING OF OF NKOWANKOWA CODESA STREET TO HANI STREET-TSHIAMISO TRADINGS 135 (PTY) LTD

Thanks. Noted.

-----Original Message-----

From: Roshnee Kesa
Sent: Tuesday, February 19, 2019 11:46 AM
To: tshiamo@telkomsa.net; Masefenya M. Letsoalo
Cc: Thomas Mampane; Serapelo SB. Matlala
Subject: RE: SCMU:21/2018- UPGRADING OF OF NKOWANKOWA CODESA STREET TO HANI STREET-TSHIAMISO TRADINGS 135 (PTY) LTD
Importance: High

3d Morning

Please see the attachment for your attention, as per our telephonic conversation.

Regards,

Roshnee Kesa

Thomas Mampane

From: Thomas Mampane
Sent: Wednesday, 19 June 2019 11:16
To: Roshnee Kesa; John M J. Matlala; Masefenya M. Letsoalo; Manana Andries; Kholofelo RK. Dikgale
Cc: Serapelo SB. Matlala
Subject: RE: SCMU 15/2018- UPGRADING OF MULATI ACCESS ROAD -TSHIAMISO TRADING 135 (PTY)LTD - SCMU:21/2018- UPGRADING OF OF NKOWANKOWA CODESA STREET TO HANI STREET-TSHIAMISO TRADINGS 135 (PTY) LTD

Thanks. Noted.

-----Original Message-----

From: Roshnee Kesa
Sent: Wednesday, June 19, 2019 10:29 AM
To: John M J. Matlala; Masefenya M. Letsoalo; Manana Andries; Kholofelo RK. Dikgale
Cc: Thomas Mampane; Serapelo SB. Matlala
Subject: FW: SCMU 15/2018- UPGRADING OF MULATI ACCESS ROAD -TSHIAMISO TRADING 135 (PTY)LTD - MU:21/2018- UPGRADING OF OF NKOWANKOWA CODESA STREET TO HANI STREET-TSHIAMISO TRADINGS 135 (PTY)

Morning Johan

Please assist me in getting the above service provider to come in and sign his two(2) contract, I have been speaking to Yvonne to get one of the Directors. Both service level agreement there has been two (2) payments done, without the contract being signed, the provided gave an Acceptance letter, and did not a signed contract which I still have by me.

Regards,

Roshnee

-----Original Message-----

From: Roshnee Kesa
Sent: Tuesday, June 11, 2019 10:03 AM
To: 'tshiamo@telkomsa.net'; Masefenya M. Letsoalo
Cc: Thomas Mampane; Serapelo SB. Matlala; John M J. Matlala
Subject: FW: SCMU 15/2018- UPGRADING OF MULATI ACCESS ROAD -TSHIAMISO TRADING 135 (PTY)LTD - SCMU:21/2018- UPGRADING OF OF NKOWANKOWA CODESA STREET TO HANI STREET-TSHIAMISO TRADINGS 135 (PTY) LTD
Importance: High

Good Morning Sir

I have just called your office I spoke to Yvonne , and I called numerous time to get one of the Directors to come and sign the Service level Agreement to no avail. Yvonne could you please get some one from your offices to call urgently.

Hope you find the above in order.

Regards,

Roshnee Kesa
Greater Tzaneen Municipality
Legal Division
Municipal Managers Dept
Telephone Nr : 015 3078141/8079/8022

-----Original Message-----

From: Roshnee Kesa
Sent: Tuesday, February 19, 2019 12:00 PM
To: tshiamo@telkomsa.net; Masefenya M. Letsoalo
Cc: Thomas Mampane; Serapelo SB. Matlala
Subject: RE: SCMU 15/2018- UPGRADING OF MULATI ACCESS ROAD -TSHIAMISO TRADING 135 (PTY)LTD
Importance: High

Good Morning

Please see the attachment for your attention, as per our telephonic conversation.

Regards,

Roshnee Kesa

SUPPLIER NAME: TSHIAMISO TRADING 135

SCMU 15/2018

MULATI ACCESS ROAD

CONTRACT AMOUNT

R 26 824 512.88

TOTAL PAYMENTS

R 15 617 340.56



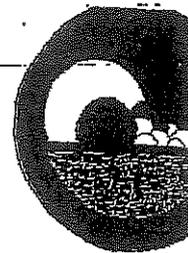
Appoint. letter +

SLA - Mulati

GREATER TZANEEN MUNICIPALITY
GROTER TZANEEN MUNISIPALITEIT
MASIPALA WA TZANEEN
MASEPALA WA TZANEEN

P.O.Box 24 Tel: 015 307 8000
Tzaneen Fax: 015 307 8049
0850

Tropical Paradise
www.greatertzaneen.gov.za



SCMU 15/2018

ENQ: Zabel Modjadji

Date: 21 January 2019

Your ref:

Tshiamiso Trading 135
P.O. Box 2936
Burgersfort
1150

ATT: Bruce Mohlaba
TEL: 013 231 7252
CELL: -
FAX: 013 231 7252
EMAIL : tshiamiso@telkomsa.net

Sir / Madam

RE: APPROVAL AS A SERVICE PROVIDER

DESCRIPTION: UPGRADING OF MULATI ACCESS ROAD

BID NO: SCMU 15/2018

The above matter refers.

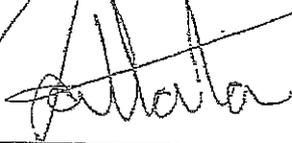
It has been resolved by delegated resolution of the Greater Tzaneen Municipality:

That the bid from Tshiamiso Trading 135 be accepted for the above mentioned project at an amount of R 26 824 512.88 inclusive of 15% VAT subject to the following conditions:

1. That the total amount of Tshiamiso Trading 135 must not exceed the amount of R 26 824 512.88 inclusive of 15% Vat
2. That the service provider must confirm that the contract amount will remain fixed for the duration of the

3. That the bidder undertakes in writing that he / she has sufficient plant and equipment to complete the project within the required specification, as required in the bid document
4. That the bidder undertakes in writing that he has sufficient and appropriately qualified personnel to complete the project within the required specification as required in the bid document
5. The council reserves the right to negotiate further conditions and requirements with the successful bidder based on their capabilities and experience.
6. The service provider will execute any task within the scope of the bid upon notification and instruction by the Greater Tzaneen Municipality's Engineering services
7. The instruction and /or notification by the Greater Tzaneen Municipality shall be communicated to the service provider in writing with the specific quantity and the job to be executed.
8. This appointment is subject to your written acceptance within five (5) working days. In your acceptance you must indicate your understanding of paragraph 1 and 2 of this letter in relation to the conditions stipulated.
9. Further in terms of section 116 of the municipal finance Management Act, you are required to enter into Service Level Agreement with the Greater Tzaneen municipality in compliance with our financial regulations.
10. Your communication with Greater Tzaneen Municipality will be through the Engineering Services Manager Mr. MJ Matlala @ 015 307 8220.

Yours in service delivery



Mr. BS Matlala
Municipal Manager
Greater Tzaneen Municipality

21/01/2019
Date



Tshiamiso trading 135, PO BOX 2936, Burgerston, 1150, 2428, Egos-SJR,
Burgerstort, Limpopo, Tel: 013 231 7252 Fax: 086 291 7680
Reg: 2013/110686/07, E-mail: tshiamiso135@gmail.com

22 January, 2019

The Municipal Manager
Greater Tzaneen Municipality
P.O. Box 24
Tzaneen
0850

Attention : Mr. BS Matlala

Dear sir,

Project Number: SCMU 15/2018
Project Name: Upgrading of Mulati Access Road

LETTER OF ACCEPTANCE

We refer to your letter dated 21 January, 2019.

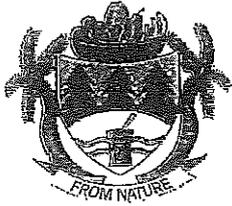
On behalf of Tshiamiso trading 135 Pty Ltd, I would like to thank you for giving us the opportunity and we therefore accept to undertake the abovementioned project.

We hope that you will find this in good order. Tshiamiso Trading 135 (PTY) Ltd is committed to partnering with you towards delivering quality services to your communities.

Yours Faithfully,

Samuel Kaputa
Project Director
Tshiamiso Trading (PVT) Ltd
076 056 7780

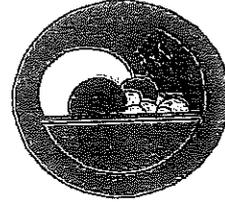
SERVICE LEVEL AGREEMENT: UPGRADING OF MULATI ACCESS ROAD: SCM U.15 / 2018



**GREATER TZANEEN MUNICIPALITY
GROTER TZANEEN MUNISIPALITEIT
MASIPALA WA TZANEEN
MASEPALA WA TZANEEN**

P.O. BOX 24
TZANEEN
0850

TEL: 015 307 8000
FAX: 015 307 8049



SERVICE LEVEL AGREEMENT

UPGRADING OF MULATI ACCESS ROAD (SCMU 15 / 2018)

Entered into between

GREATER TZANEEN MUNICIPALITY

As established in terms of section 12 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998); having its legal nature in terms of section 2 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); represented herein by **Mr Bartholomew Serapelo Matlala** of Identity Number: **7306245527084** in his capacity as the **Municipal Manager**; appointed by "the Council Resolution" Number (**A28: EC 26 02 2018: C27 02 2018**), as "the Municipal Manager and the Accounting Officer" of the Greater Tzaneen Local Municipality ("the Municipality" having its principal place of business at number **01 Agatha Street, Tzaneen** (herein referred to as "the Service Authority")

and

TSHIAMISO TRADING 135 (PTY) LTD

A Private Company with registration number **CK 2013 / 110686 / 07** registered as such in terms of the Companies Act, 2008 (Act No. 71 of 2008), having its principal place of business at Number **2448, Ficus Street, Burgersfort, 1150** herein represented by **Hlamalani Bruce Mohlaba**, Identity Number: **8004015356080** in his capacity as the **EXECUTIVE DIRECTOR** duly authorized by "appointment"; (hereinafter referred to as "the Service Provider").

(Jointly "the parties")



"Municipal Finance Management Act" means Act 56 of 2003 and Regulations*.

"Applicable laws" means all laws applicable in the jurisdictions in which the parties operate, and includes any present or future constitution, decree, judgement, legislation, order, ordinance, regulation, statute, treaty, directive, rule, guideline or code, practice or practice note and circular issued by any relevant authority;

"National Treasury Regulations" means Government Gazette 27636 dated 30 May 2005 or any applicable relevant regulation/s;

"Bid File" means the bid document that the service provider submitted in reply to the advertisement of SCMU 15 / 2018;

"Annexure/s" means any annexure relevant to the contract as specified in the bid document or specified otherwise with consensus of both parties relevant to SCMU 15 / 2018;

"Contractor" means Tshiamiso Trading 135 (Pty) Ltd as registered in terms of the Companies Act, 2008 (Act No. 71 of 2008);

"Data / Information" means any information that the service provider may have before, during or from the duration of the contract under the service provider's care which shall belong and owned by the Municipality;

"Submission of Data" means submission of any information that the Municipality may require for future use which the service provider must hand over at the end of the contract for safe keeping.

"GCC" means the original and updated General Conditions of Contract; as updated in 2015, Third Edition which shall form part of this contract.

"Contract Value" means a rigid fixed amount of **Two Six Eight Two Four Five One Two Rands comma Eight Eight Cents (R 26 824 512.88)**, including fifteen percent (15%) Value Added Tax (VAT).

the Municipality and the Municipality shall remunerate the Service Provider for the services rendered, subject to the terms and conditions of this contract, the Bid File, the Bid Documents for SCMU 15 / 2018 and satisfactory performance by the service provider, to the satisfaction of the Municipality and the relevant community.

5. Commencement and Duration

Notwithstanding the date of signature hereof, this contract comes into operation on commencement date and ends on the contract end date as stipulated in this contract.

6. Obligations of the Municipality

The Municipality shall provide the Service Provider with timeous access to information and sites reasonably required by the Service Provider to perform its duties in terms of this contract; the bid file and the tender document.

7. Obligations of the Service Provider

The Service Provider must–

- a. Comply with all specifications and standards outlined in the bid file and the tender document;
- b. Discharge, implement and manage the contract under the supervision of the Civil Engineering Department: Project Management Unit;
- c. Comply with all legislation applicable to the Service Provider and the rendering of the “specified services”;
- d. Obtain the signature of the project sponsor on all documents or reports submitted by the Service Provider to the Municipality.
- e. The contractor shall ensure that the services are discharged as per Bill of Quantities as tendered; any changes to that effect shall be noted by consensus between the contracted parties before signing the contract.

outstanding claims that the Municipality may have against the Service Provider for damages, costs or any other indebtedness arising out of this contract or Judgement Creditors: Provided that the Municipality will provide the Service Provider with written notice of its intention to set off, supported by reasonable details of the actual damages, costs or indebtedness incurred by the Municipality or other creditors against the service provider.

8.7. A certificate of indebtedness signed by the Chief Financial Officer of the Municipality, reflecting the amount due and payable under clause 8.5 together with interests thereon, shall be sufficient and conclusive proof of the contents and correctness thereof, for the purposes of with-holding, deduction or set off by the Municipality or payment by the Service Provider or for provisional sentence, summary judgment or any other proceedings against the Service Provider in a court of law and shall be valid as a liquid document for such purposes.

8.8. In the event that the Municipality institutes legal action against the Service Provider for any matter in connection with this contract, on the basis of action, conduct, omission, criminal liability, civil liability or negligence by the Service Provider, the Service Provider shall be liable to damages and pay the Municipality's legal fees on an Attorney and own client scale.

9. Warranties and Representations

9.1 The Service Provider warrants that –

- a. the Service Provider has the capacity and resources to render the services as specified in the Bid and Tendered Documents;
- b. on delivery of the services, the services will be suitable for the purpose stipulated in this contract;
- c. the services will be supplied in compliance with this contract. Any unilateral departure by the Service Provider from specifications or approved national standards shall be a breach of this contract;



Procurement Policy Framework or National Preferential Procurement Policy Framework or in terms of applicable National Treasury regulations, guidelines and circulars.

- 11.2. The Municipality may not cede or assign any right or obligation in terms of this contract to any third party, unless the prior written consent of the Service Provider has been obtained, consent of which may not be unreasonably withheld.
- 11.3. Where the parties agree to a cession or assignment, the cession or assignment agreement must contain a provision that the cessionary or assignee is subjected to the same terms and conditions of this contract.

12. Confidentiality

- 12.1 Unless required by law, the parties must keep confidential and not disclose to any third party the terms of this contract, the results and any information relating to or acquired in connection with this contract.
- 12.2. The Service Provider's personnel must keep confidential all information regarding the sites.
- 12.3. The provisions of clause 12 shall continue to be binding on the parties notwithstanding termination or cancellation of this contract or any part thereof.

13. Indemnity

- 13.1 The Service Provider indemnifies and holds the Municipality harmless against any claim by any person (natural or juristic), relating to but not limited to any matter arising out of this contract. Should any such claim be made against the Municipality, the Service Provider must settle or defend such claim forthwith and is liable for the payment of all costs in connection therewith.
- 13.2 The provisions of clause 13.1 shall continue to be binding on the parties notwithstanding termination or cancellation of this contract or any part thereof.



- (a) commits an act of professional misconduct or professional or technical incompetence, which is substantial and serious;
- (b) commits or participates in any unlawful, dishonest or unethical act in the performance of its obligations under this contract;
- (c) breaches this contract twice during the contract period; or
- (d) Fail to comply with the Specifications in the Bid document.
- (e) has failed to comply with any legal or policy requirement that the Service Provider must comply with in order to enter into a valid contract with the Municipality, including but not limited to any public servant in the employ of the Service Provider not having the necessary permissions or authorisation in terms of the Municipal Finance Management Act (Act 56 of 2003), Municipal Systems Act 2000 (Act 32 of 2000) and 2011 (Act 7 of 2011) or not having made the necessary financial disclosures to the employer or not having declared any or all interests in the relevant bid documents.

15. Protection of rights

- 15.1. If the Service Provider fails to comply either timeously or at all with any obligation imposed upon it by this contract, the Municipality may, without prejudice to any of its rights, effect such compliance, and claim damages from the Service Provider of an amount equal to the expenses actually incurred by the Municipality in enforcing such compliance. The Municipality may, at its sole discretion, set off such claim for damages in terms of clauses 8.6 and 8.7.
- 15.2 The Service Provider will have no claim against, nor defence to any claim by the Municipality arising out of any act or omission on the part of the Municipality arising from or connected with effecting or attempting to effect such compliance or, even if the Municipality has undertaken to effect such compliance and then fails to do so properly or at all.
- 15.3 The Municipality's rights in terms of this clause are in addition and without prejudice to any other rights it may have in terms of this contract.

- 16.4.2** If any dispute arises in terms of this contract, either party may give five (05) days written notice to the other of such dispute, whereupon the parties shall meet promptly and in good faith and attempt to reach an amicable settlement of the dispute.
- 16.4.3** In the event that the dispute between the parties is not resolved amicably, the dispute shall be referred to mediation within five (05) days of either party declaring such a dispute.
- 16.4.4** A mediator shall be appointed by the parties, or alternatively by the chair of the Attorney's Association for Limpopo Province, for the purpose of presiding over the mediation.
- 16.4.5** Should the dispute not be resolved within 10 (ten) business days of the commencement of mediation, it shall be referred to arbitration.
- 16.4.6** An arbitrator shall be appointed by the parties, or alternatively by the chair of the Arbitration Foundation of South Africa (AFSA), to preside over the arbitration.
- 16.4.7** The rules of AFSA shall govern the conduct of the arbitration in terms of the relevant legislation.
- 16.4.8** Nothing in this paragraph shall prevent either party from approaching the High Court for suitable judicial relief in case either one of the parties is not satisfied by the arbitration outcomes.

16.5 Penalties

- 16.5.1** If the Service Provider fails to deliver on any or all of the terms and conditions of this Agreement / Contract or fails to perform the Services within period(s) specified in this Agreement, the Greater Tzaneen Municipality shall without prejudice to its other remedies under this agreement, impose such penalties on the service provider as prescribed under the General Conditions of Contract which shall include but not limited to recovery of damages from the Service Provider, authority to cede the amount of debts owed by the contractor to the creditors or to settle the damages with any balance outstanding to the Service Provider from the Municipality.



- 17.2. Either party may from time to time decide to vary its address for the service of notices and processes by giving written notice to the other party and such notice must be posted by prepaid registered post or hand delivered to the other party's addresses for service of notices and processes and shall be presumed, until the contrary is proven, to have been received by that party on the 10th day after the day of posting or on the date of delivery, as the case may be.
- 17.3. Any matters or other communication to be given to either of the parties in terms of this contract is valid and effective only if it is given in writing.
- 17.4 Any notice in terms of this contract to either party which is –
- 17.4.1 sent by prepaid registered post in a correctly addressed envelope to the address specified for it in clause 17.1 is deemed to have been received, unless the contrary is proved, within 14 days from the date on which it was posted;
- 17.4.2 delivered to the party by hand at the address specified for it in clause 17.1 is deemed to have been received on the day of delivery, if it has been delivered to a responsible person during ordinary business hours
- 17.4.3 sent by facsimile to a party at the telefax numbers specified for it in clause 17.1 is deemed to have been received, unless the contrary is proved, within four hours of transmission if it is transmitted during normal business hours of the receiving party or within 12 hours of the first business day of the receiving party after it is transmitted, if it is transmitted outside those business hours.
- 17.5 For the purposes of clause 17.4, any notice in terms of this contract to either party which is given on a date in December in any particular year, is deemed to be given on the corresponding date in January of the following year.
- 17.6 Notwithstanding anything to the contrary contained in this clause, a written notice or other communication actually received by either party and for which written acknowledgement of receipt has been obtained, is adequate written notice or communication to it notwithstanding that the notice was not sent to or delivered at its chosen address for service.



such time sheet and signed time sheets shall be submitted with the relevant Tax Invoices for payment.

- 4) Delays arising from the following shall not qualify for standing time claims:-
 - a) The first sixty (60) minutes of any single event.
 - b) Delays arising from statutory examinations.
 - c) Delays arising from planned maintenance.
 - d) Delays attributable to any form of neglect or failure on the part of the Contractor, the Contractor's agents, representatives, sub-contractors or the employees thereof.
- 5) Delays caused by inadequate assessment of the capacity of any Contractor's Equipment or similar items provided by the employer and used by the Contractor for the performance of the Contract.
- 6) Delays which could have been avoided by reporting to the employer's representative when the possibility thereof became apparent and during the period or periods covered by claims for standing time the Contractor's labour shall, at the request of the employer's representative, be made available to the employer for use on any work on the site where such labour can be suitably employed. In instances of protracted delays the employer's representative shall have the right to call upon the Contractor to reduce the labour force subject to a period of notice, to be agreed in writing, being given for the resumption of the Contract work.
- 7) The "Contract Completion Date" shall be extended for a period equal to the total extent of delays reported by the Contractor in writing and accepted by the employer's representative provided that such delays are caused by factors attributable to the employer.

22. Termination of the Contract

- a) This contract shall be terminated by the following circumstances:
- b) If the contractor is declared insolvent by relevant court of law.
- c) If the contractor is involved in any criminal or unlawful activity.
- d) If the contractor fails to deliver on any or all of the services within the period specified in the contract or within any extension thereof granted by the Municipality.
- e) If the contractor fails to perform any obligation/s under this contract.
- f) Termination of this contract in whole or in part shall not prevent the Municipality from procuring similar services upon terms and manner as it deem appropriate, services similar to those undelivered and the service provider shall be liable for excess costs thereof.
- g) Termination of this contract shall not prejudice or affect any right of action or remedy, which has accrued or will accrue thereafter to Municipality.

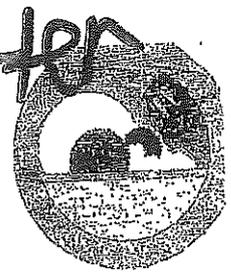
23. Severability

Any provision in this service level agreement which is or may become illegal, invalid or unenforceable in any jurisdiction affected by this service level agreement shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be treated as if it had never been written (*pro non scripto*) and severed from the balance of this service level agreement, without invalidating the remaining provisions of this service level agreement or affecting the validity or enforceability of such provision in any other jurisdiction.





Codesa - Appoint letter



**GREATER TZANEEN MUNICIPALITY
GROTER TZANEEN MUNISIPALITEIT
MASIPALA WA TZANEEN
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P.O.Box 24 Tel: 015 307 8000
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Tropical Paradise
www.greatertzaneen.gov.za

SCMU 21/2018

ENQ: Zabel Modjadji

Date: 20 December 2018

Your ref:

Tshiamiso Trading 135
P.O Box 2936
Burgersfort
1150

ATT: Bruce Mohlaba
TEL: 013 231 7252
CELL: 079 492 8196
FAX: 013 231 7252
EMAIL : tshiamo@telkomsa.net

Sir / Madam

RE: APPROVAL AS A SERVICE PROVIDER

DESCRIPTION: UPGRADING OF NKOWANKOWA CODESA STREET TO HANI STREET

BID NO: SCMU 21 / 2018

The above matter refers.

It has been resolved by delegated resolution of the Greater Tzaneen Municipality:

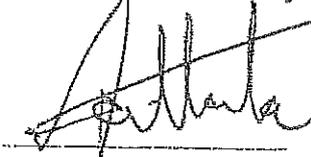
that the bid from Tshiamiso Trading 135 be accepted for the above mentioned project at an amount of R 9 217 610.99 inclusive of 15% VAT for a contract period of 10 Months subject to the following

Conditions:

1. The total amount of Tshiamiso Trading 135 must not exceed the amount of R 9 217 610.99

2. That the service provider must confirm that the contract amount will remain fixed for the duration of the contract except for CPA where applicable.
3. That the bidder undertakes in writing that he / she has sufficient plant and equipment to complete the project within the required specification, as required in the bid document
4. That the bidder under takes in writing that he has sufficient and appropriately qualified personnel to complete the project within the required specification as required in the bid document
5. The council reserves the right to negotiate further conditions and requirements with the successful bidder based on their capabilities and experience.
- 6. The service provider will execute any task within the scope of the bid upon notification and instruction by the Greater Tzaneen Municipality's Engineering services
7. The instruction and /or notification by the Greater Tzaneen Municipality shall be communicated to the service provider in writing with the specific quantity and the job to be executed.
8. This appointment is subject to your written acceptance within five (5) working days. In your acceptance you must indicate your understanding of paragraph 1 and 2 of this letter in relation to the conditions stipulated.
9. Further in terms of section 116 of the municipal finance Management Act, you are required to enter into Service Level Agreement with the Greater Tzaneen municipality in compliance with our financial regulations.
10. Your communication with Greater Tzaneen Municipality will be through the Engineering Services Manager Mr. MJ Matlala @ 015 307 8220.

Yours in service delivery



Mr. BS Matlala

Municipal Manager

Greater Tzaneen Municipality

21/12/2018
Date



TSHIAMISO TRADING 135
Pty Ltd Reg:2013/110086/07

Tshiamiso trading 135, PO BOX 2936, Burgersfort, 1150, 2448 Ficus STR,
Burgersfort, Limpopo, Tel: 013 231 7252 Fax: 086 293 7880
Reg: 2013/110086/07, E-mail: tshiamiso135@gmail.com

21 December, 2018

The Municipal Manager
Greater Tzaneen Municipality
P.O. Box 24
Tzaneen
0850

Attention : Mr. BS Matlala

Dear sir,

Project Number: SCMU 21/2018

Project Name: Upgrading of Nkowankowa Codesa Street to Hani Street

LETTER OF ACCEPTANCE

We refer to your letter dated 20 December, 2018.

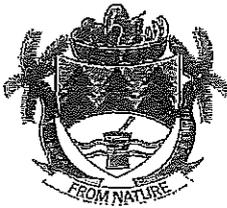
On behalf of Tshiamiso trading 135 Pty Ltd, I would like to thank you for giving us an opportunity to undertake the abovementioned project.

We therefore accept the offer with the conditions stipulated in the appointment letter.

We hope that you will find this in good order. Tshiamiso Trading 135 (PTY) Ltd is committed to partnering with you towards delivering quality services to your communities.

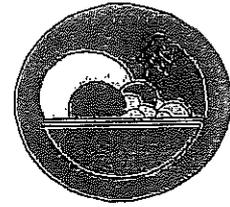
Yours Faithfully,

Samuel Kaputa
Project Director
Tshiamiso Trading (PVT) Ltd
076 056 7780



**GREATER TZANEEN MUNICIPALITY
GROTER TZANEEN MUNISIPALITEIT
MASIPALA WA TZANEEN
MASEPALA WA TZANEEN**

P.O. BOX 24 TEL: 015 307 8000
TZANEEN FAX: 015 307 8049
0850



SERVICE LEVEL AGREEMENT

**UPGRADING OF NKOWANKOWA CODESA STREET TO HANI STREET
(SCMU 21 / 2018)**

Entered into between

GREATER TZANEEN MUNICIPALITY

As established in terms of section 12 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998); having its legal nature in terms of section 2 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); represented herein by **Mr Bartholomew Serapelo Matlala** of Identity Number: **7306245527084** in his capacity as the **Municipal Manager**; appointed by "the Council Resolution" Number (**A28: EC 26 02 2018: C27 02 2018**), as "the **Municipal Manager and the Accounting Officer**" of the Greater Tzaneen Local Municipality ("the Municipality" having its principal place of business at number **01 Agatha Street, Tzaneen** (herein referred to as "the Service Authority")

and

TSHIAMISO TRADING 135 (PTY) LTD

A Private Company with registration number **CK 2013 / 110686 / 07** registered as such in terms of the Companies Act, 2008 (Act No. 71 of 2008), having its principal place of business at **Number 2448, Ficus Street, Burgersfort, 1150** herein represented by **Hlamalani Bruce Mohlaba**, Identity Number: **8004015356080** in his capacity as the **EXECUTIVE DIRECTOR** duly authorized by "appointment"; (hereinafter referred to as "the Service Provider").

(Jointly "the parties")

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Street to Hani Street for the Municipality and the Municipality shall remunerate the Service Provider for the services rendered, subject to the terms and conditions of this contract, the Bid File, the Bid Documents for SCMU 21 / 2018 and satisfactory performance by the service provider, to the satisfaction of the Municipality and the relevant community.

5. Commencement and Duration

Notwithstanding the date of signature hereof, this contract comes into operation on commencement date and ends on the contract end date as stipulated in this contract.

6. Obligations of the Municipality

The Municipality shall provide the Service Provider with timeous access to information and sites reasonably required by the Service Provider to perform its duties in terms of this contract; the bid file and the tender document.

7. Obligations of the Service Provider

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- a. Comply with all specifications and standards outlined in the bid file and the tender document;
- b. Discharge, implement and manage the contract under the supervision of the Civil Engineering Department: Project Management Unit;
- c. Comply with all legislation applicable to the Service Provider and the rendering of the "specified services";
- d. Obtain the signature of the project sponsor on all documents or reports submitted by the Service Provider to the Municipality.
- e. The contractor shall ensure that the services are discharged as per Bill of Quantities as tendered; any changes to that effect shall be noted by consensus between the contracted parties before signing the contract.



outstanding claims that the Municipality may have against the Service Provider for damages, costs or any other indebtedness arising out of this contract or Judgement Creditors: Provided that the Municipality will provide the Service Provider with written notice of its intention to set off, supported by reasonable details of the actual damages, costs or indebtedness incurred by the Municipality or other creditors against the service provider.

8.7. A certificate of indebtedness signed by the Chief Financial Officer of the Municipality, reflecting the amount due and payable under clause 8.5 together with interests thereon, shall be sufficient and conclusive proof of the contents and correctness thereof, for the purposes of with-holding, deduction or set off by the Municipality or payment by the Service Provider or for provisional sentence, summary judgment or any other proceedings against the Service Provider in a court of law and shall be valid as a liquid document for such purposes.

8.8. In the event that the Municipality institutes legal action against the Service Provider for any matter in connection with this contract, on the basis of action, conduct, omission, criminal liability, civil liability or negligence by the Service Provider, the Service Provider shall be liable to damages and pay the Municipality's legal fees on an Attorney and own client scale.

9. Warranties and Representations

9.1 The Service Provider warrants that –

- a. the Service Provider has the capacity and resources to render the services as specified in the Bid and Tendered Documents;
- b. on delivery of the services, the services will be suitable for the purpose stipulated in this contract;
- c. the services will be supplied in compliance with this contract. Any unilateral departure by the Service Provider from specifications or approved national standards shall be a breach of this contract;

B

Procurement Policy Framework or National Preferential Procurement Policy Framework or in terms of applicable National Treasury regulations, guidelines and circulars.

- 11.2. The Municipality may not cede or assign any right or obligation in terms of this contract to any third party, unless the prior written consent of the Service Provider has been obtained, consent of which may not be unreasonably withheld.
- 11.3. Where the parties agree to a cession or assignment, the cession or assignment agreement must contain a provision that the cessionary or assignee is subjected to the same terms and conditions of this contract.

12. Confidentiality

- 12.1 Unless required by law, the parties must keep confidential and not disclose to any third party the terms of this contract, the results and any information relating to or acquired in connection with this contract.
- 12.2. The Service Provider's personnel must keep confidential all information regarding the sites.
- 12.3. The provisions of clause 12 shall continue to be binding on the parties notwithstanding termination or cancellation of this contract or any part thereof.

13. Indemnity

- 13.1 The Service Provider indemnifies and holds the Municipality harmless against any claim by any person (natural or juristic), relating to but not limited to any matter arising out of this contract. Should any such claim be made against the Municipality, the Service Provider must settle or defend such claim forthwith and is liable for the payment of all costs in connection therewith.
- 13.2 The provisions of clause 13.1 shall continue to be binding on the parties notwithstanding termination or cancellation of this contract or any part thereof.

- (a) commits an act of professional misconduct or professional or technical incompetence, which is substantial and serious;
- (b) commits or participates in any unlawful, dishonest or unethical act in the performance of its obligations under this contract;
- (c) breaches this contract twice during the contract period; or
- (d) Fail to comply with the Specifications in the Bid document.
- (e) has failed to comply with any legal or policy requirement that the Service Provider must comply with in order to enter into a valid contract with the Municipality, including but not limited to any public servant in the employ of the Service Provider not having the necessary permissions or authorisation in terms of the Municipal Finance Management Act (Act 56 of 2003), Municipal Systems Act 2000 (Act 32 of 2000) and 2011 (Act 7 of 2011) or not having made the necessary financial disclosures to the employer or not having declared any or all interests in the relevant bid documents.

15. Protection of rights

- 15.1. If the Service Provider fails to comply either timeously or at all with any obligation imposed upon it by this contract, the Municipality may, without prejudice to any of its rights, effect such compliance, and claim damages from the Service Provider of an amount equal to the expenses actually incurred by the Municipality in enforcing such compliance. The Municipality may, at its sole discretion, set off such claim for damages in terms of clauses 8.6 and 8.7.
- 15.2 The Service Provider will have no claim against, nor defence to any claim by the Municipality arising out of any act or omission on the part of the Municipality arising from or connected with effecting or attempting to effect such compliance or, even if the Municipality has undertaken to effect such compliance and then fails to do so properly or at all.
- 15.3 The Municipality's rights in terms of this clause are in addition and without prejudice to any other rights it may have in terms of this contract.

- 16.4.2** If any dispute arises in terms of this contract, either party may give five (05) days written notice to the other of such dispute, whereupon the parties shall meet promptly and in good faith and attempt to reach an amicable settlement of the dispute.
- 16.4.3** In the event that the dispute between the parties is not resolved amicably, the dispute shall be referred to mediation within five (05) days of either party declaring such a dispute.
- 16.4.4** A mediator shall be appointed by the parties, or alternatively by the chair of the Attorney's Association for Limpopo Province, for the purpose of presiding over the mediation.
- 16.4.5** Should the dispute not be resolved within 10 (ten) business days of the commencement of mediation, it shall be referred to arbitration.
- 16.4.6** An arbitrator shall be appointed by the parties, or alternatively by the chair of the Arbitration Foundation of South Africa (AFSA), to preside over the arbitration.
- 16.4.7** The rules of AFSA shall govern the conduct of the arbitration in terms of the relevant legislation.
- 16.4.8** Nothing in this paragraph shall prevent either party from approaching the High Court for suitable judicial relief in case either one of the parties is not satisfied by the arbitration outcomes.

16.5 Penalties

- 16.5.1** If the Service Provider fails to deliver on any or all of the terms and conditions of this Agreement / Contract or fails to perform the Services within period(s) specified in this Agreement, the Greater Tzaneen Municipality shall without prejudice to its other remedies under this agreement, impose such penalties on the service provider as prescribed under the General Conditions of Contract which shall include but not limited to recovery of damages from the Service Provider, authority to cede the amount of debts owed by the contractor to the creditors or to settle the damages with any balance outstanding to the Service Provider from the Municipality.

- 17.2. Either party may from time to time decide to vary its address for the service of notices and processes by giving written notice to the other party and such notice must be posted by prepaid registered post or hand delivered to the other party's addresses for service of notices and processes and shall be presumed, until the contrary is proven, to have been received by that party on the 10th day after the day of posting or on the date of delivery, as the case may be.
- 17.3. Any matters or other communication to be given to either of the parties in terms of this contract is valid and effective only if it is given in writing.
- 17.4 Any notice in terms of this contract to either party which is —
- 17.4.1 sent by prepaid registered post in a correctly addressed envelope to the address specified for it in clause 17.1 is deemed to have been received, unless the contrary is proved, within 14 days from the date on which it was posted;
- 17.4.2 delivered to the party by hand at the address specified for it in clause 17.1 is deemed to have been received on the day of delivery, if it has been delivered to a responsible person during ordinary business hours
- 17.4.3 sent by facsimile to a party at the telefax numbers specified for it in clause 17.1 is deemed to have been received, unless the contrary is proved, within four hours of transmission if it is transmitted during normal business hours of the receiving party or within 12 hours of the first business day of the receiving party after it is transmitted, if it is transmitted outside those business hours.
- 17.5 For the purposes of clause 17.4, any notice in terms of this contract to either party which is given on a date in December in any particular year, is deemed to be given on the corresponding date in January of the following year.
- 17.6 Notwithstanding anything to the contrary contained in this clause, a written notice or other communication actually received by either party and for which written acknowledgement of receipt has been obtained, is adequate written notice or communication to it notwithstanding that the notice was not sent to or delivered at its chosen address for service.

B

such time sheet and signed time sheets shall be submitted with the relevant Tax Invoices for payment.

- 4) Delays arising from the following shall not qualify for standing time claims:-
 - a) The first sixty (60) minutes of any single event.
 - b) Delays arising from statutory examinations.
 - c) Delays arising from planned maintenance.
 - d) Delays attributable to any form of neglect or failure on the part of the Contractor, the Contractor's agents, representatives, sub-contractors or the employees thereof.
- 5) Delays caused by inadequate assessment of the capacity of any Contractor's Equipment or similar items provided by the employer and used by the Contractor for the performance of the Contract.
- 6) Delays which could have been avoided by reporting to the employer's representative when the possibility thereof became apparent and during the period or periods covered by claims for standing time the Contractor's labour shall, at the request of the employer's representative, be made available to the employer for use on any work on the site where such labour can be suitably employed. In instances of protracted delays the employer's representative shall have the right to call upon the Contractor to reduce the labour force subject to a period of notice, to be agreed in writing, being given for the resumption of the Contract work.
- 7) The "Contract Completion Date" shall be extended for a period equal to the total extent of delays reported by the Contractor in writing and accepted by the employer's representative provided that such delays are caused by factors attributable to the employer.

22. Termination of the Contract

- a) This contract shall be terminated by the following circumstances:
- b) If the contractor is declared insolvent by relevant court of law.
- c) If the contractor is involved in any criminal or unlawful activity.
- d) If the contractor fails to deliver on any or all of the services within the period specified in the contract or within any extension thereof granted by the Municipality.
- e) If the contractor fails to perform any obligation/s under this contract.
- f) Termination of this contract in whole or in part shall not prevent the Municipality from procuring similar services upon terms and manner as it deem appropriate, services similar to those undelivered and the service provider shall be liable for excess costs thereof.
- g) Termination of this contract shall not prejudice or affect any right of action or remedy, which has accrued or will accrue thereafter to Municipality.

23. Severability

Any provision in this service level agreement which is or may become illegal, invalid or unenforceable in any jurisdiction affected by this service level agreement shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be treated as if it had never been written (*pro non scripto*) and severed from the balance of this service level agreement, without invalidating the remaining provisions of this service level agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

SUPPLIER NAME: TSHIAMISO TRADING 135
SCMU 21/2018
NKOWANKOWA CODESA TO HANI STREET

R 9 271 610.99

TOTAL PAYMENTS

R 6 522 197.41

The Municipal Manager
Greater Tzaneen Municipality
P.O. Box 24
Tzaneen
0850

20 June 2019

Att: Mr M J Matlala

PROJECT NUMBER: SMU 21/2018
PROJECT NAME: UPGRADING NKOWANKOWA CODESA STREET TO HANI STREET
PAYMENT CERTIFICATE COVER LETTER

Dear Sir

Attached please find the original Payment Certificate No. 3 for the above contract.

The amount of R 1 789 855.52 including VAT (One Million Seven Hundred and Eighty-Nine Thousand Eight Hundred and Fifty-Five Rand Fifty-Two cents) is hereby certified as payable to Tshiamiso Trading 135.

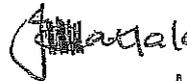
We trust that you find this in order. Please contact our office should you have any queries.

Yours Faithfully,



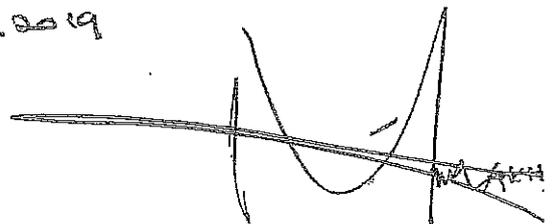
S Mavuso
For KMSD Engineering Consultants

PAID
IN ORDER FOR PAYMENT


25/06/2019


25.06.2019

CAPTURED



Unit 15 Ground Floor
Berkley Office Park
8 Bauhinia Street
Highveld Techno Park 0157

P O Box 12812
Clubview
0014
South Africa

Tel +27 87 940 3119
Fax +27 12 940 4838
Email admin@lkmsd.co.za

Registration No 2008/088477/23
VAT No 4880246774

MIG



Tshiamiso Trading

Tshiamiso trading 135, PO BOX 504, Burgersfort, 1150, No. 18
Aloe Ridge West, Burgersfort, Limpopo, Fax : 086 293 7580,
Cell : 0794928196, E-mail : tshiamiso135@gmail.com

TAX INVOICE NO 499

VAT reg # 4350256311

Client

Name	Greater Tzaneen Municipality		
Address	P.O. Box 24		
City	Tzaneen	Province	Limpopo
		Code:	0850
VAT	4130193669		

Date	20/06/2019
Inv No.	499
Cert No	3

Qty	Description	Unit Price	TOTAL
1	Project No: SMU 21/2018 Upgrading of Nkowankowa Codesa Street to Hanf Street Work Done	R 1 556 396.10	R 1 556 396.10

Cash
 Check
 Credit Card
 Name Tshiamiso Trading 135
 Account # 40 80000 535
 Branch : ABSA Nelspruit
 Branch Code: 632005

SubTotal	R 1 556 396.10
Taxes VAT	R 233 459.42
TOTAL	R 1 789 855.52

Office Use Only

PAYMENT TO BE PAID IN 30 DAYS FAILING WHICH WILL RESULT IN A 15.5% INTEREST RATE

GREATER TZANEEN MUNICIPALITY
CONTRACT PAYMENT COVER SHEET

B1

PROJECT DESCRIPTION : SCMU 21/2018 - UPGRADING OF NKOWANKOWA CODESA STREET TO HANI STREET

1. I hereby certify that the project have been inspected and that the work has been executed satisfactorily and according to specification and that the quantities and prices shown are correct. I further certify cessions applicable to this project are included in this certificate.

20-06-2019
Date
SIFISO MAVUSO
Full Names:
Professional Reg. No:

3. I certify that the above-mentioned work has been executed and that the work to the value of the amount has been performed

23/06/2019
Date
Matale MJ.
Full Names:
P&U Manager

2. I have inspected this claim and I am satisfied that payment as indicated can be made.

20-06-2019
Date
PHANES VAN ROOYEN
Name:
Project Steering Committee

4. I certify that the above-mentioned work has been executed and that the certificate complies with the requirements of MM

Date
Full Names:
BS MATUALA
Municipal Manager

CDM. No.	CONTRACTOR:	Contract amount as awarded	R	Incl.	vat incl.
SCMU 21/2018	Tshiamiso Trading 135	Additional expenditure authorized	R	8 015 313,90	vat incl.
FUND	ADDRESS: PO Box 2936	sub total	R	8 015 313,90	
RES. no.	BURGERSFORT	VAT	R	1 202 297,09	
SCMU 21/2018	1150	TOTAL APPROVED AMOUNT	R	9 217 610,99	

Certificate No.	Date	Amount (VAT excl)	Certificate No.	Date	Amount (vat incl)	total of "amount"
1	2019/04/20	858 376,00				
2	30/05/2018	3 703 935,00				4 572 311,00

THIS CERTIFICATE No. : 3 Is this a cert. of completion No

PARTICULARS OF PRESENT CLAIM TO CONTRACTOR FOR WORK DONE UP TO DATE : 19/06/2019

Value of all work done [including cession payments] up to date [VAT excl.] 6 301 640,00

Value of all Nominated sub contractors work up to date [VAT excl.] 6,00

Escalation of cost up to date [VAT excl.] 0,00

Less Any Penalties that may be applicable [VAT excl.] 0,00

Less all previous payments [VAT excl] made up to certificate no. [VAT excl.] 4 572 311,00

Plus materials on site @ 80 % of invoiced payments [VAT excl.] 0,00

TOTAL OF PRESENT CLAIM [VAT excl.] 1 729 329,00

[VAT 15 %] 259 999,35

TOTAL OF PRESENT CLAIM [VAT incl.] 1 989 328,35

AMOUNT IN WORDS : TWO ONE FIVE NINE THREE ONE NINE Rands AND 41/100 CENTS ONLY

CATEGORY	R	1,00	SUMMARY OF PREVIOUS RETENTION & SURETY RETAINED	total value of retention	643188,54	total in ret. account
surety limit %	R	-	Certificate no	Amount	Amount	previous retention held -470285,74
surety bond	NO			1	59 863,24	retention on this certificate 172832,90
cash	NO			2	370 389,50	retention to be paid out
reten. limit %	R	10,00				on completion certificate % 5,0
comin. bond	NO					on retention certificate % 5,0
main bond	NO					R - 0
total reten.	%					PAYMENT TO CONTRACTOR : 1 789 329,00
& cash to	10,0		total previous retention	470285,74		RETENTION TO RETENTION ACCOUNT : 198 872,84
"	0,0					ALL SESSION PAYMENTS : 0,00
						(details on sheet B3) 1 988 728,95

ref 630164

The Municipal Manager
Greater Tzaneen Municipality
P.O. Box 24
Tzaneen
0850

20 May 2019

Att: Mr M J Matlala

PROJECT NUMBER: SMU 21/2018
PROJECT NAME: UPGRADING NKOWANKOWA CODESA STREET TO HANI STREET
PAYMENT CERTIFICATE COVER LETTER

Dear Sir

Attached please find the original Payment Certificate No. 2 for the above contract.

The amount of R 3 833 572.73 including VAT (Three Million Eight Hundred and Thirty-Three Thousand Five Hundred and Seventy-Two Rand Seventy-Three cents) is hereby certified as payable to Thiamiso Trading 135.

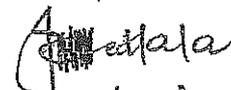
We trust that you find this in order. Please contact our office should you have any queries.

Yours Faithfully,



S Mavuso
For KMSD Engineering Consultants

IN ORDER FOR PAYMENT



24/05/2019



24.05.2019

Unit 15 Ground Floor
Berkley Office Park
8 Bauhinia Street
Highveld Techno Park 0157

P O Box 12812
Clubview
0014
South Africa

Tel +27 87 940 3119
Fax +27 12 940 4838
Email admin@ikmsd.co.za

Registration No 2008/089477/23
VAT No 48801457723



MIC

Tshiamiso trading 135, PO BOX 504, Burgersfort, 1150, No. 18
 Aloe Ridge West, Burgersfort, Limpopo, Fax : 086 293 7580,
 Cell : 0794928196, E-mail : tshiamiso135@gmail.com



Tshiamiso Trading

TAX INVOICE NO 497

VAT reg # 4350256311

Client

Name Greater Tzaneen Municipality
 Address P.O. Box 24
 City Tzaneen Province Limpopo Code: 0850
 VAT 4130193669

Date 20/05/2019
 Inv No. 497
 Cert No 2

Qty	Description	Unit Price	TOTAL
1	Project No: SMU 21/2018 Upgrading of Nkowanowa Codesa Street to Hani Street Work Done	R 3 333 541.50	R 3 333 541.50

CAPTURED
PAID

Cash
 Check
 Credit Card
 Name Tshiamiso Trading 135
 Account # 40 80000 535
 Branch : ABSA Nelspruit
 Branch Code: 632005

Taxes	SubTotal	R 3 333 541.50
	VAT	R 500 031.23
	TOTAL	R 3 833 572.73

Office Use Only

PAYMENT TO BE PAID IN 30 DAYS FAILING WHICH WILL RESULT IN A 15.5% INTEREST RATE

[Handwritten signature]

[Handwritten signature]

GREATER TZANEEN MUNICIPALITY
CONTRACT PAYMENT COVER SHEET

B 1

PROJECT DESCRIPTION : SCMU 21/2018 - UPGRADING OF NKOWANKOWA CODESA STREET TO HANI STREET

I hereby certify that the project have been inspected and that the work has been executed satisfactorily and according to specification and that the quantities and prices shown are correct. I further certify that the conditions applicable to this project are included in this certificate.

20-05-2019
Date

[Signature]
Engineer

24/05/2019
Date

[Signature]
EMM Manager

Full Names: SIFISO MAVUSO

Full Names: MAYALA M.J.

Professional Reg. No:

2. I have inspected this claim and I am satisfied that payment as indicated can be made.

2019/05/21
Date

[Signature]
Project Steering Committee

4. I certify that the above-mentioned work has been executed and that the certificate complies with the requirements of MM

24/05/2019
Date

[Signature]
Municipality Manager

Name: JOHANNES VAN ROOYEN

Full Names: BS MACELOA

PLEASE INDICATE VAT Incl. OR excl. IN THE AREA PROVIDED THEREFOR >>>>>	VAT incl/excl ?	Incl.	
C.D.M. No. CONTRACTOR: Tshiamiso Trading 135	Contract amount as awarded	R 8 015 313,90	vat incl.
SCMU 21/2018	Additional expenditure authoriz		vat incl.
FUND ADDRESS: PO Box 2936 BURGERSFORT	sub total	R 8 015 313,90	
REF. no. 1150	VAT	R 1 202 297,09	
SCMU 21/2018	TOTAL APPROVED AMOUNT	R 9 217 610,99	
	TEL : 015 581 5937	FAX: 086 622 3529	

SUMMARY OF PREVIOUS CLAIMS									
Certificate No.	Date	Amount (VAT excl)	Certificate No.	Date	Amount (VAT excl)	Certificate No.	Date	Amount (vat excl)	
1	2019/04/20	868 376,00							total of "amount" 868 376,00

THIS CERTIFICATE No. : 2 is this a cert. of completion? No signed [Signature] 12 month retention? No 1SD verification of all labour paid.

FURTHER PARTICULARS OF PRESENT CLAIM TO CONTRACTOR FOR WORK DONE UP TO DATE : 20/05/2019

CONTRACT AMOUNTS	R	
Value of all work done [including session payments] up to date	4 572 311,00	
Value of all Nominated sub contractors work up to date	0,00	
Escalation of cost up to date	4 572 311,00	ok
Subtotal	0,00	3 443 002,00
Less Any Penalties that may be applicable		
Less all previous payments [VAT excl] made up to certificate no.	R -	868 376,00
Subtotal		3 703 935,00
Plus materials on site @ 80 % of invoiced payments		0,00
Subtotal		3 703 935,00 (A)
VAT 15 %		555 590,25
TOTAL OF PRESENT CLAIM		4 259 525,25 ok

AMOUNT IN WORDS : TWO ONE FIVE NINE THREE ONE NINE ROUNDS AND 41/100 CENTS ONLY

CATEGORY	R	1,00	SUMMARY OF PREVIOUS RETENTION & SURITY RETAINED				total value of retention	470256,74	total in ret. account
			Certificate no	Amount	Certificate no	Amount	previous retention held	99863,24	
surety limit %	R	-			1	99 863,24	retention on this certificate	570393,50	
surety bond	no				2		retention to be paid out	to be paid from ret. account	
cash	no						on completion certificate %	5,0	
reten. limit %	R	10,00					on retention certificate %	5,0	
contn. bond	no						R -	0,00	
maint. bond	no						PAYMENT TO CONTRACTOR :	3 635 572,73	
total reten.	%						RETENTION TO RETENTION ACCOUNT :	425 952,55	
& cash to	10,0			total previous retention		99863,24	ALL SESSION PAYMENTS :	0,00	
	0,0						(details on sheet B9)	4 259 525,25	

PAID

THE GREATER TZANEEN MUNICIPALITY
 DEPARTMENT OF THE FINANCIAL MANAGER
 P.O. BOX 24 TZANEEN 0850 ; TEL : 015 307 8000 FAX 015 307 8049

PMT 3

Messrs : TSHIAMISO TRADING
 BRANCH: £632005
 ACCNO: 4080000535

30/04/2019

Cheque no: 1081208

DETAILS	VOTE NO:	VOTE AMOUNT	CHEQ AMOUNT
PROFESSIONAL FEES - UPGRADING OF ROAD GRAVEL TO PAVING			898,769.16
CERT 1			
Inv. 490			
SCMU 21/2018			
TSHIAMISO TRADING	PMU00516-919-0040	868,376.00	
	475-516-4060	-86,837.60	
	924-924-9024	117,230.76	
	195-600-5202		
		898,769.16	
CONSTRUCTION FEES			
NKOWANKOWA CODESA TO HANI STREET			

CAPTURED

Greater Tzaneen Municipality
 2019-05-02
 BANK TRANSFER

I HEREBY CERTIFY THAT THE ABOVE ACCOUNT IS CORRECT AS FAR AS IT CONCERNS MY DEPARTMENT, THAT THE GOODS HAVE BEEN RECEIVED OR THE WORK REFERRED TO CARRIED OUT IN AN EFFICIENT MANNER, AND THAT THE PRICE IS FAIR AND REASONABLE IN ACCORDANCE WITH THE CONTRACT AND OR ORDER

17

na
 REVIEWED: SENIOR ACCOUNTANT

na 02/05/2019
 FIRST APPROVAL

[Signature]
 COMPILED ACCOUNTANT

[Signature] 02/05/2019
 2ND APPROVAL

3313
 5
 490

PAID

The Municipal Manager
Greater Tzaneen Municipality
P.O. Box 24
Tzaneen
0850

23 April 2019

Att: Mr M J Matlala

PROJECT NUMBER: SMU 21/2018
PROJECT NAME: UPGRADING NKOWANKOWA CODESA STREET TO HANI STREET
PAYMENT CERTIFICATE COVER LETTER

Dear Sir

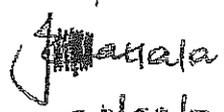
Attached please find the original Payment Certificate No. 1 for the above contract.

The amount of **R 898 769.16** including VAT (Eight Hundred and Ninety-Eight Thousand Seven Hundred and Sixty-Nine Rand Sixteen cents) is hereby certified as payable to Thiamiso Trading 135.

We trust that you find this in order. Please contact our office should you have any queries.

Yours Faithfully,


.....
S Mavuso
For KMSD Engineering Consultants

IN ORDER FOR PAYMENT

24/04/2019


24.04.2019.





Tshiamiso Trading

Tshiamiso trading 135, PO BOX 504, Burgersfort, 1150, No. 18
Aloe Ridge West, Burgersfort, Limpopo, Fax : 086 293 7580,
Cell : 0794928196, E-mail : tshiamiso135@gmail.com

TAX INVOICE NO 490

VAT reg # 4350256311

Client

Name Greater Tzaneen Municipality
Address P.O. Box 24
City Tzaneen Province Limpopo Code: 0850
VAT 4130193669

Date 23/04/2019
Inv No. 490
Cert No 1
FOB _____

Qty	Description	Unit Price	TOTAL
1	Project No: SMU 21/2018 Upgrading of Nkowenkowa Codesa Street to Hani Street Work Done	R 781 538.40	R 781 538.40

CAPTURED

Taxes	SubTotal	R 781 538.40
	VAT	R 117 230.76
	TOTAL	R 898 769.16

Cash
 Check
 Credit Card
Name Tshiamiso Trading 135
Account # 40 80000 535
Branch : ABSA Nelspruit
Branch Code: 632005

Office Use Only

PAYMENT TO BE PAID IN 30 DAYS FAILING WHICH WILL RESULT IN A 15.5% INTEREST RATE

PAID

GREATER TZANEEN MUNICIPALITY
CONTRACT PAYMENT COVER SHEET

B 1

PROJECT DESCRIPTION : SCMU 21/2018 - UPGRADING OF NKOWANKOWA CODESA STREET TO HANI STREET

1. I hereby certify that the project have been inspected and that the work has been executed satisfactorily and according to specification and that the quantities and prices shown are correct. I further certify that the conditions-applicable to this project are included in this certificate.

Date: 23-04-2019
Full Name: SIFISO MAVUSSO
Professional Reg. No: _____
Engineer

3. I certify that the above-mentioned work has been executed and that the work to the value of the amount has been performed

Date: 24/04/2019
Full Name: Maelala MJ
PMU Manager

2. I have inspected this claim and I am satisfied that payment as indicated can be made.

Date: 23-04-2019
Name: J. VAN ROOYEN
Project Steering Committee

4. I certify that the above-mentioned work has been executed and that the certificate complies with the requirements of R.M.

Date: _____
Full Name: _____
Municipal Manager

C.D.M. No.	CONTRACTOR:	Contract amount as awarded	R	Incl.	vat incl.
SCMU 21/2018	Tshiamiso Trading 135	Additional expenditure authorized	R	8 015 313,90	vat incl.
FUND ADDRESS: PO Box 2936 BURGERSFORT		sub total	R	8 015 313,90	vat incl.
REF. no. SCMU 21/2018	1150	VAT	R	1 202 297,09	vat incl.
		TOTAL APPROVED AMOUNT	R	9 217 610,99	

TEL: 015 581 6937 FAX: 086 622 3629

Certificate No.	Date	Amount (VAT excl)	Certificate No.	Date	Amount (VAT excl)	total of "amount"
						0,00

THIS CERTIFICATE No. :	1	is this a cert. of completion	No	SD verified and all amounts paid
PARTICULARS OF PRESENT CLAIM				
TO CONTRACTOR FOR WORK DONE UP TO DATE : 11/04/2019				
Value of all work done (including session payments) up to date	[VAT excl.]	868 376,00		
Value of all Nominated sub contractors work up to date	[VAT excl.]	0,00		
Escalation of cost up to date	[VAT excl.]			
SUBTOTAL		868 376,00	ok	
Less Any Penalties that may be applicable		0,00		
Less all previous payments [VAT excl] made up to certificate no.	R -	0,00		
SUBTOTAL		868 376,00		
Plus materials on site @ 80 % of invoiced payments	[VAT excl.]	0,00		
SUBTOTAL		868 376,00 (A)		
VAT 15 %		130 256,40		
TOTAL OF PRESENT CLAIM		998 632,40	ok	

AMOUNT IN WORDS : TWO ONE FIVE NINE THREE ONE NINE RANDS AND 41/100 CENTS ONLY

CATEGORY	R	1,00	SUMMARY OF PREVIOUS RETENTION & SURETY RETAINED	total value of retention	86837,60	total in ret. account
surety limit %	R	-	Certificate no	Amount	0,00	
surety bond	no		Certificate no	Amount	86837,60	86837,60
cash	no					to be paid
retent. limit %	R	10,00				from ret. account
const. bond	no					
maint. bond	no					0,00
total retent. & cash to	%	10,0	total previous retention	0,00		
		0,0				
PAYMENT TO CONTRACTOR :					898 769,16	
RETENTION TO RETENTION ACCOUNT. :					98 863,24	
ALL SESSION PAYMENTS :					0,00	
(details on sheet D3)					998 632,40	

The Municipal Manager
Greater Tzaneen Municipality
P.O. Box 24
Tzaneen
0850

20 June 2019

Att: Mr M J Matlala

PROJECT NUMBER: SMU 21/2018
PROJECT NAME: UPGRADING NKOWANKOWA CODESA STREET TO HANI STREET
PAYMENT CERTIFICATE COVER LETTER

Dear Sir

Attached please find the original Payment Certificate No. 3 for the above contract.

The amount of R 1 789 855.52 including VAT (One Million Seven Hundred and Eighty-Nine Thousand Eight Hundred and Fifty-Five Rand Fifty-Two cents) is hereby certified as payable to Tshiamiso Trading 135.

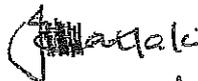
We trust that you find this in order. Please contact our office should you have any queries.

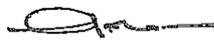
Yours Faithfully,



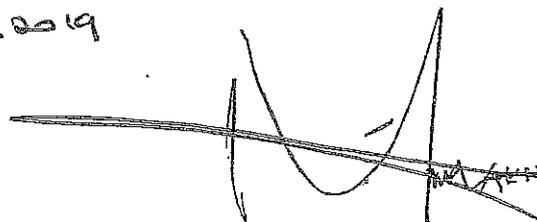
S Mavuso
For KMSD Engineering Consultants

PAID
IN ORDER FOR PAYMENT


25/06/2019


25.06.2019

CAPTURED



Unit 15 Ground Floor
Berkley Office Park
8 Bauhinia Street
Highveld Techno Park 0157

P O Box 12812
Clubview
0014
South Africa

Tel +27 87 940 3119
Fax +27 12 940 4838
Email admin@kmsd.co.za

Registration No 2008/089477/23
VAT No 4880246774

MIG



Tshiamiso Trading 135

Tshiamiso trading 135, PO BOX 504, Burgersfort, 1150, No. 18
Aloe Ridge West, Burgersfort, Limpopo, Fax : 086 293 7580,
Cell : 0794928196, E-mail : tshiamiso135@gmail.com

TAX INVOICE NO 499

VAT reg # 4350256311

Client

Name Greater Tzaneen Municipality
 Address P.O. Box 24
 City Tzaneen Province Limpopo Code: 0850
 VAT 4130193669

Date 20/06/2019
 Inv No. 499
 Cert No 3

Qty	Description	Unit Price	TOTAL
1	Project No: SMU 21/2018 Upgrading of Nkowankowa Codesa Street to Hanl Street Work Done	R 1 556 396.10	R 1 556 396.10



Cash
 Check
 Credit Card
 Name Tshiamiso Trading 135
 Account # 40 80000 535
 Branch : ABSA Nelspruit
 Branch Code: 632005

Taxes	SubTotal	R 1 556 396.10
	VAT	R 233 459.42
	TOTAL	R 1 789 855.52

Office Use Only

PAYMENT TO BE PAID IN 30 DAYS FAILING WHICH WILL RESULT IN A 15.5% INTEREST RATE

GREATER TZANEEN MUNICIPALITY
CONTRACT PAYMENT COVER SHEET

B 1

PROJECT DESCRIPTION : SCMU 21/2018 - UPGRADING OF NKOWANKOWA CODESA STREET TO HANI STREET

1. I hereby certify that the project have been inspected and that the work has been executed satisfactorily and according to specification and that the quantities and prices shown are correct. I further certify cessions applicable to this project are included in this certificate.

20-06-2019
Date

[Signature]
Engineer

Full Names: SIFISO MAVUSO

Professional Reg. No:

3. I certify that the above-mentioned work has been executed and that the work to the value of the amount has been performed

25/06/2019
Date

[Signature]
E.M.U Manager

Full Names: Motale M.J.

2. I have inspected this claim and I am satisfied that payment as indicated can be made.

20-06-2019
Date

[Signature]
Project Steering Committee

Name: JOHANNES VAN ROOYEN

4. I certify that the above-mentioned work has been executed and that the certificate complies with the requirements of MDM

Date

[Signature]
Municipal Manager

Full Names: BS MATHELA

C.D.M. No.	CONTRACTOR:	Contract amount as awarded	R	Incl.	vat incl.
SCMU 21/2018	Tshamiso Trading 135	Additional expenditure authorized	R		vat incl.
FUND REF. no.	ADDRESS: PO Box 2936 BURGERSFORT 1150	sub total	R	8 015 319,90	
SCMU 21/2018		VAT	R	1 202 297,09	
		TOTAL APPROVED AMOUNT	R	9 217 616,99	

Certificate No.	Date	Amount (VAT excl)	Certificate No.	Date	Amount (VAT excl)	total of "amount"
1	2019/04/23	568 376,00				
2	2019/02/19	3 703 935,00				
						4 572 311,00

THIS CERTIFICATE No. : 3 Is this a cert. of completion? No

PARTICULARS OF PRESENT CLAIM TO CONTRACTOR FOR WORK DONE UP TO DATE : 19/06/2019

Value of all work done [including cession payments] up to date [VAT excl.] 6 301 640,00

Value of all Nominated sub contractors work up to date [VAT excl.] 0,00

Escalation of cost up to date [VAT excl.] 0,00

Less Any Penalties that may be applicable

Less all previous payments [VAT excl] made up to certificate no. [VAT excl.] 4 572 311,00

Plus materials on site @ 30 % of Invoiced payments [VAT excl.] 0,00

TOTAL OF PRESENT CLAIM [VAT 15 %] 1 988 728,55

AMOUNT IN WORDS : TWO ONE FIVE NINE THREE ONE NINE RANDB AND 41/100 CENTS ONLY

CATEGORY	R	1,00	SUMMARY OF PREVIOUS RETENTION & SURETY RETAINED		total value of retention	total in ret. account
surety limit %	R	-	Certificate no	Amount	643189,64	543189,64
surety bond	no				previous retention held	470256,74
cash	no				retention on this certificate	172932,90
reten. limit %	R	10,00			retention to be paid out	to be paid from ret. account
contr. bond	no				on completion certificate %	5,0
mainf. bond	no				on retention certificate %	5,0
					R	0,00
total reten.	%				PAYMENT TO CONTRACTOR :	1 789 855,51
& cash to	10,0				RETENTION TO RETENTION ACCOUNT :	198 872,84
	0,0				ALL SESSION PAYMENTS :	0,00
					(details on sheet B3)	1 988 728,55

Ref 630164

2117
2

THE GREATER TZANEEN MUNICIPALITY

DEPARTMENT OF THE FINANCIAL MANAGER
P.O. BOX 24 TZANEEN 0850 ; TEL : 015 307 8000 FAX 015 307 8049

Messrs : TSHIAMISO TRADING
BRANCH: £632005.
ACCNO: 4080000535

29/05/2019

Cheque no: 1081616.

DETAILS	VOTE NO:	VOTE AMOUNT	CHEQ AMOUNT
PROFESSIONAL FEES - UPGRADING OF ROAD GRAVEL TO PAVING			
CERT 2			3,833,572.73
Inv. 497			
SCMU 21/2018			
CAPTURED			
TSHIAMISO TRADING	PMU00516-919-0040	3,703,935.00	
	475-516-4060	-370,393.50	
	924-924-9024	500,031.23	
	195-600-5202	-	
			3,833,572.73
CONSTRUCTION FEES			
NKOWANKOWA CODESA TO HANI STREET			

I HEREBY CERTIFY THAT THE ABOVE ACCOUNT IS CORRECT AS FAR AS IT CONCERNS MY DEPARTMENT, THAT THE GOODS HAVE BEEN RECEIVED OR THE WORK REFERRED TO CARRIED OUT IN AN EFFICIENT MANNER, AND THAT THE PRICE IS FAIR AND REASONABLE IN ACCORDANCE WITH THE CONTRACT AND/OR ORDER

17

REVIEWED: SENIOR ACCOUNTANT

COMPILED: ACCOUNTANT

no 30/05/2019
FIRST APPROVAL

[Signature] 29/05/2019
ZMO APPROVAL

PAID

33/3
5

INV497

Greater Tzaneen Municipality
2019-05-30
BANK TRANSFER

The Municipal Manager
Greater Tzaneen Municipality
P.O. Box 24
Tzaneen
0850

20 May 2019

Att: Mr M J Matlala

PROJECT NUMBER: SMU 21/2018
PROJECT NAME: UPGRADING NKOWANKOWA CODESA STREET TO HANI STREET
PAYMENT CERTIFICATE COVER LETTER

Dear Sir

Attached please find the original Payment Certificate No. 2 for the above contract.

The amount of **R 3 833 572.73** including VAT (Three Million Eight Hundred and Thirty-Three Thousand Five Hundred and Seventy-Two Rand Seventy-Three cents) is hereby certified as payable to Thiamiso Trading 135.

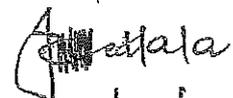
We trust that you find this in order. Please contact our office should you have any queries.

Yours Faithfully,



S Mavuso
For KMSD Engineering Consultants

IN ORDER FOR PAYMENT



24/05/2019


24.05.2019

Unit 15 Ground Floor
Berkley Office Park
8 Bauhinia Street
Highveld Techno Park 0157

P O Box 12812
Clubview
0014
South Africa

Tel +27 87 940 3119
Fax +27 12 940 4838
Email admin@kmsd.co.za

Registration No 2008/069477/23
VAT No 48800467721



KMIC

Tshiamiso trading 135, PO BOX 504, Burgersfort, 1150, No. 18
 Aloe Ridge West, Burgersfort, Limpopo, Fax : 086 293 7580,
 Cell : 0794928196, E-mail : tshiamiso135@gmail.com



Tshiamiso Trading

TAX INVOICE NO 497

VAT reg # 4350256311

Client

Name Greater Tzaneen Municipality
 Address P.O. Box 24
 City Tzaneen Province Limpopo Code: 0850
 VAT 4130193669

Date 20/05/2019
 Inv No. 497
 Cert No 2

Qty	Description	Unit Price	TOTAL
1	Project No: SMU 21/2018 Upgrading of Nkowankowa Codesa Street to Hani Street Work Done	R 3 333 541.50	R 3 333 541.50
		SubTotal	R 3 333 541.50
		Taxes VAT	R 500 031.23
		TOTAL	R 3 833 572.73

CAPTURED
PAID

Cash
 Check
 Credit Card
 Name Tshiamiso Trading 135
 Account # 40 80000 535
 Branch : ABSA Nelspruit
 Branch Code: 632005

Office Use Only

PAYMENT TO BE PAID IN 30 DAYS FAILING WHICH WILL RESULT IN A 15.5% INTEREST RATE

[Handwritten signature]

[Handwritten signature]

**PMT
3**

THE GREATER TZANEEN MUNICIPALITY
 DEPARTMENT OF THE FINANCIAL MANAGER
 P.O. BOX 24 TZANEEN 0850 ; TEL : 015 307 8000 FAX 015 307 8049

Messrs : TSHIAMISO TRADING
 BRANCH: 632005
 ACCNO: 4080000535

30/04/2019

Cheque no: 1081208

DETAILS	VOTE NO:	VOTE AMOUNT	CHEQ AMOUNT
PROFESSIONAL FEES - UPGRADING OF ROAD GRAVEL TO PAVING			898,769.16
CERT 1			
Inv. 490			
SCMU 21/2018			
TSHIAMISO TRADING	PMU00516-919-0040	868,376.00	
	475-516-4060	-86,837.60	
	924-924-9024	117,230.76	
	195-600-5202		
		898,769.16	
CONSTRUCTION FEES			
NKOWANKOWA CODESA TO HANI STREET			

CAPTURED

Greater Tzaneen Municipality
 2019-05-02
 BANK TRANSFER

I HEREBY CERTIFY THAT THE ABOVE ACCOUNT IS CORRECT AS FAR AS IT CONCERNS MY DEPARTMENT, THAT THE GOODS HAVE BEEN RECEIVED OR THE WORK REFERRED TO CARRIED OUT IN AN EFFICIENT MANNER, AND THAT THE PRICE IS FAIR AND REASONABLE IN ACCORDANCE WITH THE CONTRACT AND OR ORDER

na
 REVIEWED: SENIOR ACCOUNTANT

na 02/05/2019
 FIRST APPROVAL

[Signature]
 COMPILED: ACCOUNTANT
[Signature] 02/05/2019
 2ND APPROVAL

PAYEE

3313
 5
 490

The Municipal Manager
Greater Tzaneen Municipality
P.O. Box 24
Tzaneen
0850

23 April 2019

Att: Mr M J Matlala

PROJECT NUMBER: SMU 21/2018
PROJECT NAME: UPGRADING NKOWANKOWA CODESA STREET TO HANI STREET
PAYMENT CERTIFICATE COVER LETTER

Dear Sir

Attached please find the original Payment Certificate No. 1 for the above contract.

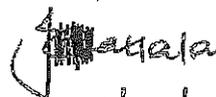
The amount of R 898 769.16 including VAT (Eight Hundred and Ninety-Eight Thousand Seven Hundred and Sixty-Nine Rand Sixteen cents) is hereby certified as payable to Thiamiso Trading 135.

We trust that you find this in order. Please contact our office should you have any queries.

Yours Faithfully,


S Mavuso
For KMSD Engineering Consultants

IN ORDER FOR PAYMENT


M J Matlala

24/04/2019


24-04-2019

Tshiamiso trading 135, PO BOX 504, Burgersfort, 1150, No. 18
 Aloe Ridge West, Burgersfort, Limpopo, Fax : 086 293 7580,
 Cell : 0794928196, E-mail : tshiamiso135@gmail.com



TAX INVOICE NO 490

VAT reg # 4350256311

Client

Name Greater Tzaneen Municipality
 Address P.O. Box 24
 City Tzaneen Province Limpopo Code: 0850
 VAT 4130193669

Date 23/04/2019
 Inv No. 490
 Cert No 1
 FOB _____

Qty	Description	Unit Price	TOTAL
1	Project No: SMU 21/2018 Upgrading of Nkowankowa Codesa Street to Hanl Street Work Done	R 781 538.40	R 781 538.40
		SubTotal	R 781 538.40
		Taxes	R 117 230.76
		TOTAL	R 898 769.16

CAPTURED

Cash
 Check
 Credit Card
 Name Tshiamiso Trading 135
 Account # 40 80000 595
 Branch : ABSA Nelspruit
 Branch Code: 632005

Office Use Only

PAYMENT TO BE PAID IN 30 DAYS FAILING WHICH WILL RESULT IN A 15.5% INTEREST RATE

PAID

THE GREATER TZANEEN MUNICIPALITY
 DEPARTMENT OF THE FINANCIAL MANAGER
 P.O. BOX 24 TZANEEN 0850 ; TEL : 015 307 8000 FAX 015 307 8049

Messrs : TSHIAMISO TRAD
 BRANCH: 632 005
 ACCNO: 4 080 000 535

30 /05/ 2019

Cheque no: 1081615

DETAILS	VOTE NO:	VOTE AMOUNT	CHEQ AMOUNT
SCMU 15/20168			2 778 027.80
INV 493			
			2 778 027.80
TSHIAMISO	PMU000518-013-0040	2 684 084.83	
	475-516-4060	-268 408.48	
	912-912-9012		
	063-066-1138	362 351.45	
	Greater Tzaneen Municipality	2 778 027.80	
	2019 05 30		
	BANK TRANSFER		
UPGRADING MULATI			
ACC ROAD			

PAYED

CAPTURED

I HEREBY CERTIFY THAT THE ABOVE ACCOUNT IS CORRECT AS FAR AS IT CONCERNS MY DEPARTMENT , THAT THE GOODS HAVE BEEN RECEIVED OR THE WORK REFERRED TO CARRIED OUT IN AN EFFICIENT MANNER , AND THAT THE PRICE IS FAIR AND REASONABLE IN ACCORDANCE WITH THE CONTRACT AND OR ORDER

[Signature]
 ACCOUNTANT

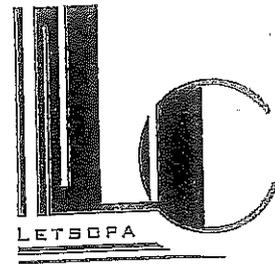
[Signature]
 COMPILED

[Signature] 30/05/2019
 1st DELEGATED AUTHORITY

[Signature] 30/05/2019
 2nd DELEGATED AUTHORITY

3313
 S
 INV 493

Enquiries : K Maphoto - 082 564 2443
Our Reference : J062 Cert 1
Your Reference :



THE MUNICIPAL MANAGER
GREATER TZANEEN LOCAL MUNICIPALITY
P.O BOX 24
TZANEEN
0850

LETSOPA PROJECT MANAGERS
& CONSULTING ENGINEERS cc
(Reg. No : 2004 / 043298 / 23)

Tel : (015) 291 4735
Fax : (015) 291 2887
Cell : 076 579 7736

E-mail : reception@letsopa.co.za

Unit Number 4
No. 5A Schoeman Street
POLOKWANE
0699

P O Box 4736
POLOKWANE
0700

FAX NUMBER: 015 307 8049

14 May 2019

Sir

For Attention: Mr. M J Matlala

CONTRACT No: SCMU 15/2018: THE UPGRADING OF MULATI ACCESS ROAD FROM GRAVEL TO PAVED ROAD : CERTIFICATE NUMBER 1

Attached herewith, please find the original Progress Payment Certificate No.1 for work done by Tshiamiso Trading 135 in the amount of R 2,778,027.80 (TWO MILLION, SEVEN HUNDRED AND SEVENTY-EIGHT THOUSAND AND TWENTY SEVEN RANDS AND EIGHTY CENTS), for the above project.

Please arrange for payment to be made directly to the contractor as per their invoice.

Kind regards

K MAPHOTO Pr Tech Eng, Pr CPM
MANAGING MEMBER

20.05.2019

In order for Payment

20/05/2019

27/8/19 M.J.G.



Tshiamiso Trading 135

Tshiamiso trading 135, PO BOX 504, Burgersfort, 1150, No. 18
Aloe Ridge West, Burgersfort, Limpopo, Fax : 086 293 7580,
Cell : 0794928196, E-mail : tshiamiso135@gmail.com

TAX INVOICE NO 493

VAT reg # 4350256311

Client

Name	Greater Tzaneen Municipality		
Address	P.O. Box 24		
City	Tzaneen	Province	Limpopo Code: 0850
VAT	4130193669		

Date	13/05/2019
Inv No.	493
Cert No	1

Qty	Description	Unit Price	TOTAL
1	Project No: SMU 15/2018 Upgrading of Mulati Access Road Work Done	R 2 415 676.35	R 2 415 676.35
SubTotal			R 2 415 676.35
Taxes VAT			R 362 351.45
TOTAL			R 2 778 027.80

CAPTURED

<input type="radio"/>	Cash
<input type="radio"/>	Check
<input type="radio"/>	Credit Card
Name Tshiamiso Trading 135	
Account # 40 80000 535	
Branch : ABSA Nelspruit	
Branch Code: 632005	

Office Use Only

PAYMENT TO BE PAID IN 30 DAYS FAILING WHICH WILL RESULT IN A 15.5% INTEREST RATE

PAID

ENGINEER'S CERTIFICATE

PROJECT NUMBER		: J062	
CONTRACT NUMBER		: SCMU 15/2018	
CONTRACT DESCRIPTION		: THE UPGRADING OF MULATI ACCESS ROAD FROM GRAVEL TO PAVED ROAD	
TYPE OF CERTIFICATE		: INTERIM PAYMENT CERTIFICATE	
PAYMENT PERIOD		: MAY 2019	
Contactor	: Tshiamiso Trading	Employer	: GREATER TZANEEN LOCAL MUNICIPALITY
Address	: PO BOX 2936 BURGERSFORT 1150	Address	: P.O BOX 24 TZANEEN 0850
Tel	: (015) 581 6937	Tel	: 015 307 8000
Fax	: 086 293 7580	Fax	: 015 307 8049
E-mail	: Tshiamiso135@gmail.com		

1.	CERTIFICATION	R 2,618,619.35	DATE
1.1	Scheduled value of work	R 2,618,619.35	
1.2	Variation orders subject to CPA		
1.3	Provisional Sums and prime cost subject to CPA	R 0.00	
1.4	Contract Price Adjustment	R 65,465.48	
1.5	Variation Orders not subject to CPA	R 0.00	
1.6	Provisional Sums and prime Cost not subject to CPA	R 0.00	
	SUB-TOTAL 1		R2,684,084.83
1.7	Less retention 10% (Excluding VAT)	R 268,408.48	
	SUB-TOTAL 2		R 2,415,676.35
1.8	Less previous payment (Excluding VAT)	R 0.00	
	SUB-TOTAL 3		R 2,415,676.35
1.9	Value Added Tax @ 15%	R 362,351.45	
1.10	AMOUNT DUE FOR THIS CERTIFICATE		R 2,778,027.80

WE HEREBY CERTIFY THE ABOVE-MENTIONED AMOUNT FOR PAYMENT, BEING THE BALANCE PAYABLE TO DATE, IN ACCORDANCE WITH THE CONTRACT

SIGNED	NAME	SIGNATURE	DATE
Contractor	Mr. S Kaputa		14/05/2019
Engineer	Mr. K Maphoto		14/5/2019
Client	Mr. J Matlala		

GREATER TZANEEN MUNICIPALITY
CONTRACT PAYMENT COVER SHEET

PROJECT DESCRIPTION:

1. I hereby certify that the project have been inspected and that the work has been executed satisfactorily and according to specification and that the quantities and prices shown are correct.
 Date: 14/5/2019
 Name: M. Maphoto
 Designation: Engineer
 Name: Kwena Maphoto
 Capacity: Project Leader

3. I have inspected this claim and I am satisfied that payment as indicated can be made.
 Date: 20/05/2019
 Name: Matlala MJ
 Capacity: PMU Manager

2. I have inspected this claim and I am satisfied that payment as indicated can be made.
 Date: 15/05/19
 Name: Josita Banyana
 Designation: Steering Committee
 Name: L. Allen

4. I certify that the above-mentioned work has executed satisfactorily and that the work to the value of the amount has been performed.
 Date: 20/05/2019
 Name: BS MATLALA
 Designation: Municipal Manager

G.T.M SCWU 35/2018	CONTRACTOR: Tshamiso Trading 135	Contract amount as awarded	R	23,325,653.37	vat excl
FUND REF	ADDRESS: PO Box 2936 BURGERSFORT 1150	Additional expenditure authorized	R	-	vat excl
		sub total	R	23,325,653.37	vat excl
		-VAT	R	3,498,849.51	
		TOTAL APPROVED AMOUNT	R	26,824,512.88	

TEL : 015 807 6521 FAX: 015 807 4654

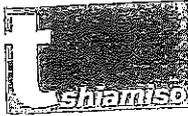
Certificate No.	Date	Amount (vat excl)	Certificate No.	Date	Amount (vat excl)	Certificate No.	Date	Amount (vat excl)	total of "amount"
1			5			9			
2			6			10			
3			7			11			
4			8			12			

THIS CERTIFICATE No. : 1 is this a cert. of completion no
 12 mth retention no

PARTICULARS OF PRESENT CLAIM TO CONTRACTOR FOR WORK DONE UP TO DATE :		CONTRACT AMOUNTS	
Value of all work done [including session payments] up to date	[VAT excl.]	2,684,084.88	
Value of all Nominated sub contractors work up to date	[VAT excl.]	0.00	
Escalation of cost up to date (Accumulative value of CPA)	[VAT excl.]	2,684,084.88	ok
Less Any Penalties that may be applicable		0	0.00
Less all previous payments [VAT excl] made up to certificate no.	SUBTOTAL	2,684,084.88	
Plus materials on site @ 80 % of Invoiced payments	[VAT excl.]	0.00	
TOTAL OF PRESENT CLAIM	SUBTOTAL	2,684,084.88 (A)	
	VAT 15 %	402,612.72	
		3,086,697.55	ok

AMOUNT IN WORDS: TWO MILLION, SEVEN HUNDRED AND SEVENTY-EIGHT THOUSAND AND TWENTY SEVEN RANDS AND EIGHTY CENTS

CATEGORY	1	SUMMARY OF PREVIOUS RETENTION & SURETY RETAINED				total value of retention	268,408.48	total in ret. account
surety limit %	10	Certificate no	Amount	Certificate no	Amount	previous retention held	0.00	268,408.48
surety bond	Yes	1		7		retention on this certificate	268,408.48	
cash	yes	2		8		retention to be paid out		to be paid from ret. account
reten. limit %	10	3		9		on completion certificate %	0.0	
contr. bond	NO	4		10		on retention certificate %	0.0	0.00
maint. bond	NO	5		11		0	0	
total reten. & cash to	%	6		12		PAYMENT TO CONTRACTOR :		2,778,027.80
	10.0	total previous retention				RETENTION TO RETENTION ACCOUNT. :		305,985.57
	0.0					ALL SESSION PAYMENTS :		0.00
						(details on sheet 23)		3,084,013.47



Tshiamiso Trading

Tshiamiso trading 135, PD BOX 504, Burgersfort, 1150, No. 18
Aloe Ridge West, Burgersfort, Limpopo, Fax : 086 293 7580,
Cell : 0794928196, E-mail : tshiamiso135@gmail.com

TAX INVOICE NO 498

VAT reg # 4350256311

Client

Name Greater Tzaneen Municipality
Address P.O. Box 24
City Tzaneen Province Limpopo Code: 0850
VAT 4130193669

Date 2/07/2019
Inv No. 498
Cert No 2

Qty	Description	Unit Price	TOTAL
1	Project No: SMU 15/2018 Upgrading of Muliati Access Road Work Done	R 5 888 286,35	R 5 888 286.35
CAPTURED			
			
		SubTotal	R 5 888 286.35
		Taxes VAT	R 888 242.95
		TOTAL	R 6 771 529.30

- Cash
- Check
- Credit Card

Name Tshiamiso Trading 135
Account # 40 80000 535
Branch : ABSA Nelspruit
Branch Code: 632005

Taxes	SubTotal	R 5 888 286.35
	VAT	R 888 242.95
	TOTAL	R 6 771 529.30

Office Use Only

PAYMENT TO BE PAID IN 30 DAYS FAILING WHICH WILL RESULT IN A 15.5% INTEREST RATE





GREATER TZANEEN MUNICIPALITY
CONTRACT PAYMENT COVER SHEET

B 1

PROJECT DESCRIPTION : SCMU 15/2018 - UPGRADING OF MULATI ACCESS ROAD

1. I hereby certify that the project has been inspected and that the work has been executed satisfactorily and according to specification and that the quantities and prices shown are correct. I further certify cessions applicable to this project are included in this certificate.

02 July 2019
Date
Engineer
Full Name: Kwena Maphoko
Professional Reg. No: 201270412

23/07/2019
Date
PMU Manager
Full Name: Maitak MJ

3. I certify that the above-mentioned work has been executed and that the work to the value of the amount has been performed

2. I have inspected this claim and I am satisfied that payment as indicated can be made.

02/07/19
Date
Project Steering Committee
Name: Banyane Tsos

4. I certify that the above-mentioned work has been executed and that the certificate complies with the requirements of MM.

Date
Municipal Manager
Full Name:

C.D.M. No.	CONTRACTOR:	Contract amount awarded	Incl.	vat incl.
SCMU 15/2018	Tshiamiso Trading 135	R 23 825 663,37		vat incl.
FUND ADDRESS: PO Box 2986		Additional expenditure authorized		vat incl.
REG no, BURGERSFORT		sub total	R 23 825 663,37	
SCMU 15/2018	1150	VAT	R 3 498 849,51	
		TOTAL APPROVED AMOUNT	R 26 824 512,88	

Certificate No.	Date	Amount (VAT excl)	Certificate No.	Date	Amount (vat excl)	total of "amount"
1	14 May 2018	2 684 084,83				2 684 084,83

THIS CERTIFICATE No. : 2

PARTICULARS OF PRESENT CLAIM

TO CONTRACTOR FOR WORK DONE UP TO DATE : 18 June 2019

Value of all work done [including cession payments] up to date
Value of all Nominated sub contractors work up to date
Escalation of cost up to date

Less Any Penalties that may be applicable
Less all previous payments [VAT excl] made up to certificate no. 1

Plus materials on site @ 80 % of invoiced payments

CONTRACT AMOUNTS	R
[VAT excl]	9 226 625,22
[VAT excl]	
[VAT excl]	
SUBTOTAL	9 226 625,22
	0,00
	0,00
SUBTOTAL	2 684 084,83
	6 542 540,39
[VAT excl]	0,00
SUBTOTAL	6 542 540,39 (A)
VAT 15 %	981 881,05
TOTAL OF PRESENT CLAIM	7 523 921,45

AMOUNT IN WORDS : SEVEN MILLION, FIVE HUNDRED AND TWENTY THREE THOUSAND, NINE HUNDRED AND TWENTY ONE RANDS AND FORTY FIVE CENTS ONLY

CATEGORY	R	1,00	SUMMARY OF PREVIOUS RETENTION & SURETY RETAINED	total value of retention	922 662,52	total in ret	
surety limit %	R	no	Certificate no	Amount	previous retention held	268 408,48	account
surety bond	no		1	268 408,48	retention on this certificate	654 254,04	922 662,52
cash	no				retention to be paid out		to be paid
reten. limit %	R	10,00			on completion certificate %	5,0	from ret.
cont. bond	no				on retention certificate %	5,0	account
maint. bond	no				R	0	0,00
total reten.	%				PAYMENT TO CONTRACTOR :		6 771 529,31
& cash to	10,0		total previous retention	268 408,48	RETENTION TO RETENTION ACCOUNT :		752 892,14
	0,0				ALL SESSION PAYMENTS :		7 523 921,45
					(details on sheet B5)		

[Handwritten signature]

PM
3

THE GREATER TZANEEN MUNICIPALITY
 DEPARTMENT OF THE FINANCIAL MANAGER
 P.O. BOX 24 TZANEEN 0850 ; TEL : 015 307 8000 FAX 015 307 8049

Messrs : TSHIAMISO TRAD
 BRANCH: 632 005
 ACCNO: 4 080 000 535₄

29 /08/ 2019

Cheque no: 1083020

DETAILS	VOTE NO:	VOTE AMOUNT	CHEQ AMOUNT
SCMU 15/20168			6 067 783.46
INV 503			
3			6 067 783.46
PAID			
TSHIAMISO	PMU00518-013-0040	5 862 592.71	
	475-516-4060	-586 259.27	
	912-912-9012	791 450.02	
	063-066-1138		
		6 067 783.46	
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Greater Tzaneen Municipality 2019-08-30 BANK TRANSFER </div>			
UPGRADING MULATI ACC			

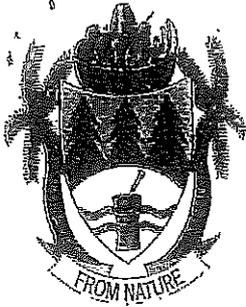
I HEREBY CERTIFY THAT THE ABOVE ACCOUNT IS CORRECT AS FAR AS IT CONCERNS MY DEPARTMENT, THAT THE GOODS HAVE BEEN RECEIVED OR THE WORK REFERRED TO CARRIED OUT IN AN EFFICIENT MANNER, AND THAT THE PRICE IS FAIR AND REASONABLE IN ACCORDANCE WITH THE CONTRACT AND OR ORDER

[Signature]
ACCOUNTANT

[Signature] 20/08/2019
1st DELEGATED AUTHORITY

3313
5
INV 503

[Signature]
COMPILED
[Signature] 30/08/2019
2nd DELEGATED AUTHORITY

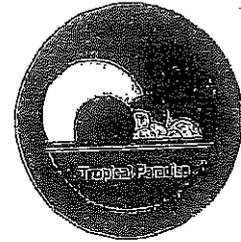


GREATER TZANEEN MUNICIPALITY
GROTER TZANEEN MUNISIPALITEIT
MASIPALA WA TZANEEN
MASEPALA WA TZANEEN

P.O. BOX 24
TZANEEN
0850

TEL: 015 307 8000
FAX: 015 307 8049

www.greatertzaneen.gov.za



MIG PROJECTS PAYMENT REQUEST

Payee: TSHIAMISO TRADING 135

Amount: R6,067, 783,46 (Vat. Inclusive)

Details: Certificate No.3 for work done: Upgrading of Mulati Access Road from Gravel to Paved Road

Debit Expenditure Vote/mScoa segment: PMU 195 600 5202

Budget Amount Available: R14 099 038 15

Budget/ Expenditure Confirmation Personnel: [Signature]

Requested by:

Dept. / Section: ESD/PMU

Manager: [Signature]

Date: 23/08/2019

Approved by:

ESD Director: [Signature]

Date: 26.08.2019

CFO: [Signature]

Date: 26/08/2019

Municipal Manager: [Signature]

Date: 26/08/2019

CAPTURED

Enquiries : K Maphoto - 082 564 2443
Our Reference : J062 Cert 3
Your Reference :



THE MUNICIPAL MANAGER
GREATER TZANEEN LOCAL MUNICIPALITY
P.O BOX 24
TZANEEN
0850

LETSOPA PROJECT MANAGERS
& CONSULTING ENGINEERS cc
(Reg. No : 2004/043298/23)

Tel : (015) 291 4735
Fax : (015) 291 2887
Cell : 076 579 7736
E-mail : reception@letsopa.co.za

Unit Number 4
No. 5A Schoeman Street
POLOKWANE
0699

P O Box 4736
POLOKWANE
0700

FAX NUMBER: 015 307 8049

23 July 2019

Sir

For Attention: Mr. R K Dikgale

**CONTRACT No: SCMU 15/2018: THE UPGRADING OF MULATI ACCESS ROAD FROM
GRAVEL TO PAVED ROAD: CERTIFICATE NUMBER 3**

Attached herewith, please find the original **Progress Payment Certificate No. 3** for work done by **Tshiamiso Trading 135** in the amount of **R 6,067,783.46 (Six Million and Sixty Seven Thousand, Seven Hundred and Eighty Three Rands And Forty Six Cents)**, for the above project.

Please arrange for payment to be made directly to the contractor as per their invoice.

Kind regards


K MAPHOTO Pr Tech Eng, Pr CPM
MANAGING MEMBER

CAPTURED

In order for Payment

22/08/2019

Letter 3 - TSHIAMISO TRADING 135 -Upgrading of Mulati Access Road


26.08.2019

PMU 00518 13 0040

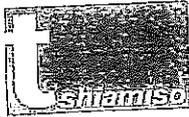
ENGINEER'S CERTIFICATE

PROJECT NUMBER		: J062	
CONTRACT NUMBER		: SCMU 15/2018	
CONTRACT DESCRIPTION		: THE UPGRADING OF MULATI ACCESS ROAD FROM GRAVEL TO PAVED ROAD	
TYPE OF CERTIFICATE		: INTERIM PAYMENT CERTIFICATE	
PAYMENT PERIOD		: up to 19 July 2019	
Contactor	: Tshiamiso Trading	Employer	: GREATER TZANEEN LOCAL MUNICIPALITY
Address	: PO BOX 2936 BURGERSFORT 1150	Address	: P.O BOX 24 TZANEEN 0850
Tel	: (015) 581 6937	Tel	: 015 307 8000
Fax	: 086 293 7580	Fax	: 015 307 8049
E-mail	: Tshiamiso135@gmail.com		

1.	CERTIFICATION	R 14,946,277.86	
1.1	Scheduled value of work		
1.2	Variation orders subject to CPA	R 0.00	
1.3	Provisional Sums and prime cost subject to CPA		
1.4	Contract Price Adjustment	R 142,920.07	
1.5	Variation Orders not subject to CPA	R 0.00	
1.6	Provisional Sums and prime Cost not subject to CPA	R 0.00	
	SUB-TOTAL 1		R 15,089,217.93
1.7	Less: Previous payment (Excluding VAT)	- R 9,226,625.22	R 5,862,592.71
	SUB-TOTAL 2	- R 586,259.27	
1.8	Less: retention @ 10% (Excluding VAT)		R 5,276,333.44
	SUB-TOTAL 3		
1.9	Value Added tax @ 15%	R 791,450.02	R 6,067,783.46
1.10	AMOUNT DUE FOR THIS CERTIFICATE		

WE HEREBY CERTIFY THE ABOVE-MENTIONED AMOUNT FOR PAYMENT, BEING THE BALANCE PAYABLE TO DATE, IN ACCORDANCE WITH THE CONTRACT

SIGNED	NAME	SIGNATURE	DATE
Contractor	Mr. S Kaputa		23/7/2019
Engineer	Mr. K Maphoto		23/7/2019
Client	Mr. R K Dikgale		22/09/2019



Tshiamiso Trading

Tshiamiso trading 135, PO BOX 504, Burgersfort, 1150, No. 18
Aloe Ridge West, Burgersfort, Limpopo, Fax : 086 293 7580,
Cell : 0794928196, E-mail : tshiamiso135@gmail.com

TAX INVOICE NO 503

VAT reg # 4350256311

Client

Name Greater Tzaneen Municipality
Address P.O. Box 24
City Tzaneen Province Limpopo Code: 0850
VAT 4130193669

Date 25/07/2019
Inv No. 503
Cert No 3

Qty	Description	Unit Price	TOTAL
1	Project No: SMU 15/2018 Upgrading of Mulati Access Road Work Done	R 5 276 333.44	R 5 276 333.44
SubTotal			R 5 276 333.44
Taxes VAT			R 791 450.02
TOTAL			R 6 067 783.46

[Handwritten signature]

- Cash
- Check
- Credit Card

Name Tshiamiso Trading 135
Account # 40 80000 535
Branch : ABSA Nelspruit
Branch Code: 632005

Office Use Only

PAYMENT TO BE PAID IN 30 DAYS FAILING WHICH WILL RESULT IN A 15.5% INTEREST RATE

PAID

[Handwritten signature]

[Handwritten signature]

**GREATER TZANEEN MUNICIPALITY
CONTRACT PAYMENT COVER SHEET**

B 1

PROJECT DESCRIPTION : SCMU 15/2018 - UPGRADING OF MULATI ACCESS ROAD

1. I hereby certify that the project have been inspected and that the work has been executed satisfactorily and according to specification and that the quantities and prices shown are correct. I further certify cessions applicable to this project are included in this certificate.

Date: 23 July 2019 Engineer: Kwena Maphoto
Full Names: Kwena Maphoto
Professional Reg. No: 201270412

22/08/2019 Date: 22/08/2019 Full Names: Rik Dikopale

2. I have inspected this claim and I am satisfied that payment as indicated can be made.

Date: 23/08/2019 Project Steering Committee: [Signature]
Name: Bertana Dick Mosele

4. I certify that the above-mentioned work has been executed and that the certificate complies with the requirements of M.M.

Date: 23/08/19 Municipal Manager: [Signature]
Full Names: BS MATAALA

PLEASE INDICATE VAT INCL OR EXCL IN THE AREA PROVIDED THEREFOR		VAT incl/excl?	Incl.	
C.D.M. No.	CONTRACTOR: Ishimiso Trading 135	Contract amount as awarded	R 23,325,663.37	vat incl.
		Additional expenditure authorized	R	vat incl.
		sub total	R 23,325,663.37	
		VAT	R 3,498,849.51	
		TOTAL APPROVED AMOUNT	R 26,824,512.88	

FUND ADDRESS: PO Box 2996 BURGERSFORT
SCMU 15/2018 1150
TEL: 015 551 6947 FAX: 086 621 2629

SUMMARY OF PREVIOUS CLAIMS									
Certificate No.	Date	Amount (VAT excl)	Certificate No.	Date	Amount (VAT excl)	Certificate No.	Date	Amount (vat excl)	total of "amount"
1	14 May 2018	2,584,084.83							8,226,626.22
2	02 July 2019	6,542,540.39							

THIS CERTIFICATE No. : 3 Is this a cert of completion? No 12 mth retention? No 19 July 2019

PARTICULARS OF PRESENT CLAIM

TO CONTRACTOR FOR WORK DONE UP TO DATE :

Value of all work done [including cession payments] up to date	[VAT excl.]	15,039,217.98
Value of all Nominated sub contractors work up to date	[VAT excl.]	
Escalation of cost up to date	[VAT excl.]	
SUBTOTAL		15,039,217.98
Less Any Penalties that may be applicable		0.00
Less all previous payments [VAT excl] made up to certificate no. 2	R -	9,226,626.22
SUBTOTAL		5,812,591.71
Plus materials on site @ 80 % of Invoiced payments	[VAT excl.]	0.00
SUBTOTAL		5,812,591.71 (A)
	VAT 15 %	879,888.91
TOTAL OF PRESENT CLAIM		6,741,981.62

AMOUNT IN WORDS : SIX MILLION, SEVEN HUNDRED AND FORTY ONE THOUSAND, NINE HUNDRED AND EIGHTY ONE RANDS AND SIXTY TWO CENTS ONLY

CATEGORY	R	L.OO	SUMMARY OF PREVIOUS RETENTION & SURRY RETAINED				total value of retention	1,509,821.79	total in ret.
surety limit %	R	-	Certificate no	Amount	Certificate no	Amount	previous retention held	822,682.52	account
surety bond	no	no	1	288,408.48			retention on this certificate	586,299.27	1,509,821.79
cash	no	no	2	654,254.04			retention to be paid out		to be paid
reten. limit %	R	10.00					on completion certificate %	5.0	from ret.
cont. bond	no	no					on retention certificate %	5.0	account
maint. bond	no	no					R	0	0.00
total reten.	%						PAYMENT TO CONTRACTOR :		6,057,713.66
& cash to	10.0						RETENTION TO RETENTION ACCOUNT. :		674,198.16
	0.0						ALL CESSION PAYMENTS :		6,741,981.62

[Signature]

100%

100%

100%

100%

100%

YOUR REF.: 1123
OUR REF.:

2019-02-19

☎ 015 387 4435
Fax. 086 530 2091
e-mail:
civil@mosomo.co.za

✉ P.O.BOX 1053
1 CIRCLE DRIVE
TZANEEN
0850
REP. OF SOUTH AFRICA

The Municipal Manager
Greater Tzaneen Municipality
P O Box 24
TZANEEN
0850

By e-mail

ATTENTION : MR. W MOLOKOMME

Sir,

**CONTRACT SCMU 17/2018: MIG/LP/2022/RST/18/20: UPGRADE OF
MOPYE ACCESS ROAD FROM GRAVEL TO PAVING**

1. We write with reference to the letter written on the 15th of February 2019 by Moepeng Trading 40cc to withdraw from the project. The contractor referred from our letter written to you which stated the risk of appointing a contractor who has tendered too low in proportion to the scope of work.
2. Attached to this letter is the list of tender amounts received on the 22nd of November 2019. We took the liberty to highlight the Tenders which fall between a 16% threshold of the engineers cost estimate.

The project is extremely complex and requires a contractor with a reputable record and a tender amount marginally close to the cost estimate. We recommend that a rates comparison evaluation be conducted to ensure that the contractor is capable to construct the project within their tendered amount.

3. Please take note that we are appointed to act in the best interest of GTM as our client and the affected beneficiaries. We trust you will find this in good faith.

Yours faithfully



A B CILLIERS Pr. Eng.
MOŠOMO

Cc: PMU Manager
Project Manager

Mr. John Matlala
Mr. Kholofelo Dikgale

Directors

MOEPENG⁴⁰

T R A D I N G
14 PEACE STREET P. O. BOX 3748
KURHULA PARK TZANEEN
TZANEEN 0850
0850

REG NO: 2005/078058/23
VAT NO: 4240233371
TAX NO: 9214023161
CIBB NO: 110865

FAX: 086 654 5027 / 015 307 3250
TELL: 015 307 3250

2019/02/15

The Manager

P.O. Box 24

Tzaneen

0850

REP. OF South Africa

Dear Sir / Madam

**UPGRADING OF MOPYE HIGH SCHOOL ACCESS ROAD
BID NO: SCMU 17/2018**

We acknowledge receipt of the appointment letter for the above mentioned contract date 24 January 2019 upon accepting the offer from the municipality the engineer wrote a subsequent letter advising the client that Moepeng Trading 40 cc is a high risk for the project as our prices are too low compared to the scope of work .

It is for the reason that we are hereby regret to inform you that Moepeng Trading 40 cc will no longer continue with the project, we are officially withdrawing from the project.

We would like to continue working with the municipality in the future

We hope you will find the above in order

For any further clarifications please don't hesitate to contact the undersigned.

THE UPGRADING OF MOPYE HIGH SCHOOL ACCESS ROAD FROM GRAVEL
TO PAVING IN THE TOWNSHIP OF MOTUPA (MOLEKETLA) IN THE MOPANI
DISTRICT OF THE LIMPOPO PROVINCE
LIST OF TENDERED AMOUNTS

ENGINEERS ESTIMATE	R	24 241 479.63
DESCRIPTION	TENDERED	AMOUNT
1 BKBE CONSTRUCTION	R	23 530 926.02
2 DITSHEMGE	R	25 145 462.07
3 ETERNITY STAR INVESTMENT	R	20 467 558.30
4 SWINGS & MBOBI JV	R	13 941 161.47
5 NKOMAZI	R	16 239 260.40
6 LEBAKA CONSTRUCTION	R	25 927 667.70
7 SWIHLUKE CONSTRUCTION	R	24 268 452.50
8 LEBP CONSTRUCTION	R	25 389 112.93
9 LOKWE	R	18 673 787.05
10 MACP CONSTRUCTION	R	24 028 552.73
11 MPUMELELE CONSTRUCTION	R	19 360 370.87
12 MY GRANNY	R	21 588 095.15
13 PAXAR	R	24 377 359.60
14 PHETLAKO CONSTRUCTION	R	22 948 732.45
15 MMAMOHLALA CONSTRUCTION	R	24 655 912.60
16 HRTC	R	22 132 119.57
17 MIDERO CIVILS	R	25 554 548.87
18 EDWINS	R	34 302 065.11
19 BLUE DOT	R	26 012 074.83
20 MPEPERE CONSTRUCTION	R	28 423 179.67
21 QPH	R	21 175 488.59
22 NGUNGWA	R	25 994 719.03
23 MELROSE	R	21 512 010.38
24 MINTRO BUSINESS ENTERPRISE	R	19 942 645.31
25 MVUSULUDZO PROJECTS	R	26 338 425.85
26 NTSHUTSO	R	20 043 280.67
27 KGOTSONG CONSTRUCTION	R	20 389 667.00
28 CAPSTANG	R	22 816 197.60
29 PG & CIVILS	R	19 040 372.67
30 STONE FOUND ENGINEER	R	23 405 052.77
31 TECHRON	R	19 799 740.20
32 MAKGETSI	R	23 005 191.30
33 MOEPENG	R	16 619 222.13
34 NDUVHO	R	15 343 350.71
35 MAKHOTHO	R	21 185 730.00
36 MMBANGA CONSTRUCTION	R	18 694 344.57
37 CHUAKE BUSINESS ENTERPRISE	R	18 738 723.30
38 ZACK BUSINESS ENTERPRISE	R	24 113 167.35
39 NDONI	R	26 054 414.38
40 OVOSCAPE	R	24 522 904.18

16% Threshold Above Estimate
16% Threshold Below Estimate

R	28 120 116.37
R	20 362 842.89

Mopye - SLA Road

Confidential
Greater Tzaneen Municipality

SERVICE LEVEL AGREEMENT: UPGRADING OF MOPYE HIGH SCHOOL ACCESS ROAD: SCMU 17 / 2018



GREATER TZANEEN MUNICIPALITY
GROTER TZANEEN MUNISIPALITEIT
MASIPALA WA TZANEEN
MASEPALA WA TZANEEN

P.O. BOX 24
TZANEEN
0850

TEL: 015 307 8000
FAX: 015 307 8049



SERVICE LEVEL AGREEMENT

UPGRADING OF MOPYE HIGH SCHOOL ACCESS ROAD (SCMU 17 / 2018)

Entered into between

GREATER TZANEEN MUNICIPALITY

As established in terms of section 12 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998); having its legal nature in terms of section 2 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); represented herein by Mr Bartholomew Serapelo Matlala of Identity Number: 7306245527084 in his capacity as the **Municipal Manager**; appointed by "the Council Resolution" Number (A28: EC 26 02 2018: C27 02 2018), as "the Municipal Manager and the Accounting Officer" of the Greater Tzaneen Local Municipality ("the Municipality" having its principal place of business at number 01 Agatha Street, Tzaneen (herein referred to as "the Service Authority")

and

MOEPENG TRADING 40 CC

A Close Corporation with registration number CK 2005 / 078058 / 23 registered as such in terms of the Close Corporations Act, 1984 (Act No. 69 of 1984), having its principal place of business at Number 13, Phusela Street, Medi Park, Tzaneen, 0850 herein represented by Church Mushwana, Identity Number: 77111 9531 6083) in his capacity as the **EXECUTIVE DIRECTOR** duly authorized by "appointment"; (hereinafter referred to as "the Service Provider")

(Jointly "the parties")

"Municipal Finance Management Act" means Act 56 of 2003 and Regulations*.

"Applicable laws" means all laws applicable in the jurisdictions in which the parties operate, and includes any present or future constitution, decree, judgement, legislation, order, ordinance, regulation, statute, treaty, directive, rule, guideline or code, practice or practice note and circular issued by any relevant authority;

"National Treasury Regulations" means Government Gazette 27636 dated 30 May 2005 or any applicable relevant regulation/s;

"Bid File" means the bid document that the service provider submitted in reply to the advertisement of SCMU 17 / 2018;

"Annexure/s" means any annexure relevant to the contract as specified in the bid document or specified otherwise with consensus of both parties relevant to SCMU 17 / 2018;

"Contractor" means Moepeng Trading cc as registered in terms of the Close Corporations Act, 1984 (Act No. 69 of 1984);

"Data / Information" means any information that the service provider may have before, during or from the duration of the contract under the service provider's care which shall belong and owned by the Municipality;

"Submission of Data" means submission of any information that the Municipality may require for future use which the service provider must hand over at the end of the contract for safe keeping.

"GCC" means the original and updated General Conditions of Contract; as updated in 2015, Third Edition which shall form part of this contract.

"Contract Value" means a rigid fixed amount of One Six Six One Nine Nine Two Two Rands comma One Three Cents (R 16 619 222.13), including fifteen percent (15%) Value Added Tax (VAT).

Access Road for the Municipality and the Municipality shall remunerate the Service Provider for the services rendered, subject to the terms and conditions of this contract, the Bid File, the Bid Documents for SCMU 17 / 2018 and satisfactory performance by the service provider, to the satisfaction of the Municipality and the relevant community.

5. Commencement and Duration

Notwithstanding the date of signature hereof, this contract comes into operation on commencement date and ends on the contract end date as stipulated in this contract.

6. Obligations of the Municipality

The Municipality shall provide the Service Provider with timeous access to information and sites reasonably required by the Service Provider to perform its duties in terms of this contract; the bid file and the tender document.

7. Obligations of the Service Provider

The Service Provider must-

- a. Comply with all specifications and standards outlined in the bid file and the tender document;
- b. Discharge, implement and manage the contract under the supervision of the Civil Engineering Department: Project Management Unit;
- c. Comply with all legislation applicable to the Service Provider and the rendering of the "specified services";
- d. Obtain the signature of the project sponsor on all documents or reports submitted by the Service Provider to the Municipality.
- e. The contractor shall ensure that the services are discharged as per Bill of Quantities as tendered; any changes to that effect shall be noted by consensus between the contracted parties before signing the contract.

outstanding claims that the Municipality may have against the Service Provider for damages, costs or any other indebtedness arising out of this contract or Judgement Creditors: Provided that the Municipality will provide the Service Provider with written notice of its intention to set off, supported by reasonable details of the actual damages, costs or indebtedness incurred by the Municipality or other creditors against the service provider.

- 8.7. A certificate of indebtedness signed by the Chief Financial Officer of the Municipality, reflecting the amount due and payable under clause 8.5 together with interests thereon, shall be sufficient and conclusive proof of the contents and correctness thereof, for the purposes of with-holding, deduction or set off by the Municipality or payment by the Service Provider or for provisional sentence, summary judgment or any other proceedings against the Service Provider in a court of law and shall be valid as a liquid document for such purposes.
- 8.8. In the event that the Municipality institutes legal action against the Service Provider for any matter in connection with this contract, on the basis of action, conduct, omission, criminal liability, civil liability or negligence by the Service Provider, the Service Provider shall be liable to damages and pay the Municipality's legal fees on an Attorney and own client scale.

9. Warranties and Representations

- 9.1 The Service Provider warrants that –
- a. the Service Provider has the capacity and resources to render the services as specified in the Bid and Tendered Documents;
 - b. on delivery of the services, the services will be suitable for the purpose stipulated in this contract;
 - c. the services will be supplied in compliance with this contract. Any unilateral departure by the Service Provider from specifications or approved national standards shall be a breach of this contract;



Procurement Policy Framework or National Preferential Procurement Policy Framework or in terms of applicable National Treasury regulations, guidelines and circulars.

- 11.2. The Municipality may not cede or assign any right or obligation in terms of this contract to any third party, unless the prior written consent of the Service Provider has been obtained, consent of which may not be unreasonably withheld.
- 11.3. Where the parties agree to a cession or assignment, the cession or assignment agreement must contain a provision that the cessionary or assignee is subjected to the same terms and conditions of this contract.

12. Confidentiality

- 12.1 Unless required by law, the parties must keep confidential and not disclose to any third party the terms of this contract, the results and any information relating to or acquired in connection with this contract.
- 12.2. The Service Provider's personnel must keep confidential all information regarding the sites.
- 12.3. The provisions of clause 12 shall continue to be binding on the parties notwithstanding termination or cancellation of this contract or any part thereof.

13. Indemnity

- 13.1 The Service Provider indemnifies and holds the Municipality harmless against any claim by any person (natural or juristic), relating to but not limited to any matter arising out of this contract. Should any such claim be made against the Municipality, the Service Provider must settle or defend such claim forthwith and is liable for the payment of all costs in connection therewith.
- 13.2 The provisions of clause 13.1 shall continue to be binding on the parties notwithstanding termination or cancellation of this contract or any part thereof.

- (a) commits an act of professional misconduct or professional or technical incompetence, which is substantial and serious;
- (b) commits or participates in any unlawful, dishonest or unethical act in the performance of its obligations under this contract;
- (c) breaches this contract twice during the contract period; or
- (d) Fail to comply with the Specifications in the Bid document.
- (e) has failed to comply with any legal or policy requirement that the Service Provider must comply with in order to enter into a valid contract with the Municipality, including but not limited to any public servant in the employ of the Service Provider not having the necessary permissions or authorisation in terms of the Municipal Finance Management Act (Act 56 of 2003), Municipal Systems Act 2000 (Act 32 of 2000) and 2011 (Act 7 of 2011) or not having made the necessary financial disclosures to the employer or not having declared any or all interests in the relevant bid documents.

15. Protection of rights

- 15.1. If the Service Provider fails to comply either timeously or at all with any obligation imposed upon it by this contract, the Municipality may, without prejudice to any of its rights, effect such compliance, and claim damages from the Service Provider of an amount equal to the expenses actually incurred by the Municipality in enforcing such compliance. The Municipality may, at its sole discretion, set off such claim for damages in terms of clauses 8.6 and 8.7.
- 15.2 The Service Provider will have no claim against, nor defence to any claim by the Municipality arising out of any act or omission on the part of the Municipality arising from or connected with effecting or attempting to effect such compliance or, even if the Municipality has undertaken to effect such compliance and then fails to do so properly or at all.
- 15.3 The Municipality's rights in terms of this clause are in addition and without prejudice to any other rights it may have in terms of this contract.



- 16.4.2** If any dispute arises in terms of this contract, either party may give five (05) days written notice to the other of such dispute, whereupon the parties shall meet promptly and in good faith and attempt to reach an amicable settlement of the dispute.
- 16.4.3** In the event that the dispute between the parties is not resolved amicably, the dispute shall be referred to mediation within five (05) days of either party declaring such a dispute.
- 16.4.4** A mediator shall be appointed by the parties, or alternatively by the chair of the Attorney's Association for Limpopo Province, for the purpose of presiding over the mediation.
- 16.4.5** Should the dispute not be resolved within 10 (ten) business days of the commencement of mediation, it shall be referred to arbitration.
- 16.4.6** An arbitrator shall be appointed by the parties, or alternatively by the chair of the Arbitration Foundation of South Africa (AFSA), to preside over the arbitration.
- 16.4.7** The rules of AFSA shall govern the conduct of the arbitration in terms of the relevant legislation.
- 16.4.8** Nothing in this paragraph shall prevent either party from approaching the High Court for suitable judicial relief in case either one of the parties is not satisfied by the arbitration outcomes.

16.5 Penalties

- 16.5.1** If the Service Provider fails to deliver on any or all of the terms and conditions of this Agreement / Contract or fails to perform the Services within period(s) specified in this Agreement, the Greater Tzaneen Municipality shall without prejudice to its other remedies under this agreement, impose such penalties on the service provider as prescribed under the General Conditions of Contract which shall include but not limited to recovery of damages from the Service Provider, authority to cede the amount of debts owed by the contractor to the creditors or to settle the damages with any balance outstanding to the Service Provider from the Municipality.

- 17.2. Either party may from time to time decide to vary its address for the service of notices and processes by giving written notice to the other party and such notice must be posted by prepaid registered post or hand delivered to the other party's addresses for service of notices and processes and shall be presumed, until the contrary is proven, to have been received by that party on the 10th day after the day of posting or on the date of delivery, as the case may be.
- 17.3. Any matters or other communication to be given to either of the parties in terms of this contract is valid and effective only if it is given in writing.
- 17.4 Any notice in terms of this contract to either party which is —
- 17.4.1 sent by prepaid registered post in a correctly addressed envelope to the address specified for it in clause 17.1 is deemed to have been received, unless the contrary is proved, within 14 days from the date on which it was posted;
- 17.4.2 delivered to the party by hand at the address specified for it in clause 17.1 is deemed to have been received on the day of delivery, if it has been delivered to a responsible person during ordinary business hours
- 17.4.3 sent by facsimile to a party at the telefax numbers specified for it in clause 17.1 is deemed to have been received, unless the contrary is proved, within four hours of transmission if it is transmitted during normal business hours of the receiving party or within 12 hours of the first business day of the receiving party after it is transmitted, if it is transmitted outside those business hours.
- 17.5 For the purposes of clause 17.4, any notice in terms of this contract to either party which is given on a date in December in any particular year, is deemed to be given on the corresponding date in January of the following year.
- 17.6 Notwithstanding anything to the contrary contained in this clause, a written notice or other communication actually received by either party and for which written acknowledgement of receipt has been obtained, is adequate written notice or communication to it notwithstanding that the notice was not sent to or delivered at its chosen address for service.



Mopye

Access Road :

Withdrawal letter
of 1st contractor
(Maepeng)

→ Risk Assessment
letter from

Project consultant :

Mosomo