

MINUTES OF THE SPECIAL COUNCIL MEETING OF WITZENBERG MUNICIPALITY, HELD IN THE TOWN HALL, VOORTREKKER STREET, CERES ON FRIDAY, 10 MARCH 2023 AT 10:00

PRESENT

Councillors

Councillor EM Sidego (Speaker) (DA)
Alderman HJ Smit (Executive Mayor) (DA)
Councillor FE Klazen (Deputy Executive Mayor) (GOOD)
Alderman K Adams (DA)
Alderman BC Klaasen (DA)
Councillor P Daniels (DA)
Councillor S de Bruin (DA)
Councillor G Franse (DA)
Councillor D Swart (DA)
Alderman JJ Visagie (DA)
Councillor AL Gili (ANC)
Councillor JS Mouton (ANC)
Councillor N Phatsoane (ANC)
Councillor K Yisa (ANC)
Councillor J Zalie (ANC)
Councillor J Cloete (PA)
Councillor JP Fredericks (FF Plus)
Councillor LA Hardnek (Witzenberg Party)
Councillor P Heradien (ICOSA)
Councillor IL Swartz (EFF)

Officials

Mr D Nasson (Municipal Manager)
Mr HJ Kritzinger (Director: Finance)
Mr J Barnard (Director: Technical Services)
Mr L Nieuwenhuis (Manager: Legal Services)
Mr A Hofmeester (Manager: IDP)
Ms R Hendricks (Manager: Communication and Marketing)
Ms M Arendse-Smith (Acting Manager: Administration)
Mr C Titus (Committee Clerk)
Mr J Pieterse (ICT Officer)
Mr M Njokweni (Interpreter)
Ms MJ Prins (Word Processor Operator)

1. OPENING AND WELCOME

The Speaker welcomed everyone present and requested Councillor J Cloete to open the meeting with prayer.

NOTED

The Speaker ruled that the order of the agenda will be adapted to deal with important matters.

Councillor K Yisa stated that items cannot be dealt with until the Application for leave of absence has been communicated.

The Speaker responded that in terms of the Rules of Order the Speaker has prerogative to move items.

2. LEAVE OF ABSENCE AND CONFIDENTIALITY AND CONFLICT OF INTEREST DECLARATION

2.1 Consideration of application for leave of absence, if any (3/1/2/1)

An *Application for leave of absence* form is attached as **annexure 2.1**.

Applications for leave of absence from the meeting were received from Councillors M Ndaba, G Laban and N Nogcinisa.

UNANIMOUSLY RESOLVED

that the applications for leave of absence from the meeting, received from Councillors M Ndaba, G Laban and N Nogcinisa, be accepted and approved.

2.2 Confidentiality and Conflict of Interest Declaration (3/2/1)

The Confidentiality and Conflict of Interest Declaration is attached as **annexure 2.2**.

The Confidentiality and Conflict of Interest Declaration was duly signed by all Councillors. No conflict of interest was declared.

NOTED

3. RESERVED POWERS

3.1 New Preferential Procurement Policy and proposed amendments to Supply Chain Management Policy (8/1/P)

The following documents are attached:

- (a) Memorandum from Director: Finance, dated 30 January 2023: **Annexure 3.1(a)**.
- (b) Draft Preferential Procurement Policy: **Annexure 3.1(b)**.
- (c) Supply Chain Management Policy: **Annexure 3.1(c)**.

Proposed changes:

- (a) That the Preferential Procurement Policy be approved. The policy allows for preference to local suppliers.
- (b) That the following provisions be deleted from the Supply Chain Management Policy:
 - (i) Remove the definition of Designated sector – was applicable to local content.
 - (ii) Amend paragraph 14(3) to allow for quotations from suppliers listed on the Central Supplier database (Database of National Treasury).
 - (iii) Remove the reference to local content from paragraph 27(1)(e).
 - (iv) Remove the requirement that the decisions of the bid adjudication committee must be sent via registered mail from paragraph 37(10).
 - (v) Remove paragraph 41(2) to (8) as it is applicable to local content.
 - (vi) Remove paragraph 68 – Preferential Procurement – as it is replaced with the Preferential Procurement Policy.
 - (vii) Include a paragraph dealing with the cancellation of tenders.

At the Executive Mayoral Committee meeting Alderman BC Klaasen recommended the following amendments to the preference point system:

- (3) Regarding paragraph 5(2) of this Policy, 25 % of the 20 points on the 80/20 preference points system and 25 % of the 10 points on the 90/10 preference points system, will be allocated to promote B-BBEE in terms of the following scorecard:

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No	B-BBEE status level of contributor	Number of points on 80/20 points system	Number of points on 90/10 points system
1	Level 1 contributor	5	2.5
2	Level 2 contributor	4.5	2.25
3	Level 3 contributor	3	1.5
4	Level 4 contributor	2.5	1.25
5	Level 5 contributor	2	1
6	Level 6 contributor	1.5	0.75
7	Level 7 contributor	1	0.5
8	Level 8 contributor	0.5	0.25
9	Non-compliant contributor	0	0

(4) The following points for specific goals per procurement process based on the 80/20 preference point system will be applied:

No	Procurement Process	Procurement ranges (inclusive of all applicable taxes)	Maximum points for Broad-Based Economic Empowerment (B-BBEE)	Maximum points for enterprises within Witzenberg Municipal area	Maximum points for enterprises within Cape Winelands District region	Maximum points for enterprises within the Western Cape Province
1	Formal written price and competitive tendering	R30,000 – R50 million	5	15	7.5	3

(5) The following points for specific goals per procurement process based on the 90/10 preference point system will be applied:

No	Procurement Process	Procurement ranges (inclusive of all applicable taxes)	Maximum Points for Broad-Based Economic Empowerment (B-BBEE)	Maximum points for enterprises within Witzenberg Municipal area	Maximum points for enterprises within Cape Winelands District region	Maximum points for enterprises within the Western Cape Province
1	Competitive tendering	Above R50 million	2.5	7.5	3.75	1,5

The Executive Mayoral Committee resolved on 27 February 2023 to recommend to Council that the Preferential Procurement Policy and the proposed amendments to the Supply Chain Management Policy be approved, with application from 16 January 2023.

The Municipal Manager informed the meeting that the changes to the Preferential Procurement Policy and the proposed amendments to the Supply Chain Management Policy are due to legislative amendments, therefore the policy must be adjusted in order to proceed with Supply Chain matters.

It is further noted that if tenders are awarded in terms of the old policy, it will amount to irregularities.

Councillor A Gili proposed that the matter regarding the New Preferential Procurement Policy and proposed amendments to the Supply Chain Management Policy be held in abeyance. The proposal was seconded by Councillor J Mouton.

Councillor P Daniels proposed that the item not be held in abeyance, but rather be amended and finalised. The proposal was seconded by the Executive Mayor.

The Speaker called for a vote on the proposals and the outcomes were as follows:

• Votes in favour of recommendation	13
• Votes not in favour of recommendation	<u>7</u>
Total	<u>20</u>

The Speaker ruled in favour of the majority votes casted that the item should not be held in abeyance, but be amended and finalised.

Councillor P Daniels proposed that the 80/20 preferential point system be amended to 10 points for BBBEE and 10 points for enterprises within the Witzenberg municipal area.

Additional amendments must be made to the 90/10 preferential point system resulting in BBBEE being 5 points and 5 points for enterprises within the Witzenberg municipal area.

Furthermore that the amendments be implemented with effect from 10 March 2023. The proposal was seconded by Alderman K Adams.

Councillor A Gili counter proposed that the 80/20 preferential point system be amended to 15 points for BBBEE and 5 points for enterprises within the Witzenberg municipal area. Furthermore that the 90/10 preferential point system be amended to 7,5 points for BBBEE and 2,5 points for enterprises within the Witzenberg municipal area.

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The Speaker called for a vote on the proposals and the outcomes were as follows:

- Votes in favour of recommendation 12
 - Votes not in favour of recommendation 4
 - Votes abstained (ANC, EFF, PA & ICOSA) 4
- Total 20

The Speaker ruled in favour of the majority votes casted that Council recommends the following amendments to the preferential point system:

(4) The following points for specific goals per procurement process based on the 80/20 preference point system will be applied:

No	Procurement Process	Procurement ranges (inclusive of all applicable taxes)	Maximum points for Broad-Based Black Economic Empowerment (B-BBEE)	Maximum points for enterprises within Witzenberg municipal area	Maximum points for enterprises within Cape Winelands District region	Maximum points for enterprises within the Western Cape Province
1	Formal written price and competitive tendering	R30,000 – R50 million	10	10	5	2

(5) The following points for specific goals per procurement process based on the 90/10 preference point system will be applied:

No	Procurement Process	Procurement ranges (inclusive of all applicable taxes)	Maximum Points for Broad-Based Black Economic Empowerment (B-BBEE)	Maximum points for enterprises within Witzenberg municipal area	Maximum points for enterprises within Cape Winelands District region	Maximum points for enterprises within the Western Cape Province
1	Competitive tendering	Above R50 million	5	5	2.5	1

RESOLVED

that the Preferential Procurement Policy and the proposed amendments to the Supply Chain Management Policy be approved, with application from 10 March 2023.

3.2 Finance: Adjustment budget 2022/2023 (5/1/1/21)

The following documents are attached:

- (a) Memorandum from Director: Finance, dated 21 February 2023: **Annexure 3.2(a)**.
- (b) Adjustment budget 2022/2023 to 2024/2025: **Annexure 3.2(b)**.
- (c) Budget schedules 2022/2023: **Annexure 3.2(c)**.

The Executive Mayoral Committee resolved on 27 February 2023 to recommend to Council:

That the adjustment budget of Witzenberg Municipality for the financial year 2022/2023 as set out in the budget documents be approved:

- (i) Table B1 - Budget summary
- (ii) Table B2 Adjustments Budget Financial Performance (by standard classification)
- (iii) Table B3 – Budgeted Financial performance (Revenue and Expenditure) by Vote
- (iv) Table B4 Adjustments Budget Financial Performance (revenue by source) and
- (v) Table B5 – Budgeted Capital Expenditure by Vote, standard classification and funding.

Alderman J Visagie recommended that the Adjustment Budget of Witzenberg Municipality for the financial year 2022/2023 be approved.

Councillor A Gili enquired whether the unauthorised budget was part of the Adjustment Budget.

The Municipal Manager indicated that it was not as it formed part of the previous budget.

The Speaker informed the meeting that condonation and extension for the approval of the Adjustment Budget for the financial year 2022/2023 was granted until 10 March 2023.

Councillor P Heradien raised concerns with regard to unauthorised expenditure of the Adjustment Budget and whether the condonation was for the content of the item or the late submission thereof.

The Speaker responded that the condonation was granted for the tabling and submission of the item.

UNANIMOUSLY RESOLVED

That the adjustment budget of Witzenberg Municipality for the financial year 2022/2023 as set out in the budget documents be approved:

- (i) Table B1 - Budget summary*
- (ii) Table B2 Adjustments Budget Financial Performance (by standard classification)*
- (iii) Table B3 – Budgeted Financial performance (Revenue and Expenditure) by Vote*
- (iv) Table B4 Adjustments Budget Financial Performance (revenue by source) and*
- (v) Table B5 – Budgeted Capital Expenditure by Vote, standard classification and funding.*

4. ADJOURNMENT

The meeting adjourned at 10:45.

Approved on 28 March 2023 without amendments.

COUNCILLOR EM SIDEGO
SPEAKER

MJ Prins