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MATJHABENG



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OFFICE OF THE MUNICIPAL MANAGER

To : Cllr Piet Botha

From : OFFICE OF THE MUNICIPAL MANAGER
Mr. Thabiso Tsoaeli

Date : 27th August 2019

RE- QUESTIONS OF WHICH NOTICE HAS BEEN GIVEN IN TERMS OF THE STANDARD RULES AND ORDERS OF COUNCIL RULE 52

The above matter refers.

We acknowledge receipt of your letter dated 25th July 2019

- 1. When was the second contract signed? Please provide a copy of a signed contract.**

Answer:

During the period the Municipality decided to go out on Deviation in order to enhance revenue collection especially in the outdoor advertisement, and prior to this decision the Municipality was not collecting even a cent from this Division and this has been the case since 2014.

The Municipality signed a Contract with Media News on the 2nd of May 2018 and in the process, we overlooked the Contract period something we realized there after. On realization of the mistake we corrected it by signing another Contract with Media News on the 18th May 2018.

The mistake we had to correct was that of making the Contract period five (5) years in the Contract signed on the 2nd May 2018 and substituted it with the Contract signed on the 18th May 2018 making the Contract period three (3) years.

At the time of implementing the Council Resolution of 30 May 2018 we mentioned the date of the Contract that we wanted to cancel to be the 2nd May 2018. (a mistake in our letter of cancellation).

Be that as it may Media News took full advantage of the mistake and continued to operate on the basis of the Contract signed on the 18th May 2018.

When we tried to communicate our mistake with them, they responded to us through their Lawyers.

see attached 2 contracts as Annexure A

2. When was this specific contract advertised and in which newspaper? Please provide documentary proof of advertised.

Answer:

As alluded above this service was procured through **Regulation 36 (Deviation Process)** as opposed to using Regulation 21 (Competitive Billing) due to pressures of time constraints and dire need to start collecting some revenue from this division.

3. If not advertised as per the Supply Chain Management Policy explain why not and also why were the SCM deviated from? Please quote specific sections used to deviate from.

Answer:

Refer to the answer above. Further it is worth mentioned the fact that **Media News** approached the Municipality with their intellectual property, an innovative and unique strategy to develop and monitor outdoor advertising within the **Matjhabeng Municipality**. The development strategies and investment opportunities they proposed to the Municipality were of such a unique nature and at no cost to the Municipality that they made a big impression, over and above the much needed revenue to be collected here.

Since their inception as the service provider in this Division the outdoor advertising market in the **Matjhabeng Municipality** has not only improved but it has caught the eye of Local, National and International Brands.

This Service Provider has in addition provided visibility and platform for public notices. They have donated signs to the Municipality to prevent crimes in the Municipality CBD. The public notice boards erected by this Service Provider in Central Park have decreased violent crimes and indecency drastically at no cost to the Municipality.

4. How much money has been paid over to the Municipality since the first and second was entered into? Please provide vote number and proof of payments made into the accounts.
5. Who is the person appointed to check to see how much they, Media News, must pay and reconciling if the amount received is indeed correct?
6. If the amount received is not correct, or no money has been received, what action has been taken to correct the matter?

Answer:

Please find the financial reports compiled and submitted by the service provider which will answer **question 4 to 6**

Please find attached financial report as **Annexure B**

7. What happens to money raised when people advertise on the electronic billboard in front of the clock tower? Is it for the account of Media News or for the Municipality?
8. Does Media News pay for the electricity consumption of the electronic billboard? If so how much and if not why not? Please provide a print out of the latest account rendered for their specific account.

Answer:

The electronic billboard in Stateway was erected by the Service Provider at no cost to the Municipality for the benefit of the Institution and the public at large. In other words, the main purpose of the screen is to display to the thousands of residents of Matjhabeng and visitors public notices free of charge.

This billboard has added some aesthetic improvements on the Stateway. The overall work of this Service Provider has made a tremendous contribution to Local Business through sheer Professionalism of the Management of this Division.

This answers question 7 to 8

9. In terms of which By-Laws, policies or procedures were they appointed to act for and on behalf of the Municipality? In other words they quote certain By-Laws and legislation on which they charge business people. I would like to know what those are. Please be comprehensive and provide proof that those By-Laws have been gazette in the provincial gazette.

Answer:

The Honorable Councillor would be well aware of the fact that in December 2011 the Provincial Government Gazette no less than 43 Standard By-Laws for the Municipalities of the Province. These By-Laws were meant to ensure that there is no vacuum when it comes to regulation of the conduct of the public. The Service Provider is using these By-Laws and other pieces of Legislation relevant in this division.

I hope you find this in good order

Yours faithfully



MR. THABISO TSOAELI
MUNICIPAL MANAGER