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12 September 2018

Mr. D. Crabtree
GREYTON
derek@searles.co.za

Dear Sir,

RE: SOLID WASTE AGREEMENT - KARWYDERSKRAAL

Herewith our formal response to the questions posted by yourself dated 8 September 2018 via email.

DISCRIPANCIES REFERAL

On the final draft, which was approved after long negotiations between the three (3) parties (Overberg District Municipality, Overstrand Municipality and Theewaterskloof Municipality) the clause 7.9 & 7.13 was slightly altered with a referral to mediation and arbitration. This was not originally part of the final negotiations and have slipped in at the day of signing the agreement. We just need clarity on why this was included without informing the other two parties to the contract. This is not detrimental to the agreement, we would have liked to agree to the amendment upfront. However this is in my opinion still the best dispute solving solution should the parties be unable to resolve their difference on the tariff being imposed annually.

Further to the above after their initial calculation (best estimate) the calculation increased based on the estimated volume Karwyderskraal landfill site will receive from both local authorities.

MUNICIPAL MANAGER AUTHORIZATION

In terms of the delegation bestowed by Council onto the Municipal Manager he had the authority to conclude the contract.

DELAY EXPERIENCED

The Information statement was drafted by an external party for all three institutions (in consultation with all three parties), and this caused the delay. That is why you would see a similar advertisement for Overberg District Municipality in the Theewaterskloof & Agulhas Gazette on the same day as the Theewaterskloof advertisement. The aim was that all three local and district governmental spheres run their advertisement concurrently. After the drafting of the Information statement we also had to draft the add and also go through necessary Supply Chain Management process to place add in Newspaper.

UNSIGNED SLA

As soon as the discrepancies have been answered satisfactory by Overberg District Municipality, we (Theewaterskloof Municipality) will peruse and issue the final signed SLA. As alluded to the discrepancies arose after negotiations have been concluded and the wording of arbitration and mediation have been brought into the clauses as stated. The significance is rather small but is the principle of notifying and agreeing to the amendment that is bearing fruit.

INFORMATION STATEMENT

The Information statement was drafted for all three (3) parties by an external party and provided thus the info deemed necessary.

FINANCIAL IMPLICATION

Please see below.

EXPECTATIONS BASED ON PROJECTED WASTE VOLUMES

No.

The agreement is drafted on passed volumes disposed at Karwyderskraal. From this projected volumes were derived.

There is no expectation as the agreement will be reviewed on an annual basis, based on volumes disposed.

SOLID WASTE STRATEGY

In the event of an unsuccessful section 33, an agreement for up to 3 years will be investigated. Unfortunately Theewaterskloof does not have sufficient facilities to receive their waste. It is also a National goal to work towards Regionalisation of solid Waste Facilities. This is being implemented all over SA.

Theewaterskloofs Integrated Waste Management Plan will be reviewed during this financial year.

MEDIUM & LONGER TERM STRATEGY FOR WARD 2

A Consultant was appointed to do an investigation on what the best option would be to implement for Ward 2. Part of this process is a public participation process to the communities input from the investigation outcomes.

With this information provided we conclude thus that sufficient answers have been provided and accordingly urge you thus to provide any further input as per Section 33 of MFMA representation submitted to this office.

Regards



G.F Matthyse
MUNICIPAL MANAGER

