**WS: 6964-6977 S 36**

**REFUSE COLLECTION AND STREET CLEANING IN VARIOUS WARDS WITHIN ETHEKWINI MUNICIPALITY**

| NO | CONTRACT NO | Supplier Name | Registration Numbers | BBBEE Level | BBB-EE Expiry Date | Tax Status | Tax Expiry Date | CSD Number | CIPC STATUS | Restricted Supplier | Municipal Fees | Certificate of Independent Determination | Declaration of Interest | Audited Financial Statements | Comments |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | WS 6964U | LABHECELIBOMVU TRADING | 2005/116084/23 | 1 | 13/12/2024 | COMPLIANT | 14/12/2024 | MAAA0392423 | IN BUSINESS | NO | DID NOT DECLARE | 14/10/2024 | 14/10/2024 | 2022, 2023 & 2024 | |
| 2 | WS 6965U | ONE VISION INVESTMENT 293 | 2007/011864/07 | 1 | 21/11/2024 | COMPLIANT | 26/03/2025 | MAAA0392423 | IN BUSINESS | NO | CLEAR | 10/10/2024 | 10/10/2024 | 2021, 2022 &2023 | |
| 3 | WS 6972U | KHABZO T/A ASEMBO | 2004/092785/23 | 1 | 15/09/2025 | COMPLIANT | 04/01/2025 | MAAA0120721 | IN BUSINESS | NO | CLEAR | 10/10/2024 | 10/10/2024 | 2022, 2023 &2024 | Financial statements |
| 4 | WS 6973U | NOPHETHU TRADING | 2011/089351/23 | 1 | 15/10/2025 | COMPLIANT | 13/06/2025 | MAAA0743774 | IN BUSINESS | NO | R923.77 | 15/10/2024 | 15/10/2024 | 2022 & 2023 only | |
| 5 | WS 7158U | TITIAS BUILDING RENOVATIONS AND MAINTENANCE | 2009/134235/23 | 1 | 01/09/2026 | COMPLIANT | 03/11/2024 | MAAA0382037 | IN BUSINESS | NO | CLEAR | 10/10/2024 | 10/10/2024 | 2022, 2023 &2024 | |
| 6 | WS-6962U | TZDN TRAINING | 2008/036475/23 | 1 | 10/10/2025 | NON-COMPLIANT | 10/05/2025 | MAAA0331479 | IN BUSINESS | NO | R3,780.72 | 11/10/2024 | 11/10/2024 | 2022, 2023 &2024 | |
| 7 | WS-6963U | GEZINSILA LABOUR | 1998/052551/23 | 1 | 10/12/2025 | COMPLIANT | 05/07/2025 | MAAA0374845 | IN BUSINESS | NO | LEASING | 10/10/2024 | 10/10/2024 | 2022, 2023 &2024 | |
| 8 | WS-6970U | SBONISIWE INVESTMENTS | 2001/022027/23 | 1 | 10/10/2025 | COMPLIANT | 25/04/2025 | MAAA0499908 | IN BUSINESS | NO | LEASING | 10/10/2024 | 10/10/2024 | 2022, 2023 &2024 | |
| 9 | WS-6971 | LELANGUKA TRADING | 2009/112910/23 | 1 | 25/09/2025 | COMPLIANT | 25/09/2025 | MAAA0201715 | IN BUSINESS | NO | LEASING | 10/10/2024 | 10/10/2024 | 2021, 2022 &2023 | |
| 10 | WS-6978 | AMADWALA TRADING 73 | 2004/019638/23 | 1 | 11/09/2025 | COMPLIANT | 04/04/2025 | MAAA0392422 | IN BUSINESS | NO | CLEAR | 11/10/2024 | 11/10/2024 | 2021, 2022 &2023 | PAID (proof attached) |
| 11 | WS 6789U | GS ZUMA T/A POWER CLEANING | 7512275316088 | 1 | 24/01/2025 | COMPLIANT | 04/10/2025 | MAAA0143432 | IN BUSINESS | NO | CLEAR | 10/10/2024 | 10/10/2024 | 2022, 2023&2024 | SOLE PROPRIETY |
| 12 | WS 6974U | ONE VISION INVESTMENT | 2007/011864/07 | 1 | 20/11/2024 | COMPLIANT | 26/03/2025 | MAAA0375285 | IN BUSINESS | NO | RENTING | 10/10/2024 | 10/10/2024 | 2021,2022& 2023 | |
| 13 | WS 6975U | WASTENG | 1996/013829/07 | 1 | 25/09/2025 | NON COMPLIANT | 10/06/2025 | MAAA0024354 | IN BUSINESS | NO | RENTING | 10/10/2024 | 10/10/2024 | 2022 & 2023 | |
| 14 | WS 6966U | WASTENG | 1996/013829/07 | 1 | 25/09/2025 | NON COMPLIANT | 10/06/2025 | MAAA0024354 | IN BUSINESS | NO | RENTING | 15/10/2024 | 15/10/2024 | 2023 & 2023 | |
| 15 | WS 6967U | TITIAS BUILDING RENOVATIONS AND MAINTENANCE | 2009/134235/23 | 1 | 01/09/2025 | COMPLIANT | 03/11/2024 | MAAA0382037 | IN BUSINESS | NO | CLEAR | 10/10/2024 | 10/10/2024 | 2022, 2023 & 2024 | |
| 16 | WS 6968 U | MASHALOFU BUSINESS ENTERPRISE | 2003/097960/23 | 1 | 30/09/2025 | COMPLIANT | 30/09/2025 | MAAA0126706 | YES | NO | INVALID ACCOUNT | 11/10/2024 | 11/10/2024 | 2021, 2022 & 2023 | |
| 17 | WS 6969 U | GABHISA SERVICES | 1995/045770/23 | 1 | 02/05/2025 | COMPLIANT | 30/04/2025 | MAAA0431643 | YES | NO | CLEAR | 10/10/2024 | 10/10/2024 | 2022, 2023 & 2024 | |
| 18 | WS 6976 U | TZDN TRAINING | 2008/036475/23 | 1 | 10/10/2025 | NON COMPLIANT | 10/05/2025 | MAAA0331479 | YES | NO | R3,780.72 | 11/10/2024 | 11/10/2024 | 2022, 2023 & 2024 | |
| 19 | WS 6977 U | LS MHLABA T/S INANDA REFUSE REMOVAL | 2002/063880/23 | Not submitted | Not submitted | NON COMPLIANT | Not submitted | MAAA0227326 | IN BUSINESS | NO | R 2170.06 & R258.26 | 11/10/2024 | 11/10/2024 | not provided | IN ARREARS WITH RMS |

| | |
|---|---|
| VERIFIED BY | WONDERBOY NKOSI |
| DATE | 29/10/2024 |
| SIGN | |
| DISCLAIMER | Committee to note: S 36 (1) (a) (v) reports. . Vote and FC numbers are provided. Supporting documents : BEC ,BAC decisions , Adverts and a signed authority to request appointment of 19 contratcors under S 36 |

TRADING SERVICES CLUSTER
DEPUTY CITY MANAGER
16 OCT 2024
RECEIVED
ETHEKWINI MUNICIPALITY

# REPORT TO BID ADJUDICATION COMMITTEE

*(Deviations from, and ratification of minor breaches of, procurement processes: Regulation 36 of the Municipal Supply Chain Management Regulations)*

| | |
|---|---|
| **To:** | **Bid Adjudication Committee** |
| **Contract Description:** | **REFUSE COLLECTION AND STREET CLEANING IN NTUZUMA E, F, G AND H– WARDS 42, 43, 107** |
| **Date:** | **14 October 2024** |

| | | | |
|---|---|---|---|
| **Contract no:** | **WS.6967U** | **Unit:** | CSW |
| **Project Manager:** | Siphiwe Makhanya | **Department:** | Strategic & New Development |
| **E-mail:** | siphiwe.makhanya@durban.gov.za | **Cellular phone no:** | - |
| **Telephone number:** | 031 311 8343 | **Fax no:** | N/A |

| | |
|---|---|
| **Project Objective/s:** | The purpose of this report is to seek authority from the Bid Adjudication Committee to approve the appointment of the service provider under Section 36 (1) (a) & (v) of the SCM regulations. |
| **Scope of Works:** | This specification applies to the provision of refuse collection services in Ntuzuma E, F, G and H incorporating the following:<br>• On-going collection of refuse from occupied premises in formal areas, including disposal.<br>• On-going collection of refuse and the disposal thereof, from occupied premises and open areas in informal areas.<br>• On-going litter picking in road reserves and clearing out open stormwater channels.<br>• Ad-hoc sundry services including litter picking of selected open areas, removal of rubbish piles, and servicing of refuse drums |

## 1. CATEGORY:

| | |
|---|---|
| Goods | |
| Services | X |
| Engineering & Construction Works | |
| Leases | |

| | |
|---|---|
| Professional Services (Built Environment) | |
| Professional Services (Other) | |
| Movable Asset Disposal | |
| Immovable Asset Disposal | |

## 2. ELEMENT OF REGULATION 36 APPLICABLE:

| | | | |
|---|---|---|---|
| 1(a) | (i) | An emergency | |
| | (ii) | The goods or services are produced or available from a single provider only | |
| | (iii) | The acquisition of special works of art or historical objects where specifications are difficult to compile | |
| | (iv) | The acquisition of animals for zoos; or | |
| | (v) | Exceptional case where it is impractical or impossible to follow the official procurement processes; and | X |

| | | |
|---|---|---|
| 1(b) | To ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature | |

*Motivation overleaf*

## 3. MOTIVATION FOR APPLICABILITY OF REGULATION 36

### BACKGROUND

3.1 The Cleansing and Solid Waste Unit has been utilizing the services of WS. 6967 major contract to provide street sweeping and refuse removal services in NTUZUMA E, F, G AND H– WARDS 42, 43, 107. The approval of the contract award for WS.6967 was made by the Bid Adjudication Committee on **20 December 2018**. A copy of the BAC decision is attached as **Annexure A.** Contract WS. 6967 commenced on 01 July 2019 and the completion date was on 30 June 2022.

3.2 An extension of four (4) months (01 July 2022- 31 October 2022), report number (SW2022/031) was granted through the Bid Adjudication Committee in June 2022. A copy of the BAC decision is attached as **Annexure B.**

3.3 A Section 36 appointment of six (6) months (01 November 2022 to 30 April 2023), report number SW2022/063 was granted through the Bid Adjudication Committee in October 2022. The BAC decision is attached as **Annexure C.**

3.4 Another Section 36 appointment was granted through Bid Adjudication Committee for a period of six (6) months (1 May 2023- 31 October 2023). The BAC decision is attached as **Annexure D.**

3.5 A Section 36 appointment was approved by the Bid Adjudication Committee for a period of six (6) months (1 November 2023- 30 April 2024). The BAC decision is attached as **Annexure E.**

3.6 The current Section 36 appointment was granted by the Bid Adjudication Committee for a period of six (6) months (1 May 2023- 31 October 2024). The BAC decision is attached as **Annexure F.**

## 4. STATUS OF THE REPLACEMENT AND ADVERTISED CONTRACTS

4.1 The Unit advertised replacements contracts, WS.7496, WS.7497, WS.7498, WS.7499, WS.7500, **WS.7501**, WS.7502, WS.7503, WS.7504, WS.7505, WS.7506 and WS.7563 on 08 July 2022 and closed on 12 August 2022, refer to **Annexure G. It must be noted that WS.7501 is a replacement contract for WS.6967.** All twelve (12) replacement contracts were advertised simultaneously. The total number of applications received in respect of these tenders were about **865.**

The evaluation reports for the 12 contracts were initially submitted to SCM on 16 January 2024 for reviewing. Between 23 January 2024 and 29 February 2024, SCM provided feedback highlighting concerns and corrections that required attention from the Unit. From 25 January 2024 to 29 February 2024, the Unit addressed queries as and when they were received. Additionally, several concerns were conveyed to the bidders, who provided responses to SCM department e.g., updated tax clearance pin, recent Annual Financial Statements, valid BBBEE etc.

The evaluation reports for the 12 contracts were tabled at the Bid Evaluation Committee (BEC) and was deferred by the Committee, **refer to Annexure H.** The Unit drafted addendums addressing the concerns raised by the committee and submitted them to the committee.

Unsuccessful letters, dated 08/ 08/ 2024, were issued and emailed to the respective bidders, providing a 14-day appeal period, which expired on 26/ 08/ 2024. However, to date, the Unit continues to receive requests from the Legal Department for reasons behind the elimination, along with objections from bidders regarding the responses.

These objections still need to be referred to the Appeals Authority, and it appears that the process will take additional time due to the large number of appeals received.

4.2 Again, the Unit advertised five (5) replacements contracts, WS.7558, WS.7559, WS.7560, WS.7561, and WS.7562 on 16 September 2022 and closed on 21 October 2022, **refer to Annexure I**. All five (05) replacement contracts were advertised simultaneously. The total number of responses received in respect of these tenders were about **549**.

The evaluation reports for the five (5) contracts were tabled at the Bid Evaluation Committee (BEC) and was deferred by the Committee, **refer to Annexure J**.

The addendums were drafted addressing the concerns raised by the committee and submitted. On 21 August 2024 these contracts were approved excluding WS. 7561 which was later approved after submitting an addendum.

Unsuccessful letters for these contracts have been issued to the bidders, each with a 14-day appeal period, and some of these appeals have already been emailed to the Unit for responses regarding the reasons for elimination.

4.3 Lastly, the Unit advertised six (6) replacements contracts, WS.7622, WS.7623, WS.7624, WS.7625, WS.7626, and WS.7627 on 06 April 2023 and closed on 12 May 2023, **refer to Annexure K.** All six (6) replacement contracts were advertised simultaneously. The total number of applications received in respect of these tenders were about **531**.

The evaluation reports for the six (6) contracts were tabled at the Bid Evaluation Committee (BEC) on 14 February 2024 and was deferred by the Committee, **refer to Annexure L.** The Unit prepared an addendum for the concerns that were raised by the committee and was submitted.

On 02 May 2024, three (3) contracts (WS. 7622, WS. 7624 and WS. 7625) were deferred while two (2) were approved (WS. 7623 and WS. 7627), **refer to Annexure M.** An addendum for the deferred contracts was prepared and submitted to the committee.

No unsuccessful letters have been issued for these contracts, and the Unit is still awaiting their releases.

## 5. REASON FOR DEVIATION

The reasons for deviation are based on the following factors:

- **The high volume of applications received:** The documents are now available for free download and printing, leading to increased interest from bidders and a rise in bid responses.
- **The number of contracts advertised simultaneously:** The evaluation of 1945 applications are time-consuming and voluminous.
- **The strain on resources due to the need to evaluate these applications comprehensively**, e.g., availability of personnel, equipment's etc.

We are also uncertain about the timeline for the finalization of the appeals.

## 6. PROJECT ESTIMATES, FINANCIAL AUTHORITY & RECOMMENDED COMPANY:

| | Excl. VAT | VAT | Incl. VAT |
|---|---|---|---|
| Estimated Contract Value | R 4 923 256.04 | R 738 488.41 | R 5 661 744.45 |
| Total Cost to Council | R 4 923 256.04 | R 738 488.41 | R 5 661 744.45 |

**Financial Provision has been made for the project as follows:**

| Vote No | Financial Year | Provision | Commitment | Available Amt. |
|---|---|---|---|---|
| 79285.10810.11.11300. 0000.MRC01.0010 | 2024/ 2025 | R 4 923 256.04 | | |

**FC No.** *(352- 366- 060)*

**ANTICIPATED EXPENDITURE**

| 2024/ 2025 | TOTAL |
|---|---|
| R 4 923 256.04 | R 4 923 256.04 |

The signed Financial Certificate is attached as **Annexure N.**

## 7. CONSENT BY THE SUPPLIER

The committee must note that Titias Building Renovations and Maintenance CC has given consent for the Unit to use rates that were tendered under WS.6967. A letter of acceptance of appointment with original rate, **refer to Annexure O.**

## 8. COMPLIANT DOCUMENTS

The copies of the following compliant documents submitted by Titias Building Renovations and Maintenance CC are attached in **Annexure P.**

i) Tax Compliance Pin
ii) B-BBEE Affidavit
iii) Declaration of Municipal Fees
iv) Municipal Account Bill
v) MBD 2
vi) MBD 4
vii) MBD 5
viii) MBD 6.1
ix) MBD 8
x) MBD 9
xi) Annual Financial Statements

## 9. APPROVAL BY ACTING HEAD (SCM) TO UTILISE SECTION 36:

Due to time taken in completing the evaluation reports of the replacement contracts, the Unit sought authority from Acting Head`s (SCM) to utilise Section 36 appointment. **Refer to Annexure Q** for the report with a signature of Acting Head`s (SCM).

## 10. FORM OF CONTRACT & SURETY:

☐ **Government Procurement** General Conditions of Contract (From National Treasury for Goods & Services) (May 2007)

☐ **GCC (2004)** (General Conditions of Contract for Construction Works)

☐ **JBCC series Minor Works Agreement** - Edition 4.0 of August 2007

☐ **JBCC series 2000 Principal Building Agreement** - Edition 5.0 of July 2007

☐ **NEC Engineering and Construction Contract** 2nd Edition 1995 (ECC2)

☐ **FIDIC** (Conditions of Contract for Construction, Conditions of Contract for Plant and Design-Build, Conditions of Contract for FIDIC EPC/Turkey Projects or Short Form of Contract.)

☐ **Other form of contract: Specify**

☐ **Surety required: Y/N** **or** ☐ **Performance Guarantee required: Y/N**

## 11. RESPONSIVENESS REQUIREMENTS:

***NB: Copies of each of the following must be attached to the report for the recommended company***

| | |
|---|---|
| ☐ | **CIDB:** Printout of CIDB Registration from www.cidb.org.za |
| ☐ | Tender offer must be properly received fully completed and signed in black ink (erasable pens not permitted) |
| ☐ | Submission of applicable Resolution by the Legal Entity, or consortium / joint venture, authorising a dedicated person(s) to sign documents on behalf of the firm / consortium / joint venture |
| ☐ | Registration on the Municipality's centralised supplier database – FP Lite |
| ☐ | ITC status checked |
| ☐ | Submission of Declaration of Interest |
| ☐ | Submission of Declaration of Municipal Fees |
| ☐ | Valid Original Tax Clearance Certificate ie. SARS has certified that the bidder's tax matters are in order or that arrangements have been made to the satisfaction of SARS that the outstanding tax obligations will be met |
| ☐ | Company/CC/Trust/Partnership registration certificates |
| ☐ | Joint Venture Agreement and Power of Attorney in case of Joint Ventures |
| ☐ | Workmen's Compensation Registration Certificate (or proof of payment of contributions in terms of the Compensation for Occupational Injuries and Diseases Act No. 130 of 1993) |
| ☐ | Insurance Instructions |
| ☐ | ***Other restrictive conditions peculiar to this contract eg. Vehicle, plant, etc. – be specific and provide detail of requirements together with motivation for such.*** |

## 12. PROJECTED DATES:

| **Steps** | **Projected Date** |
|---|---|
| Submission to Tenders & Contracts Co-ordination for Bid Adjudication Committee | |
| Bid Adjudication Committee | |
| Contract Start Date | 01/ 11/ 2024 |
| Contract Completion Date | 30/ 04/ 2025 |

| | | |
|---|---|---|
| Contract Duration | 6 | Months |

## 13. RECOMMENDATIONS:

1. It is therefore recommended that **Titias Building Renovations and Maintenance CC** be awarded contract **WS. 6967U: Refuse Collection and Street Cleaning in Ntuzuma E, F, G And H– Wards 42, 43, 107** in terms of Regulation 36 of the Municipal Supply Chain Management Regulations.

2. Subject to the adoption of (i) above, an amount of **R 4 923 256.04** (excluding VAT), be authorized to cover the contractual cost to be incurred on a month-to-month basis for a maximum period of six (6) months with effect from 01 November 2024- 30 April 2025, or until the new contract is awarded, whichever period comes first,

3. Subject to the adoption of 1& 2 above, the City Manager record the reasons for any deviations and report it to the next meeting of Council, or board of directors in the case of a Municipal Entity and include it as a note to the annual financial statements.

| | | |
|---|---|---|
| **Siphiwe Makhanya**<br>Name of Project Manager | Signature | Date |
| **031 311 8343**<br>Contact Telephone Number | ***Declaration by Project Manager:***<br>*I have prepared this report in a fair and proper manner in accordance with the conditions of contract, and relevant Codes of Conduct* | |

| | | |
|---|---|---|
| **Xolani Mbuyazi**<br>Name of Admin. Manager (CSW) Strategic & New Dev. | Signature | Date |
| Contact Telephone Number | | |

| | | |
|---|---|---|
| **Noluthando Magewu**<br>Name of Acting Head (CSW) | Signature | Date |
| Contact Telephone Number | | |
| **Ednick Mswell**<br>Name of Acting Deputy City Manager: Trading Services | Signature | 21/10/2024<br>Date |

| | | |
|---|---|---|
| Contact Telephone Number | | |
| **Sandile Mnguni** | Nelisile Hwanqo | 28/10/24 |
| Name of CFO: Treasury | Signature | Date |
| | confirming budget availability only | |
| Contact Telephone Number | | |
| **Musa Ndaba** | | 29/10/2024. |
| Name of Manager: SCM-Compliance & Monitoring | Signature | Date |
| | | |
| Contact Telephone Number | | |

***Submission of reports***

***All reports should be forwarded to Ms Bongiwe Nyandeni, Manager of the Tenders & Contracts Co-ordination Branch, 6th Floor, Engineering Building, 166 K E Masinga Road (formerly Old Fort Road), on or before the deadline dates for submission, together with accompanying documentation.***

***Tel. 322-7015***

***Incomplete submissions will not be placed onto the meeting agenda.***