

**CONTRACT MANAGEMENT REPORT FOR THE PERIOD 1 JULY 2019 TO 30 SEPTEMBER 2019**

**CLUSTER - CORPORATE SERVICES**

**SUPPORT SERVICES**

| No | Service Provider | Nature of Contract                                      | Value of Contract               | Duration   | Start & Expiry Date  | Comment  | Expiry within 6 months |
|----|------------------|---|---------------------------------|--|----------------------|--|------------------------|
| 1. | Quidity          | Electronic Management of document and work-flow system. | R11 365.40 monthly license fee. | Annually. Continuous agreement - subject to 1 month termination notice | 12/02/2018 - Ongoing | The contract has been signed. Training recently took place and it should be fully utilized by employees. The contract is currently proceeding well. System not effectively utilized by end users. The Council is not receiving value for the money because of poor utilization of the system. The benefits which the Council is deriving from the system is the electronic archiving of the documents. |                        |

**FACILITIES**

| No   | Service Provider                                   | Nature of Contract  | Value of Contract  | Duration | Start & Expiry Date            | Comment   | Expiry within 6 months |
|------|--|---|--|----------|--------------------------------|---|------------------------|
| * 1. | Vereeniging Trust on behalf of Alhilal investments | Lease of City Centre, House & Home building 1 <sup>st</sup> and 2 <sup>nd</sup> Floor | Rental: R53 358.09 excl VAT p/m<br>Rates and taxes paid as levied<br><br>Refer to comments for breakdown of rental | 3 yrs    | 01/11/2018<br>To<br>30/10/2021 | Contract proceeding well.<br>Rental amount:<br>Offices – R275 944.92pm (Esc 6% p.a)<br>Parking – R13 348.36pm (Esc 6%/p.a)<br>Total – R289 293.28pm (1st year)<br>Delay in signature from ED's and MM's Office. Complaints from service provider on late payments. The payments are late due to the fact that all ED's have to sign and the process is delayed. |                        |
| 2.   | Vereeniging Trust on behalf of                     | Lease of Ventura Mansions   | Rental: R53 358.09 excl VAT p/m<br>Rates and taxes paid as   | 3yrs     | 01/11/2018<br>To<br>30/10/2021 | Contract proceeding well.<br>Rental amount:<br>Offices – R53 951.90 pm (Esc 6%/p.a)<br>Parking – R4 406.19 nm (Esc 6%/p.a)  |                        |

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|----|------------------|------------------------------|---|----------|---|--|------------------------|
|    | investments      |                              | Refer to comments for breakdown of rental   |          |   | <p>Total – R58 358.09 pm (1st year)</p> <p>Delay in signature from ED's and MM's Office. Complaints from service provider on late payments. The payments are late due to the fact that all ED's have to sign and the process is delayed.</p>   |                        |
| 3. | Otis             | Maintenance service of lifts | R1 900 pm<br>No capital budget available for replacement of lift. Maintenance budget used for maintenance SLA | 3 yrs    | Original SLA 2007 to 2012<br><br>New expiry date September 2021 | <p>The original SLA commenced on 1 October 2003 for a three (3) year period. The contract requires ninety (90) days' notice period, it further stipulates that should the contract not be cancelled that it would continue for further three year periods until notice is given. The next possible cancellation date was 30 September 2018 and notice was supposed to be given by 01 July 2018.</p> <p>At a previous contract Management Meeting Facilities Management was instructed to meet with the service provider together with the Legal Section in order to draw up an addendum in order to extend the current contract. However the ED: Corp. Services gave instruction that the meeting be cancelled due to the fact that he was in the process of procuring a new lift for the main building. This contract had a condition that if the municipality does not cancel contract three months before expiry thereof the contract was automatically renewed for a period of three years until September 2021.</p> <p>Service continues in respect of the one lift that still works. Schindler Lifts was approached to return as service provider for the maintenance of the lifts. They</p> |                        |

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|----|-------------------------|--|--|-----------|----------------------------|--|------------------------|
| 4. | Fleet Horizon Solutions | Fleet Management services (Integrated Fleet Management Services, Lease, Fuel management & Tracking ) | <p>R 15,208.66 monthly management fee for 32 vehicles.</p> <p>Mercedes C180 Lease R 12,602.28 linked to prime rate.</p> <p>Mercedes E250 Finance Lease R 32,422.75 linked to prime rate. (The finance lease is paid up).</p> <p>Mercedes C200 Lease R 19,029.99 linked to prime rate.</p> <p>Toyota Etios R 5,704.68 each, Total of (7) Seven Vehicles R 39,932.76</p> | 16 months | 1 Sept 2018 to 03 Jan 2020 | <p>provided quotations for the replacement or repair of the lifts. The cost for replacement was cheaper than to repair and therefore the budget for replacement was requested by Facilities on budget, zero funds allocated.</p> <p>Satisfied with service from service provider but they struggle to get parts for the very old equipment. 2017/2018 budget zero funds in this vote. The status quo will therefore have to continue.</p> <p>The contract implementation is proceeding well. Quotations and invoices are received monthly. No major challenges experienced to date. Payment is frequently made through SCM and finance. Tracking system fitted on 32 vehicles. Ten (9) leased vehicles (Mercedes Benz C180 &amp; Mercedes C200 &amp; Seven (7) (Pool Vehicles) Toyota Etios' were procured. Each leased vehicle has specific lease contract schedule for the period of (36) thirty six months.</p> <p>The contract was extended on the basis of the individual vehicles lease schedules and vehicles tracking until 3 January 2020. The legal department is in the process of drafting an addendum to give effect to the extension of the contract.</p> <p>The fleet management services with regards to the provision of fuel, e-toll management and roadside assistance contract has been extended for three (3) months from 1<sup>st</sup> December 2018 - 28 February 2019. The tender for fuel management services was awarded to FNB</p> |                        |

