

**MANGAUNG
METROPOLITAN MUNICIPALITY**



**DRAFT
COST CONTAINMENT POLICY**

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1. Introduction

- 1.1 Each municipality or municipal entity must develop or revise and implement a cost containment policy which must –
- (a) in the case of a municipality, be adopted by the municipal council, and in the case of a municipal entity, by the board of directors as part of its budget related policies;
 - (b) define a municipality or municipal entity's objectives for the use of consultants; and
 - (c) be consistent with the Act and these Regulations.
- 1.2 The cost containment policy of a municipality or a municipal entity contemplated in sub - regulation (1) must –
- (a) be in writing;
 - (b) give effect to these Regulations;
 - (c) be reviewed annually, as may be appropriate;
 - (d) be communicated on the municipality's or municipal entity's website; and
 - (e) set out –
 - (i) monitoring measures for ensuring implementation of the policy;
 - (ii) procedures for the annual review of the policy; and
 - (iii) consequences for non-adherence to the measures contained therein.

2. Definitions

In these Regulations, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, unless the context indicates otherwise, and-

"Act" means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

"Consultant" means a professional person, individual, partnership, corporation, or a company appointed to provide technical and specialist advice or to assist with a design and implementation of projects or to assist a municipality or municipal entity to perform

its functions to achieve the objects of local government in terms of section 152 of the Constitution;

"Cost containment" means measures implemented to curtail spending in terms of these regulations; and

"Credit card" means a card issued by a financial services provider, which creates a revolving account and grants a line of credit to the cardholder.

"Municipality" means Mangaung Metropolitan Municipality

3. Purpose

The purpose of the policy is to regulate spending and to implement cost containment measures at Mangaung Metropolitan municipality.

4. Objective of the policy

The objectives of this policy are to:

- 4.1 To ensure that the resources of the municipality are used effectively, efficiently and economically;
- 4.2 To implement cost containment measures.

5. Scope of the policy

This policy will apply to all councilors and municipal employees.

6. Legislative framework

This policy must be read in conjunction with the

- 6.1 The Municipal Finance Management Act, Circular 97
- 6.2 Municipal Cost Containment Regulations, 2019;
- 6.3 Travelling and subsistence policy
- 6.4 Fleet policy

6.5 Overtime policy as contained in the SALGBC Main Collective Agreement;

6.6 Delegation of powers

6.7 Cellphone policy

7. Policy principles

7.1 This policy will apply to the procurement of the following goods and/or services:

- (a) Public meetings / events
- (b) Training, short courses and meetings
- (c) Sponsorships, events and catering
- (d) Staff study tours, benchmark visits and team building exercises
- (e) Communication
- (f) Expenses related to telephones, cellular phones and data facilities
- (g) Overtime management
- (h) Use of consultants
- (i) Vehicles used for political office-bearers
- (j) Procurement of vehicles
- (k) Credit cards
- (l) Campaigning
- (m) Corporate branded items
- (n) Travel and subsistence
- (o) Domestic accommodation
- (p) Tools of trade for political office bearers
- (q) Security threats assessments
- (r) Other related expenditure items

8. Public Meetings/ events

- 8.1 Before approving the hosting of conferences or events, Heads of departments must ensure that the costs associated with such have been reliably estimated, cost-effective options have been assessed and that enough budgeted funds are available to host the conference or event.

8.2 The Heads of departments must submit the requests to the Chief Financial Officer for recommendation and to the City Manager for approval. The Chief Financial Officer must take cognizance of the cash flow position of the City.

9. Training, short courses and meetings

9.1 All requests for training and short courses should be submitted to Director Corporate Services and Chief Financial Officer for consideration. Only accredited training providers will be considered.

9.2 Nominations for training should be limited to two (2) representatives per department or division per training where possible. Travelling should be by means of road transport in instances where the delegation for training is more than three (3).

9.3 Training attended by employees and councilors of the City may only be attended at accredited service providers to ensure sufficient quality of training and obtain value for money.

10. Sponsorships, events and catering

10.1 The municipality may not incur catering expenses for meetings that are only attended by persons in the employ of the municipality, unless prior written approval is obtained from the accounting officer.

10.2 Catering expenses may be incurred by the accounting officer for the following, if they exceed five (5) hours:

- (a) Hosting of meetings;
- (b) Conferences;
- (c) Workshops;
- (d) Courses;
- (e) Forums;
- (f) Recruitment interviews; and
- (g) Council proceedings

10.3 Entertainment allowances of officials may not exceed two thousand rand (R2 000,00) per person per financial year, unless otherwise approved by the accounting officer.

10.4 Expenses may not be incurred on alcoholic beverages.

10.5 Social functions, team building exercises, year-end functions, sporting events, budget speech dinners and other functions that have a social element must not be financed from the municipal budget or by any supplier or sponsor such as but not limited to:

(a) staff year-end functions

(b) staff wellness functions

(c) attendance of sporting events by municipal officials

10.6 Expenditure may be incurred to host farewell functions in recognition of officials who retire after serving the municipality for ten (10) or more years, or retire on grounds of ill health. The expenditure should not exceed the limits of the petty cash usage as per the petty cash policy of the municipality.

11. Staff study tours/ benchmark visits and team building exercises

11.1 Appropriate benchmark costs must be considered prior to granting approval for an official to attend a conference or event within and outside the borders of South Africa.

11.2 The benchmark costs may not exceed an amount determined by National Treasury.

11.3 When considering applications from officials to conferences or events within and outside the borders of South Africa, the accounting officer must take the following into account:

(a) The officials role and responsibilities and the anticipated benefits of the conference or event;

(b) Whether the conference or event will address the relevant concerns of the municipality;

(c) The appropriate number of officials to attend the conference or event, not exceeding three officials; and

(d) Availability of funds to meet expenses related to the conference or event.

11.4 The amount referred to in 11.2 above excludes costs related to travel, accommodation and related expenses, but includes:

(a) Conference or event registration expenses; and

(b) Any other expense incurred in relation to the conference or event.

- 11.5 When considering the cost for conferences or events the following items must be excluded, laptops, tablets and other similar tokens that are built into the price of such conferences or events.
- 11.6 Attendance of conferences will be limited to one (1) per annum with a maximum of two (3) delegates.
- 11.7 Meetings and planning sessions that entail the use of municipal funds must, as far as possible, be held in-house.
- 11.8 Municipal offices and facilities must be utilized for conferences, meetings and strategic planning sessions where an appropriate venue exists within the municipal jurisdiction.
- 11.9 The municipality must take advantage of early registration discounts by granting the required approvals to attend the conference, event or study tour, in advance.

12. Communication

- 12.1 All municipal related events must, as far as possible, be advertised on the municipal website, instead of advertising in magazines or newspapers except for recruitment and procurement purposes.
- 12.2 Publications such as internal newsletters must be designed internally and be published quarterly in an electronic media format and on the municipal website/intranet.
- 12.3 Newspapers and other related publications for the use of officials must be discontinued on the expiry of existing contracts or supply orders.
- 12.4 Only the Executive Mayor, Deputy Mayor, Speaker and MMCs will be supplied with weekly newspapers. To minimize the costs, the recipients must indicate the newspapers that they prefer to avoid buying newspapers that they do not read (Saturdays and Sundays are excluded from supply of newspapers). The use of digital media/ online outlets is encouraged.
- 12.5 The acquisition of mobile communication services must be done by using the transversal contracts that have been arranged by the National Treasury.

13. Expenses related to telephone, cellular phones and data facilities

- 13.1 Head of Departments through assistance of Corporate Services must implement policies and procedures to effectively manage and monitor expenses related to telephones, cellular phones and data facilities, including the recovery of costs for the private use thereof by employees from their salaries. Head of departments must set a limit of outgoing calls as per the operational activities an employee carries out. The limits should be in line with the Cellphone policy.
- 13.2 Director Corporate Services must review the Cellphone policy to ensure alignment with the cost containment regulations, MFMA Circular 97 and this policy. The said policy must provide for measures and procedures to monitor and manage telephone expenses including recovery of private use of telephone and outgoing call cap/ limit.

14. Overtime Management

- 14.1 Overtime must be undertaken in compliance with all relevant policies, SALGBC Collective Agreements and applicable legislation (e.g. Basic Conditions of Employment Act).
- 14.2 Overtime should only be approved where the necessary budget provision exists, after a need analysis has been undertaken by the relevant Directorate.
- 14.3 Planned overtime must be submitted to management for consideration on a monthly basis.
- 14.4 Authority to work overtime more than 40 hours per month must be obtained from the City Manager prior to the overtime being worked, as this is in contravention of Section 10 of the Basic Conditions of Employment Act (BCEA).
- 14.5 The Director must ensure that overtime worked which is more than 40 hours, was authorized by the City Manager prior to the actual overtime being worked and is in line with SALGBC Collective Agreement.
- 14.6 The core working hours of the employees to be changed to a shift system, where applicable, to obviate the need for overtime.
- 14.7 The regulations issued by the Department of Labor, relating to annual salary thresholds within which overtime may be paid, must be adhered to.
- 14.8 The Corporate Services Directorate must ensure that an Overtime Policy is developed and approved by Council, and such policy must be in line with the applicable legislation and regulations.
- 14.9 No adjustment budget for overtime will be submitted for council approval. Votes which are exceeded will remain soft locked until there are excess funds or savings within the department.

15. Suspension costs

- 15.1 Costs associated with long-standing staff suspensions and legal costs associated with not following due processes when suspending and dismissing staff must be eliminated.

15.2 Director Corporate Services and the relevant HODs must ensure that employees are not suspended for more than three months without initiating disciplinary process or employee recall.

16. Use of consultants

16.1 The Accounting Officer may only appoint consultants after an assessment of the needs and requirements has been conducted to support the requirement of the use of consultants.

16.2 The assessment referred to in 15.1 must confirm that the municipality does not have requisite skills or resources in its full time employ to perform the function that the consultant will carry out.

16.3 When consultants are appointed the following should be included in the Service Level Agreements:

(a) Consultants should be appointed on a time and cost basis that has specific start and end dates;

(b) Consultants should be appointed on an output-specific, specifying deliverables and the associated remuneration;

(c) Ensure that cost ceilings are included to specify the contract price as well as whether the contract price is inclusive or exclusive of travel and subsistence.

(d) The travel and subsistence costs of consultants must be in accordance with the national travel policy issued by the National Department of Transport, as updated from time to time.

(e) All engagements with consultants should be undertaken in accordance with the municipality's supply chain management policy.

16.4 Each department which makes use of consultants should develop Consultancy reduction plans for approval by the City Manager.

16.5 All contracts with consultants must include a retention fee or a penalty clause for poor performance.

16.6 The specifications and performance of the service provider must be used as a monitoring tool for the work that is to be undertaken and performance must be appropriately recorded and monitored

17. Vehicles used for political office -bearers

- 17.1 The threshold limit for vehicle purchases relating to official use by political office -bearers must not exceed R700 000 or 70% (VAT inclusive) of the total annual remuneration package of the political office bearer concerned as defined in the Public Office Bearers Act and the notices issued in terms thereof by the Minister of Cooperative Governance and Traditional Affairs, whichever is lower.
- 17.2 After expiration of the current tender, the procurement of vehicles must be undertaken using the national government transversal mechanism.
- 17.3** If any other procurement process is used, the cost may not exceed the threshold set out in 16.1.

18. Procurement of vehicles

- 18.1 Before deciding to procure a vehicle, the City Manager or delegated official must provide the council with the following information which must be considered:
- (a) status of current vehicles;
 - (b) affordability of options including whether is more cost effective to procure or to rent.
 - (c) extent of service delivery backlogs;
 - (d) terrain for effective usage of the vehicle;
 - (e) If the rental is preferred, the City Manager must review the costs incurred regularly to ensure that value for money is obtained.
 - (f) Irrespective of their usage, vehicles for official use by political office bearers may only be replaced after completion of 120 000 kilometers.
 - (g) the City may replace a vehicle for official use by political office bearers before the completion of 120 000km only in instances where the vehicle has a serious mechanical problem and is in a poor condition and subject to obtaining a detailed mechanical report by the vehicle manufacturer or approved dealer.
 - (h) the City Manager must ensure that there is a policy that addresses the use of municipal vehicles for official purposes.

19. Credit cards

19.1 The City Manager must ensure that no credit card or debit card linked to a bank account of the City is issued to any official or political office bearer.

19.2 Where officials or political office bearers incur expenditure in relation to official municipal activities, such officials or political officer bearers must use their personal credit cards or cash or arrangements made by the city and request reimbursement in accordance with the written approved policy and processes.

20. Campaigning

20.1 The City's resources may not be used to fund elections, campaign activities, including the provision of food, clothing, printing of agendas and brochures and other inducements as part of, or during election periods or to fund any activities of any political party at any time.

21. Corporate branded items

21.1 The City may not incur expenditure on corporate branded items like clothing or goods for personal use of officials, other than uniforms, office supplies and tools of trade unless costs related thereto are recovered from affected officials or is an integral part of the business model.

22. Travel and subsistence

22.1 There should be a submission of a motivation to the City Manager or the delegated official by those requesting permission to travel either locally or abroad.

22.2 The accounting officer:

- (a) May only approve the purchase of economy class tickets for officials where the flying time for a flight is five (5) hours or less;
- (b) For flights that exceed five (5) hours of flying time, may purchase business class tickets only for accounting officers, and persons reporting directly to accounting officers.
- (c) Notwithstanding 21.2 (a), the accounting officer may approve the purchase of a business class tickets for officials with disabilities or medically certified condition.
- (d) International travel to meetings or events will only be approved if it is considered critical to attend the meeting or event, and only the officials that are directly involved with the subject matter will be allowed to attend the meeting or event.
- (e) Officials of the municipality must:
 - (i) Utilize the municipal fleet, where viable, before incurring costs to hire vehicles;
 - (ii) Make use of a shuttle service if the cost of such a service provider is lower than: the cost of hiring a vehicle; the cost of kilometers claimable by the employee; and the cost of parking.
 - (iii) not hire vehicles from a category higher than Group B; and
 - (iv) where a different class of vehicle is required for a particular terrain or to cater for the special needs of an official, seek the written approval of the accounting officer before hiring the vehicle.
- (f) The municipality must use the negotiated rates for flights and accommodation as communicated by National Treasury, from time to time, or any other cheaper flight or accommodation that is available. Please refer to **Annexure A** and **Annexure B****

23. Domestic accommodation

23.1 Overnight accommodation may only be booked where the return trip exceeds 500 kilometers. There may be circumstances that such limitations may be impractical. For example, in instances where attendance is required over a number of days, or there is a risk to the health of the official or councillor and cost vs benefit considerations can warrant such expenditure. In such cases, an exception is allowed, and approval of the Accounting Officer or delegated official would be required.

23.2 The accounting officer must ensure that costs incurred for domestic accommodation and meals are in accordance with the maximum allowable rates for domestic accommodation and meals, as communicated by National Treasury, from time to time, as stipulated in **Annexure A**. and the travel and subsistence policy of the City.

24. Tools of trade for political office bearers

24.1 Expenditure on tools of trade for political office bearers must be limited to the upper limits as approved and published by the Cabinet member responsible for local government in terms of the Remuneration of Public Office Bearers Act, 1998.

25. Security threats assessments

25.1 The City may only use the services of the South African Police Service to conduct periodical or quarterly security threat assessments of political office bearers and key officials and a report must be submitted to the Speaker's office.

26. Other related expenditure items

26.1 All commodities, services and products covered by a transversal contract by the National Treasury must be procured through that transversal contract before

approaching the market, to benefit from savings and lower prices or rates that have already been negotiated.

27. Enforcement procedures

27.1 Failure to implement or comply with this policy may result in any official of the municipality or political office bearer that has authorized or incurred any expenditure contrary to those stipulated herein being held liable for financial misconduct as set out in Chapter 15 of the MFMA.

28. Disclosures of cost containment measures

28.1 Cost containment measures applied by the municipality must be included in the municipal in-year budget report and annual cost savings must be disclosed in the annual report.

28.2 The measures implemented, and aggregate amounts saved per quarter, together with the regular reports on reprioritization of cost savings, on the implementation of the cost containment measures must be submitted to the municipal council for review and resolution. The municipal council can refer such reports to an appropriate council committee for further recommendations and actions.

28.3 Such reports must be copied to the National Treasury and relevant provincial treasuries within seven calendar days after the report is submitted to municipal council.

29. Implementation & Review process


29.1 This policy will be reviewed at least annually or when required by way of a council resolution, or when an update is issued by National Treasury.

30. Consequences for non-adherence to the cost containment measures

- 30.1 Any person must report an allegation of non-compliance to the cost containment policy to the accounting officer of the municipality.
- 30.2 The accounting officer must investigate the allegations and if frivolous, speculative or unfounded, terminate the investigations.
- 30.3 If the accounting officer determines the allegations are founded, a full investigation must be conducted by the disciplinary board.
- 30.4 After completion of a full investigation, the disciplinary board must compile a report on the investigations and submit a report to the accounting officer on:
- (a) Annual Budget
 - (b) Findings and recommendations; and/or
 - (c) Whether disciplinary steps should be taken against the alleged transgressor.
- 30.5 The accounting officer must table the report with recommendations to the municipal council.
- 30.6 Subject to the outcome of the council decision the accounting officer must implement the recommendations.

31. Annexure A

Table 1: Rates set for Domestic Hotel Accommodation

Voucher Includes	BAND 1	BAND 2	BAND 3
	Room Only Tourism Levy VAT	Bed & Breakfast Tourism Levy VAT	Dinner, Bed and Breakfast Tourism Levy VAT 2 x soft Drinks at Dinner
Graded Hotel, Boutique Hotel, Lodge or Resort			
	BAND 1	BAND 2	BAND 3
1 Star	R 590	R 730	R 855
2 Star	R 920	R 1050	R 1230
3 Star	R1120	R 1230	R 1400
4 Star	R1275	R 1380	R 1550
5 Star	R2140	R 2250	R 2500
Bed & Breakfast, Country House or Guest house			
	BAND 1	BAND 2	BAND 3
1 Star	R 3350	R 495	R 630
2 Star	R 510	R 670	R 830
3 Star	R 920	R1080	R1230
4 Star	R1020	R1180	R1330
5 Star	R1225	R1385	R1530
Self-Catering*			
	BAND 1	BAND 2	BAND 3
1 Star	R 590		
2 Star	R 920		
3 Star	R1120		
4 Star	R1275		
5 Star	R1475		
Meals**			
	BAND 1	BAND 2	BAND 3
Breakfast	R 110	R -	R -
Lunch	R 160	R 160	R 160
Dinner	R 180	R 180	R -
Total	R 4500	R 340	R 160
<p><i>Accommodation costs are assumed to be inclusive of Parking and Wi-Fi (if available), and exclusive of Laundry expenses.</i></p> <p><i>Including Exclusive and Shared Facilities. Exclusive facilities offer travellers a sole occupancy unit consisting of one or more bedrooms and self-contained public areas e.g. kitchen, dining area and lounge.</i></p> <p><i>Shared Facilities consisting of one or more bedrooms and self-contained shared public areas e.g. kitchen, dining area and lounge.</i></p> <p><i>**Maximum amounts that can be claimed for meals. The claim for the actual amounts must be supported by a receipt.</i></p>			

If a negotiated rate for a specific star grading is equivalent to or lower than the rate for the lower star grading, the official may be accommodated in the establishment with the higher star grading. This means that an official may be accommodated at a four-star establishment if the rate at the four-star establishment is the same as or lower than a three-star establishment.

Where there is an alternative star grading indicated in **Table 1** (i.e. 4/5 or 3/4), the maximum allowable rate of the lower star grading will be the benchmark. The higher star grading can only be booked if:

- a. the higher star graded facility is the only available option due to location and availability; or
- b. the municipality or municipal entity has negotiated lower rates with the higher star graded facility.

32. Annexure B: BA/COMAIR and SAA Deal Codes per Municipality

Municipalities and municipal entities should use the following codes when requesting quotes from BA/COMAIR.

MUNICIPALITIES	
NAME	DEAL CODE
EASTERN CAPE	
Alfred Nzo District Municipality Matatiele, Mbizana, Ntabankulu and uMzimvubu	1020907
Amathole District Municipality Amahlathi, Mnquma, Ngqushwa, Raymond Mhlaba, Mbashe and Great Kei,	1020906
Buffalo City Metropolitan Municipality	1020901
Chris Hani District Municipality Emalahleni, Engcobo, Intsika, Inxuba, Sakhisizwe and Enoch Mgijima	1020908
Joe Gqabi District Municipality Elundini, Walter Sisulu and Senqu	1020909
Nelson Mandela Bay Metropolitan Municipality	1020899
OR Tambo District Municipality Ingquza Hill, King Sabata Dalindyebo, Mhlontlo, Nyandeni and Port St Johns	1020903
Sarah Baartman District Municipality Dr Beyers Naudé, Blue Crane Route, Makana, Ndlambe, Sundays River Valley, Kouga and Kou-kamma	1020921
FREE STATE	
Fezile Dabi District Municipality Mafube, Moqhaka, Metsimaholo and Ngwathe	1020922
Lejweleputswa District Municipality Masilonyana, Matjhabeng, Nala, Tokologo and Tswelopele	1020923
Mangaung Metropolitan	1020923
Thabo Mafutsanyana District Dihlabeng, Maluti - a- Phofung, Mantsopa, Nketoana, Phumelela and Setsoto	1020924
Xhariep District Kopanong, Letsemeng and Mohokare	1020925
GAUTENG	
City of Johannesburg Metropolitan	1020900
City of Tshwane Metropolitan	1020898
Ekurhuleni Metropolitan	1020904
Sedibeng District Emfuleni, Lesedi and Midvaal	1020926
West Rand District Merafong, Mogale City, Rand West	1020927
KWAZULU-NATAL	

eThekwini Metropolitan	1008810
iLembe District Municipality KwaDukuza, Mandeni, Maphumulo and Ndwedwe	1020929
Harry Gwala District Municipality Greater Kokstad, Uhlebezwe, Umzimkhulu and Dr Nkosazana Dlamini Zuma	1020835
Ugu District Municipality uMdoni, Umzumbe, uMuziwabantu and Ray Nkonyeni	1020836

MUNICIPALITIES	
NAME	DEAL CODE
Pixley Ka Seme Emthanjeni, Kareeberg, Renosterberg, Siyancuma, Siyathemba, Thembelihle, Ubuntu and Umsobomvu	1020857
ZF Mgcawu !Kai! Garib, !Kheis, Tsantsabane, Kgatelopele and Dawid Kruiper	1020858
WESTERN CAPE	
Cape Winelands District Municipality Witzenberg, Drakenstein, Stellenbosch, Breede Valley and Langeberg	1020859
Central Karoo District Municipality Beaufort West, Laingsburg and Prince Albert	1020859
City of Cape Town Metro	1008771
Garden Route District Municipality Bitou, George, Hessequa, Kannaland, Kynsna, Mossel Bay and Oudtshoorn	1020861
Overberg District Municipality Cape Agulhas, Overstrand, Swellendam and Theewaterskloof	1020862
West Coast District Municipality Bergrivier, Cederberg, Matzikama, Swartland and Saldanha Bay	1020863

Municipalities and municipal entities not listed above should use the following details to contact BA/Comair to obtain a deal code:

Contact Details

Nangamso Letlape: National Account Manager:

Government Nan.letlape@comair.co.za

Municipalities and municipal entities should use the following deal code when requesting quotations from SAA: CK3828. In order to arrange access to the deal

codes, travel management companies servicing municipalities and municipal entities should contact the following SAA representatives:

Contact Details

Eastern Cape: Tracy Mentzel (tracymentzel@flysaa.com)

Western Cape: Enid Sinequan (enidsinequan@flysaa.com)

KwaZulu-Natal: Kriba Govender (kribagovender@flysaa.com)

All other provinces: Mark Steele (marksteele@flysaa.com)

33. Annexure C: RT15-2016 Mobile Communication Services

33.1 One Account

The enterprise bundle account will be in the name of the municipality and no longer in the name of an individual mobile user. Individual mobile user contracts (lines) will be migrated to the enterprise bundle account as follows:

Vodacom individual mobile user contracts (lines) will be migrated immediately irrespective of their contract period at no penalty.

Non-Vodacom mobile user contracts (lines) will be left to run their contract periods. On expiry of the contract, they will be ported and migrated to the enterprise bundle account.

Vodacom may consider buying out existing contracts that are left with less than six (06) months to expiry. These will be on a case-by-case basis.

33.2 Bundle subscriptions

The enterprise bundle solution is a pool of minutes, data and SMSs consumed by all mobile users in a municipality. A municipality can customise the pool of voice, data and SMSs to meet its mobile requirements. The minimum bundle options available are as follows:

33.2.1 Enterprise Voice Bundle WITH Hardware Fund

A device with 400 domestic voice minutes, 500 closed user group minutes that allow calls for free to all numbers (all state institutions) participating on RT15, 600MB, and 100 SMSs at a monthly subscription of R463.98 inclusive of VAT.

The device is managed separately. Vodacom (Pty) Ltd “Vodacom” creates a hardware fund account by allocating R3990 inclusive of VAT per mobile user to create the hardware fund. The municipality will procure any terminal (device) from the hardware fund. The municipality will choose any devices that are fit for its purpose.

If a municipality allocates devices within the hardware fund limit, there will be no payment to Vodacom. Vodacom Operations and Billing together with the municipality will reconcile the hardware fund.

If a municipality allocates devices in excess of the hardware fund limit, there will be payment for the excess to Vodacom. The excess can either be paid once-off or it can be paid by amortisation for a certain period as agreed with Vodacom. Vodacom will invoice the municipality once, where there is an agreement to pay the excess once-off. Vodacom will invoice monthly where the agreement is an amortisation payment.

33.2.2 Enterprise Voice Bundle WITHOUT a Hardware Fund (SIM only)

400 domestic voice minutes, 500 closed user group minutes that allow calls for free to all numbers (all state institutions) participating on RT15, 600MB, and 100

SMS's at a monthly subscription of R320.84 inclusive of VAT.

No hardware fund is applicable with this bundle.

33.2.3 Enterprise Data Bundle (SIM only)

The enterprise data bundle solution is a pool of data consumed by all mobile users in a municipality. A municipality can customise the pool of data to meet its mobile requirements.

800MB of data at a monthly subscription of R100.32 inclusive of VAT.

No hardware fund is applicable with this bundle.

33.3 Other services available on RT15

Internet of Things (e.g. Any asset management including Smart Metering);

Enterprise mobility management (Any mobile applications);

Roaming (Zone 1 are Vodafone Countries where daily access fee is waived and home rates are charged, there are roaming agreements on Zone 2 where daily access fee is reduced by 50%, No Roaming agreement on Zone 3 where SMS charges are reduced by 50%)

Device security;

Bulk SMS including USSD;

APN (Access Point Node);

Push-to-talk (using a mobile device);

Value Added Services;

Insurance for Devices;

Unified Communications (e.g. Video Conferencing, One-Net etc.); and

All these services come with a commitment by Vodacom of Best Quality network – there is an agreement with Vodacom to ensure coverage on all areas where there is public service rendered. Municipalities must contact the National Treasury where there are coverage requirements.

33.4 Contact Details

National Treasury

For all transversal contract and participation queries, please use the following link to contact the relevant official on transversal contracts.

<http://www.treasury.gov.za/divisions/ocpo/ostb/contracts/Transversal%20Contracting%20Contact%20List%2001%20June%202019.pdf>

Vodacom

All on-boarding queries by participating municipalities should be directed by

Administrators to 08217875 and/or Email Address: national.treasury@vodacom.co.za. For all mobile users within a participating municipality the contact number is 0821940.