
Your Ref: Clr M Kganaga
Room 201, Bram Fischer Building

Our Ref: 12/1/9/4/2
Date: 6 June 2023

Clr M Kganaga

D.A Councillor

Mangaung Metropolitan Municipality

Dear Councillor Kganaga

**RESPONSE TO RULE 38 QUESTION. EXTENSION OF CONTRACT OF MAINE
MANAGEMENT AND CHARTERED ACCOUNTANTS.BID 609**

Your undated letter received on 22 May 2023, regarding the above-mentioned matter refers.

In responding to the questions below, the honourable Councillor should bear in mind the provisions of the Protection of Personal information Act (4 of 2000), which must be taken into consideration, due to the nature of the questions posed.

Question 1.

When was the initial contract taken out with Maine Management and chartered Accountants?

Response: The service provider was appointed to be part of a Panel of Consultant to assist the Finance Directorate in performing finance related matters on 10 January 2022. The consultants were then appointed to implement a specific project under Contract C693/E on 07 March 2022, terminating on 06 March 2023.

Question 2.

Who is Erika Meeding and what are her functions with regards to extensions of contracts in Mangaung?

Response: Erika Meeding is the Official in the Legal Services sub-directorate (Contracts Management). Her functions includes the following but not limited to:

- Writing reminding letters to Project Managers alerting them about their impending termination dates of their appointed Service Providers,
- Draft the Extension of time letters if such Extensions of Time that are approved, for the final approval and signing by the CFO,



- Furnishing copies of such approved letters to Service Providers, Project Managers and other relevant officials.

Question 3.

Who is Boitumelo Moiloa and what is her functions with regard to extensions of the contracts in Mangaung?

Response:

Boitumelo Moiloa is the Acting GM: Revenue Management. Her functions are the following but not limited to:

- Ensuring that the sub-directorate is capable of recognizing transformation of goals and objectives, also to aligning strategies to complete the shift in the practice.
- Manage and control key performance indicators and outcomes of the personnel in the sub-directorate's nine units.
- Performing administrative duties or responsibilities associated with the sub-directorate, e.g. monthly revenue reports, submission of council items, SDBIP quarterly reports, ensuring that the municipality compiles an indigent register for three-year cycle as stipulated by the Indigent Policy of the municipality,
- avoiding non-compliance by the sub-directorate, on its contractual obligations the by ensuring that all valid contracts for service providers are in place.

Note should be taken that in this matter the recommendation (**not contract extension approval**) was prepared by the Acting GM, and then submitted, for the signature (approval or not approval) of the Acting CFO, and then the Acting City Manager for Final Approval.

Question 4.

What is the basis of the extension from the ACFO?

Response: The municipality is obliged to compile an indigent registration as stipulated by the municipality's Indigent Policy on a three-year cycle. Currently the municipality does not have the requisite internal capacity to achieve this objective.

Question 5.

What the reason for the extension?

Response: This exercise is undertaken as a matter of compliance, with the policy alluded to above.

Question 6.

Section 116 of MFMA requires that extensions of the contract be approved by Council. When will this be put in front of Council for approval?

Response: The Municipality has the authority to extend contracts that will not go beyond a period of three years administratively in line with Section 33(1) of the MFMA. Those that will exceed a three years period by extension of time, are the ones that will have to follow Section 116(3) of the MFMA process. The said requirement is not applicable in this specific contract, as it does not exceed a period of three years.

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Question 7

How much more is this extension costing the taxpayers?

Response: The service provider is paid according to the indigent applications received to be processed and work done by the service provider. It is therefore impractical to indicate the cost as it is not clear how many applications will be received.

Question 8.

Will the extension be regarded as wasteful expenditure?

Response: No, It will not be a wasteful expenditure as it has already been stipulated above that the contract is still under the thresholds of three years.

Question 9

What are the outcomes of Maine Management and Chartered accountants since the origin of the contract?

DETAILS	Number of approved indigent households
September 2022 Council submission (approved)	3 459
May 2023 Council submission (still to approved)	15 147
Total	18 606

Question 10.

What are the comments from Mangaung Internal Audit and Mangaung legal?

Response: The two internal sub-directorates did not make an input as the directorate was simply exercising its administrative function.

Yours faithfully


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Ngaka Dimalisile
Acting City Manager
Date: 24/9/23



Ward Councillors

DATE:

TO: The Acting City Manager of the
Mangaung Metropolitan Municipality (MMM): Mr Dumisile Ngaka
Dumalisile.ngaka@dhs.gov.za & ocm.reception@manqaunq.co.za

FURTHER TO: The Speaker of MMM: Maryke Davies
marykedavies@gmail.com & Dean.maasdorp@manqaunq.co.za

FURTHER TO: The Executive Mayor of MMM: Cllr Gregory Nthatsi
Gregory.nthatsi@mangaug.co.za

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BLOEMFONTEIN
9301

BY HAND AND EMAIL

Dear Sir / Madam

**RE: Extension of Contract of Maine Management and Chartered Accountants
Bid609
202012021.**

I refer your attention to Rule 38 of the Standing Rules and Orders that state:

38.1 Any member may submit a question requiring a written reply from any political office bearer, the municipal manager or senior manager of the municipality, concerning any matter related to the effective performance of the functions of the municipality and the exercise of its powers, provided that a written notice of such a questions has been submitted to the Speaker or chairperson and the municipal manager at least 10 (ten) days prior to the councillor committee meeting and the political office bearer and the City Manager shall ensure that the member receive a written reply at the meeting.

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38.2 If after the question has been replied to, a member is of the opinion that the reply is not clear or satisfactory, he or she may with the permission of the speaker or chairperson, request a follow-up question, follow —up question should be in writing.

38.3 All questions duly given notice.of and all responses submitted shall be recorded in the minutes of the meeting.

City on the move

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Municipal Finance Management Act Section 116

Contracts and contract management 1 16.

(1) A contract or agreement procured through the supply chain management system of a municipality or municipal entity must

- (a) be in writing; 30 (b) stipulate the terms and conditions of the contract or agreement, which must include provisions providing for

- (i) the termination of the contract or agreement in the case of non- or under(ii)

dispute resolution mechanisms to settle disputes between the parties; 35

(iii) a periodic review of the contract or agreement once every three years in the case of a contract or agreement for longer than three years; and

(iv) any other matters that may be prescribed. performance;

(2) The accounting officer of a municipality or municipal entity must-

(a) take. all reasonable steps to ensure that a contract or agreement procured 40 through the supply chain management policy of the municipality or municipal entity is properly enforced; (b) monitor on a monthly basis the performance of the contractor under the contract or agreement;

(c) establish capacity in the administration of the municipality or municipal 45

entity(i) to assist the accounting officer in carrying out the duties set out in

(ii) to oversee the day-to-day management of the contract or agreement; and paragraphs

(a) and (b); and (d) regularly report to the council of the municipality or the board of director b of the entity, as may be appropriate, on the management of the contract or agreement and the performance of the contractor.

(3) A contract or agreement procured through the supply chain management policy of

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(a) the reasons for the proposed amendment have been tabled in the council of the municipality or, in the case of a municipal entity, in the council of its parent municipality; and

(b) the local community- (i) has been given reasonable notice of the intention to amend the contract or (ii) has been invited to submit representations to the municipality or the municipality or municipal entity may be amended by the parties, but only after--- agreement; and municipal entity.

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Therefore, I ask the following questions in terms of Rule 38 of the Standing Rules and Orders:

1. When was the initial contract taken out with Maine Management and Chartered Accountants?
2. Who is Erika Meeding and what are her functions with regards to extensions of contracts in Mangaung?
3. Who is Boitumelo Moila and what are her functions with regard to extensions of contracts in Mangaung?
4. What is the basis of the extension from the ACFO?
5. What are the reason for extension of this contract?
6. Section 116 of MFMA requires extensions of contracts to be approved by council, when will this be put in front of council for approval?
7. How much ore is this extension costing the tax payer?
8. Will the extension be regarded as wasteful expenditure?
9. What re the outcomes of Maine Management and Chartered accountants since the origin of their contract?
10. What are the comments from Mangaung internal audit and Mangaung legal?

Looking forward in having a written reply as soon as possible or at our next council meeting.

Yours faithfully,

Cllr Mokgadi Kganakga

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