



REPORTS OF OVERSIGHT COMMITTEES REPORTING DIRECTLY TO THE COUNCIL allowed in terms of Section 8(1)(f)(b)(i) of the Rules and Orders for consideration by the Council.

Agenda of the Council Meeting of the

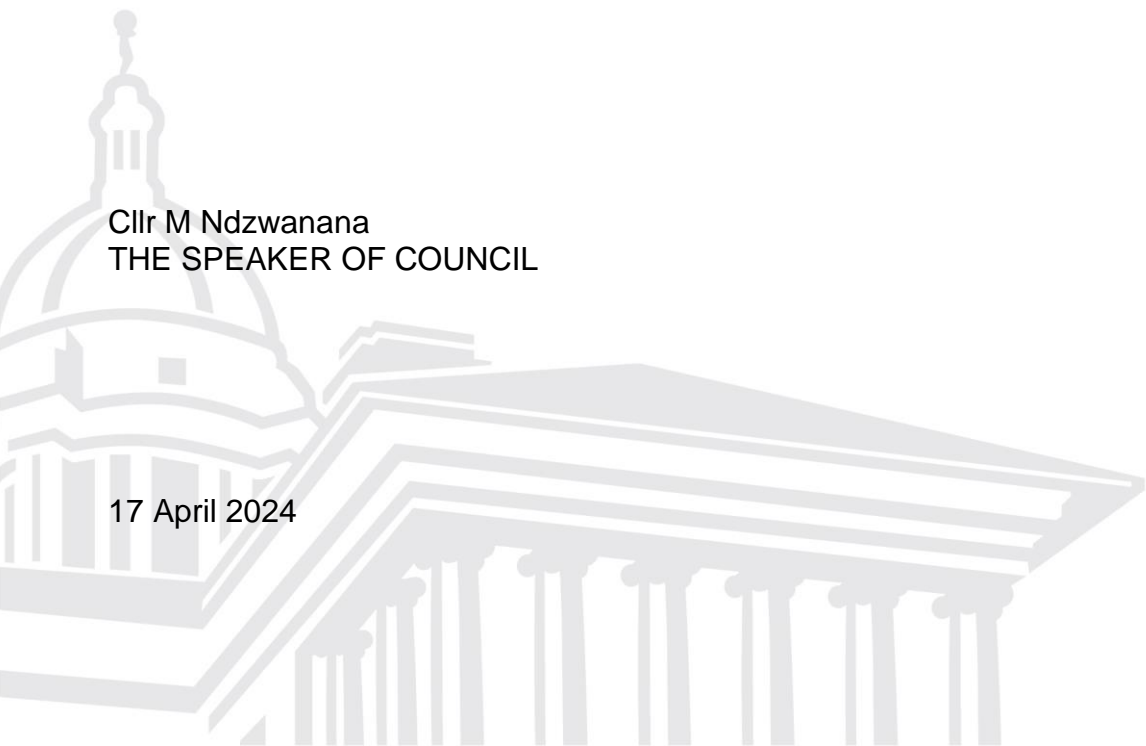
CITY OF TSHWANE METROPOLITAN MUNICIPALITY

to be held in the Council Chamber, Second Floor, Tshwane House, Madiba Street, Pretoria, on **THURSDAY, 25 APRIL 2024** at **10:00**, to consider the matters as set out in the agenda.

	PAGES
A. FROM THE SECTION 79 OVERSIGHT COMMITTEE: GROUP FINANCIAL SERVICES MEETING: 14 MARCH 2024 AND COUNCIL: 27 MARCH 2024	4-66

Cllr M Ndzwana
THE SPEAKER OF COUNCIL

17 April 2024



F. REPORT TO COUNCIL

The Speaker, in terms of Section 8(1)(f)(b)(i) of the Rules and Orders, proposes to Council that the report contained in this agenda, from the Meeting of the Section 79 Oversight Committee: Group Financial Services held on 14 March 2024, be submitted for consideration, and subsequently requests the Chair of Chairs, Alderman IP du Plooy, to present the report to Council.

COUNCIL AGENDA : CITY OF TSHWANE METROPOLITAN MUNICIPALITY:
25 APRIL 2024

REPORTS TO COUNCIL

INDEX

PAGES

(The recommendations appear on the pages indicated in brackets)

A. FROM THE SECTION 79 OVERSIGHT COMMITTEE: GROUP FINANCIAL SERVICES MEETING: 14 MARCH 2024 AND COUNCIL: 27 MARCH 2024

1. Group Financial Services Department
(Revenue Management Division)
Grants and Subsidies progress report for the period ended
31 December 2023
(From the Section 79 Oversight Committee: Group Financial Services Meeting: 14 March 2024 and Council: 27 March 2024) 4-46(46)
2. Group Financial Services
(Supply Chain Management Division)
Oversight SCM report on the state of stores
(From the Section 79 Oversight Committee: Group Financial Services Meeting: 14 March 2024 and Council: 27 March 2024) 47-50(50)
3. Group Financial Services Department
(Supply Chain Management Division)
Report on selection process of BSC, BEC & BAC members in line
with the SCM policy requirements (skills, qualifications & experience)
(From the Section 79 Oversight Committee: Group Financial Services Meeting: 14 March 2024 and Council: 27 March 2024) 51-57(57)
4. Group Financial Services Department
Request for filling of key vacant positions within the
Group Financial Services Department
(From the Section 79 Oversight Committee: Group Financial Services Meeting: 14 March 2024 and Council: 27 March 2024) 58-62(61)
5. Group Financial Services Department
(Supply Chain Management Division)
Report to the Section 79 Oversight Committee on the blacklisting process
(From the Section 79 Oversight Committee: Group Financial Services Meeting: 14 March 2024 and Council: 27 March 2024) 63-66(66)

COUNCIL AGENDA: CITY OF TSHWANE METROPOLITAN MUNICIPALITY:
25 APRIL 2024

REPORTS TO COUNCIL

Ref No: 99437/1
N Mokete (358 3625)
COUNCIL: 25 APRIL 2024

1. REPORT OF THE CITY MANAGER:
GRANTS AND SUBSIDIES PROGRESS REPORT FOR THE PERIOD ENDED
31 DECEMBER 2023
**(From the Section 79 Oversight Committee: Group Financial Services Meeting:
14 March 2024 and Council: 27 March 2024)**

1. PURPOSE

The purpose of this report is to inform the Committees on the financial progress, in respect of performance of the various Inter-governmental Transfers and Grants for the period ended 31 December 2023.

2. BACKGROUND

Section 214 of the Constitution provides for national government to transfer resources to municipalities, in terms of the annual Division of Revenue Act (DoRA), to assist municipalities in exercising their powers and performing their functions. These allocations are announced annually in the national budget.

In terms of the Division of Revenue Act (Act no. 05 of 2023), certain inter-governmental grant allocations are made to the City of Tshwane (CoT) as part of the equitable distribution of National revenue, and the Provincial Gazette Extraordinary No 147 promulgated on 25 April 2023.

Other inter-governmental transfers are part of a Memorandum of Agreement (MOA) or Service Level Agreement (SLA) between the CoT and the relevant Authority, for services rendered by the CoT on an Agency basis.

3. PURPOSE OF CONDITIONAL / UNCONDITIONAL GRANT ALLOCATIONS

(Unaltered)

- 3.1. Definition:

“Conditional Allocation” means an allocation to a province or municipality from the national government’s share of revenue raised nationally, envisaged in terms of

Section 214(1)c of the Constitution of the Republic of South Africa, 1996, and as set out in Schedule 4, 5, 6 or 7 of the DoRA.

3.2. Purpose:

Spending of conditional grants shall be in terms of the purpose and subject to the conditions set out in the Division of Revenue Act (Act no. 05 of 2023) Section 16 which states that:

16(1) Despite any other legislation to the contrary, an allocation referred to in Schedules 4 to 7 may only be used for the purpose stipulated in the Schedule concerned and in accordance with the applicable framework.

16(2) (a) A framework may provide for components within a conditional allocation that are subject to specific conditions.

Unspent conditional allocations

21(1) Despite a provision to the contrary in the Public Finance Management Act or the Municipal Finance Management Act, any conditional allocation, or a portion thereof, that is not spent at the end of the 2023/24 financial year reverts to the National Revenue Fund, unless the roll-over of the allocation is approved in terms of subsection (2).

(2) The National Treasury may at the request of the transferring officer, receiving officer or provincial treasury, approve a roll-over of conditional allocation to the 2024/25 financial year if the unspent funds are committed to identifiable projects.

Table 3.2.1 below, indicates the purpose of Conditional Government Grants that the CoT receives in terms of the Division of Revenue Act (Act no. 05 of 2023).

Criteria for the rollover of conditional grant funds

When requesting a rollover in terms of section 21(2) of the 2023 DoRA, municipalities must include the following information with their submission to National Treasury:

- A formal letter, signed by the accounting officer addressed to the National Treasury requesting the rollover of unspent conditional grants in terms of section 21(2) of the 2023 DoRA;
- A list of all the projects that are linked to the unspent conditional grants and a breakdown of how much was allocated and spent per project;
- The following evidence indicating that work on each of the projects has commenced, as applicable to the specific rollover(s):

- a) Proof that a contractor or service provider was appointed for delivery of the project before 31 March 2024; or
 - b) Proof of project tender and tender submissions published and finalised before 31 March 2024 with the appointment of contractor or service provider for delivery of the service before 30 June 2024 in cases where additional funding was allocated during the course of the final year of the project.
 - c) Incorporation of the Appropriation Statement; and
 - d) Evidence that all projects linked to an allocation will be fully utilised by 30 June 2024 (attach cash flow projection for the applicable grant).
- A progress report (also in percentages) on the status of each project's implementation that includes an attached legible implementation plan);
 - The value of the committed project funding, and the conditional allocation from the funding source;
 - Reasons why the grants were not fully spent during the year of original allocation per the DoRA;
 - Rollover of rollovers will not be considered therefore municipalities must not include previous year's unspent conditional grants as rollover request;
 - An indication of the time-period within which the funds are to be spent if the roll-over is approved; and
 - Proof that the Municipal Manager and Chief Financial Officer are permanently appointed.

No rollover requests will be considered for municipalities with vacant or acting Chief Financial Officers and Municipal Managers for a period exceeding 6 months from the date of vacancy, this also includes acting appointments as a result of suspensions of either MM or CFO that are more than 12 months.

If any of the above information is not provided or the application is received by National Treasury (Intergovernmental Relations Division) after 31 August 2024, the application will not be considered.

Table 3.2.1: Purpose of Conditional Government Grants: National

National Government: Conditional Grants		
Name of Allocation	Abbreviations	Purpose
Expanded Public Works Programme	EPWP	<p>To incentivize municipalities to expand work creation efforts through use of labour-intensive delivery methods in the following identified focus areas, in compliance with the EPWP Guidelines:</p> <ul style="list-style-type: none"> • Road maintenance and maintenance of buildings. • Low traffic volume and rural roads; • Basic services infrastructure, including water and sewer reticulation, sanitation pipelines (excluding bulk infrastructure) • Other economic and social infrastructure; • Tourism and cultural industries; • Waste management; • Parks and beautification; • Sustainable land- based livelihoods; • Social services programmes and • Community safety services.
Financial Management Grant	FMG	To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA)
Programme and Project Preparation Support Grant	PPPSG	To support metropolitan municipalities to develop a pipeline of investment ready capital programmes and projects through establishing and institutionalising an effective and efficient system of programme and project preparation and the allocation of a growing level of municipal resources to preparation activities
Neighbourhood Development Partnership Grant	NDPG	To plan, catalyse, and invest in targeted locations in order to attract and sustain third party capital investments aimed at spatial transformation, that will improve the quality of life, and access to opportunities for residents in South Africa's targeted locations, under-served neighbourhoods, generally townships and rural towns.
Public Transport Network Grant	PTNG	To provide funding for accelerated construction and improvement of public and non-motorised transport infrastructure that form part of a municipal integrated public transport network (IPTN) and to support the planning, regulation, control, management and operations of fiscally and financially sustainable municipal public transport network services
Urban Settlement Development Grant	USDG	To supplement the capital revenues of metropolitan municipalities in order to implement infrastructure projects that promote equitable, integrated, productive, inclusive and sustainable urban development
Informal Settlements Upgrading Partnership Grant	ISUPG	To provide funding to facilitate a programmatic, inclusive and municipality-wide approach to upgrading informal settlements
Energy Efficiency and Demand-Side Management Grant	EEDSM	To provide subsidies to municipalities to implement energy efficiency and demand-side management (EEDSM) initiatives within municipal infrastructure to reduce electricity consumption and improve energy efficiency.

Table 3.2.2 below indicates the purpose of Conditional Government Grants which the CoT received, in terms of the Provincial Gazette Extraordinary, No 147 of 25 April 2023, and or the Memorandum of Understanding signed between the parties.

Table 3.2.2: Purpose of Conditional Government Grants: Provincia

Provincial Government: Conditional Grants		
Name of Allocation	Abbreviations	Purpose
Community Library Services Grant	CLS	To transform urban and rural community library infrastructure, facilities and service (primary targeting previously disadvantaged communities) through recapitalized programme at Provincial level in support of local government and national initiatives
HIV/AIDS Grants	HIV/AIDS	Sustain coverage of the ward-based door to door HIV education programme to reduce new HIV infections through "Combination HIV prevention" (defined) prioritizing youth. Effective utilization of health, social and other services through education with referrals and follow up. Increased capacity of ward structures and community to address HIV and TB in the local community.
Primary health care	PHC	To render comprehensive Primary Health Care Services according to Service Level Agreements.
Human Settlement Development Grant	HSDG	To provide funding for the creation of sustainable human settlements.
Mamelodi Bus Operations Subsidy		To provide additional subsidized bus transport services to various communities covering Mamelodi & Southern, Eastern, Northern Suburbs and Pretoria CBD.

3.3 Table 3.3 below indicates the purpose of various other grants that the CoT received.

Table 3.3: Purpose of Conditional "Other" Grants

Other Grants		
Name of Allocation	Abbreviations	Purpose
Restructuring Capital Grant	RCG-SHRA	Restructuring Capital grant from the Social Housing Company for the Development of Social Housing Projects.

3.4 The table below, indicates the purpose of Unconditional Government Grants that the CoT received, in terms of the Division of Revenue Act no. 5 of 2023).

Table 3.4: Purpose of Unconditional Government Grants: National

National Government: Unconditional Grants		
Name of Allocation	Abbreviations	Purpose
Equitable Share	EQS	Equitable share of revenue is raised nationally to enable local government sphere to provide basic services and perform the functions allocated to it.

4. RECEIPT OF CONDITIONAL / UNCONDITIONAL GRANTS AND SUBSIDIES ALLOCATIONS

- 4.1. On 31 May 2023, the Council approved the MTREF for the 2023/24 financial year. The Total Operating Transfers and Grants amounts to R5,1 billion, and the Total Capital Transfers and Grants amounts to R2 billion.

A summary of all receipts and expenditure for the period ending 31 December 2023 is reflected in table 4.1.1 below.

Table 4.1.1 Summary of Receipts and Expenditure - Grants and Subsidies

Grants and Subsidies	Original Budget 2023/24	YTD Actual Receipts December-2023	YTD Budget Receipts December-2023	YTD Actual Expenditure December-2023	YTD Budget Expenditure December-2023	Unspent Balance Total budget (Receipts)	% Spent YTD Receipts
	R'000	R'000	R'000	R'000	R'000	R'000	%
Operating Transfers and Grants	5,112,620	3,600,094	3,632,324	3,298,733	3,434,557	301,361	92%
Capital Transfers and Grants	2,010,940	1,042,316	1,055,574	387,097	769,061	655,218	37%
Total	7,123,560	4,642,410	4,686,898	3,685,830	4,203,618	956,580	79%

Expenditure for the period amounts to R3,7 billion or 79% measured against the YTD receipts of R4,6 billion. The unspent balance as at 31 December 2023 amounts to R956 million.

The city migrated from the old SAP ECC6 system to the new SAP S/4Hana system in early July. The creation of purchase requisition and purchase orders was delayed during the first quarter of the financial year.

Departments are required to develop recovery plans to accelerate spending in order to avoid rollovers at year-end. A Capex Committee chaired by CFO and COO must be established to oversee the spending on CAPEX programs and conditional grants.

The graph below depicts current year actual receipts and spending on all grants for the period.

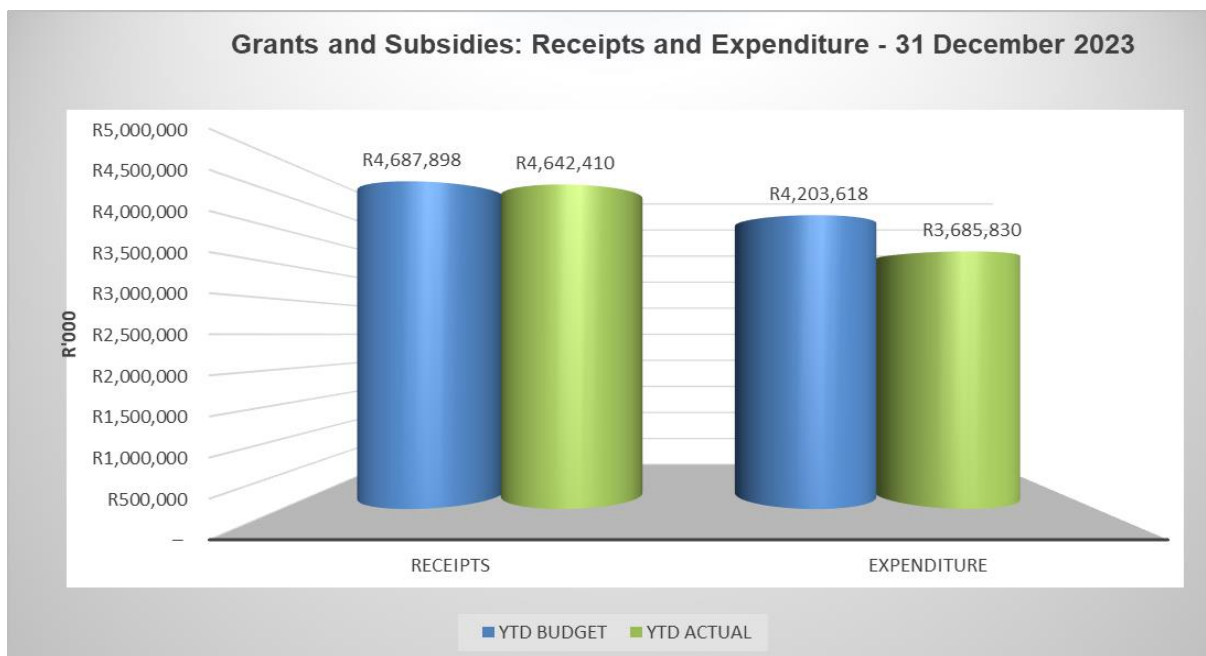


Table 4.1.2 below indicates the budgeted receipts, actual receipts and year-to-date amounts on the Operating and Capital grants for the 2023/24 financial year. For the period ending 31 December 2023, total grants received amounts to R4,6 billion.

The following grants were not received as per payment schedule.

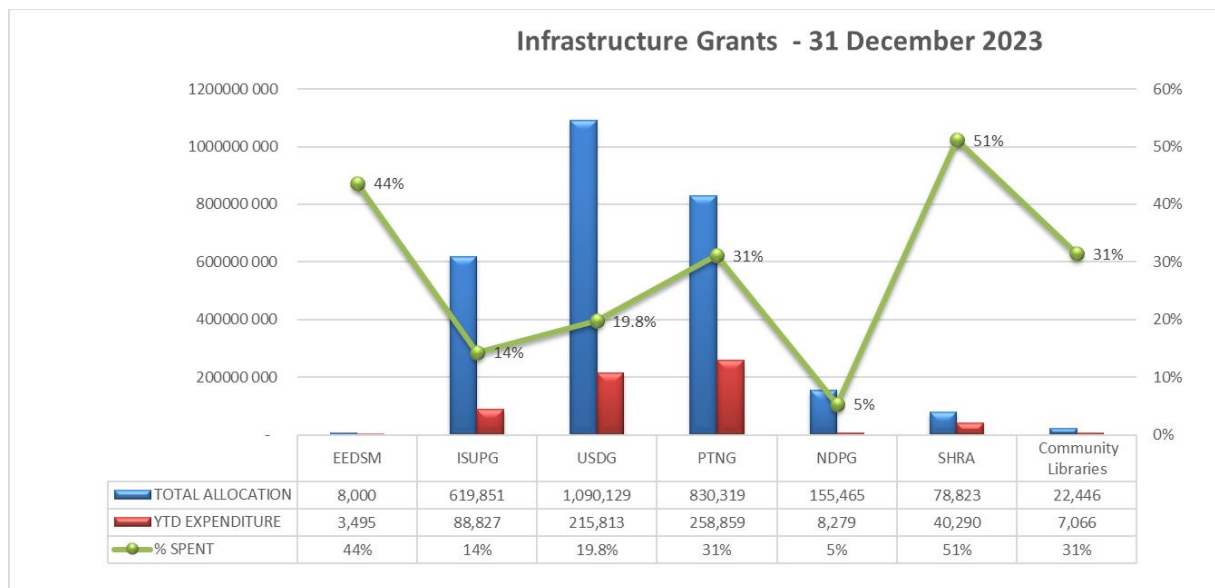
- Community Libraries (R10,2 million) – The first tranche was delayed due to the late submission of the SLA to province. The payment schedule has been revised; the tranche will be transferred in January 2023.
- Primary Health Care (R19,2 million) – The second tranche was delayed due to the City's inability to extract financial transactions for reporting, which resulted in the non-submission of PHC expenditure reports. The payment schedule has been revised; the tranche will be transferred in January 2023.
- Human Settlement Development Grant (R12 million) – The full allocation has been withdrawn and projects that had not been completed would be returned to the Gauteng Department of Human Settlement. The decision is being appealed because the City has already committed some of the funds for the current financial year, awaiting response from GDHS.
- Energy Efficiency and Demand Side Management (R3 million) – The second tranche has been withheld due to significant under expenditure of previously transferred funds, a recovery plan was submitted, awaiting revised payment schedule.

Table 4.1.2: Grants and Subsidies: Receipts

Grants and Subsidies	Original Budget - 2023/24	Monthly Actual - 31 December 2023	YTD Actual - 31 December 2023	YTD Budget - 31 December 2023	Outstanding Grant Receipts - 31 December 2023	% of Actual Receipts vs YTD Budgeted Receipts	% of Actual Receipts vs Total Budgeted Receipts
	R'000	R'000	R'000	R'000	R'000	%	%
OPERATING TRANSFERS AND GRANTS							
<u>National Government:</u>	4 858 212	1 331 190	3 455 223	3 455 223	-	100%	71%
Local Government Equitable Share	3 993 570	1 331 190	2 995 178	2 995 178	-	100%	75%
Local Government Finance Management Grant	2 200	-	2 200	2 200	-	100%	100%
Urban Settlement Development Grant	32 704	-	32 704	32 704	-	100%	100%
Expanded Public Works Programme Incentive Grant	16 502	-	11 551	11 551	-	100%	70%
Public Transport Network Grant	579 744	-	283 271	283 271	-	100%	49%
Programme and Project Preparation Support Grant	62 000	-	30 950	30 950	-	100%	50%
Energy Efficiency and Demand Side Management	500	-	500	500	-	100%	100%
Neighbourhood Development Partnership Grant (PEP)	140 000	-	67 877	67 877	-	100%	48%
Informal Settlements Upgrading Partnership Grant (ISUPG)	30 993	-	30 993	30 993	-	100%	100%
<u>Provincial Government:</u>	254 407	20 206	144 871	177 101	(32 230)	82%	57%
Primary Health Care	64 015	-	25 606	44 811	(19 205)	57%	40%
HIV and Aids Grant	26 765	10 706	26 765	26 765	-	100%	100%
Libraries Plan	10 152	9 500	9 500	9 500	-	100%	94%
Human Settlement Development Grant	12 045	-	-	12 045	(12 045)	0%	0%
Mamelodi Bus Operations Subsidy	57 450	-	-	-	-	0%	0%
Informal Settlements Upgrading Partnership Grant (Province)	83 980	-	83 000	83 980	(980)	99%	99%
Total Operating Transfers and Grants	5 112 620	1 351 396	3 600 094	3 632 324	(32 230)	99%	70%
CAPITAL TRANSFERS AND GRANTS							
<u>National Government:</u>	1 919 824	-	1 042 316	1 045 316	(3 000)	100%	54%
Urban Settlement Development Grant	1 057 425	-	519 425	519 425	-	100%	49%
Informal Settlements Upgrading Partnership Grant	588 858	-	409 101	409 101	-	100%	69%
Public Transport Network Grant	250 575	-	96 824	96 824	-	100%	39%
Neighbourhood Development Partnership Grant	15 465	-	15 465	15 465	-	100%	100%
Energy Efficiency and Demand Side Management	7 500	-	1 500	4 500	(3 000)	33%	20%
<u>Provincial Government:</u>	12 294	-	-	10 258	(10 258)	0%	0%
Recapitalisation of Community Libraries Grant	12 294	-	-	10 258	(10 258)	0%	0%
<u>Other grant providers:</u>	78 823	-	-	-	-	0%	0%
RCG - SHRA	78 823	-	-	-	-	0%	0%
Total Capital Transfers and Grants	2 010 940	-	1 042 316	1 055 574	(13 258)	99%	52%
TOTAL RECEIPTS OF TRANSFERS & GRANTS	7 123 560	1 351 396	4 642 410	4 687 898	(45 488)	99%	65%

5. EXPENDITURE ON CONDITIONAL AND UNCONDITIONAL GRANTS RECEIVED

5.1 The graph below, depicts the City's conditional grants allocation and expenditure for the period.



The Public Transport Network Grant (PTNG) comprises of the Capital budget amounting to R250 million, and the Operating budget allocation of R580 million.

The USDG comprises of the Capital budget amounting to R1 billion, and the Operating budget (3% USDG OPSCAP) amounting to R32,7 million for capacity building.

The National allocation of ISUPG includes a capital budget of R588 million and an operational budget (5% of total ISUPG allocation) of R30,9 million for the Operational Support Programme.

The City and the Gauteng Department of Human Settlements signed a separate funding agreement on ISUPG funding for R83,9 million for site clearance, relocation, and waste management services for informal settlements.

Table 5.2 below, indicates the budget, actual and year - to - date amounts as at 31 December 2023 on both Operating and Capital grants. A reconciliation of all grants received and spent to - date is reflected in Table 5.3 below.

Table 5.2: Grants and Subsidies: Expenditure

Grants and Subsidies	Original Budget - 2023/24	Monthly Actual - 31 December 2023	YTD Actual - 31 December 2023	YTD Budget - 31 December 2023	Variance	% Spent against YTD Budget	% Spent against Total Budget
	R'000	R'000	R'000	R'000	R'000	%	%
EXPENDITURE:							
OPERATING TRANSFERS AND GRANTS							
National Government:	4,858,212	1,366,891	3,234,483	3,304,558	(70,075)	98%	67%
Local Government Equitable Share	3,993,570	1,331,190	2,995,178	2,995,178	–	100%	75%
Local Government Finance Management Grant	2,200	42	683	925	(242)	74%	31%
Urban Settlement Development Grant	32,704	38	10,714	13,627	(2,913)	79%	33%
Expanded Public Works Programme Incentive Grant	16,502	–	4,125	8,251	(4,126)	50%	25%
Public Transport Network Grant	579,744	30,514	205,239	188,278	16,961	109%	35%
Programme and Project Preparation Support Grant	62,000	2,051	2,521	9,400	(6,879)	27%	4%
Energy Efficiency and Demand Side Management	500	–	–	250	(250)	0%	0%
Neighbourhood Development Partnership Grant (PEP)	140,000	1,845	7,609	70,000	(62,391)	11%	5%
Informal Settlements Upgrading Partnership Grant (ISUPG)	30,993	1,210	8,415	18,649	(10,234)	45%	27%
Provincial Government:	254,407	5,850	64,250	129,999	(65,749)	49%	25%
Primary Health Care	64,015	–	25,606	44,811	(19,205)	57%	40%
HIV and Aids Grant	26,765	3,016	3,016	18,119	(15,103)	17%	11%
Libraries Plan	10,152	833	3,556	5,873	(2,317)	61%	35%
Human Settlement Development Grant	12,045	–	–	512	(512)	0%	0%
Mamelodi Bus Operations Subsidy	57,450	2,001	5,957	22,603	(16,646)	26%	10%
Informal Settlements Upgrading Partnership Grant (Province)	83,980	–	26,115	38,081	(11,966)	69%	31%
Total Operating Transfers and Grants	5,112,620	1,372,740	3,298,733	3,434,557	(135,824)	96%	65%
CAPITAL TRANSFERS AND GRANTS							
National Government:	1,919,824	123,312	343,297	744,305	(401,008)	46%	18%
Urban Settlement Development Grant	1,057,425	87,881	205,099	440,686	(235,587)	47%	19%
Informal Settlements Upgrading Partnership Grant	588,858	12,218	80,412	199,079	(118,667)	40%	14%
Public Transport Network Grant	250,575	21,216	53,621	94,558	(40,938)	57%	21%
Neighbourhood Development Partnership Grant	15,465	232	670	7,230	(6,560)	9%	4%
Energy Efficiency and Demand Side Management	7,500	1,766	3,495	2,751	744	127%	47%
Provincial Government:	12,294	2,962	3,510	3,688	(178)	95%	29%
Recapitalisation of Community Libraries Grant	12,294	2,962	3,510	3,688	(178)	95%	29%
Other grant providers:	78,823	4,409	40,290	21,068	19,222	191%	51%
RCG - SHRA	78,823	4,409	40,290	21,068	19,222	191%	51%
Total Capital Transfers and Grants	2,010,940	130,683	387,097	769,061	(381,963)	50%	19%
TOTAL RECEIPTS OF TRANSFERS & GRANTS	7,123,560	1,503,424	3,685,830	4,203,618	(517,787)	88%	52%

Total expenditure amounts to R3,7 billion. The percentage spent against the YTD budget is at 88% and against total budget is at 52%.

Table 5.3: Grants and Subsidies: Reconciliation of all Receipts and Expenditure.

Grants and Subsidies	Original Budget - 2023/24	Receipts - 31 December 2023	Expenditure - 31 December 2023	Unspent Balance - 31 December 2023 (Receipts)	% Spent - Total Receipts
	R'000	R'000	R'000	R'000	%
RECEIPTS AND EXPENDITURE:					
OPERATING TRANSFERS AND GRANTS					
<u>National Government:</u>	4 858 212	3 455 223	3 234 483	220 740	94%
Local Government Equitable Share	3 993 570	2 995 178	2 995 178	–	100%
Local Government Finance Management Grant	2 200	2 200	683	1 517	31%
Urban Settlement Development Grant	32 704	32 704	10 714	21 990	33%
Expanded Public Works Programme Incentive Grant	16 502	11 551	4 125	7 426	36%
Public Transport Network Grant	579 744	283 271	205 239	78 032	72%
Programme and Project Preparation Support Grant	62 000	30 950	2 521	28 429	8%
Energy Efficiency and Demand Side Management	500	500	–	500	0%
Neighbourhood Development Partnership Grant (PEP)	140 000	67 877	7 609	60 268	11%
Informal Settlements Upgrading Partnership Grant (ISUPG)	30 993	30 993	8 415	22 577	27%
<u>Provincial Government:</u>	254 407	144 871	64 250	80 621	44%
Primary Health Care	64 015	25 606	25 606	–	100%
HIV and Aids Grant	26 765	26 765	3 016	23 749	11%
Libraries Plan	10 152	9 500	3 556	5 944	37%
Human Settlement Development Grant	12 045	–	–	–	0%
Mamelodi Bus Operations Subsidy	57 450	–	5 957	(5 957)	0%
Informal Settlements Upgrading Partnership Grant (Province)	83 980	83 000	26 115	56 885	31%
Total Operating Transfers and Grants	5 112 620	3 600 094	3 298 733	301 361	92%
CAPITAL TRANSFERS AND GRANTS					
<u>National Government:</u>	1 919 824	1 042 316	343 297	699 018	33%
Urban Settlement Development Grant	1 057 425	519 425	205 099	314 326	39%
Informal Settlements Upgrading Partnership Grant	588 858	409 101	80 412	328 689	20%
Public Transport Network Grant	250 575	96 824	53 621	43 203	55%
Neighbourhood Development Partnership Grant	15 465	15 465	670	14 795	4%
Energy Efficiency and Demand Side Management	7 500	1 500	3 495	(1 995)	233%
<u>Provincial Government:</u>	12 294	–	3 510	(3 510)	0%
Recapitalisation of Community Libraries Grant	12 294	–	3 510	(3 510)	0%
<u>Other grant providers:</u>	78 823	–	40 290	(40 290)	0%
RCG - SHRA	78 823	–	40 290	(40 290)	0%
Total Capital Transfers and Grants	2 010 940	1 042 316	387 097	655 218	37%
TOTAL RECEIPTS OF TRANSFERS & GRANTS	7 123 560	4 642 410	3 685 830	956 580	79%

Table 5.3 above, reflects the reconciliation of all grants received and spent as at 31 December 2023. Total expenditure for the period amounts to R3,7 billion or 79% against total receipts of R4,6 billion. The unspent balance is at R956 million.

6. ANALYSIS: GRANTS AND SUBSIDIES

6.1 Operating Grants and Subsidies – National Government

- Local Government Equitable Share – R3 993 570 000

An amount of R3,9 billion was gazetted for the 2023/24 financial year. An amount of R2,9 billion was received and recognised as revenue as of 31 December 2023.

- Finance Management Grant (FMG) – R2 200 000

The full amount is allocated for capacity building for the Municipal Finance Management Programme (MFMP). The full allocation was received as at 31 December 2023.

An amount of R682 666 has been spent as at 31 December 2023.

- USDG Operational – R32 703 870

The allocation is equal to 3% of the total amount allocated to USDG and is used for capacity building to support the USDG Human Settlements program's implementation.

As of 31 December 2023, the full allocation had been received, and R10,7 million had been spent.

- ISUPG Operational – R30 992 550

The allocation is equal to 5% of the total amount allocated to ISUPG and is used for the Operational Support Programme. As of 31 December 2023, the full allocation was received and R8,4 million was spent.

- Expanded Public Works Programme Incentive Grant (EPWP) – R16 502 000

The total allocation is R16,5 million, which is allocated to the EPWP Programme throughout the City. As of 31 December 2023, R11,5 million had been received, with R4,1 million spent.

- Public Transport Network Grant (PTNG) – R579 744 000

The total budgeted allocation for BRT operational support is R580 million. As of 31 December 2023, R283 million had been received, with R205 million spent.

- Programme and Project Preparation Support Grant (PPPSG) – R62 000 000

An amount of R62 million is budgeted for the Programme and Project Preparation Support Grant. An amount of R31 million has been received. An amount of R2,5 million has been spent as at 31 December 2023.

The grant is mainly funding the following projects:

Project Name	Department	Project Activities Envisaged
Baviaanspoort WWTW	Water and Sanitation	Prepare feasibility studies, inception, concept and viability of the project for funding application purposes for ISA and alike
Rooiwal WWTW	Water and Sanitation	Prepare feasibility studies, inception, concept and viability of the project for funding application purposes for ISA and alike
Sutherland Ridge WWTW	Water and Sanitation	Prepare feasibility studies, inception, concept and viability of the project for funding application purposes for ISA and alike
Rietvlei Water Treatment Plant	Water and Sanitation	The extension is according to the City's Water Resource Master Plan. Services included are for obtaining WULA, Environmental, Process Design, Footprint Layout and Project Planning
Road Infrastructure Management Systems	Reginal Operations Coordination (ROC)	Updating of the City's Road Infrastructure Management
New Bulk Electricity Infrastructure Programme	Energy and Electricity	Prepare the Early Business Case (EBC) for funding application purposes for ISA and alike. Feasibilities studies and planning.

- Energy Efficiency Demand Side Management (EEDSM) – R500 000

Opex has been allocated R500 000 for the implementation of an energy efficiency awareness campaign and training. The entire allocation was received, and there was no expenditure for the period.

The funds will be transferred to the correct cost centre to allow spending, fund transfer report has been approved. Budget Office is currently unable to process the Opex grant funds transfer due to challenges with the S4HANNA system at the moment.

- Neighbourhood Development Partnership Grant (PEP) – R140 000 000

The City has been allocated R140 million for the Public Employment Programme. An amount of R67,9 million was received. An amount of R7,6 million has been spent as of 31 December 2023.

The reasons for the low spending are as follows:

- Delay in the recruitment of participants due to the prolonged labour unrest which paralyzed the Lottery Selection System and resulted in delayed recruitment, contracting and placement of PEP participants as municipal buildings were closed/restricted.
- Community service delivery protests in the townships which did not allow for contracting and placements in the Regions
- Low uptake of artisans due to non-responsiveness or lack of interest from selected participants

6.2 Operating Grants and Subsidies – Provincial Government

- Primary Health Care (PHC) – R64 015 000

The grant is for the provision of Primary Health Care Services on behalf of the Gauteng Department of Health. As of 31 December 2023, an amount of R25,6 million has been received and recognized as revenue.

The second tranche was delayed due to the City's inability to extract financial transactions for reporting, which resulted in the non-submission of PHC expenditure reports. The payment schedule has been revised; the tranche will be transferred in January 2023.

- HIV and Aids Grant – R26 765 000

The grant is for the provision of HIV and AIDS education to communities on behalf of the Gauteng Department of Health and is allocated to the payment of stipends to peer educators for door-to-door education per ward. The full allocation has been received as at 31 December 2023.

Expenditure for the period is R3 million. The underspending is due to the following:

- Peer educators could not be allocated and allowed to work before they receive full training on HIV, TB, and STIs.
- Regions only finalized recruitment and contracting of peer educators in October 2023. When the programme was ready to contract and train peer educators from October, there were no resources for catering.
- The signed Funding Agreement for implementation of the door-to-door education programme was availed on the 26th of August 2023 and peer educators were only recruited, trained and started working in November 2023. These delays were caused by changes in the National Strategic Plan for HIV, TB, and STIs, the need to review Door to Door training content, training of door-to-

door trainers and the strike action in Tshwane, hindering community meetings for engagements on the recruitment of new peer educators.

- Community Libraries (CLS) – R10 152 000

The total operating budget allocation is R10,2 million, which is used for capacity building, staffing, and the purchase of reading materials. An amount of R9,5 million has been transferred and R3,5 million was spent as at 31st December 2023.

- Human Settlement Development Grant (HSDG) – R12 045 000

The total allocation for the Housing Top Structure is R12 million. The full allocation had been withdrawn and that projects that had not been completed would be returned to the Gauteng Department of Human Settlement. The decision is being appealed because the City has already committed some of the funds for the current financial year, awaiting response from GDHS.

- Informal Settlement Upgrading Partnership Grant (ISUPG) – R83 980 000

The City and the Gauteng Department of Human Settlements signed a separate funding agreement on ISUPG funding for R83,9 million for site clearance, relocation, and waste management services for informal settlements.

An amount of R83 million was received. A revised payment schedule will be issued. The Provincial Department of Human Settlements indicated that the balance of R980,000.00 will be budgeted in their 2024/25 financial year which then will be transferred in the last quarter of the 2023/24 Municipal Financial Year.

An amount of R26 million has been spent for the period.

- Mamelodi Bus Operations Subsidy – R57 450 000

The Mamelodi Bus Operations has been allocated R61 million by the Gauteng Department of Roads and Transport. The tranches are distributed in accordance with claims submitted to the province. An amount of R5,9 million has been spent for the period.

Due to contractual issues between the City and Province, no funds have been transferred in the current financial year. Currently Gauteng Department of Roads and Transport contracted directly with the operator (TRT) without authorization or permission from the City which is a contracting authority as per the NLTA 5 of 2009. This is contrary to

IGAA signed between the City and Province in 2017 which expires in August 2024. The Municipality is engaging the province on the matter in an attempt to find a solution.

6.3 Capital expenditure of Grants and Subsidies – National Government

- Urban Settlement Development Grant (USDG) – R1 057 425 130

The USDG capex portion for the current financial year is R1 billion, which is allocated to various departments in the City for infrastructure development.

The total amount received is R519 million, with R205 million spent during the period.

The following table summarises USDG allocations and expenditures by Department.

USDG CAPEX SUMMARY PER DEPARTMENT - 31 DECEMBER 2023						
Departments	Original Budget 2023/24	Expenditure Projection 31 December 2023	Actual Expenditure - 31 December 2023	Commitments	Balance - 31 December 2023	% Spent
Human Settlement	83,510,546	36,931,387	42,274,838	-	41,235,708	51%
Roads and Stormwater	98,600,000	18,120,000	10,663,169	646,270	87,936,831	11%
Energy and Electricity	475,894,584	165,323,213	53,073,799	72,432,010	422,820,785	11%
Water and Sanitation	374,420,000	208,236,400	94,576,100	80,972,205	279,843,900	25%
Health Services	7,500,000	5,250,000	4,511,213	-	2,988,787	60%
Environment and Agriculture Management	17,500,000	6,825,000	-	-	17,500,000	0%
TOTAL	1,057,425,130	440,686,000	205,099,119	154,050,485	852,326,011	19%

The allocation, reasons for deviation, and corrective measures are shown in the tables below.

USDG - Human Settlement

HUMAN SETTLEMENT USDG ALLOCATION: EXPENDITURE AS AT 31 DECEMBER 2023									
Project Name	WBS Level 5	Original Budget 2023/24	Cumulative Expenditure Projection	Cumulative Capex Actual	Cumulative Committed	% Spent Against Projection	Balance	Reasons for Deviations	Corrective Measures to be taken
		(R)	(R)	(R)	(R)	%	(R)		
Water reticulation - Mamelodi X6 erf 34041 (Phomolong)	9.803332.1.W.MA.05.6	5,000,000	3,750,000	1,917,789	-	51%	3,082,211	Delays due to obstructions on the way of development.	Relocation of obstructions on the way of development.
Water provision - Winterveldt Water Reticulation	9.803302.1.W.WR.05.1	3,537,234	-	-	-	0%	3,537,234	Delay in the finalization and submission of project	The specifications submitted to SCM to serve at BSC
Water provision - Pretorius Park	9.803357.1.W.PR.05.6	1,405,930	702,965	-	-	0%	1,405,930	Internal dependencies delay to finalisation of the scope and addressing the outstanding town planning milestones	The town planning issues were identified and the specifications for appointment of consulting engineers completed and will be submitted to SCM for appointment of professional service provider
Water provision - Soshanguve MM	9.803347.1.W.SO.05.2	8,795,594	4,837,577	8,426,465	-	174%	369,129	The contractor had suspended works on site due to non-payment, but it had been resolved.	The payments were made, and contractor resumed work on site.
Refilwe Manor Sewer pump station	9.803327.1.S.MA.05.5	300,000	300,000	-	-	0%	300,000	The payment for the quoted works took longer than anticipated.	Engage Energy and Electricity Department to fast-track the installation of cables for the supply of power to the pump station
Sewer reticulation - Mamelodi X6 erf 34041 (Phomolong)	9.803352.1.S.MA.05.6	3,800,000	2,850,000	188,700	-	7%	3,611,300	Delays due to obstructions on the way of development.	Relocation of obstructions on the way of development.
Sewer provision - Fortwest 4 & 5	9.803315.1.S.X4.05.3	360,000	-	-	-	0%	360,000	Delay in finalization of project specifications for appointment of multidisciplinary team	Expedite the completion of specifications and submit to SCM for appointment of multidisciplinary
Bulk Sewer Line - Winterveldt	9.803328.1.S.SR.05.1	4,661,693	-	-	-	0%	4,661,693	Delay in the finalization of project specifications	The specifications submitted to SCM to serve at BSC
Construction of roads & stormwater - Olievenhoutbosch X60	9.803308.1.R.RS.05.4	10,000,000	3,000,000	285,547	-	10%	9,714,453	Delays in the approval of the designs	Submission of drawings to Roads and Transport department with comments done. Awaiting approval of designs.
Mabopane EW (Ext 2) - roads and storm water	9.803301.1.R.X2.05.1	500,000	250,000	-	-	0%	500,000	None, project on track	None
Construction of roads & stormwater - Thorntree View	9.803306.1.R.TH.05.1	41,910,095	20,116,846	31,456,337	-	156%	10,453,758	None, project on track	None
Construction of roads & stormwater - Garankuwa	9.803349.1.R.GA.05.1	1,080,000	324,000	-	-	0%	1,080,000	Delay in the finalisation of specifications for appointment of Consulting Engineer.	Expedite the completion of specifications and submit to SCM for appointment of Consulting
Construction of roads & stormwater - Fortwest X4&5	9.803311.1.R.RS.05.3	1,000,000	-	-	-	0%	1,000,000	Delay in finalization of project specifications for appointment of multidisciplinary team	Expedite the completion of specifications and submit to SCM for appointment of multidisciplinary
Development of Saulsville hostels	9.803300.1.H.SH.05.3	800,000	800,000	-	-	0%	800,000	None, project on track	None
Development of Mamelodi hostels	9.803323.1.H.MH.05.6	360,000	-	-	-	0%	360,000	Consultations for the finalisation of specifications took longer than anticipated.	Fast-track the consultations to finalise the conceptualisation of the project.
		83,510,546	36,931,387	42,274,838	-	114%	41,235,708		

USDG - Health Services:

HEALTH SERVICES USDG ALLOCATION: EXPENDITURE AS AT 31 DECEMBER 2023									
Project Name	WBS Level 5	Original Budget 2023/24	Cumulative Expenditure Projection	Cumulative Capex Actual	Cumulative Committed	% Spent Against Projection	Balance	Reasons for Deviations	Corrective Measures to be taken
		(R)	(R)	(R)	(R)	%	(R)		
New Clinic Lusaka	9.803100.1.C.CL.05.6	7,500,000	5,250,000	4,511,213	-	86%	2,988,787	No site activities for the month of December.	The Contractor has submitted the required documentation (performance guarantee and interim payment certificate) to enable continuation of the project after builder's break (15 December 2023 - 15 January 2024). The Professional Service Provider to continue to enforce the contract to ensure the project is brought to completion.
		7,500,000	5,250,000	4,511,213	-	86%	2,988,787		

USDG - Environment and Agricultural management:

ENVIRONMENT AND AGRICULTURAL MANAGEMENT USDG ALLOCATION: EXPENDITURE AS AT 31 DECEMBER 2023									
Project Name	WBS Level 5	Original Budget 2023/24	Cumulative Expenditure Projection	Cumulative Capex Actual	Cumulative Committed	% Spent Against Projection	Balance	Reasons for Deviations	Corrective Measures to be taken
		(R)	(R)	(R)	(R)	%	(R)		
Provision of waste containers	9.802100.1.P.WC.05.W	17,500,000	6,825,000	-	-	0%	17,500,000	Supplier contract has expired	Tender for the appointment of a new supplier is at BAC
		17,500,000	6,825,000	-	-	0%	17,500,000		

USDG - Roads and Stormwater

ROADS AND STORMWATER USDG ALLOCATION: EXPENDITURE AS AT 31 DECEMBER 2023									
Project Name	WBS Level 5	Original Budget 2023/24	Cumulative Expenditure Projection	Cumulative Capex Actual	Cumulative Committed	% Spent Against Projection	Balance	Reasons for Deviations	Corrective Measures to be taken
		(R)	(R)	(R)	(R)	%	(R)		
Rehabilitation Of Bridges	9.804003.1.B.BR.05.W	2,000,000	-	1,920,000	-	0%	80,000	Project on design stage 100%. Budget not sufficient.	The consultants contract expires in February 2024. New appointment needs to be initiated.
Traffic Calming And Pedestrian Safety For Tshwane	9.804005.1.T.TC.05.W	2,000,000	-	-	-	0%	2,000,000	Project at appointment of consultant stage of 50%. Awaiting approval by the EPMU for the appointment of a consultant to review the detail design.	TAR and specifications submitted for appointment of consultant
Rehabilitation Of Roads	9.804007.1.R.RO.05.1	61,600,000	-	-	-	0%	61,600,000	Awaiting consultant appointment	BEC busy with price negotiations with service providers
Stormwater Drainage Mahube Valley	9.804009.1.S.DR.05.6	2,000,000	-	1,389,438	-	0%	610,562	Project at appointment of consultant stage of 50%. Awaiting approval by the EPMU for the appointment of a consultant to review the detail design.	TAR and specifications submitted for appointment of consultant
Flooding Backlogs: Stinkwater & New Eersterust Area	9.804004.1.F.FB.05.2	1,000,000	-	-	-	0%	1,000,000	Project at appointment of consultant stage of 50%. Awaiting approval by the EPMU for the appointment of a consultant to review the detail design.	TAR and specifications submitted for appointment of consultant
Soshanguve Block LL South (O)	9.804029.1.R.FF.05.1	1,000,000	-	-	-	0%	1,000,000	Project at appointment of consultant stage of 50%. Awaiting approval by the EPMU for the appointment of a consultant to review the detail design.	TAR and specifications submitted for appointment of consultant
Upgrading of roads and stormwater: Mabopane Block U Ext 1	9.804044.1.R.SY.05.1	5,000,000	5,000,000	-	-	0%	5,000,000	Project terminated.	We are busy with the appointment of consultant to review the designs. Budget will be spent before end of June 2024. R3 million will be transferred to other projects.

Continuation: USDG – Roads and Stormwater

ROADS AND STORMWATER USDG ALLOCATION: EXPENDITURE AS AT 31 DECEMBER 2023									
Project Name	WBS Level 5	Original Budget 2023/24	Cumulative Expenditure Projection	Cumulative Capex Actual	Cumulative Committed	% Spent Against Projection	Balance	Reasons for Deviations	Corrective Measures to be taken
		(R)	(R)	(R)	(R)	%	(R)		
Flooding Backlogs: Mamelodi, Eersterust & Pta Eastern Area: Mamelodi Extension 4	9.804023.1.R.X4.05.6	1,000,000	-	-	-	0%	1,000,000	Project at appointment of consultant stage of 50%. Awaiting approval by the EPMU for the appointment of a consultant to review the detail design.	TAR and specifications submitted for appointment of consultant
Flooding backlog: Drainage canals along Hans Strydom Dr, Mamelodi x 4 and 5	9.804010.1.F.DR.05.6	1,000,000	-	-	-	0%	1,000,000	Project at appointment of consultant stage of 50%. Awaiting approval by the EPMU for the appointment of a consultant to review the detail design. The estimated cost of service for the Professional Service Provider (PSP) is R5,6 million which is way more than the approved budget of R1 million hence the tender advertising request (TAR) has not been approved by Finance	The Department has resolved to defer the appointment of the PSP to the 2024/2025 financial year pending the allocation of sufficient budget in the new budget cycle.
Flooding backlog: Ramotse (Network 1A, 1C & 1F)	9.804011.1.F.NE.05.2	8,000,000	1,120,000	-	-	0%	8,000,000	Project at appointment of consultant stage of 50%. Awaiting approval by the EPMU for the appointment of a consultant to review the detail design.	TAR and specifications submitted for appointment of consultant. By-weekly meeting taking place to track progress
Flooding backlog: Network 3A, Kudube Unit 9	9.804012.1.F.NE.05.2	1,000,000	-	-	-	0%	1,000,000	Project at appointment of consultant stage of 50%. Awaiting approval by the EPMU for the appointment of a consultant to review the detail design.	TAR and specifications submitted for appointment of consultant
Upgrading of Mabopane Block A	9.804038.1.U.BA.05.1	2,000,000	2,000,000	1,837,609	162,391	92%	162,391	Project at construction and 99% completed. Busy with KI & Speedhumps	Practical Completion has been issued on 4 December 2023
Upgrading of Road from gravel to tar in Ekangala Ward 105	9.804031.1.R.RO.05.7	1,000,000	-	-	-	0%	1,000,000	Project at appointment of consultant stage of 50%. Awaiting approval by the EPMU for the appointment of a consultant to review the detail design.	TAR and specifications submitted for appointment of consultant. By-weekly meeting taking place to track progress
Upgrading of roads and stormwater systems in Cullinan - Phase 0	9.804050.1.R.RO.05.5	10,000,000	10,000,000	5,516,122	483,879	55%	4,483,878	Project in construction at 98% completed, busy with snag list	Project has been completed, only the compilation of documents and close out report is in progress.
		98,600,000	18,120,000	10,663,169	646,270	59%	87,936,831		

USDG – Energy and Electricity

UTILITY SERVICES ENERGY AND ELECTRICITY USDG ALLOCATION: EXPENDITURE AS AT 31 DECEMBER 2023									
Project Name	WBS Level 5	Original Budget 2023/24	Cumulative Expenditure Projection	Cumulative Capex Actual	Cumulative Committed	% Spent Against Projection	Balance	Reasons for Deviations	Corrective Measures to be taken
		(R)	(R)	(R)	(R)	%	(R)		
Upgrading/Strengthening of Existing Network Schemes - City Wide	9.801600.1.N.SC.05.W	5,500,000	2,750,000	8,837	1,537,223	0%	5,491,163	Project application driven. Less anticipated applications received. 18 New services connections completed to date	Closely monitor spending patterns and make informed decision to reprioritise funds.
Payments to Townships for Reticulated Towns (City Wide)	9.801603.1.C.RE.05.W	5,000,000	-	-	-	0%	5,000,000	This project caters for private developments and is totally application driven. Expenditure will be realised once service agreements are concluded on the received applications	Closely monitor spending patterns and make informed decision to reprioritise funds.
Refurbishment of Mooikloof Substation	9.801642.1.S.MO.05.6	20,000,000	6,000,000	-	-	0%	20,000,000	Long lead items and materials ordered with both contractor and suppliers. Delivery expected in the next quarter.	Closely monitor and manage the project to ensure that the contractor deliver as per schedule.
Refurbishment of Pyramid Sub Station	9.801642.1.S.PY.05.2	20,000,000	13,500,000	-	20,000,000	0%	20,000,000	There has been delays on the issuing of a Construction Work Permit by the Department of Labour which have now been resolved and expenditure will start flowing in the next	The Permit has now been obtained and Purchase Order created. Work on the ground is being accelerated
Refurbishment of Rosslyn Sub Station	9.801642.1.S.RO.05.1	8,000,000	-	-	-	0%	8,000,000	Tender Specification has been completed and waiting for available BSC presentation slot.	Continues engagement with SCM
11kV Panel Extension In Substations	9.801604.1.S.SU.05.5	20,000,000	-	-	-	0%	20,000,000	The tender will be advertised in February 2024.	Continues engagement with SCM
Electricity for All - Region 1	9.801614.1.E.EA.05.1	24,000,000	8,640,000	17,327,309	1	201%	6,672,691	Project reached fruition earlier than expected. Work on the ground progressing well	None
Electricity for All - Region 3	9.801614.1.E.EA.05.3	13,000,000	3,250,000	7,216,161	-	222%	5,783,839	Project reached fruition earlier than expected. Work on the ground progressing well	None
Electricity for All - Region 4	9.801614.1.E.EA.05.4	23,500,000	8,930,000	7,245,014	-	81%	16,254,986	Project delayed by shortage of critical material	The challenge of material shortage has been escalated to Supply Chain Management for assistance.
Communication Upgrade: Optical Fibre Network	9.801633.1.C.NE.05.W	10,000,000	4,000,000	-	4,811,253	0%	10,000,000	Long lead equipment ordered, and delivery expected end of February 2024	Closely monitor and manage the project to ensure that the contractor deliver as per schedule.
Strengthening 11kV Cable network	9.801605.1.S.NE.05.W	9,000,000	3,960,000	-	-	0%	9,000,000	No construction on site yet due to non-availability of cables	Material was delivered. Project will be re-scheduled and will commence in January 2024.
Strengthening 11kV Overhead Network	9.801606.1.S.NE.05.W	7,000,000	2,450,000	-	-	0%	7,000,000	No site work yet. Project will be re-scheduled and will commence in January 2024.	Project milestones will be realigned to ensure project deliverable before financial year end.

Continuation: USDG – Energy and Electricity

UTILITY SERVICES ENERGY AND ELECTRICITY USDG ALLOCATION: EXPENDITURE AS AT 31 DECEMBER 2023									
Project Name	WBS Level 5	Original Budget 2023/24	Cumulative Expenditure Projection	Cumulative Capex Actual	Cumulative Committed	% Spent Against Projection	Balance	Reasons for Deviations	Corrective Measures to be taken
		(R)	(R)	(R)	(R)	%	(R)		
Secondary Substations	9.801607.1.S.SS.05.3	10,000,000	3,700,000	-	-	0%	10,000,000	Contractor appointment and site handover has been delayed due to non-availability of materials and extended time it took to facilitate official orders.	Project milestones will be realigned to ensure project deliverable before financial year end.
USDG Funds: Region 1 (Public Lighting)	9.801623.1.P.PL.05.1	5,500,000	1,100,000	138,583	-	13%	5,361,417	There is no streetlights construction tender in place. The replacement tender EED 10 of 2023/24 was advertised and bids received, currently undergoing the SCM approval phases.	Continues engagement with SCM
USDG Funds: Region 2 (Public Lighting)	9.801623.1.P.PL.05.2	2,000,000	400,000	-	-	0%	2,000,000	There is no streetlights construction tender in place. The replacement tender EED 10 of 2023/24 was advertised and bids received, currently undergoing the SCM approval phases.	Continues engagement with SCM
USDG Funds: Region 3 (Public Lighting)	9.801623.1.P.PL.05.3	3,000,000	1,200,000	-	-	0%	3,000,000	There is no streetlights construction tender in place. The replacement tender EED 10 of 2023/24 was advertised and bids received, currently undergoing the SCM approval phases.	Continues engagement with SCM
USDG Funds: Region 5 (Public Lighting)	9.801623.1.P.PL.05.5	4,000,000	1,200,000	132,863	-	11%	3,867,137	There is no streetlights construction tender in place. The replacement tender EED 10 of 2023/24 was advertised and bids received, currently undergoing the SCM approval phases.	Continues engagement with SCM
USDG Funds: Region 6 (Public Lighting)	9.801623.1.P.PL.05.6	4,000,000	800,000	41,304	-	5%	3,958,696	There is no streetlights construction tender in place. The replacement tender EED 10 of 2023/24 was advertised and bids received, currently undergoing the SCM approval phases.	Continues engagement with SCM
USDG Funds: Region 7 (Public Lighting)	9.801623.1.P.PL.05.7	1,000,000	200,000	-	-	0%	1,000,000	There is no streetlights construction tender in place. The replacement tender EED 10 of 2023/24 was advertised and bids received, currently undergoing the SCM approval phases.	Continues engagement with SCM
Prepaid Electricity Meters - Replacement	9.801634.1.P.RE.05.W	39,694,584	13,099,213	7,954,308	-	61%	31,740,276	Project delayed by late delivery of meters. To date only 6000 meters were received	Project milestones will be realigned to ensure project deliverable before financial year end.

Continuation: USDG – Energy and Electricity

UTILITY SERVICES ENERGY AND ELECTRICITY USDG ALLOCATION: EXPENDITURE AS AT 31 DECEMBER 2023									
Project Name	WBS Level 5	Original Budget 2023/24	Cumulative Expenditure Projection	Cumulative Capex Actual	Cumulative Committed	% Spent Against Projection	Balance	Reasons for Deviations	Corrective Measures to be taken
		(R)	(R)	(R)	(R)	%	(R)		
Prepaid Electricity Meters - New	9.801634.1.P.NE.05.W	12,500,000	4,150,000	464,750	3,629,109	11%	12,035,250	Project delayed by late delivery of meters. To date only 3000 meters were received	Project milestones will be realigned to ensure project deliverable before financial year end.
Replacement of Obsolete and Non-functional Equipment	9.801608.1.O.EQ.05.W	5,000,000	1,000,000	-	1,239,300	0%	5,000,000	Long lead equipment ordered, and delivery expected end of February 2024	Closely monitor and manage the project to ensure that the contractor delivers as per schedule.
Ifafi 88/11kV Substation	9.801613.1.S.SU.05.3	15,000,000	450,000	-	-	0%	15,000,000	Project has not started. The tender is expected to be advertised in February 2024.	Continues engagement with SCM
Monavoni 132/11KV Substation	9.801613.1.S.SU.05.4	48,000,000	16,600,000	3,210,416	20,619,275	19%	44,789,584	The contractor has completed the construction designs for approval. The contractor will establish site and commence with construction work in January.	The contractor will immediately establish site and expenditure will start to flow in January.
Soshanguve - JJ 132KV Power Line	9.801613.1.S.SU.05.1	20,000,000	7,000,000	-	-	0%	20,000,000	The contractor is still busy with the construction designs. Work on site is expected to start in March once the designs have been approved.	Closely monitor and manage the project to ensure that the contractor delivers as per schedule.
Wildebees 400/132kV, 315MVA Infeed station	9.801613.1.S.SU.05.6	12,000,000	120,000	-	-	0%	12,000,000	The project is on hold due to the dispute on the compensation for the land expropriated for the construction of the substation.	Funds will be transferred during the budget adjustment process.
New Connections	9.801609.1.C.NE.05.W	23,500,000	10,575,000	-	2,146,698	0%	23,500,000	Project delayed by late delivery of construction material. To date only 199 new applications were concluded	Project milestones will be realigned to ensure project deliverable before financial year end.
Replacement of Obsolete Testing Equipment and Instruments.	9.801611.1.O.EI.05.W	5,700,000	3,819,000	-	-	0%	5,700,000	Project start up delayed by unavailability of procurement systems which were since resolved. WBS created and Instruments to be ordered in January.	Interaction with all the stakeholders to speed up the process of Purchase Requisitions and PO's.
Network Control Centre Reconfiguration	9.801601.1.N.CR.05.3	22,000,000	20,240,000	-	18,449,151	0%	22,000,000	Purchase Order issued to service provider; awaiting delivery of equipment.	Closely monitor and manage the project to ensure that the contractor deliver as per schedule.
Electricity vending infrastructure	9.801602.1.V.IN.05.W	10,000,000	3,750,000	-	-	0%	10,000,000	Approval for the procurement of PRISM modules and software upgrades of PcMA and Suprima been sought at BAC	Continues engagement with SCM
Electricity Distribution Loss	9.801638.1.E.LO.05.1	68,000,000	22,440,000	9,334,254	-	42%	58,665,746	Project start-up delayed by late delivery of material	Project milestones will be realigned to ensure project deliverable before financial year end.
Total		475,894,584	165,323,213	53,073,799	72,432,010	32%	422,820,785		

USDG – Water and Sanitation

WATER AND SANITATION USDG ALLOCATION: EXPENDITURE AS AT 31 DECEMBER 2023								
Project Name	Original Budget 2023/24	Cumulative Expenditure Projection	Cumulative Capex Actual	Cumulative Committed	% Spent Against Projection	Balance	Reasons for Deviations	Corrective Measures to be taken
	(R)	(R)	(R)	(R)	%	(R)		
Township Water and Sanitation Services Development: Tshwane Contributions (City Wide)	9,000,000	9,000,000	-	-	0%	9,000,000	Final inspection and commissioning of Pretoriusrand reservoir in progress and payment for water pipe installation, Rietvalleirand ext. 74. Final inspection and commissioning of Pretoriusrand reservoir. Water pipe installation at Rietvalleirand ext. 74 complete	Monitor progress and create WBS for payment of the certificate for work completed. Monitor progress and create WBS for payment of the certificate for work completed
Replacement Of Critical Worn-Out Water Network Pipes (Area A)	20,800,000	11,648,000	6,112,970	4,686,263	52%	14,687,030	Area-A (Allocation 1): The target of 553m of pipes replaced was not achieved. The allocation (work package) could not be submitted to the contractor to date due to many delays experienced to date. Although the Work Package was completed on 31 October 2023, no allocation to the contractor could be made due to no OHS Agent. The investigation with regards to the appointment of the OHS Agent, SNAPP Consortium is still not completed. Alternative solutions will have to be considered to prevent any further delay to the allocation to the appointed contractor for Area-A. The bids for the appointment of a Consultant closed on 9 November 2023. The tender evaluation report was completed on 27 November 2023. Since then no feedback has been received. Sekampaneng: The Completion Certificate was issued on 25 September 2023. Greater Sinoville Area: Practical Completion was achieved on 9 October 2023. Certificate of Completion was issued on 29 November 2023	Area-A (Allocation 1): The investigation with regards to the appointment of the OHS Agent, SNAPP Consortium, urgently needs to be concluded to ensure that the works will be completed prior to the expiry date of the 3-year contract with the appointed contractor for Area-A by the end of May 2024. Alternatively the Consultant urgently needs to be appointed and an OHS Agent through a Variation Order under the Consultants appointment must be appointed to enable the allocation of the works to the contractor and the commencement of the works as soon as possible thereafter.
Replacement Of Critical Worn-Out Water Network Pipes (Area B)	24,000,000	21,840,000	8,716,444	1,051,953	40%	15,283,556	Area-B: The target of 89m of pipes replaced was not achieved. The Work Package could only be completed in November 2023 and allocated to the contractor on 13 November 2023 due to lengthy delays caused by Planning and Design Section. Mountain-View Phase 3 / Daspoort Phase 1: The revised Due Completion Date was 27 October 2023. The contractor completed the snag list and the Certificate of Completion was issued on 12 December 2023. Ashlea Gardens / Alphen Park Phase 2B & 3: The contractor completed the snag list of Phase 2B. The Certificate of Completion was issued on 11 December 2023. The Contractor could not complete the tie-ins and pressure testing of the last replaced pipeline of Phase 3 due to rain on Monday and Tuesday, 11 and 12 December 2023. The tie-ins, last pressure test and water connections / switch over from old to new network pipes will be done in January 2024 after the builders' break. The tender evaluation for the appointment of a consultant was completed on 29 November 2023.	Area-B (Allocation 1): Daily follow-ups with regards to the completion of the contractual obligations and approval of the way leaves are required. The contractor will complete the site establishment and commencement of the works in January 2024 after the builders' break. The procurement process for the appointment of a consultant needs to be fast tracked. Mountain-View Phase 3 / Daspoort Phase 1: The Closing Stage will be completed in January 2024. Ashlea Gardens / Alphen Park Phase 2B & 3: The Closing Stage of Phase 2B will be completed in January 2024. The contractor will speed up the completion of the works in January 2024 to ensure the soonest completion of the works.
Replacement Of Critical Worn-Out Water Network Pipes (Area C)	8,000,000	8,000,000	7,290,013	709,987	91%	709,987	Area C (Allocation 1): The target of reaching the Closing Stage was not achieved. The Design Development and Specification Stage is only completed recently. No new work could be allocated to the contractor until the journal for the accrual payment to the contractor is completed. Confirmation is still not received by mid-December 2023. Clubview Phase 4A: The contractor is busy completing a portion of the 450mm diameter pipeline in the Old Joburg Road. The contractor failed to achieve practical completion on the Due Completion Date on 16 November 2023. Extension of time claim was submitted by the contractor and is being processed. The remaining portion will be included in the scope of works of Area-C (Allocation 1).	Area-C (Allocation 1): The works need to commence at the latest in January 2024. The journal for the accrual payment needs to be completed as soon as possible to allow the final completion and approval of the Work Package and allocation to the contractor. The Extension of Time Claim needs to be evaluated and approved as soon as possible.
Replacement Of Critical Worn-Out Water Network Pipes (Area D)	12,200,000	9,882,000	1,575,258	1,944,285	16%	10,624,742	Area D (Allocation 1): The target of 378m of pipes replaced in December was not achieved due to late provision of documents and information for compilation of the work package for the allocation to the contractor. The Work Package was completed and allocated to the contractor. The contractor is busy with contractual obligations. Constantia Park / Moreleta Park: 0m of pipes were replaced in December. Extension of time claim was submitted by the contractor due to non-payment by the CoT. The contractor failed to achieve practical completion on the revised Due Completion Date on 3 November 2023. Only pressure testing of a few replaced pipelines, house connections and reinstatement work are outstanding. Eersterust: 0m of pipes was replaced in December. The works have been suspended due to business forum interferences and threats since 29 September 2023. The works will only resume after the builders' break.	Area-D (Allocation 1): The contractual obligations and social facilitation need to be completed as soon as possible to ensure site establishment and commencement of the works after the builders' break. Constantia Park / Moreleta Park: Practical Completion needs to be achieved as soon as possible after the builders' break. Eersterust: The intervention by the Offices of the MMC and Speaker was requested to find a permanent solution to the business forum interferences and threats. Eventually after more than two months the matter seems to be solved and the contractor will be allowed to continue with the works after the builders' break.

Continuation: USDG – Water and Sanitation

WATER AND SANITATION USDG ALLOCATION: EXPENDITURE AS AT 31 DECEMBER 2023								
Project Name	Original Budget 2023/24	Cumulative Expenditure Projection	Cumulative Capex Actual	Cumulative Committed	% Spent Against Projection	Balance	Reasons for Deviations	Corrective Measures to be taken
	(R)	(R)	(R)	(R)	%	(R)		
Replacement Of Critical Worn-Out Water Network Pipes (Area E)	5,000,000	4,750,000	-	4,602,303	0%	5,000,000	Area-E (Allocation 1): The target of achieving Practical Completion was not achieved. The Design Development and Specification Stage was not completed according to schedule. Therefore, the work package to be allocated to the contractor could only be completed on 16 October 2023 and approved on 20 October 2023. The contractor is busy with the contractual obligations. Site establishment and commencement of the works will be done after the builders' break. Riama Park: Practical Completion was achieved on 29 August 2023. Certificate of Completion was issued on 3 October 2023. Issues with the final payment is delaying retention release and the completion of the Closing Stage.	Area-E (Allocation 1): The works will commence after the builders' break. Riama Park: The issues with the final payment needs to be solved by the contractor as soon as possible.
Sunderland Ridge WWTW Phase1: Upgrade of existing infrastructure	21,200,000	9,328,000	931,793	16,268,207	10%	20,268,207	Fence works: 49% All parameter fence panels with 3 gates installed; installation of electrical fence components has commenced. Civil Works: 62%, emptying of the Biological Reactor, 2 Fermenter tanks and construction of the scum pump station Mechanical Works: 2% , progress severely delayed with designs are in progress. Electrical Works: 0% , progress severely delayed with designs also in progress. Total Construction Progress 19% . *Note: Progress measured against revised programme	Meeting with department to address delays in progress on site held on 6 December 2023. Contractor promised to increase rate of progress on site to ensure that both Mechanical and Electrical work commenced in January 2023. Program of works is outdated; contractor submitted the revised program and cashflow on 13 December 2023.
Waste Water Treatment facilities upgrades Minor Capital Projects (City wide)	6,000,000	1,200,000	-	-	0%	6,000,000	Tender was approved by the BAC in June 2023. The BAC resolution was sent to SCM on 6/12/2023 for the drafting of the letter of appointment for the CM's signature. The letter of appointment has not been issued yet.	SCM received the BAC resolution on the 6/12/2023 for the drafting of the appointment letter. This milestone will not be completed as funding on the project has been reduced as requested by National Treasury due to the reduction in USDG grant funding
Rooiwal WWTW Phase 1: Upgrading of Existing Infrastructure	46,720,000	10,278,400	-	-	0%	46,720,000	The project has not achieved the planned milestone. The appointment of contractors to commence with scope outstanding scope (Phase 1A) including fencing is planned to be made by 17 February 2024. The time allowed for Construction work permit application, review the design, drawings, BoQ's and specifications is two months. Site handover is planned for 4 April 2024. The expenditure is projected for the fourth quarter. The PSP tender for the new scope identified (Phase 1b) is planned to be advertised by 12 January 2024.	The current projections are still on track as per Implementing Agent planned milestones. The milestones and cashflows on Caps will be adjusted during the 2023/24 FY budget adjustment
Temba and Babelegi WWTW upgrade of existing infrastructure	8,000,000	-	-	-	0%	8,000,000	Milestone not achieved. Consultant contract expired, not extended due to poor performance. Consultant specification for the appointment of PSP is approved by GFS and EPMU. Project specification submitted to SCM and bidders invited and closing date for quotations was on 4 October 2023. Evaluation report was recommended for PSP appointment by BAC.	SCM and BAC will need to fast-track the resolution and appointment letter.
Ekangala WWTW: Upgrade of existing infrastructure	1,000,000	-	-	-	0%	1,000,000	Milestone not achieved. Consultant contract expired, not extended due to poor performance. Consultant specification for the appointment of PSP is approved by GFS and EPMU. Project specification submitted to SCM and bidders invited and closing date for quotations was on 6 October 2023. Evaluation report submitted for BAC approval.	SCM and BAC will need to fast-track the resolution and appointment letter.

Continuation: USDG – Water and Sanitation

WATER AND SANITATION USDG ALLOCATION: EXPENDITURE AS AT 31 DECEMBER 2023								
Project Name	Original Budget 2023/24	Cumulative Expenditure Projection	Cumulative Capex Actual	Cumulative Committed	% Spent Against Projection	Balance	Reasons for Deviations	Corrective Measures to be taken
	(R)	(R)	(R)	(R)	%	(R)		
Replacement Of Critical Worn-Out Water Network Pipes (Area E)	5,000,000	4,750,000	-	4,602,303	0%	5,000,000	<p>Area-E (Allocation 1): The target of achieving Practical Completion was not achieved. The Design Development and Specification Stage was not completed according to schedule. Therefore, the work package to be allocated to the contractor could only be completed on 16 October 2023 and approved on 20 October 2023. The contractor is busy with the contractual obligations. Site establishment and commencement of the works will be done after the builders' break.</p> <p>Riama Park: Practical Completion was achieved on 29 August 2023. Certificate of Completion was issued on 3 October 2023.</p> <p>Issues with the final payment is delaying retention release and the completion of the Closing Stage.</p>	<p>Area-E (Allocation 1): The works will commence after the builders' break.</p> <p>Riama Park: The issues with the final payment needs to be solved by the contractor as soon as possible.</p>
Sunderland Ridge WWTW Phase1: Upgrade of existing infrastructure	21,200,000	9,328,000	931,793	16,268,207	10%	20,268,207	<p>Fence works: 49% All parameter fence panels with 3 gates installed; installation of electrical fence components has commenced.</p> <p>Civil Works: 62% , emptying of the Biological Reactor, 2 Fermenter tanks and construction of the scum pump station</p> <p>Mechanical Works: 2% , progress severely delayed with designs are in progress.</p> <p>Electrical Works: 0% , progress severely delayed with designs also in progress.</p> <p>Total Construction Progress 19% . *Note: Progress measured against revised programme</p>	Meeting with department to address delays in progress on site held on 6 December 2023. Contractor promised to increase rate of progress on site to ensure that both Mechanical and Electrical work commenced in January 2023. Program of works is outdated; contractor submitted the revised program and cashflow on 13 December 2023.
Waste Water Treatment facilities upgrades Minor Capital Projects (City wide)	6,000,000	1,200,000	-	-	0%	6,000,000	Tender was approved by the BAC in June 2023. The BAC resolution was sent to SCM on 6/12/2023 for the drafting of the letter of appointment for the CM's signature. The letter of appointment has not been issued yet.	SCM received the BAC resolution on the 6/12/2023 for the drafting of the appointment letter. This milestone will not be completed as funding on the project has been reduced as requested by National Treasury due to the reduction in USDG grant funding
Rooiwal WWTW Phase 1: Upgrading of Existing Infrastructure	46,720,000	10,278,400	-	-	0%	46,720,000	The project has not achieved the planned milestone. The appointment of contractors to commence with scope outstanding scope (Phase 1A) including fencing is planned to be made by 17 February 2024. The time allowed for Construction work permit application, review the design, drawings, BoQ's and specifications is two months. Site handover is planned for 4 April 2024. The expenditure is projected for the fourth quarter. The PSP tender for the new scope identified (Phase 1b) is planned to be advertised by 12 January 2024.	The current projections are still on track as per Implementing Agent planned milestones. The milestones and cashflows on Caps will be adjusted during the 2023/24 FY budget adjustment.
Temba and Babelegi WWTW upgrade of existing infrastructure	8,000,000	-	-	-	0%	8,000,000	Milestone not achieved. Consultant contract expired, not extended due to poor performance. Consultant specification for the appointment of PSP is approved by GFS and EPMU. Project specification submitted to SCM and bidders invited and closing date for quotations was on 4 October 2023. Evaluation report was recommended for PSP appointment by BAC.	SCM and BAC will need to fast-track the resolution and appointment letter.
Ekangala WWTW: Upgrade of existing infrastructure	1,000,000	-	-	-	0%	1,000,000	Milestone not achieved. Consultant contract expired, not extended due to poor performance. Consultant specification for the appointment of PSP is approved by GFS and EPMU. Project specification submitted to SCM and bidders invited and closing date for quotations was on 6 October 2023. Evaluation report submitted for BAC approval.	SCM and BAC will need to fast-track the resolution and appointment letter.

Continuation: USDG-Water and Sanitation

WATER AND SANITATION USDG ALLOCATION: EXPENDITURE AS AT 31 DECEMBER 2023								
Project Name	Original Budget 2023/24	Cumulative Expenditure Projection	Cumulative Capex Actual	Cumulative Committed	% Spent Against Projection	Balance	Reasons for Deviations	Corrective Measures to be taken
	(R)	(R)	(R)	(R)	%	(R)		
Klipgat WWTW: Upgrading of existing infrastructure to 40ML/d	35,000,000	35,000,000	18,696,593	10,806,906	53%	16,303,407	<p>Overall Progress: 95%</p> <p>Civil Works:</p> <p>Anaerobic Digester: Formwork and reinforcement for roof in progress.</p> <p>Sludge Drying Beds: brickwork & amp; pipework in progress.</p> <p>Inlet works - Roof installation complete.</p> <p>Electrical Works:</p> <p>Security system (CCTV Electric fence and High masts): LV cables installation for security system is complete.</p> <p>CCTV fixed cameras are installed, and the server equipment will be installed when the guard house furniture is installed.</p> <p>Biological filter MCC delivered and installed, power cable installation to the pumps and instruments in progress.</p> <p>Chlorine building MCC: Delivered and installed, power cable installation to the pumps and instruments in progress.</p> <p>Commission of MV equipment in progress.</p> <p>Mechanical Works:</p> <p>Flow Control equipment and Inlet Works equipment installations are complete.</p> <p>Pumping equipment: all pumps have been delivered to the site. Grit removal pumps are delivered to the site.</p> <p>Aerobic Digesters equipment: Floating aerators installation complete</p>	Contractor will be monitored to ensure that the project is completed on time.
Replacement of deficient Sewers	15,000,000	14,250,000	666,998	1	5%	14,333,002	<p>Area-A: The target of 44m of deficient sewers replaced was not achieved. Construction work could not commence due to the continued delay experienced with the procurement of a new OHS Agent and Consulting Engineering Firm. 3. A Briefing Session for the appointment of an OHS Agent was held on 15 November 2023. Bids closed on 21 November 2023. Admin Compliance was completed on 22 November. Functionality was completed on 29 November and Tender Evaluation was completed on 29 November 2023. Since then no feedback from SCM was received and or no progress was made. A Briefing Session for the appointment of consultants was held on 8 November 2023. Bids closed on 14 November 2023. Admin Compliance was completed on 30 November 2023. Both Functionality and Tender Evaluation were completed on 4 December 2023. Since then no feedback from SCM was received and or no progress was made. Area-B: The target of 32m of deficient sewers replaced was not achieved. Construction work could not commence due to the continued delay experienced with the procurement of a new OHS Agent and Consulting Engineering Firm. The tender specifications were only approved and submitted by EPMU to Panel Specification (SCM) on 12 September 2023. A Briefing Session for the appointment of an OHS Agent was held on 26 October 2023. Bids closed on 31 October 2023. Admin Compliance was completed on 1 November 2023. Functionality Evaluation was completed on 8 November 2023. The tender evaluation report served at the BAC meeting on 23 and again on 30 November 2023. A recommendation for an appointment has been made. The BAC Resolution was signed on 7 December 2023. The Appointment Letter was signed on 8 December 2023. A Briefing Session for the appointment of consultants was held on 2 November 2023. Bids closed on 9 November 2023. Admin Compliance was done on 15 November. Tender Evaluation was completed on 4 December 2023. Since then no progress was made. Area-C: The target of 38m of deficient sewers replaced was not achieved. Construction work could not commence due to the continued delay experienced with the procurement of a new OHS Agent and Consulting Engineering Firm. The tender specifications were only approved and submitted by EPMU to Panel Specification (SCM) on 12 September 2023. A Briefing Session for the appointment of an OHS Agent was held on 16 October 2023.</p>	<p>Area-A: Regular follow-ups are being done. A shared spreadsheet was compiled in November 2023 and SCM is requested to update progress on a regular basis. However, SCM is failing in updating the spreadsheet and the intervention of EPMU was requested. Very slow progress is made despite the above mitigation measures. Area-B: Regular follow-ups are being done. A shared spreadsheet was compiled in November 2023 and SCM is requested to update progress on a regular basis. However, SCM is failing in updating the spreadsheet and the intervention of EPMU was requested. Very slow progress is made despite the above mitigation measures. Area-C: Regular follow-ups are being done. A shared spreadsheet was compiled in November 2023 and SCM is requested to update progress on a regular basis. However, SCM is failing in updating the spreadsheet and the intervention of EPMU was requested. Very slow progress is made despite the above mitigation measures.</p>

Continuation: USDG-Water and Sanitation

WATER AND SANITATION USDG ALLOCATION: EXPENDITURE AS AT 31 DECEMBER 2023									
Project Name	WBS Level 5	Original Budget 2023/24	Cumulative Expenditure Projection	Cumulative Capex Actual	Cumulative Committed	% Spent Against Projection	Balance	Reasons for Deviations	Corrective Measures to be taken
		(R)	(R)	(R)	(R)	%	(R)		
Bronkhorstspuit Water Purification Plant Refurbishment	9.804729.1.W.RE.05.7	500,000	500,000	-	-	0%	500,000	Tender briefing session was conducted on 2 October 2023 and closed on 6 October 2023. Evaluation of submitted tenders by SCM is completed with item on the BAC agenda.	Appointment of PS for design work and construction monitoring must be expedited for commencement of design.
New Vlakplaats Pump station	9.804735.1.P.ST.05.3	3,000,000	450,000	-	-	0%	3,000,000	The new consultant will be appointed from the COO panel as soon as the specification has been approved by EPMU.	The specification has been submitted to EPMU on 21 November 2023 for final approval.
Installation of telemetry, bulk meters and control equipment at reservoirs (City Wide)	9.804723.1.R.EQ.05.W	10,000,000	10,000,000	-	-	0%	10,000,000	Installation is ongoing but not yet completed. only 15 boxes were completed and installed.	Requested the invoice for the installed boxes to show evidence of progress made. Monumentpark backup generator ordered and awaiting delivery.
New Parkmore LL Reservoir and HL Reservoir	9.804723.1.R.NP.05.6	40,000,000	16,000,000	12,306,098	27,693,903	77%	27,693,902	Milestone not achieved. Excavation to reservoir foundation and backfilling with G5 was only completed on 26 October 2023. The installation of drainage pipes and placing of no fines concrete is complete.	The delay will be managed in line with the contract data.
Relining/upgrading reservoirs	9.804723.1.R.UP.05.3	18,000,000	7,920,000	-	205,000	0%	18,000,000	Milestone not started: Tender for the appointment of contractor delayed, tender was required to undergo market analysis. Tender served at BAC on 19 October 2023, resolution issued on 2 November 2023, department awaiting issuing of appointment letter.	Non required at this stage, appointment of PSP for construction monitoring underway.
Replace reservoir fencing (City Wide)	9.804723.1.R.FE.05.W	1,000,000	300,000	-	-	0%	1,000,000	The milestone is not achieved. The BAC resolution for the appointment of contractors is received, however the appointment letters are not finalized yet.	The fence installation will be fast-tracked upon receipt of appointment letters for the contractors.
Water Conservation and Demand Management	9.804730.1.C.MA.05.W	80,000,000	36,000,000	38,129,639	12,953,691	106%	41,870,361	Festive season, contractors only worked for 14 days	None
Mamelodi Ext 11 water (Bulk and reticulation) and sanitation services	9.804728.1.R.SE.05.6	7,000,000	-	150,294	49,706	0%	6,849,706	Milestone not achieved. The tender document has not served again at BSC. The TAR approval memo was drafted and submitted for approval.	Constant follow-ups will be done. The milestones will be adjusted during the adjustment process.
Salvokop Reservoir – Conduit Hydropower Plant	9.804734.1.S.PL.05.3	3,000,000	1,890,000	-	-	0%	3,000,000	Milestone not achieved. The site briefing for both OHS agent and PSP were held respectively on 2 and 13 November 2023. The quotations closed on 8 and 17 November 2023. The evaluation of submitted tenders is circulating for signatures.	SCM processes will need to fast-track signing and BAC submission of the evaluation report.
		374,420,000	208,236,400	94,576,100	80,972,205	45%	279,843,900		

- Informal Settlement Upgrading Partnership Grant (ISUPG) – R588 858 450

The Informal Settlement Upgrading Partnership grant is allocated R588 million for upgrading of Informal Settlements.

An amount of R409 million was received and R80,4 million has been spent for the period. The allocation, expenditure, reasons for deviation, and corrective measures are shown in the tables below.

Informal Settlement Upgrading Partnership Grant (ISUPG)

INFORMAL SETTLEMENT UPGRADING PARTNERSHIP: EXPENDITURE AS AT 31 DECEMBER 2023									
Project Name	WBS Level 5	Original Budget 2023/24	Cumulative Expenditure Projection	Cumulative Capex Actual	Cumulative Committed	% Spent Against Projection	Balance	Reasons for Deviations	Corrective Measures to be taken
		(R)	(R)	(R)	(R)	%	(R)		
Energy and Electricity:									
Electricity for All - Region 1	9.801614.1.E.EA.22.1	1,000,000	360,000	-	-	0%	1,000,000	Project delayed due to unavailability of cables and essential materials in Stores	The challenge of material shortage has been escalated to Supply Chain Management for assistance.
Electricity for All - Region 5	9.801614.1.E.EA.22.5	26,000,000	10,400,000	-	-	0%	26,000,000	Project delayed due to unavailability of cables and essential materials in Stores	The challenge of material shortage has been escalated to Supply Chain Management for assistance.
Electricity for All - Region 6	9.801614.1.E.EA.22.6	12,000,000	4,800,000	9,364,266	2,110,702	195%	2,635,734	Project reached fruition earlier than expected. Work on the ground progressing well	None
Electricity for All - Region 7	9.801614.1.E.EA.22.7	26,366,378	10,546,551	7,172,263	9,998,759	68%	19,194,115	Project delayed by shortage of critical material	Challenge of material shortage has been escalated to Supply Chain Management for assistance.
Region 4 (Public Lighting)	9.801623.1.P.PL.22.4	3,000,000	600,000	-	-	0%	3,000,000	There is no streetlights construction tender in place. The replacement tender EED 10 of 2023/24 was advertised and bids received, currently undergoing the SCM approval phases.	Continues engagement with SCM
Wildebees 400/132KV, 315MVA Infeed station	9.801613.1.S.SU.22.6	68,000,000	15,380,000	-	-	0%	68,000,000	The project is on hold due to the dispute on the compensation for the land expropriated for the construction of the substation.	Funds will be transferred during the budget adjustment process.
Sub-Total		136,366,378	42,086,551	16,536,529	12,109,461	39%	119,829,849		

Continuation: Informal Settlement Upgrading Partnership Grant (ISUPG)

INFORMAL SETTLEMENT UPGRADING PARTNERSHIP: EXPENDITURE AS AT 31 DECEMBER 2023									
Project Name	WBS Level 5	Original Budget 2023/24	Cumulative Expenditure Projection	Cumulative Capex Actual	Cumulative Committed	% Spent Against Projection	Balance	Reasons for Deviations	Corrective Measures to be taken
		(R)	(R)	(R)	(R)	%	(R)		
Human Settlements:									
Water provision - Garankuwa X10	9.803343.1.W.WP.22.1	500,000	75,000	-	-	0%	500,000	Delay in the finalisation and submission of specifications for appointment of Consulting Engineer.	Expedite the completion of specifications and submit to SCM for appointment of Consulting Engineer
Booyensens X4 (30ML Reservoir)	9.803326.1.W.RE.22.3	14,627,569	9,800,471	8,005,876	2,338,497	82%	6,621,693	The contractor only worked on the water and sewer components of the project and experienced cash flow challenges	The contractor resumed with the works and committed to complete the outstanding milestones
Andeon X37 (Zandfontein)	9.803330.1.W.AN.22.3	2,000,000	-	-	-	0%	2,000,000	Delay in approval of construction drawings	Construction drawings have since been approved. Consultant to fast-track the finalisation of the tender document
Water reticulation - Booyensens X4	9.803326.1.W.WR.22.3	4,000,000	3,800,000	-	-	0%	4,000,000	The contractor only worked on the water and sewer components of the project and experienced cash flow challenges	Contractor resumed with the works and committed to complete the outstanding milestones
Water provision - FortWest X4	9.803319.1.W.X4.22.3	500,000	-	-	-	0%	500,000	Delay in finalization of project specifications for appointment of multidisciplinary team	Expedite the completion of specifications and submit to SCM for appointment of multidisciplinary team
Water reticulation - Gasebe	9.803346.1.W.GA.22.5	200,000	-	-	-	0%	200,000	Delay in finalization of project specifications for appointment of Consulting Engineer	The project specifications have been completed and submitted to ePMU for comments
Bulk Reservoir - Fortwest X4&5	9.803319.1.W.BR.22.3	1,500,000	-	-	-	0%	1,500,000	Delay in finalization of project specifications for appointment of multidisciplinary team	Expedite the completion of specifications and submit to SCM for appointment of multidisciplinary team
Water provision - Kopanong X1 Phase 2	9.803318.1.W.KO.22.1	1,000,000	410,000	-	-	0%	1,000,000	Obtaining power of attorney from NWHC took longer than anticipated and has delayed the implementation of the project	A letter has been prepared to request power of attorney from NWHC
Water provision- Mabopane X12	9.803329.1.W.MA.22.1	2,000,000	-	-	-	0%	2,000,000	Delay in the finalisation of specifications for appointment of Consulting Engineer.	Expedite the completion of specifications and submit to SCM for appointment of Consulting Engineer
Water provision - Olievenhoutbosch X60	9.803320.1.W.OL.22.4	20,743,464	12,446,078	1,888,194	-	15%	18,855,270	Contractor was delayed by stoppages on site due non-compliance issues on site.	The contractor addressed the non-compliance issues on site and resumed with the works

Continuation: Informal Settlement Upgrading Partnership Grant (ISUPG)

INFORMAL SETTLEMENT UPGRADING PARTNERSHIP: EXPENDITURE AS AT 31 DECEMBER 2023									
Project Name	WBS Level 5	Original Budget 2023/24	Cumulative Expenditure Projection	Cumulative Capex Actual	Cumulative Committed	% Spent Against Projection	Balance	Reasons for Deviations	Corrective Measures to be taken
		(R)	(R)	(R)	(R)	%	(R)		
Human Settlements:									
Water provision - Refilwe ext10	9.803342.1.W.X0.22.5	2,000,000	1,600,000	1,540,902	-	96%	459,098	The contractor could not complete 100% of scope due to encroachments that the department could not resolve within the contract period.	The contract ended on the 10 October 2023. The project is at 98% progress of the works completed.
Water provision - Refilwe X7	9.803342.1.W.X7.22.5	3,000,000	360,000	-	-	0%	3,000,000	Delays in the tender document review process.	The department is waiting for the item to serve at BSC.
Water provision - Soshanguve MM	9.803302.1.W.RE.22.1	10,000,000	-	-	-	0%	10,000,000	The contractor had suspended works on site due to non-payment.	The payments were made, and contractor resumed work on site.
Water Provision - Winterveldt Bulk water line	9.803302.1.W.BU.22.1	8,000,000	-	1,953,133	-	0%	6,046,867	Delay in the finalization of project specifications	The specifications submitted to SCM to serve at BSC
Bulk water pipeline - Booysens X4	9.803326.1.W.WP.22.3	10,000,000	4,800,000	-	-	0%	10,000,000	Contractor only worked on the water and sewer components of the project and experienced cash flow challenges	Contractor to resume with works and complete the outstanding milestones
Water provision - Zithobeni X8	9.803322.1.W.BW.22.7	7,000,000	-	6,576,648	100	0%	423,352	The contractor is experiencing cash flow challenges due to delayed payments and delays in the implementation of the SAP4ANA System.	The contractor was paid, and the construction activities are expected to resume on site. The contractor will submit the catch-up plan.
Sewer provision - Mabopane X12	9.803336.1.S.12.22.1	2,000,000	400,000	-	-	0%	2,000,000	Delay in the finalisation of specifications for appointment of Consulting Engineer.	Expedite the completion of specifications and submit to SCM for appointment of Consulting Engineer
Sewer reticulation - Booysens X4	9.803333.1.S.X4.22.3	8,000,000	7,600,000	565,170	-	7%	7,434,830	The contractor only worked on the water and sewer components of the project and also experienced cash flow challenges	The contractor resumed with the works and committed complete the outstanding milestones
Andeon X37 (Zandfontein)	9.803334.1.S.X1.22.3	1,000,000	-	-	-	0%	1,000,000	Delay in approval of construction drawings	Construction drawings have since been approved. Consultant to fast-track the finalisation of the tender document
Sewer reticulation - Gasebe	9.803337.1.S.GA.22.1	200,000	-	-	-	0%	200,000	Delay in finalization of project specifications for appointment of Consulting Engineer	The project specifications have been completed and submitted to ePMU for comments
Sewer provision - Kopanong X1 Phase 2	9.803316.1.S.KO.22.1	1,000,000	480,000	-	-	0%	1,000,000	Obtaining power of attorney from NWHC took longer than anticipated and has delayed the implementation of the project	A letter has been prepared to request power of attorney from NWHC
Sewer provision - Rama City	9.803324.1.S.RA.22.1	5,000,000	-	-	-	0%	5,000,000	The tender document review took longer than anticipated to address the SCM comments.	The department is waiting for the item to serve at BSC.

Continuation: Informal Settlement Upgrading Partnership Grant (ISUPG)

INFORMAL SETTLEMENT UPGRADING PARTNERSHIP: EXPENDITURE AS AT 31 DECEMBER 2023									
Project Name	WBS Level 5	Original Budget 2023/24	Cumulative Expenditure Projection	Cumulative Capex Actual	Cumulative Committed	% Spent Against Projection	Balance	Reasons for Deviations	Corrective Measures to be taken
		(R)	(R)	(R)	(R)	%	(R)		
Human Settlements:									
Sewer reticulation - Refilwe ext10	9.803327.1.S.X0.22.5	2,000,000	1,600,000	-	-	0%	2,000,000	The contractor could not complete 100% of scope due to encroachments that the department could not resolve within the contract period.	The contract ended on the 10 October 2023. The project is at 98% progress of the works completed.
Sewer reticulation - Refilwe X7	9.803327.1.S.X7.22.5	3,000,000	360,000	-	-	0%	3,000,000	Delays in the tender document review process.	The department is waiting for the item to serve at BSC.
Soshanguve MM Sewer Reticulation	9.803351.1.S.MM.22.2	10,609,931	4,880,568	2,494,729	-	51%	8,115,202	The contractor had suspended works on site due to non-payment.	The payments were made, and contractor resumed work on site.
Bulk Sewer Line - Winterveldt	9.803328.1.S.BS.22.1	8,500,000	-	-	-	0%	8,500,000	Delay in the finalization of project specifications	The specifications submitted to SCM to serve at BSC
Garankuwa X10 sewer reticulation	9.803356.1.S.X0.22.1	500,000	150,000	-	-	0%	500,000	Delay in the finalisation of specifications for appointment of Consulting Engineer.	Expedite the completion of specifications and submit to SCM for appointment of Consulting Engineer
Sewer provision - Pretorius Park	9.803335.1.S.PR.22.6	1,031,112	1,031,112	-	-	0%	1,031,112	Internal dependencies delay to finalisation of the scope and addressing the outstanding town planning milestones	The town planning issues were identified and the specifications for appointment of consulting engineers completed and will be submitted to SCM for appointment of professional service provider
Sewer provision - Zithobeni X8	9.803317.1.S.X8.22.7	30,562,748	18,337,649	-	-	0%	30,562,748	The contractor is experiencing cash flow challenges due to delayed payments and delays in the implementation of the SAP4ANA System.	The contractor was paid, and the construction activities are expected to resume on site. The contractor will submit the catch-up plan.
Construction of roads & stormwater - Soshanguve ext19	9.803312.1.R.19.22.1	5,000,000	-	-	-	0%	5,000,000	There was a delay in approval of drawings and issuing of approval letter by Roads and Transport Department	The designs have been approved. Procurement of contractor currently underway
Construction of roads & stormwater - Refilwe Manor X9	9.803305.1.R.X9.22.5	500,000	500,000	-	-	0%	500,000	Construction drawings not yet approved	Consultant to address the comments speedily and submit for final approval. Roads and Transport Department to be engaged to fast-track approval
Construction of roads & stormwater - Zithobeni X8&9	9.803309.1.R.ZX.22.7	6,453,464	3,226,732	-	-	0%	6,453,464	Slow progress by engineers in addressing the comments for approval of designs	Expedite the approval of designs. The tender document to be submitted before end of quarter 2 at SCM.

Continuation: Informal Settlement Upgrading Partnership Grant (ISUPG)

INFORMAL SETTLEMENT UPGRADING PARTNERSHIP: EXPENDITURE AS AT 31 DECEMBER 2023									
Project Name	WBS Level 5	Original Budget 2023/24	Cumulative Expenditure Projection	Cumulative Capex Actual	Cumulative Committed	% Spent Against Projection	Balance	Reasons for Deviations	Corrective Measures to be taken
		(R)	(R)	(R)	(R)	%	(R)		
Human Settlements:									
Construction of roads & stormwater - Soshanguve South X12	9.803312.1.R.12.22.1	2,000,000	800,000	-	-	0%	2,000,000	Newly appointed consulting engineer had to review designs by the previous consulting engineer.	Fast-track the approval of the submitted designs review.
Construction of roads & stormwater - Soshanguve South X13	9.803312.1.R.13.22.1	2,000,000	900,000	-	-	0%	2,000,000	Newly appointed consulting engineer had to review designs by the previous consulting engineer.	Fast track the approval of the submitted designs review.
Construction of roads & stormwater - Thorntree View	9.803306.1.R.TH.22.1	48,289,905	23,179,154	670,024	-	3%	47,619,881	None, project on track	None
Construction of roads & stormwater - Winterveldt	9.803304.1.R.WI.22.1	4,141,072	-	-	-	0%	4,141,072	Delays in the approval of designs by Roads and Transport Department	Engage the Roads and Transport Department to expedite approval of designs
Construction of roads & stormwater - Mabopane ext 1	9.803301.1.R.X1.22.1	1,000,000	100,000	-	-	0%	1,000,000	Delay in the handover of the Roads and Stormwater has affected completion and finalisation of the scope of work. Some of the scope that was not part of phase 2 needs to be included in phase 2.	Conclude the handover of the completed Roads and Stormwater to Roads and Transport Department and finalise the specifications and scope of work.
Construction of roads & stormwater - Zifhobeni Heights (4 Road intersections)	9.803309.1.R.ZH.22.7	4,055,725	2,027,863	429,705	-	21%	3,626,020	Slow progress by engineers in addressing the comments for approval of designs	Expedite the approval of designs
Acquisition of land	9.803355.1.L.AL.22.3	26,200,000	-	15,171,420	-	0%	11,028,580	None, project on track	None
Sub-Total		260,114,990	96,864,628	39,295,801	2,338,597	40%	220,819,189		
Roads & Stormwater :									
Essential/Unforeseen Stormwater Drainage Problems	9.804001.1.S.DR.22.W	5,000,000	-	-	-	0%	5,000,000	No deviation from the original submitted cash flow. Busy with administration process and creation of WBS	Construction planned for January 2024
Concrete Canal: Sam Malema Road, Winterveldt	9.804002.1.C.CA.22.1	2,000,000	-	-	-	0%	2,000,000	Project at appointment of consultant stage at 50%. Awaiting approval by the EPMU for the appointment of a consultant to review the detail design.	TAR and specifications submitted for appointment of consultant
Major Stormwater Systems Klip Kruisfontein	9.804043.1.S.SY.22.1	1,000,000	-	-	-	0%	1,000,000	Project at appointment of consultant stage of 50%. Awaiting approval by the EPMU for the appointment of a consultant to review the detail design.	TAR and specifications submitted for appointment of consultant
Rehabilitation Of Roads	9.804008.1.R.RO.22.1	5,700,000	-	-	-	0%	5,700,000	Awaiting consultant appointment	BEC busy with price negotiations with service providers
Internal Roads Ga-Rankuwa Zone 5	9.804033.1.R.G5.22.1	1,000,000	-	-	-	0%	1,000,000	Project at appointment of consultant stage of 50%. Awaiting approval by the EPMU for the appointment of a consultant to review the detail design.	TAR and specifications submitted for appointment of consultant

Continuation: Informal Settlement Upgrading Partnership Grant (ISUPG)

INFORMAL SETTLEMENT UPGRADING PARTNERSHIP: EXPENDITURE AS AT 31 DECEMBER 2023									
Project Name	WBS Level 5	Original Budget 2023/24	Cumulative Expenditure Projection	Cumulative Capex Actual	Cumulative Committed	% Spent Against Projection	Balance	Reasons for Deviations	Corrective Measures to be taken
		(R)	(R)	(R)	(R)	%	(R)		
Roads & Stormwater :									
Internal Roads Mabopane Block R (Phase 2)	9.804033.1.R.M2.22.1	1,000,000	-	-	-	0%	1,000,000	Project at appointment of consultant stage of 50%. Awaiting approval by the EPMU for the appointment of a consultant to review the detail design.	TAR and specifications submitted for appointment of consultant
Soshanguve Block WW	9.804025.1.R.WW.22.1	1,000,000	-	267,261	-	0%	732,739	Project at appointment of consultant stage of 50%. Awaiting approval by the EPMU for the appointment of a consultant to review the detail design.	TAR and specifications submitted for appointment of consultant
Upgrading of Builekant Street	9.804013.1.R.ST.22.1	4,000,000	200,000	-	-	0%	4,000,000	Project at appointment of consultant stage of 50%. Awaiting approval by the EPMU for the appointment of a consultant to review the detail design.	TAR and specifications submitted for appointment of consultant
Upgrading of Road from gravel to tar in Ekangala (Ward 103 and 104)	9.804030.1.R.RO.22.7	13,000,000	13,000,000	12,263,608	236,392	94%	736,392	Project in construction at 95%, busy with surfacing.	The contractor has provided the revised programme and approved by the Engineer on site.
Upgrading of roads and stormwater systems in Refilwe	9.804026.1.R.RO.22.5	5,000,000	5,000,000	-	-	0%	5,000,000	Project at appointment of consultant stage of 50%. Awaiting approval by the EPMU for the appointment of a consultant to review the detail design.	TAR and specifications submitted for appointment of consultant
Sub-Total		44,700,000	19,200,000	12,530,869	5,236,392	65%	32,169,131		
Water & Sanitation :									
Sunderland Ridge WWTW Phase1: Upgrade of existing infrastructure	9.804713.1.W.S1.22.4	36,077,082	15,873,916	10,805,750	25,271,332	68%	25,271,332	The project has not achieved the planned milestone. The appointment of contractors to commence with scope outstanding scope (Phase 1A) including fencing is planned to be made by 17 February 2024. The time allowed for Construction work permit application, review the design, drawings, BoQ's and specifications is two months. Site handover is planned for 4 April 2024. The expenditure is projected for the fourth quarter. The PSP tender for the new scope identified (Phase 1b) is planned to be advertised by 12 January 2024.	The current projections are still on track as per Implementing Agent planned milestones. The milestones and cashflows on Caps will be adjusted during the 2023/24 FY budget adjustment.
Rooiwal WWTW Phase 1: Upgrading of Existing Infrastructure	9.804713.1.W.R1.22.2	103,280,000	22,721,600	-	-	0%	103,280,000	The project has not achieved the planned milestone. The appointment of contractors to commence with scope outstanding scope (Phase 1A) including fencing is planned to be made by 17 February 2024. The time allowed for Construction work permit application, review the design, drawings, BoQ's and specifications is two months. Site handover is planned for 4 April 2024. The expenditure is projected for the fourth quarter. The PSP tender for the new scope identified (Phase 1b) is planned to be advertised by 12 January 2024.	The current projections are still on track as per Implementing Agent planned milestones. The milestones and cashflows on Caps will be adjusted during the 2023/24 FY budget adjustment.
Ekangala Block A - F sewer reticulation and toilets	9.804721.1.S.SE.22.7	8,320,000	332,800	1,243,376	6,289,622	374%	7,076,624	Milestone not achieved. A meeting was held with Legal Services on 13 December 2023 to discuss the appeal that will be submitted in January 2024 when the courts opens. The contract lapsed on 8 December 2023 therefore the Department will commence with the process of appointing another service provider.	The milestones will be adjusted during the budget adjustment process.
Sub-T total		147,677,082	38,928,316	12,049,126	31,560,954	31%	135,627,956		
Grand-T total		588,858,450	199,079,495	80,412,325	51,245,404	40%	508,446,125		

- Public Transport Network Grant (PTNG) – R250 575 000

BRT projects have been allocated R250 million. An amount of R96 million was received, and the total expenditure for the period is R53,6 million.

The allocation, expenditure, reasons for deviation, and corrective measures are shown in the table below.

PUBLIC TRANSPORT NETWORK GRANT (PTNG): EXPENDITURE AS AT 31 DECEMBER 2023									
Project Name	WBS Level 5	Original Budget 2023/24	Cumulative Expenditure Projection	Cumulative Capex Actual	Cumulative Committed	% Spent Against Projection	Balance	Reasons for Deviations	Corrective Measures to be taken
		(R)	(R)	(R)	(R)	%	(R)		
BRT Rationalization Infrastructure (Mixed Traffic Operations)	9.804016.1.B.RA.02.6	10,000,000	2,000,000	-	-	0%	10,000,000	Specifications are still with SCM for calling of quotations	The project is affected by PTNG cut and appointment of PSP will be done by end January to realise the R2 million.
APTMS: Future Lines Implementation of Advanced Public Transport Management system	9.804016.1.B.AP.02.W	2,900,000	1,829,900	-	-	0%	2,900,000	Contractor is scheduled to claim by end of quarter 2, however the milestone has been moved to quarter 3	Follow-up with SCM for contract registration and finance for PO creation
Belle Ombre - Phase 2 (Overflow car park, Electric Fencing etc)	9.804016.1.B.BE.02.3	6,500,000	6,500,000	587,835	-	9%	5,912,165	The works on site has been suspended. The contractor has surrendered the project due to issues of underpricing	The contract termination is in process. The allocated budget to be reviewed during budget adjustment
Wonderboom Intermodal Facility (Building Works)	9.804016.1.B.WO.02.3	1,000,000	1,000,000	-	-	0%	1,000,000	Non-performance by the contractor	Closing monitoring of program and progress on site
Line 3: CBD to Atteridgeville - Section 2 (Pretoria West - Atteridgeville)	9.804016.1.B.WE.02.3	2,000,000	-	-	-	0%	2,000,000	Project is at procurement stage. Awaiting the Supply Chain Management to send requests for quotations to bidders.	Expenditure is expected to improve after appointment of a Professional Service Provider
Denneboom Intermodal facility	9.804016.1.B.IN.02.6	24,000,000	15,300,000	4,794,019	-	31%	19,205,981	Project is on procurement stage. Tender specification has been submitted to Bid Specification Committee for review	Expenditure is expected to improve after appointment of a contractor

Continuation of Public Transport Network Grant (PTNG)

PUBLIC TRANSPORT NETWORK GRANT (PTNG): EXPENDITURE AS AT 31 DECEMBER 2023									
Project Name	WBS Level 5	Original Budget 2023/24	Cumulative Expenditure Projection	Cumulative Capex Actual	Cumulative Committed	% Spent Against Projection	Balance	Reasons for Deviations	Corrective Measures to be taken
		(R)	(R)	(R)	(R)	%	(R)		
Line 2B: Atterbury Rd (btw Lynnwood Rd to Lois Avenue)	9.804016.1.B.AT.02.3	46,000,000	16,100,000	87,413	-	1%	45,912,587	Delays in wayleave approvals	The wayleave has been approved and expenditure to improve in January
Line 2B: Lynnwood Rd (btw University Rd to Atterbury)	9.804016.1.B.UN.02.3	32,000,000	12,000,000	9,615,467	-	80%	22,384,533	Minor delays due to contractor's break in December	Expenditure is expected to improve from January
Line 3: CBD to Atteridgeville - Section 1 (CBD - Pretoria West)	9.804016.1.B.PW.02.3	8,000,000	-	1,717,291	-	0%	6,282,709	Project is at procurement stage. Awaiting tender advertisement by Supply Chain Management	Expenditure is expected to improve after appointment of a contractor
BRT Line 2C-Lynnwood Rd (btw January Masilela & Simon Vermooten)	9.804016.1.B.SI.02.6	67,000,000	33,500,000	28,769,597	-	86%	38,230,403	Minor delays due to contractor's break in December	Expenditure is expected to improve from January
Menlyn Taxi Interchange (Dallas)	9.804016.1.B.DA.02.6	500,000	-	148,715	-	0%	351,285	Project delays due to WULA application	Constant follow-up with the department of water affairs
Menlyn Taxi Interchange (Gobie)	9.804016.1.B.GO.02.6	4,775,415	238,771	-	-	0%	4,775,415	Delays in obtaining feedback from GDARD regarding environmental sensitivity of the area.	Constant follow-up with GDARD
The Design, Supply, Installation, Operation and Maintenance of an automated fare Collection (AFC) System	9.804016.1.B.MA.02.A	10,000,000	3,690,000	-	-	0%	10,000,000	The non-gazetting of Regulations of AFC has delayed expenditure	Milestones will be adjusted, and the project is affected by PTNG budget cut
Denneboom Depot	9.804016.1.B.DE.02.6	33,500,000	-	7,162,151	-	0%	26,337,849	Project estimate is more than what we expected and is beyond what the City can afford. Project descoping is underway. Expenditure expected in quarter 4	The project is affected by PTNG cut and money will be taken away and procurement to commence next financial year
BRT Line 2C-January Masilela (btw Atterbury & Lynnwood Rd)	9.804016.1.B.JA.02.6	2,399,585	2,399,585	738,038	-	31%	1,661,547	Delays in finalizing the snag list due to delayed payments by the City to the service provider	Outstanding payments has been made and expenditure is expected to improve from January
		250,575,000	94,558,256	53,620,526	-	57%	196,954,474		

- Neighbourhood Development Partnership Grant (NDPG) – R15 465 000

An amount of R15,5 million has been allocated to Capex projects. The entire allocation was received, and R670 472 has been spent for the period.

The allocation, reasons for deviation, and corrective measures are shown in the table below.

NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP: EXPENDITURE AS AT 31 DECEMBER 2023								
Project Name	Original Budget 2023/24	Cumulative Expenditure Projection	Cumulative Capex Actual	Cumulative Committed	% Spent Against Projection	Balance	Reasons for Deviations	Corrective Measures to be taken
	(R)	(R)	(R)	(R)	%	(R)		
Capital Funded from Operating (City Planning & Development)	6,000,000	6,000,000	-	-	0%	6,000,000	WBS creation is completed. Delay in creation of Purchase Requisition for 45 x Bulk Filling Cabinets, 30 Laptops for PEP Project, Laminating Machine and Shredders due to serious technical errors experienced by consultants on S4HANA System.	Constant follow-up and communication with S4Hana consultants and support personnel to assist with the system errors and resolve the issue.
Temba & Hammanskraal West Walkways	9,465,000	1,230,450	670,472	-	54%	8,794,528	Invoice for the Professional Service Provider (Planning & Design) was submitted. The contractor is busy with site establishment with delays encountered due to the outstanding process of finalising the sourcing of quotations to enable the construction works to commence. This delay has an impact on the project expenditure.	Expedite the process of finalising the sourcing of quotations to enable the site establishment to be completed and construction works to commence.
	15,465,000	7,230,450	670,472	-	9%	14,794,528		

- Energy Efficiency and Demand Side Management – R7 500 000

An amount of R7,5 million has been allocated to Capex projects. R1,5 million was received and an expenditure of R3,5 million was incurred as at 31 December 2023. The second tranche has been withheld due to significant under expenditure of previously transferred funds, a recovery plan was submitted, awaiting revised payment schedule.

The allocation, reasons for deviation, and corrective measures are shown in the table below.

ENERGY EFFICIENCY DEMAND SIDE MANAGEMENT : EXPENDITURE AS AT 31 DECEMBER 2023								
Project Name	Original Budget 2023/24	Cumulative Expenditure Projection	Cumulative Capex Actual	Cumulative Committed	% Spent against Projection	Balance	Reasons for Deviations	Corrective Measures to be taken
	(R)	(R)	(R)	(R)	%	(R)		
Energy Efficiency and Demand Side Management	7,500,000	2,750,775	3,494,749	68,572	127%	4,005,251	Project reached fruition earlier than expected. Work on the ground progressing well	None
	7,500,000	2,750,775	3,494,749	68,572	127%	4,005,251		

6.4 Capital expenditure of Grants and Subsidies – Provincial Government

- Sport and Recreation: Community Libraries (CLS) – R12 294 000

The total allocation for capital projects is R12,3 million. The funds will be used ssssssto purchase library books, furniture, and ICT equipment. The first tranche was delayed due to late submission of SLA to SACR by the City. The payment schedule has been revised; the tranche will be transferred in January 2024.

An amount of R3,5 million has been spent as at 31 December 2023. The allocation, reasons for deviation, and corrective measures are shown in the table below.

COMMUNITY LIBRARIES GRANT: EXPENDITURE AS AT 31 DECEMBER 2023								
Project Name	Original Budget 2023/24	Cumulative Expenditure Projection	Cumulative Capex Actual	Cumulative Committed	% Spent Against Projection	Balance	Reasons for Deviations	Corrective Measures to be taken
	(R)	(R)	(R)	(R)	%	(R)		
Capital Funded from Operating (Capital Movables)	12,294,000	3,688,200	3,510,093	128,645	95%	8,783,907	Book selection process and needs assessment for ITC equipment and library furniture finalised.	Ordering, delivery and purchasing of goods in process and ongoing until June 2024.
	12,294,000	3,688,200	3,510,093	128,645	0%	8,783,907		

6.5 Capital expenditure of Grants and Subsidies – Other Grant Providers

- RCG-SHRA Grant – R78 822 851

The Social Housing Regulatory Authority (SHRA) has set aside R78,8 million for the development of social housing projects by HCT.

The grant is performance-based; claims have been submitted, and the first tranche payment is pending. An amount of R40,3 million has been spent for the period.

The allocation, expenditure, reasons for deviation, and corrective measures are shown in the table below:

RCG - SHRA GRANT: EXPENDITURE AS AT 31 DECEMBER 2023								
Project Name	Original Budget 2023/24	Cumulative Expenditure Projection	Cumulative Capex Actual	Cumulative Committed	% Spent Against Projecti	Balance	Reasons for Deviations	Corrective Measures to be taken
	(R)	(R)	(R)	(R)	%	(R)		
	25,962,653	4,543,464	-		0%	25,962,653	Contractor terminated and left the site, awaiting go ahead from Board	Regular follow-ups with the Board will be made.
Chantelle X39 Construction of 600 social housing units	52,860,199	16,524,098	40,290,022		244%	12,570,177	Invoices received from the contractor for work completed and captured	Regular follow-ups with contractors to submit invoices for work completed
	78,822,852	21,067,562	40,290,022	-	191%	38,532,830		

7. COMMENTS FROM DEPARTMENTS:

7.1 COMMENTS OF THE CHIEF FINANCIAL OFFICER

Cognisance is taken of the purpose of the report which is to inform the Committees on the financial performance progress of all Inter-governmental Grants and Subsidies, for the period ended 31 December 2023.

7.2 COMMENTS OF THE GROUP LEGAL COUNSEL

8. IMPLICATIONS:

8.1 HUMAN RESOURCE IMPLICATIONS

None.

8.2 FINANCIAL IMPLICATIONS

The non-achievement of expenditure targets may impact on the National Treasury assessment and future scheduled transfers to CoT.

8.3 CONSTITUTIONAL AND LEGAL FACTORS

This report is in compliance with the Division of Revenue Act.

8.4 COMMUNICATION IMPLICATIONS

This report is communicated to all stakeholders.

9. CONCLUSION

The Committees are informed of the financial performance status and results of Government Grants and Subsidies as of 31 December 2023.

The total expenditure R3,7 billion against receipts of R4,6 billion or 79%. The city migrated from the old SAP ECC6 system to the new SAP S/4Hana system in early July. The creation of purchase requisition and purchase orders was delayed during the first quarter of the financial year.

Departments are required to develop recovery plans to accelerate spending in order to avoid rollovers at year-end. A Capex Committee chaired by CFO and COO must be established to oversee the spending on CAPEX programs and conditional grants.

The following provincial grants were not received as per payment schedule:

- Community Libraries (R10,2 million)
- Primary Health Care (R19,2 million)
- HSDG (R12 million)
- EEDSM (R3 million)

Operating Transfers and Grants: Expenditure reflects an underspending of R136 million compared to projections, mainly on the PHC, HIV-AIDS, ISUPG and NDPG.

Capital Transfers and Grants: Expenditure reflects an underspending of R382 million compared to projection, mainly on projects funded by the USDG, ISUPG, and PTNG.

During the discussion of the item at the meeting of Section 79 Oversight Committee: Group Financial Services held on 14 March 2024, the Chairperson table the report and requested the Group Head to present the report.

Whereafter Councillor T Modiba expressed his concern regarding the unspending of grants subsidies by the City of Tshwane stating that it is unacceptable for the city to rely on rollovers from the Department of Treasury. Furthermore he then requested the Chief Financial Officer and the Chief Operating Officer to utilize the grants accordingly and indicated that timelines of progress reports to be monitored on CAPEX programs on a monthly basis.

Hereafter the following Councillors participated in a debate:

**Councillor T Modiba
Councillor MH Lwele
Councillor FM Thema
Councillor E Modise
Councillor AM Randall**

After extensive deliberations regarding the matter, the Chief Financial Officer and the MMC addressed questions and concern raised by members of the Committee and it was therefore resolved as set out below:

IT WAS RECOMMENDED (TO COUNCIL: 27 MARCH 2024):

1. That the transfers and grants, as set out in Table 4.1.1 of the report, be noted.
2. That the financial progress of the various grants and subsidies, as detailed in section 6 of the report, be noted.
3. That departments be required to develop recovery plans to accelerate spending in order to avoid rollovers at year-end.

4. That a Capex Committee chaired by CFO and COO be established to oversee the spending on CAPEX programs and conditional grants.

During the Council meeting of 27 March 2024, the Chair of Chairs, in terms of Section 13 (5) of the Rules and Orders By-laws, deferred this item to the next Council meeting to be held on 25 April 2024.

IT WAS RESOLVED (COUNCIL: 27 MARCH 2024):

That this item be deferred to the next Council meeting to be held on 25 April 2024.

RECOMMENDED:

1. That the transfers and grants, as set out in Table 4.1.1 of the report, be noted.
2. That the financial progress of the various grants and subsidies, as detailed in section 6 of the report, be noted.
3. That departments be required to develop recovery plans to accelerate spending in order to avoid rollovers at year-end.
4. That a Capex Committee chaired by CFO and COO be established to oversee the spending on CAPEX programs and conditional grants.

INITIATORS: Mr. Tiyani G Sambo/Mr Gareth Mnisi (012 358 8100)
COUNCIL: 25 APRIL 2024

2. GROUP FINANCIAL SERVICES
(SUPPLY CHAIN MANAGEMENT DIVISION)
OVERSIGHT SCM REPORT ON THE STATE OF STORES
**(From the Section 79 Oversight Committee: Group Financial Services Meeting:
14 March 2024 and Council: 27 March 2024)**

1. PURPOSE

The purpose of this report is to provide report to the Section 79 Standing Committee on the state of stores. The report specifically give an overall state of affairs at the stores as requested by oversight committee.

2. STRATEGIC PILLARS

1. Strategic Pillar 1: A City that facilitates economic growth and job creation.
2. Strategic Pillar 3: A City that delivers excellent services and protects the environment.
3. Strategic Pillar 5: A City that is open, honest and responsive.

3. BACKGROUND

Logistics management is a supply chain management unit tasked to meet customer demands through the planning, control and implementation of the effective storage and issuing of goods and services.

The role of Logistics Management is to provide an effective inventory control, replenishing of material through requisitions, receiving, warehouse management, processing invoices for payments and issuing materials to end users. The decision matrix for stock items can be used as a categorisation tool for the City's high value & high quantity stock items according to importance (critical or non-critical items) and supply risk.

4. DISCUSSIONS

The city stores are situated across the regions within the various depots. During the last twelve months stores experienced shortage of materials particularly critical materials due to various reasons namely:

1. Cables for maintenance

The appointment of a single supplier to supply all critical cables resulting in supplier no being able to meet the demand for the city. High rate of cable theft experienced by the city also contributed to the shortages of these materials.

2. SAP system

The system changes from SAP to S4Hanna which resulted in the system glitches that affected the procurement processing such as processing of RFQ, Creating PO's, Creating reservations for materials, receiving, issuing materials and capturing the invoices.

3. Delay in the processing of tenders for stock materials

The delay by the end user department to submit the specification on to SCM affect the finalisation of the tender which determined materials availability i.e cable tender, water and sanitation materials, water meters.

4. Price adjustment and Payments of suppliers

Delay in the processing of price adjustment resulting in suppliers withholding deliveries.

5. Security in stores

Lack of sufficient security in stores resulting in high level of theft mainly on cables which lead to loss money and revenue which affect the service delivery.

5. METRO POLICE STORES.

Since the inspection in loco by section 79 committee on the 20th April 2022, the metro police uniform stores has been fully incorporated into Supply Chain Management Logistics Management. The stores if fully operational.

6. STORES BUILDING

Most of the stores building doesn't meet the Occupational Health and Safety Requirements due to design, delapidations and lack of maintenance due to budget.

7. STAFF SHORTAGES AT LOGISTICS STORES.

There is a high vacancy rate in stores due to personnel resigning, some passing away, retiring and some officials working in the other divisions but occupying stores possession on the structure.

8. INTERVENTION TO DATE

1. The new cable tender EED 05 2023/24 has be awarded to seven (7) different bidders appointment letters dated 10 January 2024.
2. The system is stabilising with few errors being experienced. There is a constance engagement with ICT team to address the shortcomings.

3. SCM Demand section keep on sending reminders to end user department to submit the specification on time whiles Logistics on its part sending the forecast requirements for stock materials to be submitted at the beginning of each financial year for maintenance and project materials.
4. Constance engagement with Contract Sections to speed up the processing the price adjustment. Also constance communication with Creditors section to process payment on time

5. SAFETY AND SECURITY

Assets protections and security services unit has done assesment in terms of the required safety and security and there has been some deployment of armed gurd on high risk stores as a measure of cabing cable theft.

6. STAFF SHORTAGES

Since the engagement with the New CFO, there some movement on the filling of some of the critical post.

7. CONCLUSION

There is a progress in materials availability, system is stabilizing and the issue of staff is being addressed. Cable theft has decreased and new tender has been awarded. Water meters has also been awarded.

However there is still need for budget allocations to address the dilapidated buildings and tools of trades such as office furniture, forklifts, cable cutting machines and PPE for stores.

During the discussion of the item at the meeting of Section 79 Oversight Committee: Group Financial Services held on 14 March 2024, the Chairperson table the report and requested the Group Head to present the report.

Whereafter the following Councillors participated in a debate:

**Councillor MH Lewele
Councillor FM Thema**

After extensive deliberations regarding the matter, the Group Head addressed questions and concerns raised by members of the committee and it was therefore resolved as set out below:

IT WAS RECOMMENDED (TO COUNCIL: 27 MARCH 2024):

1. That the Committee should take note of the progress report.
2. That regular engagements with other Groups will be held on essential stock items.

3. That the regular engagements will be held on essential of development of TAR's.
4. That filling of vacant critical positions be prioritised.
5. That periodic maintenance be carried out at stores facility.

During the Council meeting of 27 March 2024, the Chair of Chairs, in terms of Section 13 (5) of the Rules and Orders By-laws, deferred this item to the next Council meeting to be held on 25 April 2024.

IT WAS RESOLVED (COUNCIL: 27 MARCH 2024):

That this item be deferred to the next Council meeting to be held on 25 April 2024.

RECOMMENDED:

1. That the Committee should take note of the progress report.
2. That regular engagements with other Groups will be held on essential stock items.
3. That the regular engagements will be held on essential of development of TAR's.
4. That filling of vacant critical positions be prioritised.
5. That periodic maintenance be carried out at stores facility.

INITIATOR: Mr. Tiyani G Sambo
COUNCIL: 25 APRIL 2024

3. GROUP FINANCIAL SERVICES DEPARTMENT
(SUPPLY CHAIN MANAGEMENT DIVISION)
SUPPLY CHAIN MANAGEMENT UPDATED OVERSIGHT PROGRESS REPORT
AN OVERSIGHT REPORT ON THE SELECTION PROCESS OF BSC, BEC & BAC
MEMBERS IN LINE WITH THE SCM POLICY REQUIREMENTS (SKILLS,
QUALIFICATIONS & EXPERIENCE).
**(From the Section 79 Oversight Committee: Group Financial Services Meeting:
14 March 2024 and Council: 27 March 2024)**

1 PURPOSE

The purpose of this report is to provide an updated oversight progress report on the selection process of Bid Specification Committee (BSC), Bid Evaluation Committee (BEC) and Bid Adjudication Committee (BAC) members in line with Supply Chain Management (SCM) Policy requirements (Skills, qualifications, and experience).

2 BACKGROUND

*According to Regulation 27(3) of **Bid specification committees**, A bid specifications committee must be composed of one or more officials of the municipality or municipal entity, preferably the manager responsible for the function involved, and may, where appropriate, include external specialist advisors.*

*According to Regulation 28(2) of **Bid evaluation committees**, A bid evaluation committee must as far as possible composed of -*

- (a) Officials from departments requiring the goods or services; and*
- (b) At least one supply chain management practitioner of the municipality or municipal entity.*

*According to Regulation 29(2) of **Bid adjudication committees**, a bid adjudication Committee must consist of at least four senior managers of the municipality or Municipal entity which must include -*

- (i) the chief financial officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer.*
- (ii) at least one senior supply chain management practitioner who is an official of the municipality or municipal entity; and*
- (iii) a technical expert in the relevant field who is an official of the municipality or municipal entity, if the municipality or municipal entity has such and expert.*

Supply Chain Management regulation 26 of MFMA ACT 56 of 2003 states the following:

In line with SCM regulation 26 of MFMA Act 56 of 2003, the municipality implements a committee system for competitive bids consist of:

- a) *Two (2) Bid Specification Committees for the following clusters;*
 - i) *Services Infrastructure; and*
 - ii) *Corporate Services*
 - b) *Four (5) standing Bid Evaluation Committees for the following clusters; and*
 - i) *Services Infrastructure*
 - ii) *Corporate Services*
 - iii) *Utility Services : Water and Sanitation*
 - iv) *Utility Services : Energy and Electricity*
 - v) *Regional Operations*
 - c) *One (1) Bid Adjudication Committee;*
- 2) *The Accounting Officer will appoint members of the Bid Committees in consultation with the Chief Financial Officer and Divisional Head SCM.*
- 3) *All SCM bid committees are standing for the period determined by the accounting officer.*
- 4) *The Accounting Officer may establish and appoint additional cluster Committees (special committees) or reduce standing committees to address operational requirements.*

3 DISCUSSION

The following Committees were appointed for a period starting 01 October 2023 to 30 June 2024:

BID SPECIFICATION COMMITTEES (BSC)

SPECAIL BID SPECIFICATION COMMITTEES (BSC)

SPECAIL BSC 1: HUMAN SETTLEMENT TENDERS FROM 01 FEBRUARY 2024 TO 09 FEBRUARY 2024.

SPECIAL BSC Members:

- a) Refilwe Juta: Water and Sanitation
- b) John Mhlanga: Water and Sanitation
- c) Simakaleng Dlavana: Human Settlement
- d) Jerry Nyathi: Region 6: Roads and Storm Water
- e) Victor Kgopa: Acting Director SCM Contacts
- f) Themba Ndongeni: Director Contract Management

BSC 1: SERVICES INFRASTRUCTURE APPOINTMENT FROM 1 OCTOBER 2023 TO 30 JUNE 2024

BSC 1 Members:

- a) Piet Maseema: Executive Specialist (Chairperson)
- b) Clifford Syster: Director: Office of the COO
- c) Mokale Rasetlola: Director: Technology Management and Technical Support
- d) Phillip Huma: Director: Roads and Transport
- e) Annaline Cronje: Director: Office of the COO
- f) Pamela Nkgabutle-Rakolle: Deputy Director: Demand Management
- g) Themba Ndongeni: Director: Contract Management

BSC 2: CORPORATE SERVICES FROM 1 OCTOBER 2023 TO 30 JUNE 2023

BSC 2 Members:

- a) Joel Maatjie: Deputy Director: Demand Management (Chairperson)
- b) Kgaugelo Thomas: Service Support Officer (Health)
- c) Abel Mosalla: Director: ICT Infrastructure
- d) Phatu Mukheli: Director: Continuous Improvement
- e) Pieter Robinson: Deputy Director: Corporate Legal Compliance
- f) Lesiba Thupudi: Acting Director: Meter Reading and Invoicing
- g) Sipho P Hlope: Deputy Director: Community and Social Development

BID EVALUATION COMMITTEES

SPECIAL BID EVALUATION COMMITTEE

SPECIAL BEC1: GFS 01- 2023/24 TENDER APPOINTMENT FROM 10 OCTOBER 2023 UNTIL 30 NOVEMBER 2023

SPECIAL BEC 1 Members:

- a) David Masima: Director: Funding and Investor Relations (Chairperson)
- b) Ephriam Selepe: Deputy Director: Acquisition Management
- c) Thabiso Hlongwane: Divisional Head: Group Property Management
- d) Alex Jonker: Acting Director: Property Evaluation
- e) Sithembile Madonsela: Divisional Head: GFS Budget Office

SPECIAL BEC2: EED 05 2023/24 TENDER APPOINTMENT FROM 13 NOVEMBER UNTIL 31 MARCH 2024

SPECIAL BEC 2 Members:

- a) Tshepo Tompa: Director Regional Operation and Coordination (Chairperson)
- b) Kagiso Kolokoto: Legal Advisor
- c) Mpho Dibakweni: Chief Engineer Electrification Unit
- d) Itumeleng Shibisi: Deputy Director: Sub Transmission Management
- e) Rahaba Ramokgopa: Acting Director Acquisition

SPECIAL BEC3: SS 01 2023/24 TENDER APPOINTMENT FROM 13 NOVEMBER UNTIL 31 MARCH 2024

SPECIAL BEC 3 Members:

- a) Olivia Matjila: Director: ICT Service Delivery Management (Chairperson)
- b) Cain Mpofu: Director: Logistic Management
- c) Alice Mphahlele: Director: Waste Disposal
- d) Thembi Tshangela: Deputy Director: Shared Services – ICT
- e) Karabo Morake: Engineering Consultant

SPECIAL BEC4: SS 02 2023/24 TENDER APPOINTMENT FROM 13 NOVEMBER UNTIL 31 MARCH 2024

SPECIAL BEC 4 Members:

- a) Derick Madiwana: Director: ICT Business Application Management
- b) Sdongiseni Nene: Deputy Director: Logistic Management
- c) Shirly Maharala: Director: Urban Management
- d) Morutse Mphahlele: Director: Group Legal and Secretariates
- e) Tsepiso Khoza: Deputy Director: Reginal Operation and Coordination

SPECIAL BEC5: EED 02 2023/24 TENDER APPOINTMENT FROM 27 NOVEMBER 2023 UNTIL 31 MARCH 2024

SPECIAL BEC 5 Members:

- a) Moses Letsoalo: Director: Market Operations
- b) Pamela Nkgabutle-Rakolle: Deputy Director: Demand Management
- c) Tsholofelo Makgwa: Building Control Officer
- d) Adwoa Acheampong: Director: Physical Development Servicers
- e) Bob Sebola: Deputy Director: Informal Traders

SPECIAL BEC6 Members: GICT 01 2023/24 TENDER APPOINTMENT FROM 14 FEBRUARY 2024 UNTIL 31 MARCH 2024

SPECIAL BEC 6 Members:

- a) Cain Mpofu: Acting Director Acquisition Management
- b) Thembi Tshangela: Deputy Director: Shared Services – ICT
- c) Derick Madiwana: Director: ICT Business Application Management
- d) Kgaugelo Shoroma: Industry Transition
- e) Morutse Mphahlele: Director: Group Legal and Secretariates

BID EVALUATION COMMITTEE 1: GROUP HUMAN CAPITAL MANAGEMENT- 2023/24 TENDER APPOINTMENT FROM 10 OCTOBER 2023 UNTIL 31 DECEMBER 2023

BEC 1 Members:

- a) Lehlohonolo Tamela: Acting Divisional Head: Group Head Group Human Capital Management (Chairperson)
- b) Victor Kgopa: Acting Director: Contract Management
- c) Morutse Mphahlele: Director: Council, Corporate & Legislative Legal Compliance
- d) Sean Vermeulen: Director: Group Human Capital Management
- e) Velaphi Ngcobo: Acting Divisional Head: Occupational & Employee Health, Safety & Wellness

BID EVALUATION COMMITTEE 2: ENERGY AND ELECTRICITY DEPARTMENT - 2023/24 TENDER APPOINTMENT FROM 10 OCTOBER 2023 UNTIL 31 DECEMBER 2023

BEC 2 Members:

- a) Niven Mithoo: Director: Secondary and Primary Engineering Services (Chairperson)
- b) Rahaba Ramokgopa: Acting Director: Acquisitions Management
- c) Thabo Lebepe: Director: Transport Infrastructure Construction Management
- d) James Masonganye: Deputy Director: Electronics System Management
- e) Mpho Dibakwane: Acting Deputy Director: Public Lighting

BID EVALUATION COMMITTEE 3: WATER AND SANITATION - 2023/24 TENDER APPOINTMENT FROM 10 OCTOBER 2023 UNTIL 31 DECEMBER 2023

BEC 3 Members:

- a) Zoliswa Ngumbela: Director: Water and Sanitation (Chairperson)
- b) Cain Mpofu: Director Supply: Chain Management
- c) Justice Rathupetsane: Director: Programme Management
- d) Dumisani Tshabalala: Deputy Director: Bulk Services
- e) Nico Mampane: Deputy Director: Water and Sanitation

BID EVALUATION COMMITTEE 4: REGIONAL OPERATIONS AND COORDINATION - 2023/24 TENDER APPOINTMENT FROM 10 OCTOBER 2023 UNTIL 31 DECEMBER 2023

BEC 4 Members:

- a) Tshepo Tompa: Director: Regional Operations and Coordination (Chairperson)
- b) Sbongiseni Nene: Director: Logistics Management
- c) Billy Sepuru: Regional Head: Region 6
- d) Nono Setai: Director: Infrastructure Transport
- e) Persia Sekati: Regional Head: Region 5

BID EVALUATION COMMITTEE 5: ECONOMIC DEVELOPMENT - 2023/24 TENDER APPOINTMENT FROM 10 OCTOBER UNTIL 31 DECEMBER 2023

BEC 5 Members:

- a) Moses Letsoalo: Director: Market Operations (Chairperson)
- b) Rahaba Ramokgopa: Acting Director: Acquisition Management
- c) Pheah Malepeng: Deputy Director: Market ICT
- d) Vuyisile Mhlana: Deputy Director: Market Safety
- e) Patrick Mphahlele: Deputy Director: Commercial Services

BID EVALUATION COMMITTEE 6: EMERGENCY SERVICES - 2023/24 TENDER APPOINTMENT FROM 10 OCTOBER 2023 UNTIL 31 DECEMBER 2023

BEC 6 Members:

- a) Robin Charles: Acting Divisional Head: emergency services (chairperson)
- b) Pamela Rakolle: Director: Demand Supply Chain Management
- c) Sharlene Van Der Merwe: Director: Finance Support
- d) Refiloe Phantshang: Deputy Chief Fire Rescue Operations
- e) Refiloe Phantshan: Deputy Chief: Fire and Resue Operations
- f) Elisie Malomane: Deputy Director: Management and Administration

BID EVALUATION COMMITTEE 7: HEALTH DEPARTMENT - 2023/24 TENDER APPOINTMENT FROM 13 NOVEMBER 2023 UNTIL 31 MARCH 2024

BEC 7 Members:

- a) Cynthia Freeman: Deputy Director: Finance Support services Health Department (Chairperson)
- b) Nidine Robert: Deputy Director: PHC Clinic Operations
- c) Enos Ramonoana: Deputy Director Logistics Management
- d) Mulalo Muhala: Deputy Director: Environmental Health
- e) Kagiso Kolokoto: Legal Advisor

BID EVALUATION COMMITTEE 8: GROUP PROPERTY MANAGEMENT - 2023/24 TENDER APPOINTMENT FROM 13 NOVEMBER 2023 UNTIL 31 MARCH 2024

BEC 8 Members:

- a) Sifiso Ndaba: Acting Divisional Head: Group Property Management (Chairperson)
- b) Sabelo Hlatshwayo: Acting Director Group Property Management
- c) Strike Rhulani: Acting Deputy Director Group Property Management
- d) Mpho Moshane: Deputy Director Acquisition Management
- e) Rankoto Mpholefole: Specialist Group Property Management

BID EVALUATION COMMITTEE 9: ENVIRONMENTAL AGRICULTURAL MANAGEMENT - 2023/24 TENDER APPOINTMENT FROM 14 FEBRUARY 2023 UNTIL 30 APRIL 2024

BEC 9 Members:

- a) Joseph Malaope: Deputy Director Agriculture
- b) Francois Engelbrecht: Director for Reserves
- c) Shane Paul: Deputy Direct Nursery
- d) Lucas Monakedi: Deputy Director Agriculture
- e) Boniswa Masinyana: Deputy Director Environment
- f) Sbongiseni Nene: Deputy Director Logistics

BID EVALUATION COMMITTEE 10: TMPD - 2023/24 TENDER APPOINTMENT FROM 01 FEBRUARY 2024 UNTIL 30 APRIL 2024

BEC 10 Members:

- a) Chebel Marupeng: Deputy Director Office of the Chief of Police (Chairperson)
- b) Jethro Seleka: Director Tshwane Metro Police Department
- c) Moses Letsoalo: Director: Market Operations
- d) Pamela Nkgabutle-Rakolle: Deputy Director: Demand Management
- e) Veli Nwandule: Director Finance
- f) Morutse Mphahlele: Director: Group Legal and Secretariates

BID ADJUDICATION COMMITTEE

BID ADJUDICATION COMMITTEE APPOINTMENT FROM 1 JULY 2023 UNTIL 30 JUNE 2024

BAC Members

- a) Gareth Mnisi: Chief Financial Officer (Chairperson)
- b) Koena Nkoko: Acting Chief Operations Officer
- c) Terrance Kgoete: Director: Demand Management
- d) Minky D Motseo: Group Head legal & Secretariat Services (Acting)
- e) Cali Phanyane: Group Head Regional and Operational Coordination
- f) Nonto Memela: Group Head Human and Housing Settlement
- g) Musa Khumalo: Acting Governance Support Officer

4. POLICY IMPLICATIONS

The BSC, BEC and BAC, approvals were all implemented in accordance with the approved City of Tshwane SCM Policy.

During the discussion of this item at the meeting of Section 79 Oversight Committee: Group Financial Services held on 14 March 2024, the Chairperson table the report and requested the Group Head to present the report.

Whereafter the following Councillors participated in a debate:

**Councillor MH Lwele
Councillor T Modiba
Councillor AM Randall**

After extensive deliberations regarding the matter, the Chief Financial Officer addressed questions and concerns raised by members of the committee and it was therefore resolved as set out below:

IT WAS RECOMMENDED (TO COUNCIL: 27 MARCH 2024):

That cognisance be taken of the updated Oversight progress report of BSC, BEC and BAC in line of policy within SCM.

During the Council meeting of 27 March 2024, the Chair of Chairs, in terms of Section 13 (5) of the Rules and Orders By-laws, deferred this item to the next Council meeting to be held on 25 April 2024.

IT WAS RESOLVED (COUNCIL: 27 MARCH 2024):

That this item be deferred to the next Council meeting to be held on 25 April 2024.

RECOMMENDED:

That cognisance be taken of the updated Oversight progress report of BSC, BEC and BAC in line of policy within SCM.

GARETH MNISI (012 358 8101/358 8528)
COUNCIL: 25 APRIL 2024

4. GROUP FINANCIAL SERVICES DEPARTMENT
REQUEST FOR FILLING OF KEY VACANT POSITIONS WITHIN THE GROUP
FINANCIAL
**(From the Section 79 Oversight Committee: Group Financial Services Meeting:
14 March 2024 and Council: 27 March 2024)**

1. PURPOSE

To provide an update on the status of the filling of the critical vacancies in the department.

2. STRATEGIC PILLARS

Strategic Pillar 2:

Provide stringent financial management and oversight.

Strategic Pillar 5:

Provide a professional public service that drives accountability and transparency.

3. INTRODUCTION

The City of Tshwane (COT) Metropolitan Municipality and its municipal entities are required to prepare financial statements in terms of section 122 of the Municipal Finance Management Act (MFMA). The City and its entities must prepare separate Annual Financial Statements (AFS); in addition, the City must prepare consolidated AFS. Both the separate and consolidated AFS must be prepared in accordance with standards of GRAP using information from trial balances which are derived from various financial systems utilised by COT and its entities.

As required and stipulated in section 126 of the MFMA, the City of Tshwane must on an annual basis submit the separate AFS and consolidated AFS to the office of the Auditor General of South Africa (AGSA) no later than 31 August and 30 September respectively.

Section 65(2) (e) of the Municipal Finance Management Act requires that the City pays its creditors within 30 days from date of receipt of invoice or statement.

“Section 95 (e-h) of the Municipal System Act, 2000 (No 32 of 2000) states that in relation to the levying of rates and other taxes by a municipality and the charging of fees for municipal services, a municipality must within its financial and administrative capacity:

- (a) Ensure that persons liable for payments receive regular and accurate accounts that indicate the basis for calculating the amounts due.
- (b) Provide accessible mechanism for those persons to query or verify accounts and metered consumption, as well as appeal procedures which allow such persons to receive prompt redress for inaccurate accounts.

- (c) Provide accessible mechanism for dealing with complaints from such persons, together with prompt replies and corrective action by the municipality.
- (d) Provide mechanism to monitor the response time and efficiency in complying with the requirements.

Section 96 of the Municipal System Act refers to the responsibility of a municipality to institute debt collection, as follows:

- (a) Must collect all money that is due and payable to it, subject to this Act and any other applicable legislation; and
- (b) For this purpose, must adopt, maintain, and implement a credit control and debt collection policy which is consistent with its rates and tariff policies and complies with the provisions of this Act.

4. DISCUSSION

Group Financial Service is a department with a lack of capacity and skills to fulfil its mandate of revenue generation and collection. Since the commencement of the 2023/2024 financial year a total number of 25 positions became vacant because of normal/early retirement, resignations, employees passing on, etc. The City's aim is to place emphasis on revenue generation and collection, it makes sense for the Department to advertise and fill specialist positions which form part of the list of critical positions.

The crucial posts that ensure that the city performs according to the constitutional mandate of levying rates and taxes to the customers and collecting all monies due to the City. The following functions are performed:

- Meter reading of water and electricity meters.
- Billing of services such as water, electricity, property rates, sewer and refuse including other sundry services.
- Billing of Sundry Debtors and Property Rentals
- Compilation and management of valuation roll for the purpose of levying property rates in line with the Municipal Property Rates Act.
- Implementation of credit control and debt collection policy to collect all monies due to the City.
- Client service in relation to revenue related matters to walk-in customers.
- Strategic revenue operational support to ensure that the division performs the City's constitutional mandate towards its communities at large.

The urgent filling of the vacant positions will be beneficial to the City as the preferred candidates would contribute positively to the compilation of the City's financial statements and also assist in ensuring that the city meets all its internal and external compliance deadlines.

The table below provides a list of the consolidated needs for the department, including the prioritisation in terms of critical positions.

No.	Division	Designation	SAP number	Nr of posts	Advertised Yes/No
1.	Supply Chain Management	Director: Performance Management	70011063	1	Yes
2.	Supply Chain Management	Director: Acquisition Management	70010823	1	Yes
3.	Supply Chain Management	Deputy Director: Compliance and Implementation	70094410	1	Yes
4.	Supply Chain Management	Deputy Director: Tracking Specialist	70094411	1	Yes
5.	Supply Chain Management	Functional Head: Resolution	70094398	1	Yes
6.	Supply Chain Management	Functional Head: Yard Management	70010903	1	Yes
7.	Supply Chain Management	Functional Head: Demand Management	70010889	1	Yes
8.	Supply Chain Management	Functional Head: Internal implementation	70094399	1	Yes
9.	Supply Chain Management	Functional Head: Quotation Evaluation	70010847	1	Yes
10.	Supply Chain Management	Functional Head: Process	70011065	1	Yes
11.	Supply Chain Management	Functional Head: Financial Control	70010925	1	Yes
12.	Supply Chain Management	Senior Secretary	70094784	1	Yes
13.	Supply Chain Management	Senior Storekeeper	70010937	1	Yes
14.	Supply Chain Management	Senior Storekeeper	70010941	1	Yes
15.	Office of the Chief Financial Officer	Specialist Financial Analyst	70010152	1	No
16.	Revenue Management	Director: Property Valuation	70010768	1	Yes
17.	Revenue Management	Director: Debt Collection and Credit Control	70010519	1	Yes
18.	Revenue Management	Chief Valuer	70010773	1	Yes
19.	Revenue Management	Valuation Officer/Valuers	70010781	1	Yes
			70010786	1	Yes
			70010792	1	Yes
20.	Financial Reporting and Asset	Divisional Head: Financial Reporting and Asset	70011082	1	Yes

5. CONCLUSION

It is important that the critical vacancies be taken into consideration and filled in the current budget year to effectively execute the functions. This will assist in ensuring that the city complies with the MFMA requirements for the 2023/24 submission of annual financial statements and assist the City in achieving improved audit outcomes.

6. CONSTITUTION AND LEGAL FACTORS

Compliance to Human resource policies regarding recruitment and filling of positions.

7. COMMUNICATION

No implications.

IT WAS RECOMMENDED (TO COUNCIL: 27 MARCH 2024):

That the City Manager approve the prioritization for advertising and filling of all the indicated positions in this report. However, of immediate concern is the preparation of the financial statements and the preparation of the valuation roll and therefore the following positions be further prioritized:

The following positions are critical for addressing audit findings and the preparation of Annual Financial Statements:

Positions	Sub- Section
Director: Specialist Financial Analyst	Office of the Acting CFO
Total	

Positions	Sub- Section
Deputy Director	Financial Statements & Reporting
Functional Head	Financial Statements & Reporting
Deputy Director	Accounting & System Management Operational Support
Admin Officer (x2)-	Accounting & System Management Operational Support

During the Council meeting of 27 March 2024, the Chair of Chairs, in terms of Section 13 (5) of the Rules and Orders By-laws, deferred this item to the next Council meeting to be held on 25 April 2024.

IT WAS RESOLVED (COUNCIL: 27 MARCH 2024):

That this item be deferred to the next Council meeting to be held on 25 April 2024.

RECOMMENDED:

That the City Manager approve the prioritization for advertising and filling of all the indicated positions in this report. However, of immediate concern is the preparation of the financial statements and the preparation of the valuation roll and therefore the following positions be further prioritized:

The following positions are critical for addressing audit findings and the preparation of Annual Financial Statements:

Positions	Sub- Section
Director: Specialist Financial Analyst	Office of the Acting CFO
Total	

Positions	Sub- Section
Deputy Director	Financial Statements & Reporting
Functional Head	Financial Statements & Reporting
Deputy Director	Accounting & System Management Operational Support
Admin Officer (x2)-	Accounting & System Management Operational Support

INITIATOR: Mr Tiyani Sambo (012 358 3832)
COUNCIL: 25 APRIL 2024

5. GROUP FINANCIAL DEPARTMENT
(SUPPLY CHAIN MANAGEMENT DIVISION)
REPORT TO THE SECTION 79 OVERSIGHT COMMITTEE ON THE
BLACKLISTING PROCESS
**(From the Section 79 Oversight Committee: Group Financial Services
Meeting: 14 March 2024 and Council: 27 March 2024)**

1. PURPOSE

The purpose of this report is to present to the Section 79 Oversight Committee on Group Financial Services, an oversight progress report on the blacklisting process of contractors/vendors/companies/directors.

2. STRATEGIC PILLARS

Strategic Pillar 3: A City that delivers excellent services and protects the environment
Strategic Pillar 5: A City that is open, honest, and responsive

3. BACKGROUND

A Section 79 Oversight Committee on Group Financial Services resolved to request various reports including an updated oversight progress report on the blacklisting process of contractors/vendors/companies/directors.

4. DISCUSSION

The department has in place a standard operating procedure document that details a process that must be followed to blacklist or restrict a contractor/vendor/company and director(s) in the event of poor performance. The main objective of this SOP to help the City to deal decisively with poor performance and any related abuses of the SCM procedures by the bidders, service providers and/or contractors.

User departments are responsible for the day-to-day management of contracts and related service providers and are expected to ensure that service provider/contractors carry out work in line with a signed contract or service level agreements, approved programme and related timelines. Where there are shortcomings, the user department must timely intervene in line with the provisions of a contract or agreement signed with service provider/contractor in effort to remedy the non or poor performance.

When all fails in dealing with the shortcomings, then termination and blacklisting processes are invoked. At this stage, it becomes very crucial for the user department to ensure that poor performance is a direct result of service

provider/contractor shortcomings and not a hindrance from the user department.

The user department would/must prepare a Bid Adjudication Committee (BAC) report, supported by all annexures that pertain to the interactions since project inception in support of the recommendation to cancel the contract and consider blacklisting or restriction.

The role of Group Financial Services: SCM Division will then kick in here, following a resolution of the BAC to restrict or blacklist a contractor/vendor/company/director and the blacklisting shall unfold as follows;

- Inform the contractor or person(s) by registered mail or by way of hand-delivered notice of the intention to impose the restriction/blacklisting, provide reasons for such intention and the envisaged period of restriction/blacklisting
- Allow the contractor or person(s) fourteen (14) calendar days to provide reasons why the envisaged restriction/blacklisting should not be imposed
- If requested, allow the contractor or person(s) the right to present evidence in person
- Consider any reason submitted by the contractor or person(s)
- Impose the restriction/blacklisting or amended restriction
- Inform the contractor or person (s) and
- Inform the National Treasury within five working days of such restriction/blacklisting, particulars of the person (s) to be restricted, reasons for the restriction, the period of the restriction and the commencement date of the restriction.

If the above is carried out to the letter and promptly, a successful blacklisting of poorly performing contractor/vendor/company/director can be achieved. In many instances, however, contractors get to survive due to their effectiveness in proving that the City in most instances is an inhibitor to project roll out. Some examples proving could be delayed site handovers, way leave approvals and late payment/settlement of claims, etc.

To date the City is engaging in a process of restricting/restricting two (02) contractors for poor performance in relation to 3 projects, namely

Project Ref	Description	Contractor	Status
USD WS 30 – 2017/18	Tender for the refurbishment of Rooiwal Wastewater Treatment Works	CMS Water Engineering, NJR Projects and Blackhead Consulting JV	Process concluded and the JV as well as the respective directors and shareholders of the JV partners handed over to the National Treasury for restriction
HHS 01 – 2015/16 (CSD 01)	Panel: Appointment of a contractor for the upgrading of Refilwe stadium	Mologadi A Nape Business Enterprise	Initial letter at Group Legal for scrutiny to ensure compliance with the law
HHS 01 – 2018/19	Panel: Appointment of a service provider for the upgrading of Caledonian stadium, thirty-six (36) months: With effect from commencement date	Mologadi A Nape Business Enterprise	Initial letter at Group Legal for scrutiny to ensure compliance with the law

5. LEGISLATIVE FRAMEWORK

This SOP is based on the various provisions of the law governing municipal governance such as

- Section 116 of the Municipal Finance Management Act, Act 56 Of 2003
- Preferential Procurement Policy Framework Act Regulation 9 of 2022
- The City of Tshwane's Supply Chain Management Policy
- MFMA Circular No. 43: Municipal Finance Management Act, Act 56 Of 2003

During the discussion of the item at the meeting of Section 79 Oversight Committee: Group Financial Services held on 14 March 2024, the Chairperson table the report and requested the Group Head to present the report.

After extensive deliberations of the matter Councillor L Middelberg proposed that the report to be deferred back to the department.

The Chairperson proposed that Councillor L Middelburg request a detailed report from the department inclusive of his inputs.

The Committee consented with the proposal and resolved as se out below:

IT WAS RECOMMENDED (TO COUNCIL: 27 MARCH 2024):

That cognizance of the report.

During the Council meeting of 27 March 2024, the Chair of Chairs, in terms of Section 13 (5) of the Rules and Orders By-laws, deferred this item to the next Council meeting to be held on 25 April 2024.

IT WAS RESOLVED (COUNCIL: 27 MARCH 2024):

That this item be deferred to the next Council meeting to be held on 25 April 2024.

RECOMMENDED:

That cognizance of the report.