



MMASEPALA WA SELEHAE-LOCAL MUNICIPALITY-PLAASLIKE MUNISIPALITIET

Local Authority Notice No.: 79/2012

NOTICE OF DECISION TO CONSIDER UNSOLICITED BID FOR THE UPGRADE, MAINTENANCE AND OPERATION OF ELECTRICITY SUPPLY SERVICES

MALUTI-A-PHOFUNG MUNICIPALITY

Notice is hereby given in terms of Regulation 37 of the Local Government: Municipal Finance management Act, (56/2003): Municipal Supply Chain Management Regulations published by General Notice No 868 in Government Gazette No. 27636, Vol. 479 of 30 May 2005, as amended, read together with the Supply Chain Management Policy of Maluti-A-Phofung Municipality, as amended from time to time, and Section 21A of the Local Government: Municipality Systems Act, 2000 (Act 32 of 2000), that the municipality is considering an unsolicited bid to appoint RURAL MAINTENANCE (PTY) LTD to act as service provider whereby it will invest, upgrade, maintain and operate the electrical infrastructure of the Maluti-A-Phofung Municipality, to which the bid has thus far complied with the requirements of Section 113 of the Municipal Finance Management Act, 2003 (Act 56/2003).

The reason why the bid should not be subjected to the normal competitive bidding process is the following:

- (a) The Mechanism put forward by Rural Maintenance (Pty) Ltd demonstrates a unique and innovative concept with exceptional revenue advantages available only from Rural Maintenance (Pty) Ltd;
- (b) The potential benefit to the Municipality if this unsolicited bid is to be accepted and implemented is that it will enable the Municipality to generate revenue without the cost of expertise or otherwise to be employed/incurred by the Municipality – leaving municipal expertise free to cater to other issues of importance;

- (c) Rural Maintenance (Pty) is the sole provider of the specialized services through their preferred product supplier, which will enhance electricity cost savings to users in the Municipal supply area.

As part of the immediate improvement in effective electricity service delivery that could be achieved in a relatively short period of time, which will be sustainable in the long term, this proposal potentially holds a number of further benefits to the Municipality such as:

- i. The Council will transfer liability of The Bulk electricity supply to Rural Maintenance (Pty) Ltd;
- ii. Assets remain the property of the Municipality i.e. no privatization;
- iii. Any additional assets to be constructed or added to electricity supply network will on expiry of the contract be transferred at no additional cost to the Municipality;
- iv. No job losses through possible retrenchments;
- v. Stimulation of economic development through improved electricity supply and tariff infrastructure;
- vi. Significantly increase and maintaining of revenue collection with recovery of losses;
- vii. Job creation through implementation of the program and upgrade of exiting operating systems;
- viii. The National Energy Regulator of South Africa (NERSA) is responsible for the oversight and approval of tariffs, which will ensure fair and transparent tariff application;
- ix. Regular formal performance audits to be conducted with intervals of 3(three) years.

Any person who wishes to submit comments in respect of the intended appointment of the above-mentioned service provider by means of an unsolicited bid must do so in writing to the Municipal Manager: Setsing Business Centre, C/O Moremoholo and Motlounge Streets, Phuthaditjhaba where he/she will be assisted with the transcription of his/her comments by no later than Monday, 24 December 2012 at 10h00.

Comments clearly marked for the attention of the Municipal Manager: Maluti-A-Phofung Municipality can also be posted to P.O. Box Private Bag X 807, Witsieshoek, 9870 or faxed to number (058) 713-0459 to reach him by no later than the above-mentioned date.

Any person who cannot write may visit the office of the Municipal Manager: Setsing Business Centre, C/O Moremoholo and Motlounj Streets, Phuthaditjhaba during office hours before Monday, 24 December 2012 at 10h00 where he/she will be assisted with the transcription of his/her comments.

Bidders should be required to submit bids or quotations valid for a period not exceeding 60 days. This period should be sufficient to enable the Municipality to complete the comparison and evaluation of bids, review the recommendation and award the contract.

LMD NTOMBELA
MUNICIPAL MANAGER
MALUTI A PHOFUNG MUNICIPALITY