

NELSON MANDELA BAY METROPOLITAN MUNICIPALITY

ADJUDICATION COMMITTEE

SUPPLEMENTARY AGENDA

(Meeting – 19 October 2018)

11. SUPPLEMENTARY REPORT BY ACTING EXECUTIVE DIRECTOR : PUBLIC HEALTH
(circulated herewith)

N XHEGO (MS)
ACTING EXECUTIVE DIRECTOR :
CORPORATE SERVICES

17 October 2018

**REPORT BY
ACTING EXECUTIVE DIRECTOR :
PUBLIC HEALTH**

NELSON MANDELA BAY MUNICIPALITY

Report For Bid Adjudication Committee

Demand #	: 1837
Contract #	: SCM/19-83/O/2018-2019
Description	: SERVICE/LEASE AGREEMENT: SPCA UITENHAGE
Directorate	: PUBLIC HEALTH
Project Manager	: MR. NICKIE OLIPHANT
Contact Details	: 0419941293
Email	: noliphant@mandelametro.go.za
Contract Duration	: 36 Months
File No.	:
Estimated Value No.	: 890190.00

1. PURPOSE OF REPORT

The purpose of this report is to request the City Manager to consider the report and grant approval for a three (3) year Service Level Agreement between the Nelson Mandela Bay Municipality (NMBM) and Uitenhage Society for the Prevention of Cruelty to Animals (SPCA) for co- management of the Nelson Mandela Bay Municipal Animal Pound situated on Erf 12171 Uitenhage. This request, if approved, will make it possible for the service provider, SPCA to provide the pound management services as the NMBM council has already approved a lease agreement through a competitive bidding process, for a period of three years with SPCA as reflected in Annexure C of this report. Request a deviation in terms of section 36(1)(a)(v) of the NMBM Supply Chain Policy to allow for payment of the pound management services provided by the SPCA for a period of 1 July 2018 – 30 September 2018. It is anticipated that there will be no further deviation once the three year service level agreement is concluded

2. BACKGROUND

One of the functions of the Public Health Directorate is to run an animal pound in terms of the Pounds Ordinance, 1938 (No. 18 of 1938), the Nelson Mandela Bay Municipality Bylaws Relating to Prevention of Public Nuisances and Public Nuisances Arising from Keeping of Animals, 2010 and other relevant legislation. Domestic animals and livestock that are sick, cause a nuisance or animals that are reported to be stray are impounded to abate the nuisances, prevent spread of diseases and other incidents. Currently all impounded animals are transported to the municipal pound situated in Uitenhage, Erf 12171 Uitenhage, where they are kept in the custody of the Pound Master while awaiting to be reclaimed by owners, given up for adoption, and / or euthanized. The service is co-managed by the Public Health Directorate and SPCA as a service provider in a Public Private Partnership.

The SPCA in an application/motivation dated 27 June 2017 for the renewal of the lease on the abovementioned property made it clear to the Corporate Services Directorate the service they wish to render on the site. The Uitenhage municipal pound is a purpose built facility and when the lease of land was advertised by the Corporate Services Directorate it was on the basis of the motivation for services that the SPCA wanted to provide on the site. There was thus no need for the Public Health Directorate to make a parallel advertisement as that was clearly motivated by the SPCA to the Corporate Services Directorate. The SPCS is providing a basic service. In its item to council the Corporate Services Directorate made it clear that the lease of land is in relation to the provision of the pound management services through a service level agreement which will run con-currently with the lease agreement. The NMBM Council in its meeting held on the 19 October 2017 resolved to support the lease of land to the SPCA based the motivation submitted and due to the fact that no objections were received about the extension of the lease of the animal pound to the SPCA for the purposes of providing pound management services.

3. SCOPE OF WORK

The pound management services and operations are outlined in the Municipal Pound Service Level Agreement hereto attached as Annexure A.

4. MOTIVATION

- a) As per minutes of the Bid Adjudication Committee dated 08 December 2017, copy of which is hereto attached as Annexure D, the Public Health Directorate requested for the extension of the Lease Agreement with SPCA for a further Twelve (12) months or until a new Lease for the property was concluded.
- b) The committee then decided to reduce the recommended period to Six (6) months and such lease expired on the 30 June 2018.
- c) That it be recommended to the City Manager:
 - That based on the fact that a three year lease agreement was approved by NMBM council in favour of the SPCA, the City Manager approve that the Public Health Directorate enter into a three year service level agreement (Annexure B)with the SPCA which will run in concurrence with the lease agreement for the provision of pound management services as provided above
- d) As per NMBM council minutes dated 21 September and 19 October 2017, it was resolved that the municipality's intention to lease Erf 12171, Uitenhage to the SPCA be advertised and that expression(s) of interest and/or objection(s) be called for from any interested parties so as to comply with Section 14(5) of the Local Government: Municipal Management Act, Act 56 of 2003, and that in the event of there being no response, such lease be in accordance with the following conditions:
 - A market rated rental is negotiated with the applicant in accordance with the recommendations of the Rates and Valuation Sub – Directorate valuation report;
 - The lease period of three (3) years with an option to renew for a further three (3);
 - The previous conditions of lease will be subject to review in terms of the proposed Service Level Agreement;
 - All other costs associated with the transaction for the account of the Lessee;
 - Council's Standard Conditions of Lease shall apply
- e) That, in the event of there being any objections or expression of interest from parties other than the applicant, the matter be subjected to a closed tender process in accordance with Section 14(5) of the Local Government: Municipal finance Management Act, Act 56 of 2003, the Council to approve the successful bidder.
- f) That, if no additional expressions of interest or objections are received, a lease agreement be drafted by the Municipality's Legal Services Sub-Directorate in accordance with the above and that such be represented to the City Manager for approval.
- g) The above recommendations are being implemented by the Corporate Services Directorate, and the lease agreement between the NMBM and the SPCA has been concluded and is with the Municipality's Legal Sub-Directorate. See annexure B attached.
- h) It will be undesirable to follow Supply Chain procurement processes in respect of the service level agreement whilst SPCA has already been granted the Lease Agreement in the abovementioned property for pound management services.
- i) The non-provision of the service currently rendered by the SPCA is regarded as an emergency in terms of Supply Chain Policy, Section 39(1)(a)(v), as a discontinuation will lead to an unacceptable situation regarding the control of sick, abandoned, surrendered and stray animals in the area. The Public Health Directorate currently does not have the capacity to perform the functions of a Pound Master.
- j) A competitive bidding process was followed by the Corporate Services Directorate in terms of Section 36 (1)(a)(v).
- k) Hence the request for the approval for a three (3) year SLA with the SPCA as per Annexure E attached.

4.1 Relevance to the IDP and SDBIP:

Key Performance Area (KPA)

Basic Service Delivery and Infrastructure Development 5.1

- The use of the Specific service provider for pound administration and operations is an integral part of providing pro-active work controls, preventing the spread of contagious diseases; zoonotic diseases and the prevention of health nuisances.
- Ensuring a safe haven for all species of animals by providing good food, fresh water, washing of animals, bedding, veterinary care and safe housing.

KPE: Public Health: Environmental Health 5.5.1.2.5.3

Key Performance Indicators (KPI): Service Delivery

Policy Implications / NMBM Policies and Procedures

The NMBM's Policy of rendering acceptable services to its residents will be negatively affected should the required services not be delivered at required standards.

External policies

Impounding Ordinance / National Pounds Bill may now not be adhered to.

Legal Implications

There may be direct legal implications if the Pound Administration and operations are dysfunctional resulting in unwanted and stray animals / livestock, non-collection of mangy, contagious, diseased animals, non-collection of carcasses which will result in endemics and zoonotic outbreaks.

RISK AND MITIGATION PLANS

Summary of risks identified

- Increase in uncontrolled conditions of stray livestock, unwanted diseased animals and pets which could result in traffic and health hazardous conditions.
- Stock piling of dead animals and carcasses which will not be disposed of in a proper authorized manner.
- The possibility of negative media reports.
- Public liability risk
- Disease outbreaks

Mitigation Plan

Any alternative, on a short term basis will be impractical, taking cognizance of the nature of functions to be performed. Expediting the formalizing of a Service Level Agreement seems to be the best option.

5. ITEM DETAIL

Item No. 1

SERVICE/LEASE AGREEMENT: SPCA UITENHAGE

Bidder Name	PM	Price	PM Comment
UITENHAGE AND DISTRICT SPCA	<input type="checkbox"/>		

6. FINANCIAL PROVISION

Financial Year	Vote No		Job Code	Allocated Amt
	Org Code	Item Code		
2018-2019	0805	6364		630640.00
2018-2019	0840	6364		195370.00
2018-2019	0805	0345		56180.00
	Total (Vote No) 882190.00		Total (Job Code)0	(Total) 882190.00

Budget and Treasury

The Directorate confirms that the necessary budget provision is available for this tender

Remark: Budget exist for the approval of thsi tender

Signature: *Denise Charlton*

Date: 16-Oct-2018

Name: Ms. Denise Charlton - Signed in SCMS

Head of the Department

Department Head approves the use of the funds for this project

Remark: SCM/19-83/O/2018-2019

Signature: *Tsietsi Mokonyane*

Date: 16-Oct-2018

Name: Mr. Tsietsi Mokonyane - Signed in SCMS

7. SUPPORTING DOCUMENTATION

Annexure A:	Copy of previous Service Level Agreement
Annexure B:	Copy of current Lease Agreement
Annexure C:	Copy of NMBM Council Minutes
Annexure D:	Copy of Bid Adjudication Committee Minutes
Annexure E:	Copy of Service Level Agreement

8. RECOMMENDATIONS

In view of the above, the following recommendation(s) are made to the City Manager:

- That the new Service Level Agreement hereto attached be finalized and approved to enable continuation of service delivery. This is in view of the fact that the NMBM has already approved a three year lease agreement for Erf 12171 Uitenhage to the SPCA.
- The lease agreement and the service level agreement will run concurrently for a three year period.
- The SLA values and service rates are included in Annexure E which is hereto attached. The lease related rates are also hereto attached in Annexure B.