



**2014/2015
HALF YEAR PERFORMANCE REPORT**

FOR

ILEMBE DISTRICT MUNICIPALITY

DECEMBER 2014

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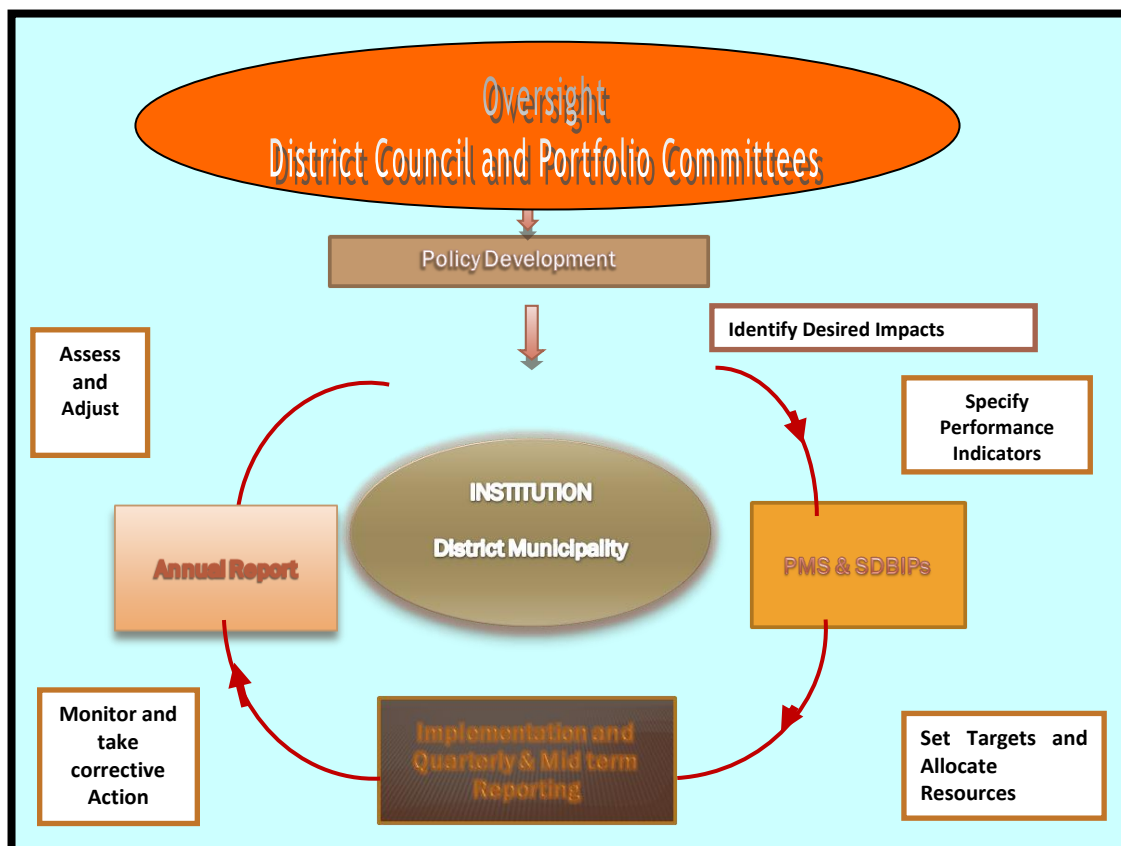
1. INTRODUCTION

Section 72 of the Municipal Finance Management Act requires that the accounting officer of a municipality by 25th January each year must:-

- (a) Assess the performance of a municipality during the first half of the financial year, taking into account
 - the monthly statements
 - the municipality service delivery performance during the first half of the financial year and the indicators and targets as per the service delivery and budget implementation plan
 - the performance of municipal entity
- (b) Submit a report on such assessment to
 - the Mayor of the municipality
 - the National Treasury
 - the relevant Provincial Treasury

1.1 PERFORMANCE MANAGEMENT IMPLEMENTATION IN ILEMBE DISTRICT MUNICIPALITY

The Model used by the iLembe District municipality in terms of PMS Implementation is as depicted in the following diagram: -



2. ORGANISATIONAL SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN (SDBIP) AND MUNICIPAL MANAGER'S SCORECARD

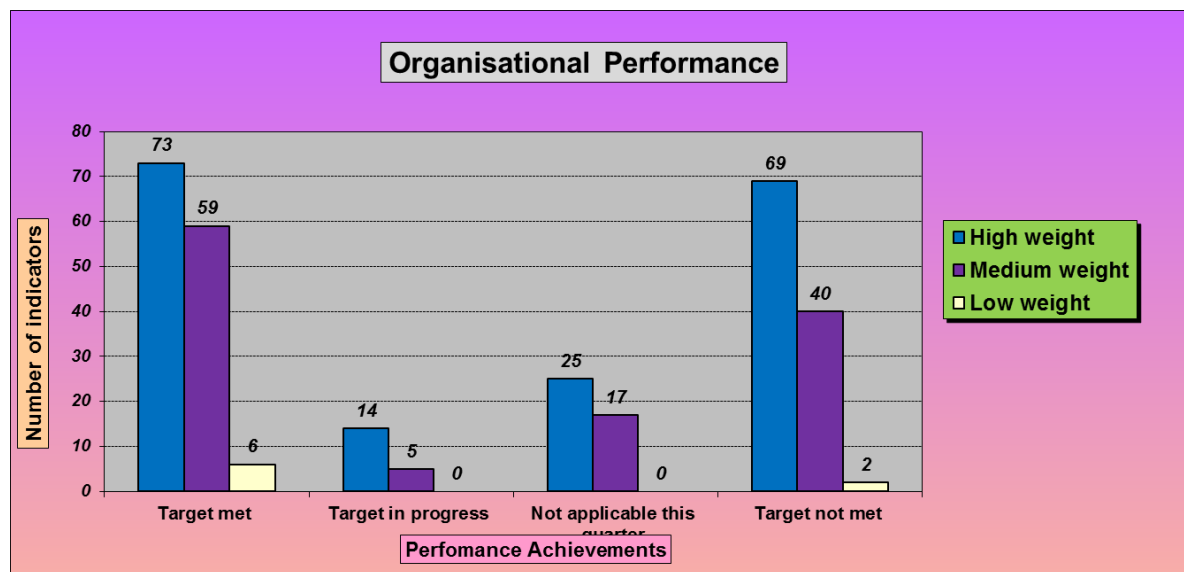
iLembe's Organisational Scorecard continues to be organised according to the five prescribed national Key Performance Areas (KPA's). These are:

- ❖ Infrastructure & Basic Service Delivery
- ❖ Socio-Economic Services
- ❖ Institutional Transformation & Development
- ❖ Financial Viability
- ❖ Good Governance & Public Participation

2.1 OVERALL SUCCESS RATE

The iLembe District municipality's overall performance was relatively fair. The diagram below depicts the performance of the district in relation to the various business units. A more detailed look into each department is outlined under departmental results.

Indicators for all departments	High weight	Medium weight	Low weight	Total
Target met	73	59	6	138
Target in progress	14	5	0	19
Target not met	25	17	0	42
Not applicable this quarter	69	40	2	111
Total				310



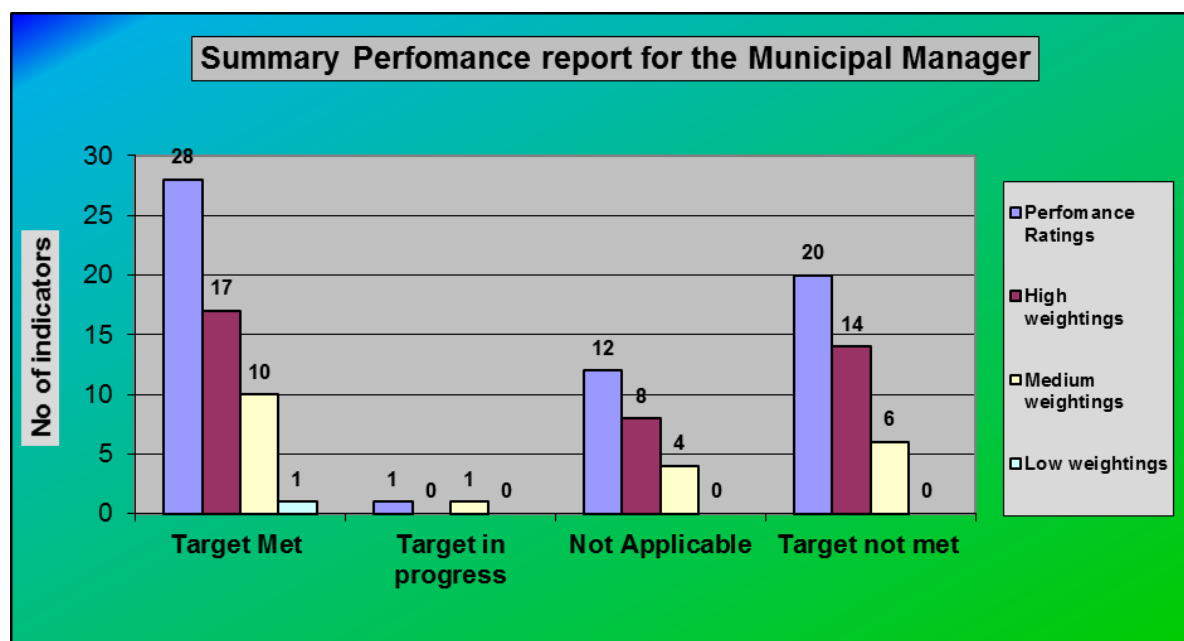
3. DEPARTMENTAL RESULTS

3.1. OFFICE OF THE MUNICIPAL MANAGER

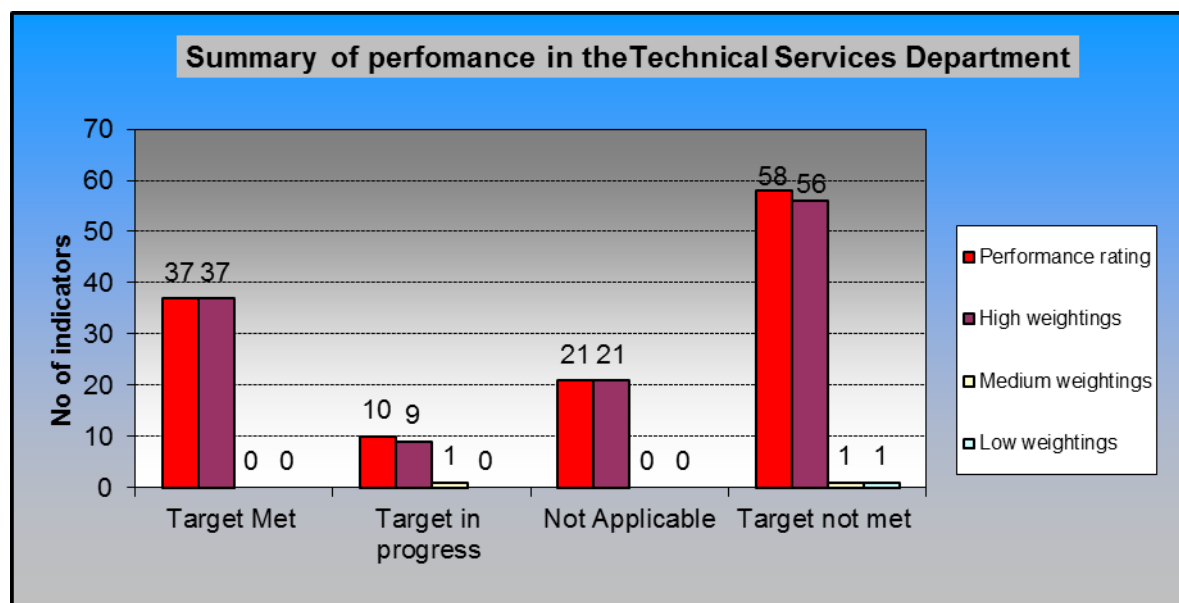
The final process plan in terms of the annual IDP review is done and aligned with budget processes.

The 2013/2014 Annual Performance report was submitted to the Auditor General (AG) on the 29th August 2014, with a clean audit opinion achieved. The Q1 (July to September 2014) performance report was completed and audited.

The Internal Audit unit completed 10 audit assignments. The Risk Management unit updated 2 risk registers to date, and working closely with heads of departments to ensure risks are monitored



3.2 TECHNICAL SERVICES



HIGHLIGHTS ON ACTUAL PERFORMANCE

The turnaround time for reinstating water services within 48 hours and sanitation within 24 hours is at 100%. A total of 702 job opportunities were created through the expanded public works programme (EPWP).

No households were targeted to be connected with water in the first 6 months, but progress towards completion was targeted and monitored before actual households are connected with water. There were 1 103 households connected with sanitation services (VIP toilets).

CHALLENGES

- The blue and green drop status results are still awaited from Department of Water Affairs (DWA).
- Project scope had to be revised to accommodate budget allocation.
- Delays were caused due to issue of acquiring land as well as scope increase.
- Objections on tenders impacted on planned commencement of projects.
- Contractors experiencing management problems on site, which resulted to programmes falling behind the schedule.
- Poor performance of contractors is experienced which is delaying completion of phases as some of the projects are dependant.
- Reliance on completion of phases delays commencement of next phase. For example Ndulinde water supply scheme – Phase 4C has to be completed before commencement with Phase 4D.
- Contractor had issues with underground services which resulted in delays.
- Delays in commencement of projects due to misunderstanding between different stakeholders.

MEASURE TO IMPROVE PERFORMANCE/CORRECTIVE MEASURES

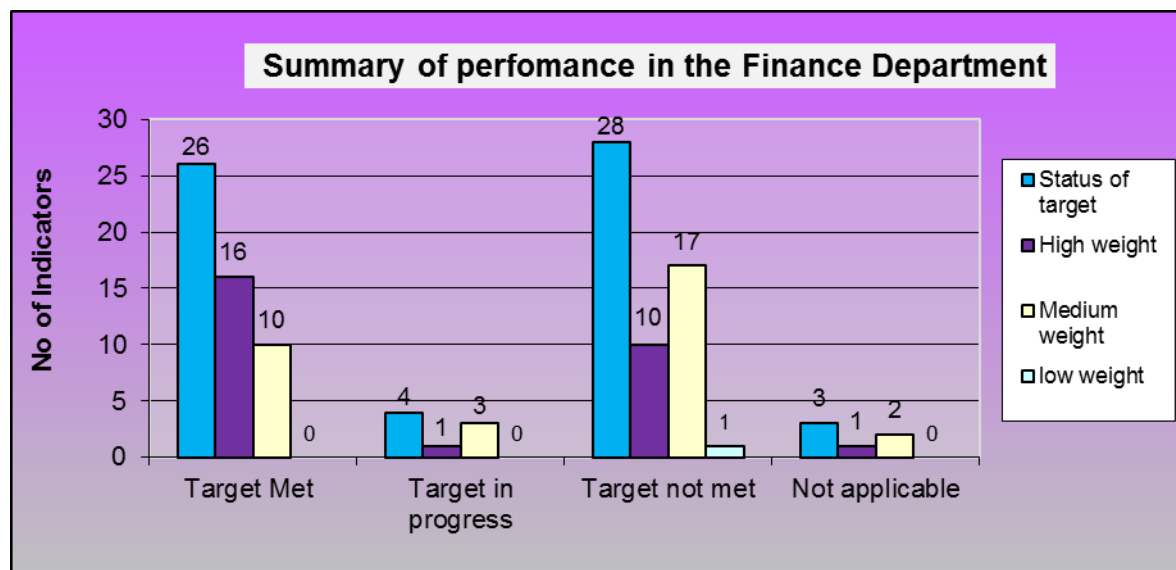
- Targets to be reviewed during budget and the service delivery and budget implementation plan (SDBIP) adjustment process.
- Consultants requested to submit revised project programmes to fast track progress.
- Close monitoring of projects progress on site and holding weekly meetings will be done to ensure that targets are met.
- Meetings were held to deal with misunderstanding issues and more co-operatives will be trained to speed up projects progress.
- Terminate contracts for poor performing contractors and appoint new ones.

3.2.1 EXPENDITURE

The overall expenditure on capital projects are as follows:

PROJECTS	ORIGINAL BUDGET	EXPENDITURE TARGET FOR DEC 2014	ACTUAL EXPENDITURE TO DATE	% SPENT TO DATE
WATER				
Ngcebo /KwaDukuza Water Supply	18 642 325,00	8 500 000,00	8 168 239,88	96%
Lower Tugela Bulk Water Supply	78 947 368,00	30 000 000,00	28 378 867,11	95%
Ozwehini/Phambela Water Supply (Ndwedwe Ward 4)	864 035,00	700 000,00	1 265 963,97	181%
Macambini Water Supply Phase 2	27 192 982,00	10 000 000,00	9 329 771,34	93%
Balcome/KwaSizabantu Water Supply (Maphumulo Wards 5 & 6)	21 052 632,00	10 000 000,00	4 952 429,65	50%
Inyoni Housing - Bulk Water Supply	3 508 772,00	1 500 000,00	4 379 076,09	292%
Ndulinde Water Supply Scheme (Mandeni Ward 6 and 11)	15 789 474,00	7 000 000,00	158 995,66	2%
Wosiyane Extension Water Supply	4 385 967,00	1 500 000,00	746 455,90	50%
San Sauci Ext (Bulwer Farm)	877 193,00	-	649 818,09	
	171 260 748,00	69 200 000,00	58 029 617,69	84%
SANITATION				
Ndwedwe	10 000 000,00	5 000 000,00	7 349 285,16	147%
Mandeni	7 000 000,00	3 000 000,00	3 905 262,00	130%
(Maqumbi) Maphumulo	10 000 000,00	5 000 000,00	3 684 210,00	74%
Inyoni Housing - Bulk Sewer	877 193,00	300 000,00	445 137,11	148%
Mdlebeni Sewer	3 508 772,00	500 000,00	-	0%
Groutville Waterborne Sanitation	42 044 737,00	15 000 000,00	15 893 898,68	106%
Darnall Sewer Rehabilitation	3 000 000,00	200 000,00	-	0%
Driefontein Sewer Package Supply (Phase 1)	1 754 386,00	-	-	0%
	78 185 088,00	29 000 000,00	31 277 792,95	108%

3.3 FINANCE DEPARTMENT



HIGHLIGHTS & PROGRESS ON ACTUAL PERFORMANCE

The main highlight is the achievement of a clean audit report by Auditor General for the 2013/2014 financial year. The department has done well and continues to maintain this achievement by ensuring continuous clean administration. In terms of Section 126 (a), and (b), of the Municipal Finance Management Act, the Annual Financial Statements (AFS) for iLembe District municipality were submitted to the Auditor General on 01 September 2014 and the consolidated AFS for a district and Entity were submitted on the 30 September 2014 to the Auditor General.

Percentage decrease in AG findings is at 63%. Implementation and monitoring of Standard Operating Procedures (SOP's), AG key controls and AG dashboard is being done monthly and quarterly. The AFS are prepared on a monthly basis and the year end action plan progress is being monitored. All statutory reports are being submitted to National and Provincial Treasury by deadline. The budget process is on track as planned. The department is fully compliant with the MFMA budget regulations and circulars.

Inventory management is on track with 6 stock takes completed with a turnaround time of 5 days to resolve queries. Reconciliation between the stock report as per Munsoft system and AFS is being done monthly. Monthly reconciliation of assets under construction and project register is done.

In terms of MFMA Circular 71, the level of Capital Expenditure to Total Expenditure is 33%, Revenue growth is 15% and most ratios are on track.

All overdue accounts are submitted to Technical services to restrict on a monthly basis.

The turnaround time for processing all bids is at 128.93 days. Performance of service providers reports are being submitted quarterly to Finance Portfolio Committee (FPC). The contract register is being updated monthly with new awarded contracts and expenditure.

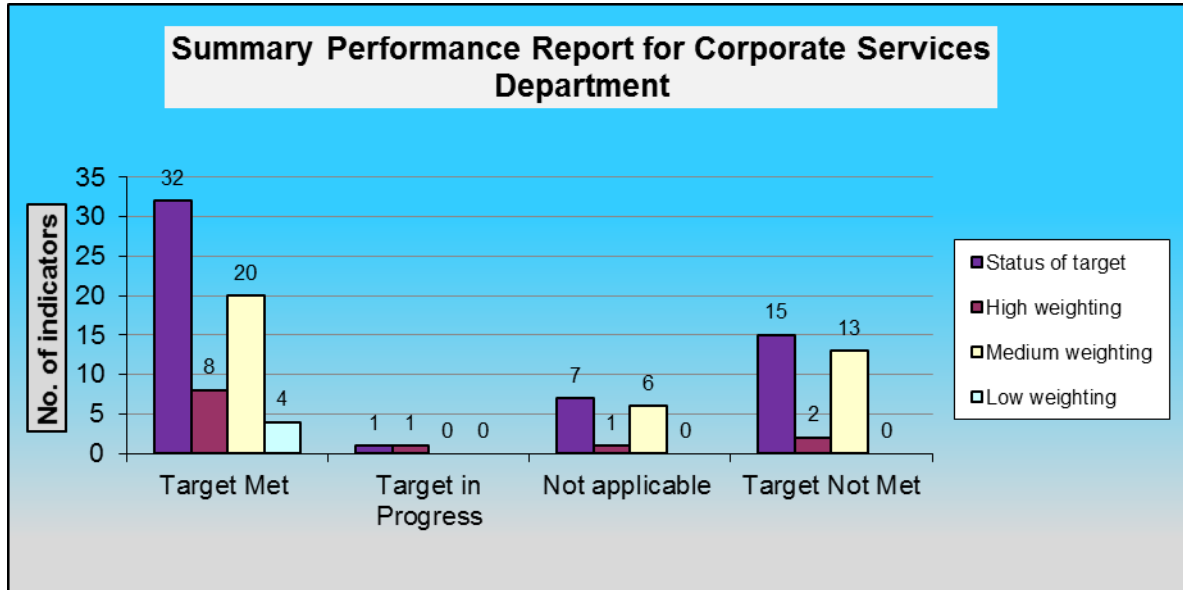
CHALLENGES

- Repairs & maintenance is currently done on a reactive basis rather than a preventative basis hence it is difficult for Finance department to track progress on implementation.
- Installation of the prepaid meters resulted in consumers purchasing water rather than settling their outstanding accounts.
- The operating revenue budget implementation was also affected as consumers are purchasing or consuming less water than anticipated and due to drought issues, water is being distributed using water tankers. Illegal water connections have also become a major issue.
- The annual procurement plan is not on track due to unresolved Environmental Impact Assessment (EIA) issues that are affecting most of the Technical Services department's projects.
- Bid processes are not on track due to delays by various stakeholders in finalising their input in the processes.
- Number of days for cash on hand is low due to projected revenue collection rate much higher than the actual collection rate, overspending on bulk purchases and low spending on capital projects which affected vat refunds and outstanding payment from South African Revenue Services (SARS).

MEASURES TO IMPROVE PERFORMANCE

- A full maintenance plan including preventative maintenance should be compiled, budgeted for and monitored under the responsible department.
- Options and recommendations are being considered in dealing with the revenue collection issues outlined above and funding is being sourced to accelerate the roll out of the intelligent meter project.
- Indigent outreach to be intensified to allow indigents to register so that the municipality can separate collectable debt from non-collectable debt.
- A meter audit will be conducted to identify areas where there might be illegal connections.
- Department of water affairs (DWA) and the municipality have met to resolve water licencing issues and feedback is awaited.
- Continuous engagement with stakeholders to address delay issues and explain impact on turnaround time for processing bids being experienced.
- To engage with user departments in order to establish ways of accelerating capital expenditure and follow up with SARS for outstanding payment.

3.4 CORPORATE SERVICES



HIGHLIGHT AND PROGRESS ON ACTUAL PERFORMANCE

Human Resource Policies were drafted, consulted and work shopped to the employees and the unions. Percentage of employees inducted in terms of the induction plan is 38, 46%. Implementation of job evaluation reports is at 84% against a target of 60%. A total of 27 Councillors enrolled on skills programme. 93% of critical post were filled on the organogram. Two employee wellness programmes were held successfully.

Munsoft and SharePoint service level agreements (SLA's) were renewed before their expiry date. The Information and Communication Technology (ICT) policy was reviewed which included recommendations from the Auditor General. The milestone for the implementation of Phase 1 of the telemetry system is on track with the specification done as well as the advert for the service provider.

Legal matters are on track with 100% to date resolved excluding cases which becomes subject of litigation. Number of days for vetting and drawing up legal documents is at 2.8 days average against a target of 10 days. All service level agreements are finalised within one month of request.

Coordination and administration of council support is a 100% on track with all Council, Exco and portfolio meetings scheduled that are actually conducted.

In terms of Environmental Health the department continues to carry out all duties and functions with vector control, water quality monitoring, municipal health services and food control.

Occupational Health & Safety unit has exceeded target in training and educating staff about safe working environment and conditions.

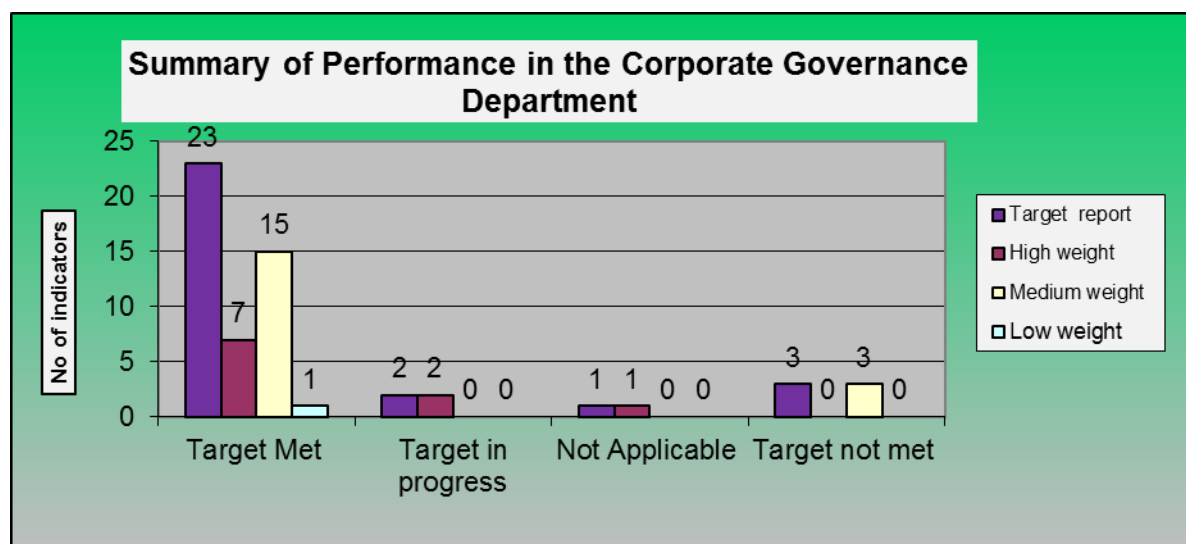
CHALLENGES

- The Human Resource climate staff survey could not be done as time allocated for completion was misjudged and is going to take longer than expected.
- Workplace skills plan priority was on LGSETA programmes to avoid withdrawal of funding not much focus was made on IDM funded programmes.
- Skills development is beyond departments control as employees dropped out of training and is dependent on employee's interest in enrolling on certain programmes.
- Proof of concept and data analysis were not done for project management system as the relevant department could not identify a project to be used.
- Record management system costs are much higher than expected and major funding needed to commence the project.
- Staff issues or shortages were experienced which impacted the achievement of targets.

MEASURES TO IMPROVE PERFORMANCE/CORRECTIVE MEASURES

- Review of some targets during the adjustment process.
- Implementation of the remaining programmes as per the workplace skills plan are scheduled for third quarter.
- To motivate and encourage staff in terms of skills development
- Motivation and action plan will be put into place to deal with staff issues

3.5 CORPORATE GOVERNANCE



HIGHLIGHTS AND PROGRESS ON ACTUAL PERFORMANCE

Heritage celebrations were held as planned with an actual 5. The iLembe District Annual report is on track with all information received and consolidated and will be completed and approved by the legislated deadline date of end January 2015.

Effective public awareness in terms of Mayoral radio slots is 14 to date against a target of 4, 2 municipal newsletters were done, 53 on-going advertorials, the turnaround time to respond to media queries received is maintained with the specified time period of 36 hours. Public participation in terms of public meetings has done 39 against a target of 15.

Emergency relief aid is maintained a 100%, with 21 awareness campaigns held and 12 capacity building sessions hosted.

The Worlds Aids day was successful held on the 01st December 2014, with 7 HIV/Aids awareness campaigns held. Gender and youth programmes were implemented as planned with 587 youths benefitting. Operation Sukuma Sakhe is on track regarding interventions in all local Municipalities with 10 being hosted.

CHALLENGES

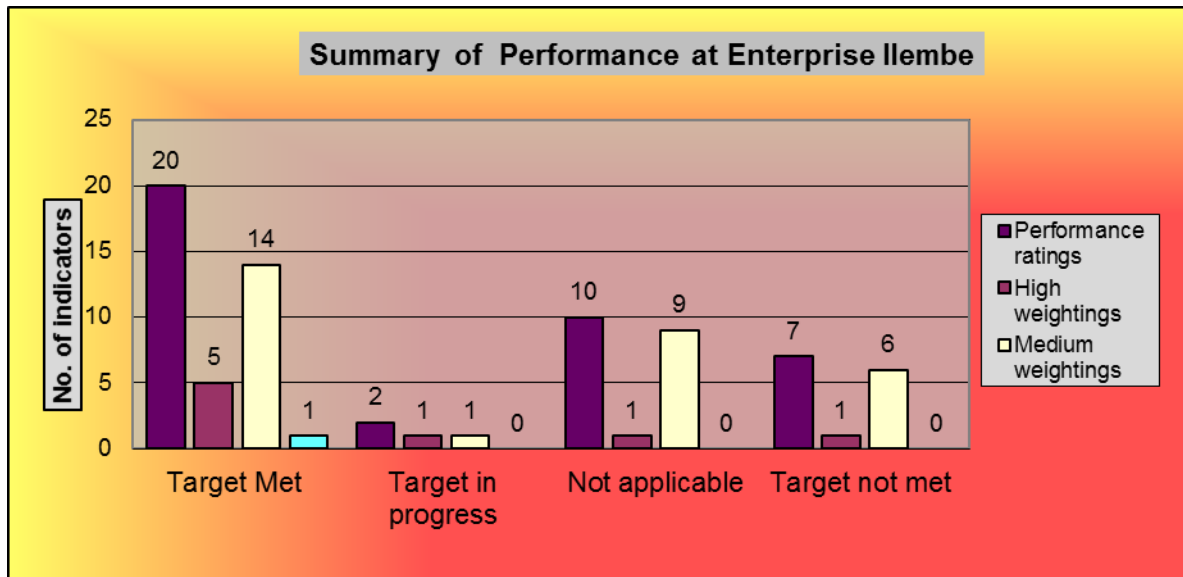
- The communication participation strategy target in facilitating programmes in 2 local municipalities could not be done as the concept must be approved before implementation.
- The disaster management centre is not fully functional as it does not have electricity.
- The disaster management communication system continues to experience problems as the centre is not fully operational.
- Disaster risk reduction – level 2 and 3 plans are at draft stage further upgrade was not done.

MEASURES TO IMPROVE PERFORMANCE/CORRECTIVE MEASURES

- Review of target during the adjustment process.
- The municipality is currently liaising with KwaDukuza Municipality to try and fast track process to electrify the disaster management centre.
- An updated project schedule has been compiled with the Draft level 2 Plan, which will assist in developing the Level 3 plan by the end of the financial year.

3.6 MUNICIPAL ENTITY – ENTERPRISE ILEMBE

In terms of section 93B of the Municipal Systems Act, the parent municipality must ensure that the performance objectives and indicators for the municipal entity are established by agreement with the entity and included in the municipal entity's multi-year business plan in accordance with section 87 (5) (d) of the MFMA. Therefor the mid-term report for the entity must be included.



HIGHLIGHTS AND PROGRESS ON ACTUAL PERFORMANCE

The Entity has done well in achieving a clean audit for the 2013/2104 financial year and must be commended on their good achievement.

The number of co-ops phased out of the National Schools Nutrition Programme (NSNP) is on track with an actual of 4. A total of 19 co-operatives were registered, which will assist in increasing new job opportunities, 11 trained in terms of skills development and 2 co-operatives were assisted with funding applications.

To assist in promoting Entrepreneurship, 1 report was submitted to the Entrepreneur competition. In terms of business retention and expansion 3 business networking sessions were attended, 5 tourism exhibitions were attended and 2 adverts/advertorials were published in relevant publications. The implementation of the King Shaka visitor centre project is complete.

The Council has appointed new board members and their first meeting is scheduled to take place in third quarter. Management of cashflow and cost coverage is on track with 63 days cash on hand. Monthly financial information and performance management reports are submitted by set deadlines.

CHALLENGES

- Lack of funding for feasibility studies for entry into economic sector.
- Investment brochure could not be completed due to supply chain delays.
- Reliance on board approval impacted the achievement of targets.

MEASURES TO IMPROVE PERFORMANCE

- Plans in place to fast track some measurements.
- Targets to be relooked and reviewed during adjustment process.

The detailed EI report is attached as part of the annexure

4. PERFORMANCE OF SERVICE PROVIDERS

Section 39 (g) of the iLembe District Municipality's Supply Chain Management Policy requires the accounting officer to establish and implement an effective system of logistics management, which must include the monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services

4.1 PERFORMANCE ANALYSIS AND RATING CRITERIA

For contractor performance rating purposes, the following rating criteria is used:

PERFORMANCE WEIGHTING		
1	POOR	Performance did not meet most contractual requirements and contains serious problem(s) for which correction actions were ineffective.
2	SATISFACTORY	Performance did not meet some contractual requirements, contractors actions appear only marginally effective or were not fully implemented.
3	GOOD	Contractual performance of contractor contains some minor problems for which corrective action taken by the contractor appear or were satisfactory
4	VERY GOOD	Performs meets contractual requirements some minor problems for which corrective action taken by the contractor were effective
5	EXCELLENT	Performance meets contractual requirements with few minor problems for which corrective actions by contractor were highly effective.

Project Managers are required on a monthly basis to submit reports detailing their assessment of the contractors' performance responsible for the implementation of their projects. This includes submission of a complaint where there is poor performance on the side of the contractors, in which case, the provisions of MFMA Circular 43 shall apply leading to the restriction of defaulting contractors from any future dealings with the State.

The performance ratings of service providers are as follows:

SERVICE PROVIDER PERFORMANCE REPORT															
2014/2015 Q1 PERFORMANCE RATINGS								2014/2015 Q2 PERFORMANCE RATINGS							
COMPANY NAME	EXCELLENT (5)	VERY GOOD (4)	GOOD (3)	SATISFACTORY (2)	POOR (1)	NOT ENGAGED	NO REPORT SUBMITTED		EXCELLENT (5)	VERY GOOD (4)	GOOD (3)	SATISFACTORY (2)	POOR (1)	NOT ENGAGE D	NO REPORT SUBMITTED
TECHNICAL SERVICES															
BLACK BALANCE					√								√		
ROYAL HASKONING DHV			√										√		
IBHONGO CONSULTING							√								√
SIVEST		√													√
ZIYANDA CONSULTING															√
MSW CONSULTING		√											√		
ZAI CONSULTING		√											√		
MVULA TRUST							√								√
LINDA MASINGA							√						√		
JOAT CONSULTING			√										√		
HATCH GOBA			√												√
MADAN SINGH CONSULTING							√								√
ESOR FRANKI	√														√
EAST COAST IRRIGATION	√														√
AFROSTRUCTURE		√													√

SERVICE PROVIDER PERFORMANCE REPORT

2014/2015 Q1 PERFORMANCE RATINGS								2014/2015 Q2 PERFORMANCE RATINGS							
COMPANY NAME	EXCELLENT (5)	VERY GOOD (4)	GOOD (3)	SATISFACTORY (2)	POOR (1)	NOT ENGAGED	NO REPORT SUBMITTED	EXCELLENT (5)	VERY GOOD (4)	GOOD (3)	SATISFACTORY (2)	POOR (1)	NOT ENGAGED	NO REPORT SUBMITTED	
R & B PIPELINES		√												√	
ASPHALT CONSTRUCTION		√												√	
HIDROTECH INFRA		√									√				
HT CIVILS		√								√					
SUNSET BEACH TRADING			√								√				
NORTH COAST WATER RETICULATION				√								√			
UNICON CONSTRUCTION		√								√					
FIRST WORKS 119 CC			√											√	
NDISHI STHOMBEJV					√							√		√	
EGXENI CONSTRUCTION					√							√			
RGZ PROJECTS					√							√			
ROCKHARD PLUMBERS				√										√	
SIYADUDULA CONSTRUCTION					√									√	
MADONDO HUGHES CC					√									√	
MAKHUBU CIVILS				√								√			
KULU CIVILS & PROJECT MNGERS					√							√			

SERVICE PROVIDER PERFORMANCE REPORT

2014/2015 Q1 PERFORMANCE RATINGS								2014/2015 Q2 PERFORMANCE RATINGS						
COMPANY NAME	EXCELLENT (5)	VERY GOOD (4)	GOOD (3)	SATISFACTORY (2)	POOR (1)	NOT ENGAGED	NO REPORT SUBMITTED	EXCELLENT (5)	VERY GOOD (4)	GOOD (3)	SATISFACTORY (2)	POOR (1)	NOT ENGAGED	NO REPORT SUBMITTED
UMUZI CIVILS					√									√
INYAMEKO TRADING					√					√				
LINDOKUHLE ENGINEERING				√								√		
NOKWEJA ENGINEERING				√								√		
SINGHS HARDWARE					√							√		
PHINGOSHE TRADING			√									√		
UMHLABOMUSHA TRADING			√									√		
P THREE TRADING				√								√		
INGQLOBANE PROJECTS			√									√		
THUBA CONSTRUCTION			√											√
ABANGANI PROJECTS						√								√
AQUA TRANSPORT					√							√		
VALAMEHLO TRUCK SALES				√								√		
TAKITSI TRADING							√					√		
MALUTHULI CONSULTING						√								√

SERVICE PROVIDER PERFORMANCE REPORT

2014/2015 Q1 PERFORMANCE RATINGS								2014/2015 Q2 PERFORMANCE RATINGS						
COMPANY NAME	EXCELLENT (5)	VERY GOOD (4)	GOOD (3)	SATISFACTORY (2)	POOR (1)	NOT ENGAGED	NO REPORT SUBMITTED	EXCELLENT (5)	VERY GOOD (4)	GOOD (3)	SATISFACTORY (2)	POOR (1)	NOT ENGAGED	NO REPORT SUBMITTED
KK GARDENS WORLD							√							√
NGOTSHA CONSTRUCTION			√											√
SIBA FAMILY TRADING ENT			√									√		
OKAMDEKENI TRADING			√											√
RICINZ CONSTRUCTION			√											√
TURBOFLUID							√							√
THABIMDENI CONSTRUCTION							√		√					
BIG O ENGINEERING							√							√
ILUNGELO LAMI TRADING						√								√
MAFUKU TRADING						√						√		
LONG ISLAND TRADING							√							√
MVUMISI TRADING							√							√
GWSB							√					√		
UMNIKE TRADING							√					√		
IZWILETHEMBA							√					√		
DAITINGO							√					√		

SERVICE PROVIDER PERFORMANCE REPORT

2014/2015 Q1 PERFORMANCE RATINGS								2014/2015 Q2 PERFORMANCE RATINGS						
COMPANY NAME	EXCELLENT (5)	VERY GOOD (4)	GOOD (3)	SATISFACTORY (2)	POOR (1)	NOT ENGAGED	NO REPORT SUBMITTED	EXCELLENT (5)	VERY GOOD (4)	GOOD (3)	SATISFACTORY (2)	POOR (1)	NOT ENGAGED	NO REPORT SUBMITTED
MASITHU							√					√		
BN KIRK							√				√			
SAPPI							√				√			
UMGENI WATER							√				√			
GLEDHOW SUGAR							√					√		
SIZA WATER							√				√			
CORPORATE GOVERNANCE														
AURECON				√								√		
ISIDINGO SECURITY				√								√		
DEBBIE ISAACS				√								√		
CORPORATE SERVICES														
KENVOLKS MOTORS	√							√						
CMH COMMERCIAL PINETOWN	√													√
SUPERTECH PANEL BEATERS	√							√						
CHRYSLER JEEP DODGE UMHLANGA	√													√
JOBAFRIKA							√							√
COASTAL AUTO SERV	√							√						

SERVICE PROVIDER PERFORMANCE REPORT

2014/2015 Q1 PERFORMANCE RATINGS								2014/2015 Q2 PERFORMANCE RATINGS						
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TREVS AUTO SERVICES	√							√						
DOLPHIN COAST TOWING & REPAIRS	√							√						
MOTOR KING	√							√						
KISTA MOTORS							√	√						
ONE STOP AUTO INDUSTRIES & BREAKDOWN SERVICES	√							√						
STANGER MOTOR WORLD	√							√						
SONKE CONSULTING				√							√			
HLUNGA CONSULTING			√								√			
OPTICAL NETWORK SOLUTIONS				√										√
DIMENSION DATA				√							√			
KONICA MINOLTA					√									√
NASHUA					√									√
GIJIMA TECHNOLOGIES				√							√			√
PHOTONOTE					√									√
SMART OFFICE					√									√
UNIQUEST TRAVEL							√					√		
CHANTI TRAVEL							√					√		

SERVICE PROVIDER PERFORMANCE REPORT

2014/2015 Q1 PERFORMANCE RATINGS								2014/2015 Q2 PERFORMANCE RATINGS						
COMPANY NAME	EXCELLENT (5)	VERY GOOD (4)	GOOD (3)	SATISFACTORY (2)	POOR (1)	NOT ENGAGED	NO REPORT SUBMITTED	EXCELLENT (5)	VERY GOOD (4)	GOOD (3)	SATISFACTORY (2)	POOR (1)	NOT ENGAGED	NO REPORT SUBMITTED
TRAVEL WITH FLAIR						√						√		
FINANCE														
USC METERING T/A UTILITY				√										√
INDWE RISK SERVICES		√								√				
FIRST NATIONAL BANK	√								√					
D & D AMANZI				√								√		
KAYOSI TRADING				√								√		
BC INDUSTRIAL														
KFC ENGINEERING				√										√
UNICOAST				√										√
CONTI CHEM PTY (LTD)				√										√
OFFICE OF THE MUNICIPAL MANAGER														
BLACK BALANCE						√			√					

4.2 MEASURES TO IMPROVE PERFORMANCE OF CONTRACTORS/VENDORS

The Municipality is currently faced with a challenge arising from the appointment of contractors who fail to execute the project to its completion stage. When these contractors are interviewed as part of the risk assessment to ascertain whether they have capacity to successfully execute the contract, they remain adamant that they have adequate capacity.

The recent case is a letter dated 27th November 2014 received from Khonzi Trading & Projects cc, who had been appointed for TS/102/2013: Construction Of A 400mm Dia Pvc Pipeline (Section B Ch 664-1324) @ Nonoti, stating that they are withdrawing from implementing the project. This is the second company to withdraw from this project and it has been considered appropriate to re-advertise this bid to avoid any further delays.

Hence, the Municipality is constantly monitoring and taking action in terms of MFMA Circular 43 against all those contractors found to be in breach of contract due to poor performance. We have served them with notices of intention to blacklist their companies.

In terms of Circular 43, these contractors are supposed to submit to the Municipality within 14 days reasons why the envisaged restriction should not be imposed. Thereafter the Municipality will have to notify Treasury so that these companies can be included on the Restricted Bidders database.

5. CONCLUSION

The Ilembe District wishes to reinforce its commitment and dedication in ensuring the service delivery and changing the lives of the people within our district.

It must be noted that this report has not been audited by our internal audit unit.

SIGNED BY



**HIS WORSHIP MAYOR
CLLR S.W. MDABE**

ANNEXURE