

INFORMATION STATEMENT

SERVICE LEVEL AGREEMENT: MOSSEL BAY MUNICIPALITY // WASTE CARRIERS (PTY) LTD: TENDER TDR49/2025/2026: COLLECTION OF RECYCLABLE WASTE FOR THE MOSSEL BAY MUNICIPALITY: MUNICIPAL FINANCE MANAGEMENT ACT, NO 56 OF 2003: SECTION 33

The Municipality, after following a competitive bidding process in terms of the Local Government: Municipal Finance Management Act, No. 56 of 2003 (MFMA) and Supply Chain Management Regulations, intends to enter into a service level agreement with Waste Carriers (Pty) Ltd (hereafter Waste Carriers) for the Collection of Recyclable Waste for Mossel Bay Municipality with effect from 1 March 2026 to 30 June 2030 in terms of TDR49/2025/2026.

In terms of the proposed agreement, payment will be made to Waste Carriers upon receipt of an invoice for work done. The financial implications for the Municipality will be as per Annexure A attached hereto.

The total estimated contract value for the contract term is R32 269 678.00 (Thirty-Two Million Two Hundred and Sixty-Nine Thousand, Six Hundred and Seventy-Eight Rands) VAT inclusive.

The long-term agreement enables the Municipality to ensure a fixed cost for the term of the agreement. This results in better financial planning and is more cost effective than regularly going out on tender for this service. A regular transition between service providers could also result in an interruption to service delivery which is avoided in this instance.

As the contract will impose financial obligations on the Municipality beyond a period of three (3) years, a prescribed process in terms of Section 33 of the MFMA has to be followed.

Provision for the expenditure has been made in the Operational Budget and will be made in future budgets for the duration of the agreement. It will have no impact on municipal tariffs and revenue.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIE

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RELEVANT LEGISLATION / RELEVANTE WETGEWING

Local Government: Municipal Finance Management Act, No 56 of 2003

Local Government: Municipal Finance Management Regulations: Municipal Supply Chain Management Regulations

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