

ADDENDUM 1

F12.25/04/2018

PROCUREMENT OF MAYORAL VEHICLE: BUDGET ADJUSTMENT TO ACCOMMODATE A SHORT FALL OF R222,000

PURPOSE

The report seeks to –

- inform Council that there is a budget shortfall of R222,000 to finalize the procurement of Mayoral Vehicle;
- request council to give authority to adjust the 2017/18 budget in order to accommodate the identified short fall

EXECUTIVE SUMMARY

- Last year at its sitting Council *resolved* as follows:
 - (a) *That Council take note that the Mercedes Benz, ML 250, is not needed to provide basic municipal services*
 - (b) *That Council give authority to dispose the vehicle mentioned in (a) above through a trade -in*
 - (c) *That the Chief Financial Officer be mandated to remove the asset mentioned in (a) above from the Asset Register of the Municipality*
 - (d) *That the new Mayoral Vehicle be purchased as a matter of urgency.”*
- Subsequently, an amount of R797,000 was allocated in the 2017/18 budget for the procurement of the Mayoral Vehicle;
- Last year in September, bids were invited for the supply and delivery of Mayoral vehicle by trade-in of existing vehicle. However, no bids were received on the closing date.
- On the 19 March 2018 another invitation for bids was published on the on the e-Tender Portal and Municipal Website, and only three bids were received.

- Accordingly, bids were evaluated and adjudicated. The proposal received from the preferred bidder indicates that there would be shortfall of R222, 000 should the preferred bidder be appointed.
- It is against the above-mentioned background that the matter is brought to Council for consideration.

LEGAL IMPLICATIONS

- Section 28(2)(d) prescribes that an adjustment budget may authorise the utilisation of projected savings in an operational vote towards spending under a capital vote.

FINANCIAL IMPLICATIONS

- The amount of R222 000 will be utilised **from** the following two projects:

PROJECT NO. 1:

PROJECT: DC45_KPA5_GOOD GOVERNANCE AND PUBLIC PARTICIPATION - Allocation for Printing

ITEM: Expenditure: Operational Cost: Printing, Publications and Books

ADJUSTMENT BUDGET AMOUNT: R148 103

EXPENDITURE TO DATE: R 87 709

PROJECTED EXPENDITURE UNTIL 30 JUNE 2018: R Nil

AVAILABLE SAVINGS: R 60 394

TRANSFER TO CAPITAL: **R 50 000**

PROJECT NO. 2:

PROJECT: DC45_KPA5_QUARTERLY EXTERNAL NEWSLETTERS PUBLISHED

ITEM: Expenditure: Operational Cost: Printing, Publications and Books **AND**

ITEM: Expenditure: Operational Cost: Travel and Subsistence:
Domestic: Transport without Operator: Own Transport

ADJUSTMENT BUDGET AMOUNT: R172 000
EXPENDITURE TO DATE: R Nil
PROJECTED EXPENDITURE UNTIL 30 JUNE 2018: R Nil
AVAILABLE SAVINGS: R172 000

TRANSFER TO CAPITAL: **R172 000**

- The total amount of R222 000 of the above two projects can be transferred by second adjustment budget **to** the following project:

PROJECT: DC45_KPA1_CDS1_ACQUISITION OF CAPITAL ASSETS
FOR MAYOR

ITEM: Assets Non-Current Assets Property, Plant and Equipment Cost
Model Transport Assets Owned and In-use Cost Acquisitions

ADJUSTMENT BUDGET AMOUNT: R 797 000
EXPENDITURE TO DATE: R Nil
AMOUNT TO BE INCREASED: R 222 000

TOTAL CAPITAL BUDGET: **R1 019 000**

RECOMMENDED BY THE MAYORAL COMMITTEE TO COUNCIL

1. That Council take note that there is a short-fall of R222,000 to finalise the procurement of the Mayoral vehicle
2. That authority be granted to adjust the 2017/18 budget with an amount of R222,000 in order to finalise the procurement of Mayoral vehicle.

RESOLVED BY COUNCIL

1. Council noted that there is a short-fall of R222,000 to finalise the procurement of the Mayoral vehicle
2. Authority was granted to adjust the 2017/18 budget with an amount of R222,000 in order to finalise the procurement of Mayoral vehicle.