

PROGRAMME: ACCELERATED COMMUNITY INFRASTRUCTURE PROGRAMME

FOCUS AREA: WASTE WATER INFRASTRUCTURE REFURBISHMENT

PROJECT DESCRIPTION: UPGRADING AND REFURBISHMENT OF DOUGLAS WASTE WATER TREATMENT WORKS

AGREEMENT FOR ALLOCATION OF FUNDS

Entered into by and between

THE DEPARTMENT OF WATER AFFAIRS

Herein represented by A.A.M. ABRAHAM in his/her capacity as Regional Head:
Northern Cape of the Department of Water Affairs and who has been authorised accordingly

(hereinafter referred to as the "DEPARTMENT")

and

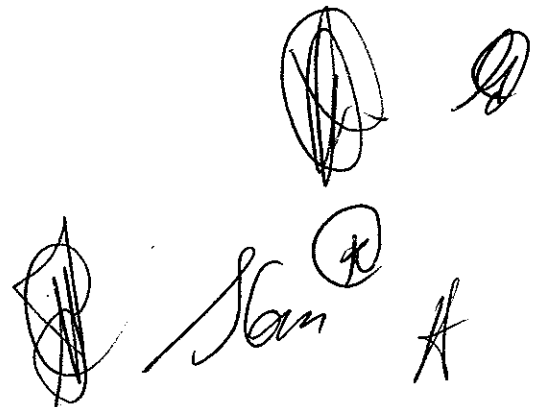
THE SIYANCUMA MUNICIPALITY

Herein represented by H.F. NEL in his/her capacity as Municipal
Manager and who has been authorised accordingly.

(hereinafter referred to as the "MUNICIPALITY")

(collectively referred to as the "PARTIES")

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The bottom of the page contains several handwritten signatures and initials. On the left, there is a large, stylized signature. To its right, the name 'San' is written in a cursive hand, with a circled 'k' or similar mark above it. Further right, there is another large, stylized signature. At the bottom right, there are some initials, including what appears to be 'A'.

WHEREAS

- a) The Municipality has the executive authority in respect of and the right to administer the provision of water services within its areas of jurisdiction, in terms of section 156(1) of the Constitution of the Republic of South Africa, Act 108 of 1996 and sections 3 and 11 of the Water Services Act, Act 108 of 1997 (hereinafter referred to as the Act); and
- b) The Municipality wishes to implement a project to improve the provision of water services within its areas of jurisdiction, in terms of the Act; and
- c) The Department has in its annual budget designated funds to be used by Municipalities to implement projects as part of the Accelerated Community Infrastructure Programme; and
- d) The Department has approved the Business plan submitted by the Municipality; and
- e) A formal agreement has to be reached between the DEPARTMENT and the MUNICIPALITY regarding the allocation of the relevant Funds and the execution of the project;

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

In this Agreement –

- 1.1 “The Project” means the project described in the business plan submitted to the Department during October 2012 and approved during February 2013;
- 1.2 “Allocated Funds” means the funds designated by the Department in its annual budget to be used for the Accelerated Community Infrastructure Programme;

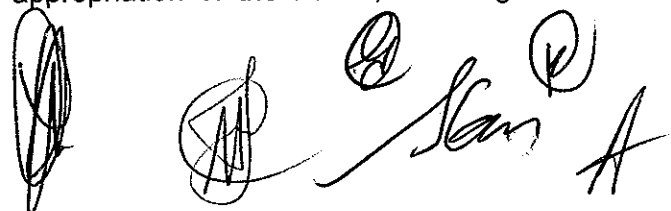
The business plan and allocated funds letter are hereby incorporated by reference to form an integral part of this Agreement.

2. BASIS OF AGREEMENT

- 2.1 It is recorded that the Department has approved the Business Plan. The Department undertakes to secure the Funds for the execution of the Business Plan in the 2013/14 financial year.
- 2.2 The MUNICIPALITY agrees to execute the Project in accordance with the Business Plan and in compliance with the requirements stipulated in the allocated Funds letter and/or communicated to the MUNICIPALITY by the DEPARTMENT.

3. LEGAL REQUIREMENTS

The PARTIES agree to comply with all relevant legislation, internal policies, and required administrative procedures with regard to the allocation, receipt and appropriation of the Funds, including without



limitation the relevant provisions of the Local Government Municipal Systems Act, 2000 (Act No. 32 of 2000) and the requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999).

4. ALLOCATION OF FUNDS

4.1 An amount of R5 200,000 (VAT inclusive) was allocated to the Siyancuma Municipality for the 2013/14 (R3 200 000) and 2014/15 (R2 000 000) financial year. The above allocation must be utilized in addressing the following prioritised activities:

- **Activity 1: Refurbishment of Inlet works**
- **Activity 2: Refurbishment of Ablution and office Rooms**
- **Activity 3: Installation of Permanent pump for sludge removal in Anaerobic ponds**
- **Activity 4: De-sludge and clean in and around Primary ponds 1 & 2**
- **Activity 5: Install Bio Filter Feed pump station**
- **Activity 6: Replace/ and Repair Humus tank Feed pump**
- **Activity 7: Refurbish Trickling filter**
- **Activity 8: Refurbish the Humus Tank**
- **Activity 9: Upgrade Irrigation pump station and dams**
- **Activity 10: Install Safety signs**

4.2 The Municipality agrees to submit monthly reports to the Department before the 10th of each month on the format prescribed by the Department. The monthly reports shall reflect the status of the Project and the progress made to date.


4.3 The Municipality agrees to prepare invoices according to the progress made per listed activity.

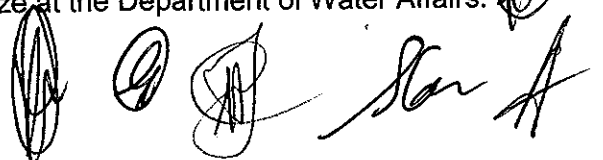
4.4 The Department shall upon receipt of the progress report, copies of documents and invoice evaluate the progress made and the amount claimed by the Municipality and if satisfied shall certify the invoice and effect payment of the Funds no later than 30 (thirty) from the date of receipt of the invoice.

4.5 The Municipality agrees and will certify as such if required by the Department that the Funds will only be used to execute the Project.

4.6 VAT claimed back and interest earned on the Funds must be utilised on any water related activity within the municipal area after approval from the Department.

4.7 Payments will be subject to the submission of detailed invoices by the Municipality as follows:

- a) The invoice must clearly state 'Tax Invoice' and the LMs VAT Registration Number must be indicated. Invoices not marked as 'Tax Invoice' and without the submission of acceptable reasons for that, will not be paid.
- b) Supporting documentation as proof of expenditure, as well as a detailed progress report, must be attached to the Tax Invoice.
- c) Invoices to be submitted on intervals of not less than one calendar month.
- d) Invoices to be submitted to Mr Sabelo Mkhize at the Department of Water Affairs. 



4.8 Details required on the Invoice:

- a) Invoices to be clearly made out to the DEPARTMENT OF WATER AFFAIRS
- b) Addressed to: Private Bag X6101, Kimberley, 8300
- c) Project Name: **ACIP: Upgrading/Refurbishment of Douglas Wastewater Treatment Works.**
- d) Period of Work for which the invoice pertains e.g. Month, Dates

5. SUSPENSION AND TERMINATION

The Department may by notice of at least 14 (fourteen) days terminate the Agreement, or at its discretion and without prejudice to the right to terminate, suspend the operation of this Agreement if – or continue suspension of performance of the whole or part of the Services;

- 5.1 The Municipality uses the Funds for any other purpose than indicated in the approved Business plan;
- 5.2 The Municipality fails to implement the Project or fails to do so in accordance with this Agreement;
- 5.3 If the Municipality is in material breach of a term of the Agreement and fails to rectify such breach within 14 (fourteen) days of the receipt of written notice requiring it to do so.

6. VARIATION

This Agreement and the documents expressly referred herein constitute the whole agreement between the Parties insofar as it relates to the matters dealt with herein and no variation hereof shall be of any force or effect unless recorded in writing and signed on their behalf.

7. DOMICILE

The PARTIES hereby choose as their *domicile citandi et executandi*, the following addresses:

DEPARTMENT	MUNICIPALITY
28 Central Road	<u>CIVIC CENTRE</u>
Beaconsfield	<u>P.O. Box 27</u>
Kimberley	<u>DOUGLAS</u>
8301	<u>8730</u>

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FOR DWA:

Thus done and signed by DWA at KIMBERLEY on this 28 day of MARCH 2013.

Name: A. A. M. ABRAHAMS

Signature: [Signature]

Duly authorized as: REGIONAL HEAD: NORTHERN CAPE

As witnessed:

[Signature]
Witness 1

[Signature]
Witness 2

FOR THE MUNICIPALITY:

Thus done and signed by the Municipality at SOUGELAS on this 22 day of MAY 2013.

Name: H. F. NEL

Signature: [Signature]

Duly authorized as: MUNICIPAL MANAGER

As witnessed:

[Signature]
Witness 1

[Signature]
Witness 2

[Signatures]