

HISTORICAL BACKGROUND

- Dolphin Coast Waste Management is a refuse removal service provider that was initial procured by the than Dolphin Coast Borough.
- The old contract entered into between Dolphin Coast Municipality was inherited by KDM as part of the amalgamation or creation of Municipality around 2000.
- The contract expired resulting to the expenditure thereof categorised as irregular on the basis that we were utilising services whose contract has expired.
- KDM resolved to commission a section 78 (1) assessment amongst other things the study was intended to consider how KDM should structure itself to deliver solid waste service by way of internal mechanism or external mechanism.
- In giving effect to the decision of Kwadukuza Council PPP project was registered with National Treasury.



COMMITTED TO SERVICE DELIVERY

HISTORICAL BACKGROUND

- The outcome of the section 78 feasibility study recommended that in order to optimise the waste management function KDM must use external service provider through establishment of Private Public Partnership.
- The process of establishing PPP is regulated process that requires the Municipality to notify National Treasury, KZN Provincial Treasury and KZN COGTA about the process and solicit their views and comments.
- PPP Regulations clearly outlines the framework and the process that must be followed when establishing PPP which includes setting up of Project Steering Committee.
- It is against this background that KDM constantly engaged with National Treasury, KZN Treasury and COGTA in response TVR: I, TRV: IIA, TVR: IIB and TVR: III effectively authorising the process.
- KDM engaged in the procurement process thereby issuing public bid requesting for proposals and that process culminated to the identification of a preferred bidder.



COMMITTED TO SERVICE DELIVERY

HISTORICAL BACKGROUND

- Flowing from the evaluation and adjudication of bids in accordance to with the Supply Chain Management Policies issued a letter of award to preferred bidder and subsequently embarked in negotiations and conclusion of the PPP contract.
- Accounting officer appointed the negotiation team constituted of Senior Managers, CFO, Legal Practitioners and Representative of National Treasury.
- In line with legislation outcomes of the negotiation process were subjected to public participation and the comments received from interested stakeholders was tabled before Council for noting.
- In terms of Section 33 (1) (a) of the MFMA 60 days prior to the Council meeting at which the PPP agreement was to be considered KDM publicised the details of the proposed PPP agreement and invited comments.
- Comments from the public participation process were duly received from Dolphin Coast Residents & Ratepayers Association, Dolphin Coast Conservancy, Ballito Estates (Pty) LTD and Ilembe Chamber of Commerce, Industry & Tourism.



COMMITTED TO SERVICE DELIVERY

PROJECT SCOPE

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PROJECT SCOPE

- For the purposes of inviting bids the scope was as follow:
 - Domestic waste collection for informal /peri-urban waste on a once per week basis;
 - Basic curb-side household and garden waste collection in formal areas on a once per week basis;
 - Commercial waste collection a minimum of twice per week basis and maximum of seven days
 - Litter picking, street sweeping and cleaning at all trading areas;
 - Bag procurement and delivery to all users
 - Wheelie-bin procurement, delivery and maintenance;
 - Street, public areas and beachfront cleansing;
 - Cleansing after public events;
 - Illegal dumping and carcass clearing
 - The delivery of refuse bags to each residential unit once per week.
 - The once per week collection of all refuse placed in refuse bags or other containers on the street verge.
 - The delivery of specified number of refuse bags to each non-residential user (institutional and commercial enterprise) in the contract zone and the collection of all waste from these users, in



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PROJECT SCOPE

The “**Program for change**” is a multi proggged strategy underpinned by five key focus areas that will derive the change agenda when it comes to waste management.

- (i) As a rapid response (short-term) KDM needs to establish Illegal Dumping Team constituted of the TLB Operator, Tipper Truck Driver and Five General Workers.
- (ii) **Tabling of a feasibility report before Council regarding the extension of road side refuse removal service to high populated areas that are currently serviced via skip.**
- (iii) Establishment of the education and awareness sub-directorate to drive a rigorous/massive awareness campaign (Change Management).
- (iv) Establishment of Municipal bylaws enforcement unit that will ramp up the enforcement thereby harshly and decisively deal with those responsible for illegal dumping and litter. (Community Safety)
- (v) Establishment of a collaborative efforts with the stakeholders citizens, KDM EDP, KDM Civil Engineering, Ilembe District Municipality. NPO's, Business, KZN Department of EDTEA, Taxi Association, Informal Traders, Chamber of Business, Ratepayers Associations & Waste Recyclers.



COMMITTED TO SERVICE DELIVERY

PROJECT SCOPE

- The once per week (or as scheduled) collection of refuse from bins at community areas such as schools, shopping centres, taxi ranks, etc., transportation and disposal at a licensed landfill site.
- Collection and Disposal of Refuse from peri-urban settlements:
- The delivery of one refuse bag to each informal house once per week;
- The once per week collection of all refuse placed in bags or other containers outside the house;
- Litter picking of the open areas surrounding the houses.
- General Refuse Services:
- Removal of piles of refuse and rubble in road reserves and open spaces as instructed by the Kwadukuza Local Municipality (illegal dumping);
- Litter picking of road reserves;
- Removal of all litters and refuses in designated street reserves;
- Removal of all litter, rubble and refuse from street reserves and open areas during and after special events as instructed by the KLM
- The transport of all refuse collected, as described above, to the weighbridge at a transfer station and transport of the collected waste to an approved landfill site.



COMMITTED TO SERVICE DELIVERY

PROJECT SCOPE

- **Project Scope as per Kwadukuza Service Standard**
 - Domestic is twice a week services applied to pick two bags per collection
 - Once week garden services to pick three woven sack bags of garden waste
 - Commercial ranges from a minimum of three days a week up to seven days a week
 - Domestic for township and government subsidised human settlement once a week services
 - Removal of all litters and refuses in designated street reserves
 - Removal of all litter, rubble and refuse from street reserves and open areas during and after special events as instructed by the KDM
 - The transport of all refuse collected, as described above, to the weighbridge at a transfer station and transport of the collected waste to an approved landfill site.
 - Supply of black refuse bin bags
 - Collection of yellow refuse bin bags



COMMITTED TO SERVICE DELIVERY

BUDGET VOTE PERFORMANCE & INCREASE

DEPARTMENT 255 REFUSE SERVICES

	2019/2020		2020/2021		2021/22		TOTAL OVER 3 YEAR PERIOD	
	Budget	Actuals	Budget	Actuals	Budget	Actuals	Budget	Actuals
REVENUE	- 82 173 389,00	- 85 008 033,24	- 86 871 360,00	- 93 265 273,58	- 99 535 888,00	- 99 181 788,57	- 268 580 637,00	- 277 455 095,39
EXPENDITURE								
Bad Debts Written Off	49 969,00	17 338,52	52 464,00	-	56 661,00	-	159 094,00	17 338,52
Contracted Services	57 096 791,00	60 365 190,92	65 697 018,00	66 861 334,08	83 417 522,00	82 177 117,29	206 211 331,00	209 403 642,29
Depreciation and Amortisation	793 610,00	783 419,26	833 292,00	1 718 649,25	3 144 652,00	2 403 560,98	4 771 554,00	4 905 629,49
Disposal of Fixed Assets	-	-	-	-	310 000,00	-	-	-
Employee Related Cost	14 670 707,00	14 382 525,50	12 867 836,00	12 677 650,53	15 339 210,00	14 836 115,70	42 877 753,00	41 896 291,73
Impairment Loss	1 383 215,00	-	6 536 316,00	537 394,78	318 089,00	764 516,44	8 237 620,00	1 301 911,22
Inventory	-	-	-	-	686 396,00	379 945,34	-	-
Operational Cost	7 924 331,00	6 976 925,55	3 996 545,00	3 374 701,86	4 527 572,00	3 165 621,05	16 448 448,00	13 517 248,46
Transfers and Subsidies	1 000 000,00	993 309,75	-	-	-	-	1 000 000,00	993 309,75
TOTAL EXPENDITURE	82 918 623,00	83 518 709,50	89 983 471,00	85 169 730,50	107 800 102,00	103 726 876,80	280 702 196,00	272 415 316,80
SURPLUS	745 234,00	- 1 489 323,74	3 112 111,00	- 8 095 543,08	8 264 214,00	4 545 088,23	12 121 559,00	- 5 039 778,59



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BUDGET VOTE PERFORMANCE & INCREASE

DEPARTMENT 255 REFUSE SERVICES

	2019/2020		2020/2021		2021/22		TOTAL OVER 3 YEAR PERIOD	
	Budget	Actuals	Budget	Actuals	Budget	Actuals	Budget	Actuals
REVENUE	- 82 173 389,00	- 85 008 033,24	- 86 871 360,00	- 93 265 273,58	- 99 535 888,00	- 99 181 788,57	- 268 580 637,00	- 277 455 095,39
CASH EXPENDITURE								
Contracted Services	57 096 791,00	60 365 190,92	65 697 018,00	66 861 334,08	83 417 522,00	82 177 117,29	206 211 331,00	209 403 642,29
Employee Related Cost	14 670 707,00	14 382 525,50	12 867 836,00	12 677 650,53	15 339 210,00	14 836 115,70	42 877 753,00	41 896 291,73
Inventory	-	-	-	-	686 396,00	379 945,34		
Operational Cost	7 924 331,00	6 976 925,55	3 996 545,00	3 374 701,86	4 527 572,00	3 165 621,05	16 448 448,00	13 517 248,46
Transfers and Subsidies	1 000 000,00	993 309,75	-	-			1 000 000,00	993 309,75
ACTUAL CASH EXPENDITURE	80 691 829,00	82 717 951,72	82 561 399,00	82 913 686,47	103 970 700,00	100 558 799,38	267 223 928,00	266 190 437,57
SURPLUS	1 481 560,00	2 290 081,52	4 309 961,00	10 351 587,11	4 434 812,00	1 377 010,81	1 356 709,00	11 264 657,82



COMMITTED TO SERVICE DELIVERY

BUDGET VOTE PERFORMANCE & INCREASE

DEPARTMENT 755 REFUSE SERVICES

	2019/2020		2020/2021		2021/22		TOTAL OVER 3 YEAR PERIOD	
	Budget	Actuals	Budget	Actuals	Budget	Actuals	Budget	Actuals
REVENUE	- 82 173 389,00	- 85 008 033,24	- 86 871 360,00	- 93 265 273,58	- 99 535 888,00	- 99 181 788,57	- 268 580 637,00	- 277 455 095,39
EXPENDITURE								
Bad Debts Written Off	49 969,00	17 338,52	52 464,00	-	56 661,00	-	159 094,00	17 338,52
Contracted Services	57 096 791,00	60 365 190,92	65 697 018,00	66 861 334,08	83 417 522,00	82 177 117,29	206 211 931,00	209 403 642,29
Depreciation and Amortisation	793 610,00	783 419,26	833 292,00	1 718 609,25	3 144 652,00	2 403 560,98	4 771 554,00	4 505 629,49
Disposal of Fixed Assets	-	-	-	-	310 000,00	-	-	-
Employee Related Cost	14 670 707,00	14 382 525,50	12 867 836,00	12 677 650,53	15 339 210,00	14 836 115,70	42 877 753,00	41 896 291,73
Impairment Loss	1 383 215,00	-	6 536 316,00	537 394,78	318 089,00	764 516,44	8 237 620,00	1 301 911,22
Inventory	-	-	-	-	686 396,00	379 945,34	-	-
Operational Cost	7 924 331,00	6 976 925,55	3 996 545,00	3 374 701,86	4 527 572,00	3 165 621,05	16 448 448,00	13 517 248,46
Transfers and Subsidies	1 000 000,00	993 309,75	-	-	-	-	1 000 000,00	993 309,75
TOTAL EXPENDITURE	82 918 623,00	83 518 709,50	89 983 471,00	85 169 730,50	107 800 102,00	103 726 876,80	280 702 196,00	272 415 316,80
SURPLUS	745 234,00	1 489 323,74	3 112 111,00	8 095 543,08	8 264 214,00	4 545 088,23	12 121 559,00	5 039 778,59



COMMITTED TO SERVICE DELIVERY

DOLPHIN COAST WASTE MANAGEMENT (PTY) LTD
 KWADUKUZA MUNICIPALITY - BILLING ANALYSIS
 PER PERIOD - PERCENTAGE/RAND/UNIT INCREASES

	Year JULY 2019 TO JUNE 2020				Period JULY 2020 TO OCTOBER 2020			Escalation 2020		
	Jul-20	Jul-20	Jul-20		Oct-20	Oct-20	Oct-20	%age	Rands	Units
	Qty	Charge	Unit Rate		Qty	Charge	Unit Rate	Change	Change	Change
A0801 - DOMESTIC X 2	11,471	R 845,183.28	R 73.68	E	12,044	R 927,388.00	R 77.00	4.51%	R 82,204.72	573
A0803 - HOTELS SOUTH	-	R -	R -	S	-	R -	R -	0.00%	R -	-
A0803 - HOTELS X 3	11	R 1,215.94	R 110.54	C	43	R 4,966.93	R 115.51	4.50%	R 3,750.99	32
A0803 - HOTELS X 4	19	R 2,799.84	R 147.36	A	54	R 8,315.46	R 153.99	4.50%	R 5,515.62	35
A0803 - HOTELS X 7	10	R 2,793.90	R 279.39	L	34	R 9,926.64	R 291.96	4.50%	R 7,132.74	24
A0804 - SHAKASKRAAL DOMESTIC	675	R 49,740.75	R 73.69	A	675	R 51,981.75	R 77.01	4.51%	R 2,241.00	-
A0805 - SHAKASKRAAL COMMERCIAL	224	R 24,760.96	R 110.54	T	398	R 45,972.98	R 115.51	4.50%	R 21,212.02	174
A0802 - COMMERCIAL X 3	1,695	R 187,365.30	R 110.54	I	2,307	R 266,481.57	R 115.51	4.50%	R 79,116.27	612
A0805 - COMMERCIAL X 4	175	R 26,740.00	R 152.80	O	219	R 34,969.92	R 159.68	4.50%	R 8,229.92	44
A0806 - COMMERCIAL X 5	1	R -	R -	N	-	R -	R -	0.00%	R -	-
A0808 - COMMERCIAL X 5	40	R 9,578.00	R 239.45		46	R 11,510.58	R 250.23	4.50%	R 1,932.58	6
A0808 - COMMERCIAL X 6	220	R 61,465.80	R 279.39	E	323	R 94,303.08	R 291.96	4.50%	R 32,837.28	103
A0809 - COMMERCIAL X 7	1,402	R 173,048.86	R 123.43	F	1,544	R 199,145.12	R 128.98	4.50%	R 26,096.26	142
A0834 - GATED COMMUNITIES	3	R 6,988.80	R 2,329.60	F	6	R 13,977.60	R 2,329.60	0.00%	R 6,988.80	3
A0851 - B JUNCTION-TRANSPORT & DISPOSAL	185	R 22,834.55	R 123.43		251	R 32,373.98	R 128.98	4.50%	R 9,539.43	66
B & B'S	15,974	R 761,320.84	R 47.66	09/20	15,974	R 795,505.20	R 49.80	4.49%	R 34,184.36	-
A0807 - INDIGENT HOUSING	-	R -	R -		-	R -	R -	0.00%	R -	-
DISPOSAL LEVY UNITS	-	R -	R -		-	R -	R -	0.00%	R -	-
DISPOSAL LEVY UNIT	-	R -	R -		-	R -	R -	0.00%	R -	-
Dumping Fee Surcharge-Ballito	32,101	R 744,743.20	R 23.20		33,912	R 804,053.52	R 23.71	2.20%	R 59,310.32	1,811
Dumping Fee Surcharge-Stanger	14,660	R 340,112.00	R 23.20		14,660	R 347,588.60	R 23.71	2.20%	R 7,476.60	-
Sub-total	78,866	R 3,260,692.02			82,490	R 3,648,460.93			R 387,768.91	3,624
Other charges levied:										
Disposal loads	1	R 9,162.61	R 9,162.61		48	R 18,944.75	R 394.60		R 9,782.14	
Vehicle Hire	35	R 85,387.03	R 2,439.63		-	R -	R -		-R 85,387.03	
GARDEN REFUSE COLLECTIONS	23	R 380,542.64	R 16,388.57		1	R 439,728.29	R 439,728.29		R 59,185.65	
Sub-total - all charges		R 3,735,784.30				R 4,107,133.97			R 371,349.67	
VAT		R 560,367.65				R 616,070.10			R 55,702.45	
Total invoiced amounts (incl.)		R 4,296,151.95				R 4,723,204.07			R 427,052.12	

NEW CONTRACT 2020				YEAR 1 ESCALATION			Escalation 2021					
Nov-20 Qty	Nov-20 Charge	Nov-20 Unit Rate		Nov-21 Qty	Nov-21 Charge	Nov-21 Unit Rate	% Change	Rands Change	Units Change	Jun-22 Qty	Jun-22 Charge	Jun-22 Unit Rate
12,044	R 1,930,653.20	R 160.30	N	13,397	R 2,297,853.44	R 171.52	7.00%	R 367,200.24	1,353	13,397	R 2,297,853.44	R 171.52
-	R -	R -	E	-	R -	R -	0.00%	R -	-	-	R -	R -
133	R 35,504.77	R 266.95	W	67	R 16,758.71	R 250.13	-6.30%	R 18,746.06	- 66	64	R 16,008.32	R 250.13
-	R -	R -		65	R 20,406.75	R 313.95	0.00%	R 20,406.75	65	44	R 13,813.80	R 313.95
44	R 21,321.52	R 484.58	C	36	R 18,666.00	R 518.50	7.00%	R 2,655.52	- 8	30	R 15,555.00	R 518.50
675	R 108,202.50	R 160.30	O	857	R 146,992.64	R 171.52	7.00%	R 38,790.14	182	857	R 146,992.64	R 171.52
425	R 99,352.25	R 233.77	N	216	R 54,028.08	R 250.13	7.00%	R 45,324.17	- 209	218	R 54,528.34	R 250.13
2,495	R 583,256.15	R 233.77	T	2,650	R 662,844.50	R 250.13	7.00%	R 79,588.35	155	2,794	R 698,863.22	R 250.13
251	R 73,645.91	R 293.41	R	228	R 71,580.60	R 313.95	7.00%	R 2,065.31	- 23	148	R 46,464.60	R 313.95
49	R 19,936.80	R 406.87	A	1	R -	R -	-100.00%	R 19,936.80	- 48	1	R -	R -
-	R -	R -	C	85	R 37,775.70	R 444.42	0.00%	R 37,775.70	85	77	R 34,220.34	R 444.42
329	R 159,426.82	R 484.58	T	302	R 156,587.00	R 518.50	7.00%	R 2,839.82	- 27	261	R 135,328.50	R 518.50
1,544	R 307,132.48	R 198.92		1,562	R 332,456.08	R 212.84	7.00%	R 25,323.60	18	1,562	R 332,456.08	R 212.84
3	R 17,357.07	R 5,785.69	R	1	R 10,495.31	R 10,495.31	81.40%	R 6,861.76	- 2	1	R 19,875.96	R 19,875.96
352	R 70,019.84	R 198.92	A	283	R 60,233.72	R 212.84	7.00%	R 9,786.12	- 69	271	R 57,679.64	R 212.84
13,023	R 1,029,077.46	R 79.02	T	18,565	R 1,569,670.75	R 84.55	7.00%	R 540,593.29	5,542	18,565	R 1,569,670.75	R 84.55
-	R -	R -	E	-	R -	R -	0.00%	R -	-	-	R -	R -
-	R -	R -	S	-	R -	R -	0.00%	R -	-	-	R -	R -
-	R -	R -		-	R -	R -	0.00%	R -	-	-	R -	R -
14,660	R 347,588.60	R 23.71		14,660	R 371,924.20	R 25.37	7.00%	R 24,335.60	-	14,660	R 371,924.20	R 25.37
46,027	R 4,802,475.37			52,975	R 5,828,273.48			R 1,025,798.11	6,948	52,950	R 5,811,234.83	
-	R -	R -		-	R -	R -		R -	-	-	R -	R -
-	R -	R -		-	R -	R -		R -	-	-	R -	R -
-	R -	R -		-	R -	R -		R -	-	-	R -	R -
	R 4,802,475.37				R 5,828,273.48			R 1,025,798.11			R 5,811,234.83	
	R 720,371.31				R 874,241.02			R 153,869.72			R 871,685.22	
	R 5,522,846.68				R 6,702,514.50			R 1,179,667.83			R 6,682,920.05	