

ITEM NUMBER: C 26/03/15

RECOMMENDATION FROM THE EXECUTIVE MAYOR: 17 FEBRUARY 2015

MC 18/02/15 AUTHORISATION FOR RETROSPECTIVE PAYMENT OF RENTAL FOR LAND OWNED BY THE LION TRUST USED FOR THE PURPOSE OF AERIAL INSTALLATION OF TELEMETRY AND SCADA ANTENNAS

It is **RECOMMENDED** that:

- (a) Council condone and ratify the use of rooftop space from the Lions Trust for the period 1 January 2011 to 31 December 2014 without a lease agreement having been in place
- (b) payment in the amount of R143 640 (VAT inclusive) for arrear rental to The Lion Trust be authorised
- (c) it be noted that the Reticulation Branch (Water & Sanitation Department) has a programme in place to upgrade to different technology sewerage network monitoring equipment that communicates via the antennae (Mast) at Millpark and will not continue utilising the space after 31 December 2014.



REPORT TO EXECUTIVE MAYOR

DATE: 2015 -02- 17

1. ITEM NUMBER : MC 18/02/15

2. SUBJECT

AUTHORISATION FOR RETROSPECTIVE PAYMENT OF RENTAL FOR LAND OWNED BY THE LION TRUST USED FOR THE PURPOSE OF AERIAL INSTALLATION OF TELEMETRY AND SCADA ANTENNAS .

ISIHLOKO

**ISIGUNYAZISO SENTLAWULO ESEMVA YERENTI YOMHLABA OLAWULWA NGABE-
THE LION TRUST APHO USETYENZISELWA IMIBANDELA YOKUFAKELWA
KWESIXHOBO SETHELEMETRI SAMAZA OMOYA OMGAMA ONOKUBALEKA
NEEMPONDO ZOLAWULO NOKUFUMANEKA KWEENKCUKACHA ZAWO**

ONDERWERP

**MAGTIGING VIR DIE TERUGWERKENDE BETALING VAN HUURGELD VIR GROND
WAT DEUR DIE LION-TRUST BESIT WORD EN WAT VIR DIE DOEL VAN
LUGINSTALLASIE VAN TELEMETRIE- EN SCADA-ANTENNAS GEBRUIK WORD**

LSU E1989/2787

3. STRATEGIC INTENT

- Opportunity City
- Safe City
- Caring City
- Inclusive City
- Well-run City

4. PURPOSE

The purpose of this report is to obtain approval for a retrospective payment of space located in a building called Milpark (Roof Top Store), situated at 2 Ixia Road, Milnerton, in extent of approximately 8 m², from THE LION TRUST for 2* Telemetry and Scada antennae Installations used by Water and Sanitation Department (Reticulation Branch), with effect from 1 January 2011 to 31 Dec 2014.

5. FOR DECISION BY

Council

6. EXECUTIVE SUMMARY

City of Cape Town's department of Water and Sanitation, Reticulation Branch is currently utilising the roof top store of the above mentioned building for the mounting of antennas. According to our records, the antennas have been at Millpark prior to 2010, however, no lease agreement existed, nor was there any contract in place for the lease of the space. There has subsequently been a change in landlords, and the new Landlord, The Lion Trust, is now requesting payment for the use of the land, since January 2011, when it took ownership of the building, to date.

Despite the absence of a lease agreement, the City has had beneficial use of the area, hence the need to pay retrospectively for the space utilised. It is therefore requested authorisation be granted to the Reticulation Branch to effect payment to the Landlord for arrear rental, for past use of the space. The arrear rental is calculated as follows:

PERIOD	MONTHLY RENTAL	MONTHLY RENTAL VAT INCL	ANNUAL RENTAL VAT INCL
Jan 2011- Dec 2011	R2 500,00	R2 850,00	R34 200,00
Jan 2012- Dec 2012	R2 500,00	R2 850,00	R34 200,00
Jan 2013- Dec 2013	R2 500,00	R2 850,00	R34 200,00
Jan 2014-Jun 2014	R2 500,00	R2 850,00	R17 100,00
Jul 2014-Dec 2014	R3 500,00	R3 990,00	R23 940,00
			R143 640,00

7. RECOMMENDATIONS

It is recommended that:

- a) Council condone and ratify the use of rooftop space from The Lion Trust for the period 1 January 2011 to 31 Dec 2014 without a lease agreement having been in place.
- b) Payment in the amount of **R143 640** (VAT inclusive) for arrear rental to The Lion Trust be authorised.
- c) The Reticulation branch has a program in place to upgrade to a different technology the sewerage network monitoring equipment that communicates via the antennae (Mast) at Millpark and will not continue utilising the space after 31 Dec 2014.

IZINDULULO

Kundululwe ukuba:

- a) IBhunga malamkele kwaye lilungise ukusetyenziswa kwendawo eyincopho yophahla engeyabakwa-The Lion Trust kwisithuba esisusela ngowo-1 Janyuwari 2011 ukuya ngowama-31 Disemba 2014, kungakhange kumiselwe isivumelwano soqeshiso.
- b) Makugunyaziswe ukuhlawulwa kwesixa-mali esili-R143 640 (kuquka iRhafu-ntengo) kwabe- The Lion Trust ukuze kuhlawulwe irenti esileleyo.
- c) ISetyana lezoThungelwano kufuneka lingaqhubekiki nokusebenzisa indawo yokusebenza emva ko Disemba 2014 njengoko linenkqubo esele imiselwe yokuhlaziya isixhobo sokubek'iliso kuthungelwano logutyulo oluthi lunxubelelane ngokuthi ludlule kuphondo lamaza omoya (mast) e-Millpark ukuze sibeyiteknoloji eyahlukileyo.

AANBEVELINGS

Daar word aanbeveel dat:

- a) Die Raad die gebruik van dakruimte van die Lion-trust vir die tydperk 1 Januarie 2011 tot 31 Desember 2014 sonder dat 'n huurooreenkoms in plek was, kondoneer en bekragtig.
- b) 'n Betaling ten bedrae van R143 640 (BTW ingesluit) vir agterstallige huurgeld aan die Lion-trust gemagtig word.
- c) Die netwerktaak nie voortgaan om die ruimte ná Desember 2014 te benut nie aangesien die taak 'n program in plek het om die rioolnetwerk-moniteringstoerusting wat deur middel van die antennes (mas) by Millpark kommunikeer, na 'n ander vorm van tegnologie op te gradeer.

Balance Available 2014/15 R 147 104.00
 Funds required (This report) R 147 000.00

The rental calculation for this report is as follows:

PERIOD	MONTHLY RENTAL	MONTHLY RENTAL VAT INCL	ANNUAL RENTAL VAT INCL
Jan 2011 - Dec 2011	R2 500,00	R2 850,00	R34 200,00
Jan 2012 - Dec 2012	R2 500,00	R2 850,00	R34 200,00
Jan 2013 - Dec 2013	R2 500,00	R2 850,00	R34 200,00
Jan 2014 - Jun 2014	R2 500,00	R2 850,00	R17 100,00
Jul 2014 - Dec 2014	R3 500,00	R3 990,00	R23 940,00
		TOTAL	R143 640,00

8.4. Legal Implications

This report is submitted for the purposes of compliance with the provisions of the Municipal Finance Management Act, Act 56 of 2003.

8.5. Staff Implications

Does your report impact on staff resources or result in any additional staffing resources being required?

No

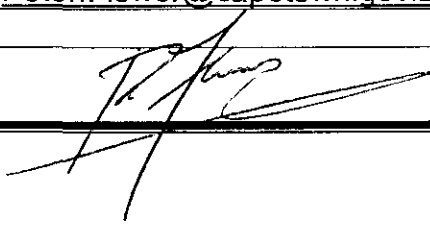
Yes

8.6 Other Services Consulted

Manager : Engineering & Asset Management – Ian Hart (021) 514 3646

Annexure A:

FOR FURTHER DETAILS CONTACT:

NAME	Peter Flower
DIRECTOR	Utility Services
CONTACT NUMBERS	021 400 4859
E-MAIL ADDRESS	Peter.Flower@capetown.gov.za
FILE REF NO	
SIGNATURE :	

Acting manager EAM

M. R. M.

J. A. L. HART 2015-01-16

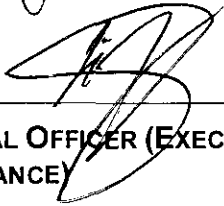


EXECUTIVE DIRECTOR: UTILITY SERVICES
Gisela Kaiser

COMMENT:

NAME _____

DATE 21 Jan 2015



CHIEF FINANCIAL OFFICER (EXECUTIVE DIRECTOR: FINANCE)
Kevin Jacoby

COMMENT:

NAME _____

DATE 21 January 2015.

(2) Chw (ccw)

LEGAL COMPLIANCE

REPORT COMPLIANT WITH THE PROVISIONS OF COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS AND ALL LEGISLATION RELATING TO THE MATTER UNDER CONSIDERATION.

NON-COMPLIANT

NAME Nice with

COMMENT:

TEL _____

DATE 23/01/2015



H. G. Ras

024

**EXECUTIVE DIRECTOR: COMPLIANCE AND
AUXILIARY SERVICES**

Gerhard Ras

DATE

23/1/2015

SUPPORTED FOR ONWARD SUBMISSION TO
MAYOR / MAYCO / COUNCIL

NOT SUPPORTED

REFERRED BACK

COMMENT:

[Signature]

**MAYORAL COMMITTEE MEMBER FOR
UTILITY SERVICES**

Cllr Ernest Sonnenberg

NAME

DATE

23/1/2015

COMMENT:

**MAYORAL COMMITTEE MEMBER FOR
CORPORATE SERVICES:**

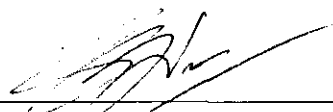
Cllr X Limberg

NAME

DATE

Xanthe Limberg
26/01/2015

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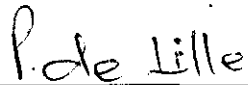


**MAYORAL COMMITTEE MEMBER
ALD IAN NEILSON**

Comment:

DATE

26/1/2015



EXECUTIVE MAYOR

Comment:

DATE

29.01.2015



BID ADJUDICATION COMMITTEE - OPERATING FINANCIAL FOOTNOTE

Directorate: Utility Services
 Department: Water & Sanitation : Reticulation

1 Report Title: AUTHORISATION FOR RETROSPECTIVE PAYMENT OF RENTAL FOR LAND OWNED BY THE LION TRUST USED FOR THE PURPOSE OF AERIAL INSTALLATION OF TELEMETRY AND SCADA ANTENNAS .

Tender Number:

CONTRACT/PROJECT INFORMATION as per recommendation

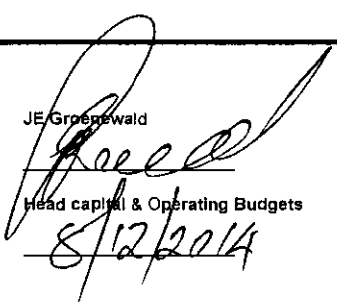
Service Provider	Contract Budget Estimate 2014/2015 Rands	Contract Budget Estimate 2015/2016 Rands	Contract Budget Estimate 2016/2017 Rands	Total Contract value
The Lion Trust	143 640.00	0.00	0.00	143 640.00
2				
Total Contract Value per annum (excl VAT & subject to Foreign exchange fluctuations)				
	143 640.00	0.00	0.00	143 640.00

OPERATING BUDGET INFORMATION

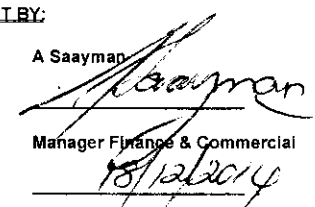
	Cost Centre/WBS/GL Number	Cost Centre/WBS Description	Estimated Budget 2014/2015	Estimated Budget 2015/2016	Estimated Budget 2016/2017
Budget Available	20040300/ 413750	Sewer Logistics/ Rental	147 104.00	0.00	0.00
	20040054/ 413750	Dist Man Dist 7 / Rental	15 801.41		
3					
Less:					
Expenditure to Date	20040300/ 413750	Sewer Logistics/ Rental	13 045.00		
	20040054/ 413750	Dist Man Dist 7 / Rental	0.00		
Committed to Date	x	x			
Reports/Commitments Pending	x	x			
Balance Available for this project/contract			149 860.41	0.00	0.00

Note: Pertinent financial implications related to the proposed award should be noted below.

COMPILED BY:

4 Name: JE Groenewald
 Signature: 
 Designation: Head capital & Operating Budgets
 Date: 8/12/2014

APPROVED AND CONFIRMED AS CORRECT BY:

Name: A Saayman
 Signature: 
 Designation: Manager Finance & Commercial
 Date: 18/12/2014
 Your signature denotes confirmation of available funding for this project/contract

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