



HUMAN SETTLEMENTS PORTFOLIO COMMITTEE MEETING

ITEM NUMBER: HS 04/10/20

SUBJECT

CONFIRMATION OF THE MINUTES OF THE HUMAN SETTLEMENTS
PORTFOLIO COMMITTEE MEETING HELD ON 3 SEPTEMBER 2020

HS 04/10/20

- MINUTES -

**OF THE SKYPE MEETING OF THE HUMAN SETTLEMENTS PORTFOLIO
COMMITTEE HELD ON THURSDAY 3 SEPTEMBER 2020 AT 10:00**

PRESENT: DEMOCRATIC ALLIANCE (DA)

Cllr B van Reenen – Chairperson
Ald S Moodley – Deputy Chair
Cllr M R Abrahams
Cllr J P Fitz
Cllr X Joja
Cllr P S Mzolisa
Cllr K Nethi
Cllr P Nyakaza-Sandla
Cllr M J Petersen
Cllr C Pophaim
Cllr O Solomons
Cllr S Taliep

AFRICAN NATIONAL CONGRESS (ANC)

Cllr T M Batembu
Cllr R Bazier
Cllr J J Maxheke

AFRICAN CHRISTIAN DEMOCRATIC PARTY (ACDP)

Cllr G Classen

DEMOCRATIC INDEPENDENT (DI)

Cllr A Adams

PATRIOTIC ALLIANCE (PA)

Cllr B Truter

VISITING COUNCILLOR

Cllr Mbandezi: Chairperson: Finance PC

VISITORS

Qaqambile Mangqalaza: NHFC
Moosa Ntshabele: NHFC
Thozina Kota: NHFC

LEAVE / APOLOGIES

Cllr M K Bafo
Cllr M Dambuza
Cllr S Nkomiyahlaba
Cllr S Vuba

OFFICIALS

N Gqiba	ED: Human Settlements
R Rughubar	Director: Housing Development
R Pretorius	Director: Informal Settlements
S September	Acting Director: Public Housing
B Chinasamy	Director: SCM
A Delpont	Support Assistant: Office of ED Human Settlements
S Dlamini	Senior Legal Advisor
J Dreyer	Manager: Project Management Office: Human Settlements
J Fillies	Administrative Officer 3, Housing Development
X Fula	Manager: Staff Housing & Hostels Management, Public Housing
M Goodwin	Head: Housing Database, Operational Policy and Planning
S Gomm	Head: Procurement Excellence and Governance, Supply Chain Management
S Grobler	Programme Manager, Operational Policy and Planning
A Haba	Clerk
J Harmse	Clerk: Executive and Council Support
G Joyce	HR Business Partner: HRBP Human Settlements
A Kermis	Head: HR Co-ordination & Monitoring, HRBP Human Settlements

**HUMAN SETTLEMENTS PORTFOLIO
COMMITTEE MEETING MINUTES**

3 SEPTEMBER 2020

H Lotze	Head: Housing Development Co-ordination, Housing Development
C Minnaar	Executive Committee Officer: Committee Services: Executive and Council Support
L Nobaza	Manager: Land and Forward Planning, Human Settlements
A Paulsen	Manager: Finance, Human Settlements
M Solwandle	Executive Support Officer, Executive and Council Support
H Steyn	Manager: Housing Implementation, Housing Development
L Valeta	Manager: Support Services: Human Settlements
B Vumase	Manager: Tenders & Contract Administration, Supply Chain Management

HS 01/09/20

OPENING

The Chairperson, Councillor van Reenen, opened the meeting at 10:00, and welcomed all to the Human Settlements PC meeting held via Skype.

She requested that a moment of silence be observed.

ACTION: C MINNAAR

HS 02/09/20

APOLOGIES / LEAVE OF ABSENCE

Cllr M Booi (Mayco member) – on leave

Cllr M K Bafo – could not log in to the meeting due to loadshedding and connectivity issues

Cllr M Dambuza

Cllr S Nkomiyahlaba

Cllr S Vuba

RESOLVED that the apologies and leave of absences be noted.

ACTION: C MINNAAR

HS 03/09/20**CHAIRPERSON'S ADDRESS / REPORT**

“Good morning everyone and thank you for attending this morning’s Skype meeting. Members can we have a moment of silence for those members that have lost a loved one, a family member, a friend or a colleague during the past month, please accept our heartfelt condolences.

Over the past few months, we have not only become accustomed in wearing our masks, we have also found new ways of doing business, whilst many of us have found new and different ways of staying in touch with each other but also practising social distance.

Our economy started on a very low and predictions are that it will continue on this downward trend into the 2021/ 22 financial year. Undoubtedly, this will be a touch economic year ahead for all of us, bearing in mind that we were already at a downward trend and in an economic recession.

The past year under review, has not only been a challenging one, but was in particularly important in many ways.

Today on our Agenda, there is a number of items for consideration, i.e.

- The Implementation Protocol between the City and SANRAL in terms of the formalisation of the negotiations in the form of an agreement that will be considered by both entities. This document is a framework for the engagement and proposed N2 freeway and proposed housing development and relocation of some of the informal settlements within the area.
- The item on the Home Ownership Regularisation Programme (ORP) will serve before the Portfolio Committee and will deal with the transfer of home ownership to beneficiaries and it will outline a work schedule, funding- and resource requirements to address the City of Cape Town's subsidised housing title deed backlog.

In October of 2017, a committed funding stream was obtained through HSDG, and is now named the National Title Restoration Fund. This fund makes R2 000 available per erf, for the physical verification of occupancy, and the subsequent legal transfer of ownership. It also makes ad hoc funding available for any related activities such as township establishment processes, the registration of general plans etc.

- Members you will also recall that on numerous occasions we highlighted challenges and problems with the C3 notifications issues and the problems with the repairs and maintenance of Council's housing stock and with specific references to the CRU'S.
- The Housing Database
- The Illegal Occupations and Associated Challenges
- There is also the item on the Financial Monitoring Report
- The 4th Quarters Progress Report, the Vacancy Analysis
- The Human Settlements Training Needs

In conclusion members, I wish to request the Executive Director to submit a report to the Portfolio Committee informing and providing the PC members with a report and list of all housing related projects currently undertaken and or in the process of being developed and or in the process of being completed by the City.

The report should reflect the progress and delivery of housing projects managed by the Human Settlements Directorate during the current financial year, and progress on projects relating to outer years.

It will also be appreciated if you could compile a list of projects reflecting the progress on all current and planned projects.

The current projects should reflect the number of

- (a) BNG (Breaking New Ground)
- (b) Incremental
- (c) New Rental
- (d) Upgrading of CRU (Community Rental Units)
- (e) PHP (Peoples Housing Process)
- (f) Land Restitution
- (g) Social Housing
- (h) Gap/sale of plots
- (i) Re-blocking

This will allow the Portfolio Committee to interrogate the progress with these projects.

I thank you.

Cllr Beverley van Reenen”

RESOLVED that the Chairperson’s Address be noted and accepted.

PROPOSER: CLLR M ABRAHAMS

SECONDER: CLLR M PETERSEN

ACTION: C MINNAAR

HS 04/09/20

**CONFIRMATION OF THE MINUTES OF THE MEETING HELD ON
6 AUGUST 2020**

RESOLVED that the Minutes of the meeting held on 6 August 2020, be accepted.

PROPOSER: CLLR R BAZIER

SECONDER: CLLR O SOLOMONS

ACTION: C MINNAAR

HS 05/09/20 MATTERS ARISING FROM THE MINUTES

NOTED that there were no matters arising from the Minutes.

PROPOSER: CLLR M PETERSEN

SECONDER: CLLR M ABRAHAMS

ACTION: C MINNAAR

HS 06/09/20 MATTERS RECEIVING ATTENTION

Item 4: Mr Basil Chinasamy, Director SCM, delivered a presentation, attached as Annexure A, on the reasons for the inclusion of the local office criteria into the tenders. He noted that a legal opinion on this matter is awaited.

Mr Chinasamy provided responses to the questions of clarity posed by the councillors.

The Chairperson and members were appreciative of the presentation and said that it provided clarity on the issues raised by the AG.

The other updates provided by the ED are reflected on the MRA list.

RESOLVED that the updates, comments and action taken in respect of the MRA list, be **NOTED**.

PROPOSER: ALD S MOODLEY

SECONDER: CLLR R BAZIER

ACTION: C MINNAAR

HS 07/09/20 WORKING GROUPS REPORT BACK

RESOLVED that this item be noted.

PROPOSER: CLLR M ABRAHAMS

SECONDER: CLLR J FITZ

ACTION: C MINNAAR

**HS 08/09/20 HUMAN SETTLEMENTS: 2019/20 FOURTH QUARTER'S
PROGRESS REPORT ON THE DIRECTORATE AND
DEPARTMENTS' PERFORMANCE**

RECOMMENDED that

(a) the PC note the fourth quarter's progress report on the Directorate and Department's performance;

(b) the report be submitted to the Executive Mayor together with the Mayoral Committee for submission to Council.

PROPOSER: ALD S MOODLEY

SECONDER: CLLR R BAZIER

ACTION: C MINNAAR

**HS 09/09/20 IMPLEMENTATION AGREEMENT BETWEEN CITY OF CAPE
TOWN AND THE SOUTH AFRICAN NATIONAL ROADS
AGENCY LIMITED (SANRAL) IN RESPECT OF THE
MANAGEMENT AND RELOCATION OF ILLEGAL OCCUPIERS
ON SANRAL PROPERTIES IN THE NOMZAMO, FIRLANDS AND
HELDERZICHT AREAS**

RECOMMENDED that

(a) The Human Settlements Portfolio Committee note the contents of the report and support the signing of the Implementation Protocol between the City and SANRAL in respect of the

management and relocation of illegal occupiers on SANRAL properties in the Nomzamo, Firlands and Helderzicht Areas.

- (b) The Human Settlements Portfolio Committee support further submission of the report to the Executive Mayor together with the members of the Mayoral Committee for noting and approval.

PROPOSER: CLLR M ABRAHAMS

SECONDER: CLLR J FITZ

ACTION: C MINNAAR

HS 10/09/20

**HUMAN SETTLEMENTS' FINANCIAL MONITORING REPORT
(FMR) – JULY 2020**

Mr Paulsen provided an overview of the financial monitoring report for the year ended 31 July 2020.

On the issue of delays with the commencement of projects raised by Ald Moodley, the ED replied that going forward, the Directorate will have panels of contractors secured to which projects will be allocated. This will assist in eliminating delays caused by having to follow a tender process for each project.

Cllr Taliep commented that planning is key to achieving targets and that it would appear that there is an opportunity to improve on the budgetary process. A common thread of under-achievement is noted in both the capital and operational budget. She expressed the hope that the ED will keep her finger on the pulse of the budgetary process and operations.

RESOLVED that

- (a) the content of the report be noted and accepted;
- (b) the comments with respect to the delays to projects caused by the Covid-19 pandemic, be noted;
- (c) the report that will be submitted to Mayco on the delays of

projects in Informal Settlements, be made available to the PC as well, and

(d) the challenges that cause projects to be delayed, be included in the report to be submitted by the ED to the PC on all housing related projects, as was requested by the Chairperson in her Address.

PROPOSER: CLLR S TALIEP

SECONDER: CLLR M ABRAHAMS

ACTION: MR A PAULSEN / ED

HS 11/09/20

**HOUSING DATABASE INFORMATION AND REPORTING ON
ACTIVITIES HOUSING NEEDS DATABASE BRANCH - HOUSING
DATABASE ACTIVITY: ACTIVITY REPORT FOR THE PERIOD
APRIL TO MAY 2020**

The PC noted the improved quality of the report that was submitted and the Chairperson commended Mr Goodwin on the good work done.

Ald Moodley pointed out that the information in respect of the income category is not correct and proposed that the consultants appointed by Council to do customer service satisfaction surveys, be utilised to undertake a survey for the database to ascertain updated income information from applicants. The ED undertook to follow up on this proposal and will report back to the Chairperson via email.

Cllr Petersen proposed that more should be done to clean up the database, in that applicants should engage more actively with the Department. She proposed that a media release be done which encourage applicants to interact with the Department and to update their details. She suggested that another medium be found for applicants to disclose their financial status.

The Chairperson raised the concern that registrations in the 80's were done manually by the Housing Estate Offices and that many of records disappeared. When enquiries were made by those

applicants, they were told to reapply. She furthermore mentioned that the fact that the information pertaining to income is not updated, speaks to a failure by the Housing Estate Offices to regularly communicate with tenants to obtain their up to date details.

The ED noted that an investigation on the issue of ascertaining income levels can be done but that lifestyle audits, as proposed by Cllr Petersen, requires consent as people's private information must be accessed.

Mr Goodwin provided feedback on the issues raised by the councillors and the initiatives planned by the Department to address the challenges experienced relating to the Housing Database.

RESOLVED that

(a) the content of the report be noted, and

(b) the ED explore the possibility of a survey for the database be done for updating of applicants' income information.

PROPOSER: ALD S MOODLEY

SECONDER: CLLR M PETERSEN

ACTION: ED

HS 12/09/20

REPORT ON THE OWNERSHIP REGULARISATION PROGRAMME

Mr Grobler introduced the item and elaborated on the content of the report.

Mr Grobler noted that the Department is currently conducting a formal study to determine the exact figure of the outstanding backlog. This process should be concluded within the next two weeks. He said that they are looking at approximately 12 000 transfers that are still outstanding but said that at least 6 000 of those have already been surveyed. The rest will be done over the next few months.

Cllr Taliep thanked the officials for a well-articulated report on the regularization and transfer process. She reiterated and emphasised that this is most certainly a historical housing challenge and dates back to 1994. The importance is to redress and expedite home ownership empowerment through registration of transfer.

She furthermore noted that there are daunting financial, staff, operational and legal implications. She commended the demonstrated commitment to fast tracking the regularization and registration process.

She noted that she had forwarded correspondence to the ED regarding, amongst others, Khayelitsha and Tafelsig, Mitchells Plain as projects in question.

She said a list of projects where no transfer was done and title deeds outstanding right up to 2020 is required. More importantly, going forward, when dealing with new BNGs, it must be ensured that before occupation is taken, transfer is pending. The legal processes of transfer, occupation and handover, must be aligned and must be as close to the date of occupation as possible. In order to prevent this problem in future, she urged that transfer should be the first priority.

She proposed the following resolution

- that a comprehensive list of projects, amount of units and beneficiaries affected, and
- in relation to all present and future BNG Projects, handover and occupation will only be given on or after registration of transfer to beneficiaries.

Cllr Petersen raised the following issues

- Property Management's position in transfer of ownership
- Property Digest – whether officials are aware of this as it can assist with who the occupier/s of a specific property in a specific area is
- Ratepayers and Residents Associations might be able to assist with the above exercise
- List of projects pre-1994 to be made available

- Identify partners to expedite the survey which, as indicated in the report, will be finalised within a year from now.

Ald Moodley made an observation that mechanisms should be implemented for beneficiaries to move into properties within 72 hours. He noted that clarity on this regulation is required.

The Chairperson requested the ED to ensure that the transfers and handing over of deeds of sale of current allocations be fast tracked, in order to avoid the myriad of challenges experienced by the Department with this process.

In respect of Cllr Taliep's question of clarity whether, in relation to all current and future BNG projects, handover and occupation will be given on, or before registration of transfer to beneficiaries, the Chairperson responded that this ultimately is the goal to work towards, however, at present, this is not feasible.

RESOLVED that

- (a) the content of the report be noted;
- (b) consideration be given to revive the establishment of the steering committee with the involvement of the ED, with her having the same authority as the former dysfunctional steering committee;
- (c) the resolutions in the policy directive in the key parameters be used as a benchmark and a way forward in the transfer of ownership to historical beneficiaries;
- (d) regular monthly progress reports be submitted to the PC, and
- (e) a list of the transfers in Khayelitsha, and Tafelsig, Mitchell's Plain be submitted to the PC.

PROPOSER: CLLR S TALIEP

SECONDER: ALD S MOODLEY

ACTION: MR S GROBLER**HS 13/09/20****REPORT ON UNLAWFUL OCCUPATION IN THE RESIDENTIAL
UNITS (CRU'S)**

Mr Fula presented this item and elaborated on the content of the report tabled.

Cllr Petersen voiced the view that many of the illegal occupants have been occupying units for a number of years and that this may call for a regularisation process. She requested that a confidential report of all these cases be submitted in order for the PC to understand the unique circumstances of the unlawful occupants.

RESOLVED that

- (a) the content of the report be noted;
- (b) the PC be provided with the relevant Council approved policies and procedures relating to the administrative action taken in respect of unlawful occupation;
- (c) regular reports be submitted to the PC detailing the remedial actions taken against unlawful occupants;
- (d) the number of vacancies that are at risk due to illegal occupations, be included in future reports, and
- (e) A confidential report on each case of unlawful occupation be submitted to the PC in order for the PC to have insight into the circumstances of each one of these cases.

PROPOSER: CLLR M PETERSEN**SECONDER: ALD S MOODLEY****ACTION: MR X FULA****HS 14/09/20****HUMAN SETTLEMENTS VACANCY ANALYSIS AS AT 31 JULY
2020**

Mr Joyce provided an overview of the report tabled and advised that the vacancy rate achieved is well within target. To be noted is that movement has taken place since the drafting of this report, however, to provide a more accurate picture of the developments within vacancies, a request was made to the Chairperson that quarterly instead of monthly reports be submitted.

Mr Joyce further reported that the focus has been on the appointment of artisans in Public Housing and that in this regard, 15 interviews were held and are in the final signing off stage. Furthermore, an additional 9 external artisan appointments are currently in the assessment phase.

The Chairperson indicated that a report on the envisaged appointments for this period is still to be submitted to the PC meeting of October 2020 and that quarterly reports can be tabled thereafter. Ald Moodley requested that the issue of succession planning be addressed in future reports.

RESOLVED that

(a) the content of the report be noted, and

(b) a Vacancy Analysis report be submitted to the PC meeting of October, after which quarterly reports may be tabled.

PROPOSER: CLLR O SOLOMONGS

SECONDER: CLLR M ABRAHAMS

ACTION: MR G JOYCE

HS 15/09/20

**TRAINING INTERVENTIONS CONDUCTED 2019/2020 AS AT 31
JULY 2020**

Mr Joyce requested that in order to produce a report with more meaningful content, it be considered that this report also be submitted on a quarterly basis.

RESOLVED that

- (a) the content of the report be noted, and
- (b) future reports be submitted on a quarterly basis.

PROPOSER: CLLR J FITZ

SECONDER: CLLR M ABRAHAMS

ACTION: C MINNAAR

HS 16/09/20

RENTAL STOCK MAINTENANCE & REPAIRS PROGRAMME

Mr Qaqambile Mangqalaza from the NHFC delivered a presentation to the PC on the Rental Stock Maintenance & Repairs Programme, which was well received.

RESOLVED that

- (a) the content of the presentation be noted;
- (b) sub-council offices be involved in the rolling out of the programme, and
- (c) once the programme commences, monthly reports be submitted to the PC for monitoring purposes.

PROPOSER: CLLR M PETERSEN

SECONDER: CLLR O SOLOMONS

ACTION: MS S SEPTEMBER

CLOSURE

The meeting ended at 14:50.

CHAIRPERSON: B VAN REENEN

DATE



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

SUPPLY CHAIN MANAGEMENT
Presentation for Human Settlements Portfolio
Committee

03 September 2020

Making progress possible. **Together.**

INTRODUCTION

The AGSA reported in their audit report that:

“Bid specifications for some of the tenders were drafted in a biased manner and did not allow all potential suppliers to offer their goods and services in contravention of SCM Regulation 27(2)(a).”

Locality was stated either as a Responsiveness Criteria, Eligibility criteria or Functionality requirement.

Tender specifications stated either the following:

- Bidders must be located within the Western Cape
- Bidders must have a local office or premises within the City boundaries
- Bidders must have a local presence within a radius of 30 km's

AGSA viewed this as restricting the market within the boundaries of the western cape or city boundaries and deemed it to be exclusionary to firms outside the Western Cape.



INTRODUCTION

For Human Settlements, 8 contracts (tenders) had to be cancelled to date due to this fact – *specifications that the service provider had to have an office within a certain km radius* - to prevent further irregular expenditure for the 2019/20 and subsequent financial years.

The drafting of these bid specifications were in no way intended to limit competitiveness, be restrictive or with any bias. Instead, these specifications were defined such for the operational purposes of speedy service delivery, shortened or quick response and turnaround times and to enhance local empowerment.

No irregular expenditure incurred as bids were cancelled prior to incurring expenditure

Citywide practice

Seeking legal SC Opinion



HOUSING DEVELOPMENT

Tender Number	Description of tender	BIF (Estimated value)	Extract of specifications / wording from tender document	CurrentsStatus	Additional comments
45Q/2019/20	Construction of Civil and Electrical Infrastructure and Top structures for Farm 1438, Sir Lowry's Pass Village	R 95 000 000	Tenderer should provide proof that they currently operate from an office within a 100km of the City	67Q/2020/21 To be advertised - 4 September 2020	
39Q/2018/19	Construction of Civil Engineering services for the Maroela Subsidised Human Settlement Development Central and Northern Precinct	R 140 000 000	Tenderer should provide proof that they currently operate from an office within a 100km of the City	DP5723/2020/21 CRbD - 1 August 2023	The tender was at specification stage. Due to ongoing protests and land invasion the project manager requested CRbD date to be postponed.
161Q/2019/20	Appointments of Panels of Civil Engineering Contractors for the Construction of Civil Infrastructure related to Government Subsidised housing Development	R 579 000 000	In order to be considered for an appointment in terms of this tender, tenderer's must have an office located within the City of Cape Town Municipal Area, or within 100km from Cape Town CBD.	14Q/2020/21 Evaluation stage	Tender closed 12 August 2020. (172 responses received)
137Q/2019/20	Installation of bulk and internal Civil and Electrical Services for the ACSA Symphony Way Housing Project in Delft – Site A (Contractor 1)	R 121 700 000	In order to be considered eligible for a contract in this terms of this tender, tenderers must have a local office in 100km radius from the COCT Metropole.	DP5726/2020/21 To be advertised in September 2020	Confirmation of final specification and Housing Development Director approval.
138Q/2019/20	Installation of bulk and internal Civil and Electrical Services for the ACSA Symphony Way Housing Project in Delft – Site A (Contractor 2)	R 132 000 000	In order to be considered eligible for a contract in this terms of this tender, tenderers must have a local office in 100km radius from the COCT Metropole.	DP5727/2020/21 To be advertised in September 2020	Confirmation of final specification and Housing Development Director approval.

PUBLIC HOUSING

Tender Number	Description of tender	BIF (Estimated value)	Extract of specifications / wording from tender document	Current Status	Additional Comments
356Q/2018/19	Term tender for repairs, maintenance and upgrade of general building works for the City of Cape Town	R 400 000 000	In order to be declared responsive, tenderers are required to have a registered and operational office within the City of Cape Town Metropole and are required to submit documentary evidence of proof of address with the tender.	DP5828 DP5829 DP5830 DP5831 BIF and specifications to be submitted to SCM 01.11.2020	
357Q/2018/19	Term tender for repairs, maintenance and upgrading of rental stock staircases for the City of Cape Town	R 400 000 000	In order to be declared responsive, tenderers are required to have a registered and operational office within the City of Cape Town Metropole and are required to submit documentary evidence of proof of address with the tender	DP5827 BIF and specifications to be submitted to SCM 01.10.2020	
122S/2018/19 (2020/21 financial year)	Appointment of Panels of Engineering Contractors for the Construction of Civil Infrastructure related to Government Subsidised Housing Developments	R 43 478 260		23Q/2020/21 Evaluation Stage	The tender closed 25 August 2020

CORRECTIVE MEASURES IMPLEMENTED

- During 2020-21 financial year, measures have been put in place to strengthen and enhance internal controls for tender and procurement processes and procedures so as to address the root causes of identified irregular expenditure.
 - Procurement and Tenders User Guide/s being finalised for implementation;
 - Ongoing training interventions to promote efficiency, improve skills and prevent a recurrence of such non-compliance;
 - Corrective or disciplinary action will be implemented for non-compliance;
 - SCM Compliance checklists enhanced to supplement SCM Policy and procedures.
- Where locality or local office is applicable, the clause will be inserted in the document as a contracting condition upon strong motivation based on rationality and reasonable test.
- Stipulate 'Responsive times" for example, a supplier must respond within 3 hours.
- Terminology will be capitalised in the document (facility, workshop, etc.) and it will be clearly defined in the tender document (definition list maybe included).



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