

24 APRIL 2023

Mr. M.S. Dlamini
Acting Municipal Manager
Mkhondo Local Municipality
Cnr. Market and De Wet Street
Piet Retief
2380

T: (017) 285--200
E: tnkosi@mkhondo.gov.za

By email,

Dear Mr. Dlamini

COGTA STR // MKHONDO LOCAL MUNICIPALITY

I would like to thank you for the opportunity to present to the Section 80 Technical Services Committee of the Mkhondo Local Municipality on 14/03/2023 and to the Council Meeting on 30/03/2023.

The Council has adopted our presentation and tasked the Acting Municipal Manager, to conduct a due diligence on the proposed initiative for electrical services and to provide a report with recommendations to the following Council Meeting so that the Council can take a decision on the proposed initiative (Resolution 23/03/108A).

We proposed to Council that the Mkhondo Local Municipality should:

1. Instruct the Accounting Officer to conduct a Section 77 review of the Electrical Service Delivery Mechanisms of the Local Municipality.
2. Appoint Zahara & Company as Pro-Bono Transaction Advisors to assist the Accounting Officer with the Review Process in terms of Section 76-81 of the Municipal Systems Act and Regulation 16 of the Public Finance Management Act.
3. Adopt the COGTA Small Town Regeneration Strategy as a mechanism for strengthening the Public Participation Process.

Although Zahara & Company is not involved in the internal due diligence process of the Municipality, we anticipate that the Acting Municipal Manager will need to present the following supporting documents to Council:

- Views & Recommendations of the Dep. of COGTA and National Treasury
- Council Item
- Council Resolution
- Project Officer Duties and Responsibilities
- Technical Advisory Service Terms of Reference and Pro-Bono Contract
- Template Declaration of Interest Statement

KEY ACTIVITIES

Although the Local Municipality still needs to determine the terms of reference for the transaction advisory services, it would however be reasonable to expect the terms of reference to reflect the key activities that needs to be performed in terms of Regulation 16 of the PFMA:

1. Register a Public Private Partnership at National Treasury and the Dep. of COGTA
2. Facilitate all Public Participation Processes.
3. Conduct a Feasibility Study for Electrical Services as part of the Review Process (TA:I)
4. Conduct a Formal Bidding Process in collaboration with the Administration (TA:IIA&B)
5. Conclude the Contracting Process with the Preferred Bidder (TA:III)
6. Commission the Project in collaboration with all Stakeholders.
7. Provide a Close-out Report with all the supporting documents and approvals.

CORE COMPETENCIES

To ensure the successful and professional completion of the key activities as outlined above, Zahara & Company has set up a specialist advisory team to ensure a diligent and transparent review and procurement process in partnership with all the relevant stakeholders:

LEGAL ASSOCIATE

Ms. Ursula Dube

Commercial Law, PG. Dip Environmental Law; LLB; LLM

ENGINEERING ASSOCIATE

Mr. Nyasha Horonga

Electrical Engineering, BSc. Eng; MSc Eng; Executive MBA (WITS)

FINANCE ASSOCIATE

Mr. Justin Naidoo

Corporate Finance, PG. Dip General Management; BCom Finance; MCom Finance.

HOURLY RATES

We understand that the Mkhondo Local Municipality cannot afford to pay the consulting fees of any advisory services. The appointment of Zahara & Company as Pro-Bono Consultants will therefore necessitate the firm to secure a sponsor for our consulting fees in collaboration with the Mkhondo Chamber of Commerce (NPO). Although we have already engaged with four publicly listed companies, who are prepared to negotiate a sponsorship of our consulting fees, these negotiations can only be concluded after we have secured an appointment from the Municipality.

Our consulting fees are formulated by the 2020 Department of Public Administration guidelines for Hourly Fee Rates for Consultants and the Provincial Head of Department: COGTA, Mr. Ngubane has indicated that the Department is willing to assist in the funding of our consultation fees and is also prepared to onboard the Development Bank of South Africa should the need arise to fund a possible Public Private Partnership.

CONCLUSION

Although the Mkhondo Local Municipality has applied for the National Treasury Notice Nr. 124 debt relief initiative, the compliance conditions on the Mkhondo Local Municipality are severe:

- The Ring-fencing of Basic Service Accounts
- A Funded MTREF Budget
- The Alignment between the Billing System and the General Valuation Roll
- An 85% Collection Rate for all Rates & Taxes by 01 April 2024
- The full payment of the Monthly Eskom Bulk Current Account.
- The enforcement of a Debt Relief Limit for three years.

According to Notice 124, the non-compliance of these requirements may force National Treasury to either take over the electricity business of the Municipality, or to apply to NERSA to revoke the electrical service license of the Municipality – this is not in the best interest of the Municipality.

The adoption of our proposal to review the electrical services business of the Municipality and to research the feasibility of external electrical service delivery mechanisms might enable the Municipality to comply with the requirements of National Treasury by the end of 2024.

We anticipate that the review process and completion of the feasibility study by Zahara & Company could take 6-12 months, and should the municipality adopt the report and recommendations, then the bidding process, contracting and commissioning of a public private partnership could also take an additional 12 months, subject to Treasury approval.

Zahara & Company therefore submits this unsolicited bid for the rendering of Pro-bono Transaction Advisory Services to assist the Mkhondo Local Municipality in finding sustainable solutions for electrical services, that will not only benefit the community, but will also enable the Municipality to become fully compliant regarding the National Treasury Eskom Debt Relief programme.

Zahara & Company is also prepared to present to the National- and Provincial-Treasury, and the Department of COGTA together with the Acting Municipal Manager to ensure that all stakeholders are properly informed regarding the risks and benefits of this proposal. We are fully committed to provide value to the Mkhondo Local Municipality.

Please do not hesitate to contact us for any additional information or should you wish to discuss a possible way forward.

Thank you,

Johann F. Weber
Executive Director – Zahara & Company
(+27) 71 512 0608
johann.weber@zahara.company

17 MAY 2023

Mr. M.S. Dlamini
Acting Municipal Manager
Mkhondo Local Municipality
Cnr. Market and De Wet Street
Piet Retief
2380

T: (017) 285--200
E: tnkosi@mkhondo.gov.za

By email,

Dear Mr. Dlamini

SECTION 13, MUNICIPAL FINANCE MANAGEMENT ACT REGULATION SUBMISSION

RE: ZAHARA PROPOSAL // MKHONDO LOCAL MUNICIPALITY

Section 13 of the Municipal Finance Management Act, Municipal Supply Chain Management Regulations (Act 56 of 2003), states that the Mkhondo Local Municipality may not consider the Zahara & Company Unsolicited Bid that was submitted on 24 April 2023 unless the service provider submits the following information and has published the particulars of the unsolicited bid in accordance with Section 21 of the Municipal Systems Act and Regulations (32 of 2000):

SERVICE PROVIDER NAME: **ZAHARA & COMPANY (PTY) LTD**

SERVICE PROVIDER REGISTRATION NUMBER: **2022/666439/07**

TAX REFERENCE NUMBER: **98363381817**

VAT NUMBER: **N/A**

EXECUTIVE DIRECTOR FULL NAME: **JOHANN FRIEDRICH WEBER**

EXECUTIVE DIRECTOR ID NUMBER: **8404295038083**

Zahara & Company hereby authorises the Mkhondo Local Municipality to obtain a South African Revenue Services (SARS) tax clearance certificate and that the firm's tax matters are in order.

Furthermore, Zahara & Company hereby confirms that:

1. Johann F. Weber has never been in service of the State;
2. Zahara & Company Directors and Shareholders have never been in the service of the State;

3. No direct or extended family of Johann F. Weber, or any other direct or extended family of the Directors and Shareholders of Zahara & Company have ever been in the service of the State, except for the following family members whom hold political office:
- a. Farther – Mr. Werner Ludolf Weber, Member of the MP Provincial Legislator;
 - b. Brother – Mr. Karl Heinrich Weber, Proportional Councillor of the Gert Sibande District Municipality;
 - c. Brother – Mr. Heinz Werner Weber, Proportional Councillor of the Mkhondo Local Municipality.

Please do not hesitate to contact us for any additional information or should you wish to discuss a possible way forward.

Thank you,

Johann F. Weber
Executive Director – Zahara & Company
(+27) 71 512 0608
johann.weber@zahara.company

**Certificate issued by the Commissioner of Companies & Intellectual
Property Commission on Monday, October 3, 2022 at 12:45**



Companies and Intellectual
Property Commission
a member of the dti group

COR14.3: Registration Certificate

Registration Number: 2022 / 666439 / 07
Enterprise Name: ZAHARA AND COMPANY

ENTERPRISE INFORMATION

Registration Number 2022 / 666439 / 07
Enterprise Name ZAHARA AND COMPANY
Registration Date 17/08/2022
Business Start Date 17/08/2022
Enterprise Type Private Company
Enterprise Status In Business
Financial Year End February
TAX Number 9836338187

Addresses

POSTAL ADDRESS

SOUTHDOWNS RIDGE OFFICE PARK
JOHN VORSTER DR
CENTURION
GAUTENG
0046

ADDRESS OF REGISTERED OFFICE

SOUTHDOWNS RIDGE OFFICE PARK
JOHN VORSTER DR
CENTURION
GAUTENG
0046

ACTIVE MEMBERS / DIRECTORS

Surname and First Names	Type	ID Number / Date of Birth	Appointment Date	Addresses
WEBER, JOHANN FRIEDRICH	Director	8404295038083	17/08/2022	Postal: BODENSTADT 164, PIET RETIEF, PIET RETIEF, MPUMALANGA, 2380 Residential: BODENSTADT 164, PIET RETIEF, PIET RETIEF, MPUMALANGA, 2380





Company Registration | Captured on 16/08/2022

Tracking Number: 9371163399
Customer Code: J21742

9371163399

Companies and Intellectual
Property Commission
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ENTERPRISE INFORMATION

Transaction Date 16/08/2022

Tracking Number 9371163399

Name Reservation Application Number 9370614863

Financial Year End FEBRUARY

Number of Authorised Shares 1000 SHARES

Addresses

POSTAL ADDRESS

SOUTHDOWNS RIDGE OFFICE PARK
JOHN VORSTER DR
CENTURION
GAUTENG
0046

ADDRESS OF REGISTERED OFFICE

SOUTHDOWNS RIDGE OFFICE PARK
JOHN VORSTER DR
CENTURION
GAUTENG
0046

DIRECTORS & INCORPORATORS

Surname and First Names

Director Type

ID Number /
Date of Birth

Addresses

WEBER, JOHANN FRIEDRICH

Incorporator

8404295038083

Postal: BODENSTADT 164, PIET
RETIEF, PIET RETIEF,
MPUMALANGA, 2380
Residential: BODENSTADT 164,
PIET RETIEF, PIET RETIEF,
MPUMALANGA, 2380



Signature

17/08/2022

Date - Cannot be before 16/08/2022

WEBER, JOHANN FRIEDRICH

Director

8404295038083

Postal: BODENSTADT 164, PIET
RETIEF, PIET RETIEF,
MPUMALANGA, 2380
Residential: BODENSTADT 164,
PIET RETIEF, PIET RETIEF,
MPUMALANGA, 2380



Signature

17/08/200

Date - Cannot be before 16/08/2022



DECLARATION OF BIDDERS - MBD4

1. No bid will be accepted from persons in the service of the state. *
2. Any person, having a kinship with persons in the service of the state, including a blood relationship, can make an offer or offers in terms of this invitation to bid. In view of possible allegations of favoritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorized representative declare their position in relation to the evaluating/adjudicating authority and/or take oath declaring his/her interest.
3. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid:

Full Name: Johann F. Weber

Identity Number: 8404295038083

Company Registration Number: 2022/666439/47

VAT Registration Number: n/a

Are you presently in the service of the state?

Yes / ☒ No

If so furnish particulars: n/a

Have you been in the service of the state in the last twelve months?

Yes / ☒ No

If so furnish particulars: n/a

MSCM Regulations: "in the service of the state" means to be-

- (a) a member of
 - (1) any municipal council;
 - (2) any provincial legislature; or
 - (3) the national Assembly or the national Council of PROVINCES;
- (b) a member of the board of directors of any municipal entity;
- (c) an official of any municipality or municipal entity;
- (d) an employee of any national or provincial department, national or provincial public entity or
- (e) constitutional institution within the meaning of the Public Finance Management Act, 1999 (act no 1 of 1999);
- (f) a member of the accounting authority of any national or provincial

Do you, have any relationship (family, friend, other) with persons in the service of the state and who can be involved with the evaluation and or adjudication of this bid?

☒ Yes / ☐ No

If so, furnish particulars: Heinz Werner Weber -
proportional councillor - Michando Local Municipality.

Are you, aware of any relationship (family, friendly, other) between a bidder and persons in the service of the state who can be involved with the evaluation and adjudication of this bid.

☒ Yes / ☐ No

If so, furnish particulars: Heinz Werner Weber -
proportional Councillor - Michando Local Municipality

Are any of the company's directors, managers, principle Shareholders or stakeholders in the service of the State?

Yes / ☒ No

If so, furnish particulars: NO

Is any spouse, child, or parent of the company's directors, managers, principle shareholders or stakeholders in service of the state?

☒ Yes / No

If so, furnish particulars. Werner L. Weber - Member of Mpumalanga Provincial Legislature
Karl H. Weber - councillor - Gert Sibande District Municipality

CERTIFICATION

I, THE UNDERSIGNED (FULL NAME)

Johann Friedrich Weber

CERTIFY THAT THE INFORMATION FURNISHED ON THE DECLARATION FORM IS TRUE AND CORRECT. I ACCEPT THAT, IN ADDITION TO CANCELLATION OF CONTRACT, ACTION CAN BE TAKEN AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE

SIGNATURE



26/05/2023
DATE

Executive Director
POSITION



DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES – MBD 8

- 1 This Standard Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by institutions in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
- 3 The bid of any bidder can be disregarded if that bidder, or any of its directors have-
 - a. abused the institution's supply chain management system;
 - b. committed fraud or any other improper conduct in relation to such system; or
 - c. failed to perform on any previous contract.
- 4 In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

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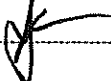
Item	Question	Yes	No
1.1	Is the Tenderer or any of its directors listed on the National Treasury's database as a company or person prohibited from doing business with the public sector? (Companies or persons who are listed on this database were informed in writing of this restriction by the National Treasury after the <i>audi alteram partem</i> rule was applied).	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
1.1.1	If so, furnish particulars:		
1.2	Is the Tenderer or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? (To access this Register enter the National Treasury's website, www.treasury.gov.za , click on the icon "Register for Tender Defaulters" or submit your written request for a hard copy of the Register to facsimile number 012 3265445).	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
1.2.1	If so, furnish particulars:		
1.3	Was the Tenderer or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
1.3.1	If so, furnish particulars:		
1.4	Does the Tenderer or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
1.4.1	If so, furnish particulars:		
1.5	Was any contract between the Tenderer and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
1.5.1	If so, furnish particulars:		

*where the entity tendering is a joint venture, each party to the joint venture must sign a declaration in terms of the Municipal Finance Management Act and attach it to this schedule

CERTIFICATION

I, THE UNDERSIGNED (FULL NAME) Johann Friedrich Weber
CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS TRUE AND CORRECT.

I ACCEPT THAT, IN ADDITION TO CANCELLATION OF A CONTRACT, ACTION CAN BE TAKEN AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

Signed 

Date 26/05/2025

Name Johann F. Weber

Position Executive Director

Bidder Zahara & Company (PTY) LTD.
2022/666439/07.



Surname
WEBER
 Names
JOHANN FRIEDRICH
 Sex
 M
 Nationality
 RSA
 Monthly Number
8404295038083
 Date of Birth
29 APR 1984
 Country of Birth
 RSA
 Status
CITIZEN



Synonyms

62

(continued)

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Date of Issue:
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 IN THE DEPARTMENT OF JUSTICE
 WASHINGTON, D. C.
 DATE _____
 SIGNATURE _____
 OFFICE _____
 FORCE NO. 2870827- RANK: A
 NAME OF INDICENT: Syng Rhee M.D.

