

11 October 2024

Re: REQUEST FOR BUDGET ADJUSTMENT TO SUPPORT RENTAL OF COMPACTOR TRUCKS

1. INTRODUCTION

- 1.1. This report provides a motivation for budget adjustment to augment a utilized rental budget vote. This adjustment will ensure uninterrupted waste collection services and support our commitment to a cleaner and healthier environment.
- 1.2. By extending the rental budget, we can continue to provide efficient refuse removal services to our community.

2. PURPOSE

- 2.1. The purpose of this report is to request for a budget adjustment that would allow Waste Management Division to temporarily continue renting compactor trucks for refuse removal and collection, and front-end loader for the continuous clearing of Sasolburg landfill site.

3. BUSINESS PLAN

Metsimaholo Local Municipality - Integrated Development Plan (IDP)
Metsimaholo Local Municipality - Service Delivery and Budget Implementation Plan (SDBIP)

4. COMPLIANCE WITH STRATEGIC OBJECTIVE

Infrastructure Development and Service Delivery

5. DELEGATED AUTHORITY

Management

6. ANNEXURES

N/A

7. LEGISLATIVE FRAMEWORK

The Constitution of the Republic of South Africa Act 108 of 1996 chapter 2, section 24 and chapter 7, section 152

National Environmental Management Act, Act 107 of 1988

National Environmental Management: Waste Act 59 of 2008

Local Government: Municipal Finance Management Act 56 of 2003

8. BACKGROUND AND DISCUSSION

Our current fleet of compactor trucks and heavy machinery plays a crucial role in maintaining cleanliness and hygiene within our community.

Disruptions in waste collection could lead to health hazards, environmental pollution, and inconvenience for residents.

- **Temporary Arrangements:**

- **Fleet rental:**

- The Division currently relies on renting external compactor trucks acquired through Supply Chain Management. These service providers are on a panel of contractors available for all departments to rent.
- The Division has been renting 7 compactor trucks as of December 2023. All our 12 compactor trucks are mechanically unsound. We currently have one of our own in service.
- It must be noted that renting is a temporary measure in our model of service delivery. Our current prolonged period of rental is a consequence of vehicles that have surpassed their expected lifespan, with an average age of 10 years, resulting in significant wear and tear on the vehicles; the fleet requires frequent repairs and maintenance, leading to prolonged downtime; decreased operational efficiency and decreased reliability since the aging fleet experiences more breakdowns and unexpected failures, resulting in major service disruptions.

- **Budgetary Challenges:**

- The existing budget allocated for compactor truck rentals is insufficient to cover the entire year.
- We face limitations in terms of funds, which directly impact our ability to maintain consistent refuse removal services.
- This emanated from the fact that we had planned to purchase 5 new compactor trucks so as to reduce rental expenses, but this proved not feasible in the current financial year due to municipal budget constraints

- **Operational Challenges**

- Despite proactive maintenance and management efforts, the fleet faces major operational challenges that require priority attention. These challenges include aged vehicles, rising maintenance and rental costs. Addressing these challenges is essential to ensure the fleet remains reliable, cost-effective, and compliant with regulations.
- Age: most of the existing fleet has surpassed its expected lifespan, leading to frequent breakdowns, increased maintenance expenses, and compromised safety standards.

- Rising maintenance costs: As vehicles age, their maintenance costs escalate due to the scarcity of spare parts and the need for specialized technicians
- It is important to note that SASOL had offered to repair our fleet, but this process was stopped due to the dealership workshop rejecting and declining to continue with carrying out repairs on the four compactor trucks sent at that point stating that it was commercially uneconomical to continue with repairs on those trucks.

9. FINANCIAL IMPLICATION

Budget adjustment

10. STAFF IMPLICATIONS

N/A

11. COMMENTS FROM OTHER DIRECTORS

None

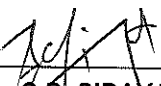
12. RECOMMENDATIONS

Based on the motivation outlined in this report, the following recommendations are proposed to address the existing situation of the Division: Waste Management's fleet.

Thus, it is recommended that:

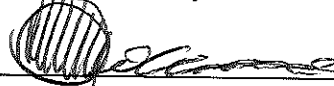
- 12.1. the rental budget vote number: 3421 2383600 WSMRCZZHO, be adjusted by reallocating additional funds from landfill site vote number: 34216450020CFC49ZZWM, for compactor truck rentals and front-end loader to ensure uninterrupted waste collection services and support our commitment to a cleaner and healthier environment.

Report compiled by:


Mr. C.D. SIBAYA
MANAGER: WASTE MANAGEMENT

Date: 18/10/2024

Report approved by:


Mr. S. Mokopena
Director: Social Services

Date: 22/10/2024