

## **BITOU LOCAL MUNICIPALITY**

27 September 2016

### **MAYORAL COMMITTEE MEETING: 28 SEPTEMBER 2016** **COUNCIL MEETING: 29 SEPTEMBER 2016**

#### **ADDENDUM 1**


The Executive Mayor  
Councillors  
Acting Municipal Manager & Heads of Department

#### **1<sup>st</sup> ADDENDUM TO THE MAYORAL COMMITTEE AGENDA OF 28 SEPTEMBER 2016 AND THE COUNCIL AGENDA OF 29 SEPTEMBER 2016**

Attached hereto please find the following Item for consideration at the Mayoral Committee Meeting scheduled for 28 September 2016 and for recommendation to Council at its meeting on 29 September 2016

<b>SECTION 5: ENGINEERING SERVICES</b>			
<b>ITEM NO</b>	<b>SUBJECT</b>	<b>FILE REF</b>	<b>PAGE NO</b>
<b>C/5/01/09/16</b>	<b>RECONSIDERATION OF COUNCIL RESOLUTION REGARDING THE TRANSPORTATION OF MUNICIPAL STAFF TO AND FROM WORK WITH MUNICIPAL VEHICLES</b>	<b>6/2/1/12</b>	<b>1 - 15</b>

Yours faithfully

  
\_\_\_\_\_  
**M P LOBESE**  
The Executive Mayor

Section 5: Engineering Services

ITEM C/5/01/09/16

**Mayoral Committee Meeting for recommendation to Council**

**RECONSIDERATION OF COUNCIL RESOLUTION REGARDING THE  
TRANSPORTATION OF MUNICIPAL STAFF TO AND FROM WORK WITH  
MUNICIPAL VEHICLES**

**Department:** Engineering Services      **Demarcation:** All Wards

**File Ref:** 6/2/1/12

**Attachments:** Annexure A: Copy of report by Head Corporate  
Services Item C/3/99/10/14

Annexure B: Extract of Council resolution C/3/99/10/14

**Report from:** Manager: Fleet Management

**Date:** 27 September 2016

**Purpose of the Report**

To resubmit the previous report to Council regarding the transportation of municipal staff to and from work with municipal vehicles

**Background/Discussion**

A request was received from the political office bearers that the attached report be re-submitted to Council for consideration. The report, together with an extract of Council resolution C/3/99/10/14 is circulated herewith.

Clarity needs to be obtained on a number of issues to enable the author to submit an informed report to Council. A number of these issues are listed hereunder:

**Clarity for our insurer:**

- Would Bitou be paying for the transport service or would the cost be for the employee?
- Who is responsible for the maintenance on the vehicles or is it Bitou assets?
- What would be the traveling times and distances more or less?

## Section 5: Engineering Services

### **Clarity for Fleet Management:**

- How many staff members qualify for the transportation scheme?
- How is the qualification process determined? (This might raise concerns with staff living in Knynsa as an example and fairness of this transport scheme)
- The locations (pick up and drop off)
- The time schedule for the pick-up and drop off
- Will the taxi associations be involved?(tender process)
- Do we have to look at procuring own vehicles to carry out the operation?
- If managed internally then do we look to employ designated drivers with valid PDP?
- What are the requirements from OHS regarding the said vehicles used for transportation?
- Should the driver be late or is unable to carry out this function due to an illness, the impact it would have on all the staff members on that particular route?
- Who is responsible for the monitoring of this scheme?
- Is there any other Municipality with similar transport infrastructure that does staff transport?

### **Recommended by the Acting Municipal Manager:**

1. That Council reconsiders the decision taken under resolution C/3/99/10/14 regarding transportation of staff.
2. That administration be mandated to investigate the matter and submit a report to Council once clarity has been obtained on all issues.

## Section 3: Corporate Services

ITEM C/3/99/10/14
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**Council Meeting**

TRANSPORTATION OF MUNICIPAL STAFF TO AND FROM WORK WITH MUNICIPAL VEHICLES
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**Department:** Corporate Services **Demarcation:** All Wards

**File Ref:** 6/2/1/12

**Attachments:** Report by the Town Electrical Engineer Item C/I 9.23 of May 1997 and Council resolution Minute No 500 of 28 May 1997 titled "Transportation of employees from and to work"

**Report from:** Head Corporate Services

**Date:** 18 June 2014

**Purpose of the Report**

To inform the Municipal Council of the inherent risk and cost regarding the transportation of personnel in municipal vehicles and to obtain a directive from Council on the way forward.

**Background/Discussion**

Personnel have been transported to and from work for a considerable number of years, and concerns have been raised at various occasions in the past that Council is placing itself at risk through this practice.

The following report by the Head: Municipal Services and Infrastructure Development was prepared to explain her concerns with the inherent risk and cost to Council of transporting personnel in municipal vehicles

**Report by: Head Municipal Services and Infrastructure Development:**

To report to the Municipal Council on the current status quo, which is open for discussion, regarding the issue of a resolution that was taken in 1997 for the transportation of staff, and to recommend other measures to be implemented in the way forward to reduce the risks for the municipality and the safety of staff.

A report was tabled on 27 February 1997 and a resolution taken by Council in 28 May 1997, attached as annexure 'A' of this report for the transportation of municipal staff

### Section 3: Corporate Services

Report recommendations: “

Resolution taken:

2. *“Mr. J. Nabani and Mr. D. Royo be informed that they will be the drivers and be paid an allowance of R350 per month*
3. *The pick up points be identified as Hillview and New Horizon, and the Trade Unions inform their members of their pick up points*
4. *Employees will be picked up from 06h30 and be dropped off at the depot. Departure from the depot will be 16h35*
5. *That the implementation date of the scheme be 1 March 1997 and that the time frames and cover be fitted as soon as possible*
6. *That all aspects in respect of Insurance Cover for the transportation of the municipal employees be investigated”*

There was subsequently another meeting and another report tabled on the 28 May 1997 regarding the same matter of transportation of staff, raised by the assistant Town Clerk Electrical Engineer.

The report tabled raised concerns after a canopy was erected on one of the trucks for the purpose of transporting staff. The concern was that the canopy was fitted on a crane truck used for electrical breakdowns and fitting the canopy would cause unnecessary delays in restoring electricity in areas without power. The truck was also used for transporting of transmission poles, electrical cables, transformers and other major items necessary for major electrical repair work.

The recommendations were the following:

1. Council investigate alternative methods, which does not interfere with emergency work procedures to transport personnel members to and from work
2. Council do a proper cost analysis of the present system used
3. Council investigate the consequences in case of a vehicle accident using the present mode of transport.

It was resolved as follows: Item C/1 9.23

1. *That the report be withdrawn from the agenda*
2. *That the purchasing and fitting of the canopy (frame and cover) on the Mercedes truck be done with immediate effect.*

#### **Status Quo**

Currently the transportation of staff to and from work is as follows:

<b>Transport</b>	<b>Driver/s</b>	<b>From and to</b>
Bakkie	J.Terblanche	Kranshoek
Bakkie	I.Futshani	New Horizon
Bakkie	G.Cloete	Witterdrift and Kurland
Truck	B.Polelo	Kwanokuthula

### Section 3: Corporate Services

The resolution of 27 February 1997 stated that: *“That all aspects in respect of Insurance Cover for the transportation of the municipal employees be investigated”*.

There is no information found indicating whether the above resolution was carried out. The danger is that it seems the workers are not covered in terms of insurance and if anything should happen or an accident occurs, there might be a claim against the municipality.

#### **Ongoing concerns**

There has been

1. Other request for additional staff members to be included as part of this transportation
2. It is felt by other staff members that the system is unfair as it caters for certain employees and not all.
3. The drivers concerned don't possess PDP to drive commuters or people.
4. Liability
  - a. This is a risk on its own which the municipality will have to carry in case of any incident that might happen whilst driving employees to and back home.
5. Financial
  - a. There is a concern of unnecessary overtime created as a result of this practice.
  - b. It's a challenge to monitor drivers if they have been on site, as some employees end up knocking off earlier than they are supposed to.
  - c. Overtime claims are submitted even though employees have been transported within working hours
6. EPWP employees have become part of this transportation. It makes it difficult to monitor the Bitou staff movement.

#### **Various Proposals with pros and cons**

##### 1. Demand

A new assessment should be done to ascertain the Staff Transport need, per area/ward, and should include the current list of staff as well as new members who would like to participate. The result of this study would guide us to make an informed decision on which of the options listed below, would be the most suitable and sustainable solution.

##### Option 1- Bitou owned Service

1. The municipality to procure people carriers ,
  - a. The type and quantity determined by the Staff Transport Study, and this to be incorporated into the Bitou Fleet, to transport staff to and from work.
  - b. This could be done as part of the current Vehicle Tender, SCM/MSID 59/2014, Supply and Delivery of Vehicles
2. The dedicated driver must have a PDP, and must undergo the necessary training to be fully qualified and equipped to transport large numbers of people, and to react in the most efficient and safe manner as demanded by the environment.

### Section 3: Corporate Services

3. This service will also have the added advantage of Bitou Municipality being able to transport staff to training or events when this is required as well as ensuring that we have an increase in attendance at public meeting and Community outreach programs.
4. The transport service can also be offered to other Government departments and the public, during the times that the service is not required by the Bitou Municipal Staff. This will create an additional source of revenue and if managed and marketed properly and will be able to accelerate payback period and increase the Return On Investment.

#### Option 2 – Outsourced Service

This is an option that can create an opportunity for the Local Taxi Association and Transport Operators to collaborate and provide a formalized and professional service to transport staff to and from work from the various wards and communities.

1. A tender will have to be advertised where taxi drivers quote for the service for a three year period or 5 year depending on the viability.
2. Consultation with other Government Departments, Education, Health, and Correctional Services should be initiated to gather information how they apply the provision of transport on fixed routes, on a regular basis in their environment.
  - a. Vehicle Type per volume
  - b. Contracting model
3. This can also serve as indicator as the transport need per area and can be made open to the public if the viability so requires or the additional capacity exists within the service.

#### Option 3

No transport service to be provided by the municipality at all.

1. We revert back to the model where each employee sees to it that they get to work on their own means and own cost.
2. We have to find a solution to compensate or absorb the cost of the existing passengers utilizing “Bitou Transport” as will have to start paying for transport either:
  - a. With their own transport
  - b. Using a public service or lift club

As this will leave them out of pocket it would be a very sensitive issue that we have to consider carefully before we tread on this water. The legal implication in terms of the Labor framework of withdrawing a service which has become a norm, as well as the impact on employee morale and productivity will be quite substantial.

#### Option 4

### Section 3: Corporate Services

That Council continues with the current practice of transporting staff with municipal vehicles and that it becomes business as usual with the associated risks and liability.

1. The associated liabilities in terms of the OHS Act increases
2. This will necessitate that the required liability Cover, Risk Management, be taken out to ensure that in the event that anything should happen, the Bitou Municipality is adequately covered to handle any obligations.
3. That Council commences to formalize the:
  - a. Passenger Lists
  - b. Drivers
  - c. Routes
  - d. Vehicles
  - e. Associated costs
    - i. Standby
    - ii. Overtime
    - iii. Fuel
    - iv. Vehicle Costs

This will enable the municipality to accurately determine the cost of this service so that we can implement measures to recover this.

#### Tariff

The workers will have to pay a fare for this formalized service, should they decide to participate and passenger numbers and routes would be informed by the study done. The model on which the tariffs are based should be considered taken into account the various inputs:

1. The current Taxi Association tariffs
2. Other Government Departments who also provide transport in this area and their pricing model, Education, Correctional, Health Dept. etc.
3. The costs as informed by option 4.3.e above
4. The impact of the Service on productivity and morale and affordability taking into account the average salary scale of the employees who participate in the service.
5. The added benefits savings and additional revenue potential as per Option 1.4., which may be subsidized by the municipality based on a decision taken by Council.

#### Revenue Management

The Council will have to make a decision whether to provide a subsidy to the employees or offer the service as a benefit.

If not the fare can be deducted from the employee's salaries on a monthly basis depending on how much or often they have used the service.

Should additional capacity be identified on the routes or the benefits of a regular service enhance the mobility of the members of the different communities that the service



### Section 3: Corporate Services

operates in, the service could be opened to the public to further increase the sustainability.

#### Risks with each option

**Table 1**

Item	Option	Risks	Advantages
	1	<ul style="list-style-type: none"> <li>• Cost of Taxis (indicated below on Table 3)</li> <li>• Insurance for staff by the municipality</li> <li>• Insurance for the vehicles</li> <li>• Council to approve policy for transportation of staff</li> </ul>	<ul style="list-style-type: none"> <li>• No late coming and leaving early by employees</li> </ul>
	2	<ul style="list-style-type: none"> <li>• Disputes amongst taxi owners</li> <li>• Different rates for transporting staff by taxi owners</li> <li>• Challenge if taxis on strike</li> </ul>	<ul style="list-style-type: none"> <li>• Risk taken away from the municipality</li> <li>• Taxi drivers are legally compliant to transport commuters</li> </ul>
	3	Late coming, leaving early	No cost and legal risk to the municipality
	4	<ul style="list-style-type: none"> <li>• Legal liability for the municipality with drivers without PDP</li> <li>• Council to insure staff against accidents</li> <li>• Late coming and leaving early continues</li> <li>• Cost for fuel and overtime to be borne by the municipality</li> </ul>	

The Council must make a decision as to which employees are eligible to be transported to and from work. We have to take into account those that are already receiving Transport Benefits either via the Essential or perk scheme and guard against the abuse of the Service.

This can be managed via various types of technologies, card system, Biometric identification etc. to ensure that only those that do qualify have access to the service.

### Section 3: Corporate Services

#### **Financial Implications**

An estimate of the Financial Claims against the municipality:

**Table 2:**

No.	Cost on overtime		Cost per km		Total cost to Council per month
1.	*New Horizon I. Futshani R 52,67 p/hr	R 948,06	Total km travelled 324 @ R3,63 per month	R 1 176,12	R 2 124,18
2.	*Kranshoek J. Terblanche R55,32 p/hr	R 995,76	Total km travelled 1044 @ R3,63 per month	R 3 789,72	R 4 785,48
3.	*Kwanokuthula B. Polelo R79,00 p/hr	R 1 422,00	Total km travelled 468 @ R7,20 per month	R 3 397,68	R 4 819,68
4.	*Greenvalley/Wit tedrift G. Cloete	R862,32	Total km travelled 1134 p/month	R 4 116,42	R 4 978,74
<b>TOTAL COST</b>		<b>R 4 228,14</b>		<b>R 12 479,94</b>	<b>R 16 707,58</b>

\* Overtime based on 4 weeks per month

\* No transport is provided on a Friday afternoon

\* Running cost of vehicle based on AA tariffs

$$\begin{aligned}
 \text{Operating Cost} &= \text{Fixed Cost} + \text{Running Cost} \\
 &= 198 + 165 \\
 &= 363/100 = R3,63 \text{ per kilometer}
 \end{aligned}$$

$$* \text{ Running Cost} = \text{Maintenance} + \text{Fuel}$$

$$\begin{aligned}
 &11.10 \times 10.76 \text{ (diesel price)} + \text{Service} + \text{Repairs } 30.18 + \text{Tyre cost } 15.20 \\
 &\text{Total} = R165
 \end{aligned}$$

The above costs excludes insurances and any other legal fees for liability and are only for the direct transport costs

## Section 3: Corporate Services

### Cost for using taxis or external transport services:

This cost below is based on a quotation received from one taxi owners/service providers:

**Table 3:**

From	Sitter	Cost per day (R)	20 day month cost (R) Year 1	Year 2	Year 3
Kurland	15	800	16 000	18 400	21 200
Wittedrift	15	700	14 000	16 400	19 200
New Horizon	50	700	14 000	16 400	19 200
Bossiesgif/Qolweni	30	600	12 000	14 400	17 200
Kwanokuthula	50	1000	20 000	22 400	25 200
Kranshoek	15	700	14 000	16 400	19 200
<b>TOTAL</b>			<b>90 000</b>	<b>104 400</b>	<b>121 200</b>

### Relevant Legislation

National Transport Act  
National Transport Bill  
Occupational Health and Safety Act  
Labour Relations Act

### Comments: Chief Financial Officer

Unless it is contained in the conditions of appointment of the staff, and unless no alternative mode of transport is available, it would not be advisable for the municipality to provide transport to and from the workplace for a selected few employees only. The provision of transport to and from home also equates to a taxable fringe benefit being provided and employees should, according to the provisions of the Income Tax Act be taxed on the fringe benefit.

The provision of transportation services to some employees could also create a precedent and could result in an unaffordable financial burden to the municipality if all staff demanded the same benefit to be afforded to them.

If a decision is made to continue providing the service, it should be done at a rate that is sufficient to recover the cost of the provision of the service. If the provision of the

### Section 3: Corporate Services

transportation service to employees result in expenditure being incurred from the municipal budget, it can, strictly from a financial point of view, not be supported.

#### **Comments: Head & Municipal Services & Infrastructure Development**

It appears that the decision to transport staff previously was taken due to unavailability of a transport system around the Bitou area at the time (am speculating and stand to be corrected). Currently there is a transport system available in terms of taxis for commuters.

There is overtime incurred due to the transportation of staff by drivers, with other costs excluded. The transportation occurs outside normal working hours and it should be decided if Council is still liable for municipal staff on municipal vehicles after hours, except of-course for standby staff.

Transportation with municipal vehicles should only cater for staff on shift and standby work.

There has been an issue of arriving late at work by some employees, where the drivers transporting staff are blamed. The other issue is of staff leaving early at work before 16h30 as per the resolution.

The fleet management policy states that only staff on standby can take vehicles home. Certain drivers are however taking vehicle/ bakkies home to be able to pick up a truck in the morning for the exercise of transporting staff, which is outside the Fleet Management Policy.

The one vehicle/bakkie transporting staff from the Craggs and Wittedrift carries more than 15 staff members at a time. The staff doesn't all fit properly in the vehicle and some hang their legs at the back of the vehicle/bakkie, this is a safety hazard on its own.

The element of safety and insurance was never investigated and resolved and is still a risk for both staff and the municipality if anything were to go wrong. The municipality has to take a decision on whether to proceed with the current status of transporting staff, which has its disadvantages and risks in terms of safety and liability, or change the status of the current situation to better protect all concerned.

#### **Comments: Head: Corporate Services**

The recommendation by the Municipal Manager is supported.

#### **Comments: Head: Community Services**

The recommendation by the Municipal Manager is supported.

### Section 3: Corporate Services

#### **Comments: Head: Strategic Services**

The recommendation by the Municipal Manager is supported.

#### **Recommended by the Acting Municipal Manager:**

1. That the Municipal Council takes note of the status quo regarding transportation of staff and the inherent risks and financial implications.
2. That Council takes a decision regarding the various options provided in the report.

MINUTES OF THE MEETING  
OF COUNCIL IN-COMMITTEE

10

28 MAY 1997

MINUTE NO. 498PERMANENT APPOINTMENTS (S/1)

Report by the Personnel Officer circulated with the Agenda. It was;

RESOLVED

That Mr VS Mgwall and NL Matwang be appointed in a permanent capacity, on the minimum notch of post level 16, that is R12 564, as from 1 June 1997. TT

MINUTE NO. 499PROPOSAL FOR THE PLETTENBERG BAY MUNICIPALITY TO CREATE  
THE POSITION OF RDP/LABOUR OFFICER IN THE MUNICIPALITY (R/10)

Report by the Acting Town Secretary together with a letter dated 13 May 1997 received from the Joint RDP/Council Committee circulated with the Agenda.

RESOLVED

- (i) That the creation of a new post of RDP/Labour Officer not be approved.
- (ii) That the functions and duties of a RDP/Labour Officer not form part of the job description of the Personnel Assistant. ATS

MINUTE NO. 500TRANSPORTATION OF EMPLOYEES FROM AND TO WORK (V/1)

Report by the Acting Town Electrical Engineer circulated with Agenda. It was;

RESOLVED

- (i) That the report be withdrawn from the Agenda.
- (ii) That the purchase and fitting of the canopy (frame and cover) on the Mercedes truck be done with immediate effect. (Minute No. 177 of 27 February 1997) TEE

REPORT BY ACTING TOWN ELECTRICAL ENGINEER FOR SUBMISSION TO  
STAFF AND STAFF TRAINING COMMITTEE - MAY 1997

TRANSPORTATION OF EMPLOYEES FROM AND TO WORK.

One of the trucks being used for the transportation of personnel members is the Mercedes Crane Truck - CX 4945.

A canopy is being fitted to CX 4945 which is a matter of great concern.

The Mercedes truck is used for electrical breakdowns after hours and the fitting of a canopy will cause unnecessary delays in restoring electricity in areas without power.

The Mercedes Truck is used for the transportation of transmission poles, electrical cable, transformers and other major items necessary for electrical repair work.

RECOMMENDED

- 1) Council investigate alternative methods, which does not interfere with emergency work procedures, to transport personnel members to and from work.
- 2) Council do a proper cost analysis of the present system used.
- 3) Council investigate the consequences in case of a vehicle accident using the present mode of transport.

  
A S VAN JAARVELDT  
ASSISTANT TOWN ELECTRICAL ENGINEER.

**EXTRACT FROM THE MINUTES OF THE ORDINARY COUNCIL MEETING OF BITOU LOCAL MUNICIPALITY HELD IN THE COUNCIL CHAMBER, MUNICIPAL OFFICES, PLETTENBERG BAY, ON THURSDAY, 16 OCTOBER 2014 AT 12H07**

**Resolution C/3/99/10/14**

**TRANSPORTATION OF MUNICIPAL STAFF TO AND FROM WORK WITH MUNICIPAL VEHICLES**

**Department: Corporate Services Demarcation: All Wards**

**File Ref: 6/2/1/12**

**Resolved**

1. That the Municipal Council takes note of the status quo regarding transportation of staff and the inherent risks and financial implications.
2. That the Municipal Council stops all transportation of municipal staff to and from work with municipal vehicles as from 1 December 2014, after consultation with unions and workers.

**Proposed: Councillor B Farrow**

**Seconded: Councillor N Ndayi**

**To be Actioned by: Head Corporate Services**



