

PRINCE ALBERT MUNICIPALITY



INFORMATION STATEMENT

CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

TENDER 20 / 2026

**PROVISION AND ADMINISTRATION OF AN ELECTRICITY AND
WATER PREPAYMENT VENDING SYSTEM FOR A CONTRACT
PERIOD OF FIVE (5) YEARS)**

Prepared in accordance with the provisions of Section 33 of the Municipal Finance
Management Act (Act 56 of 2003)

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1. INTRODUCTION AND PURPOSE

Section 33 of the Municipal Finance Management Act (Act 56 of 2003) (MFMA) prescribes that public participation is required whenever a local authority intends to enter into a contract which will impose financial obligations on the municipality beyond the three (3) years covered in the annual budget for that financial year.

2. LEGISLATIVE REQUIREMENTS

Section 33 of the MFMA refers to the section regarding **CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS**. As required by the MFMA, a municipality is therefore required to provide information and to invite written comments from the local community and affected parties and/or persons when it is of the intention to enter into an agreement that will impose financial obligations on the municipality beyond the three (3) years covered in the annual budget for that financial year.

Section 33(1) of the MFMA stipulates the following:

(1) A municipality may enter into a contract which will impose financial obligations on the municipality beyond a financial year, but if the contract will impose financial obligations on the municipality beyond the three years covered in the annual budget for that financial year, it may do so only if—

(a) the municipal manager, at least 60 days before the meeting of the municipal council at which the contract is to be approved—

(i) has, in accordance with section 21A of the Municipal Systems Act—

(aa) made public the draft contract and an information statement summarising the municipality's obligations in terms of the proposed contract; and

(bb) invited the local community and other interested persons to submit to the municipality comments or representations in respect of the proposed contract; and

(ii) has solicited the views and recommendations of—

(aa) the National Treasury and the relevant provincial treasury;

(bb) the national department responsible for local government; and

(cc) if the contract involves the provision of water, sanitation, electricity, or any other service as may be prescribed, the responsible national department;

3. PROJECT BACKGROUND AND OBJECTIVE

Prince Albert Municipality is responsible for providing prepaid electricity and water services within its municipal jurisdiction that includes Prince Albert, Leeu Gamka and Klaarstroom. To support effective revenue management, collection, accurate transaction processing and convenient access to prepaid services, the Municipality requires a reliable and secure electricity and water prepayment vending system. The Municipality therefore intends to appoint a suitably qualified service provider for the provision and administration of an electricity and water prepayment vending system for a period of five (5) years.

The municipality's objective is to appoint a service provider that will provide and administer a **reliable, secure and efficient electricity and water prepayment vending system for a period of five (5) years**, supporting effective revenue collection, accurate transaction processing, convenient consumer access and proper reconciliation and reporting.

The municipality currently has approximately 2 000 active electricity prepayment meters and 302 active prepayment water meters.

4. CONTRACT DETAILS

CONTRACT NUMBER	C20/2026
CONTRACT DESCRIPTION	Provision and administration of an electricity and water prepayment vending system for a contract period of five (5) years)
AWARDED SUPPLIER:	Contour Technology (Pty) Ltd.
CONTRACT PERIOD:	Sixty (60) months
ESTIMATED CONTRACT VALUE	R 1 350 675.00 (Based on estimated quantities provided)

5. MOTIVATION FOR CONTRACT PERIOD EXCEEDING THREE (3) FINANCIAL YEARS

The Municipality proposes a five-year contract period due to the specialised nature and long-term operational requirements associated with an electricity and water prepayment vending system. The implementation of such a system requires system integration, establishment of vending infrastructure, consumer onboarding, training of municipal staff and ongoing technical support. A longer contract period will provide sufficient time for the Municipality to realise the full benefits of the system and associated investment.

There will be greater operational stability and continuity, while reducing the administrative and financial costs of conducting a new procurement process every three years. It will also minimise the risks associated with frequent system changes, data migration and possible disruptions to consumers and municipal operations. The longer contract period may further enable the Municipality to negotiate more favourable and sustainable pricing and allow the service provider sufficient time to recover initial implementation and integration costs.

The extended contract period will support improved service delivery, as the service provider will develop a better understanding of the Municipality's systems, operational requirements and consumer environment. This will facilitate more effective technical support, system maintenance and continuous improvement. Overall, a five-year contract will provide Prince Albert Municipality with greater cost efficiency, system stability, operational continuity and improved revenue management while ensuring reliable access to prepaid electricity and water services.

6. ACCESS TO RELEVANT INFORMATION

- a) Copies of the explanatory documents, contract and information statement will be available for inspection during office hours (from 07h30 to 16h00, Monday to Thursday and 07h30 to 15h30 on Fridays) at the following locations:

Municipal libraries:

LOCATION	ADDRESS	CONTACT PERSON
Prince Albert Library	Church Street, Prince Albert, 6930	Ms. Reinie Smit
Leeu-Gamka Library	Gompou Street, Prince Albert, 6930	Ms. Deborah Sarels
Klaarstroom Library	Bloekom Street, Prince Albert, 6930	Ms. Erica Pienaar

Offices:

LOCATION	ADDRESS	CONTACT PERSON
Administration Offices	Adderley Street, Prince Albert, 6930	Mr. Abraham Kammies
Finance Offices	Adderley Street, Prince Albert, 6930	Mr. Dean Damons

- b) A copy of all documentation will also be available on the Prince Albert Municipal website at www.pamun.gov.za .

7. SUBMISSION OF COMMENTS

8.1) Written comments

Written comments must be submitted to the Prince Albert Municipality. All comments must be sealed in an envelope that must be deposited in the tender box, located at the Financial Services Department, Thusong Centre, Adderley Street, Prince Albert, 6930.

All submissions must be addressed to:

The Municipal Manager - Prince Albert Municipality

33 Church Street, Prince Albert, 6930

RE: SECTION 33 COMMENTS TENDER 20/2026

8.2) Electronic submissions

Electronic submissions must be sent to BOTH of the following addresses:

- scm@pamun.gov.za

- rekords@pamun.gov.za

8.3) Assistance with physically disabled individuals

People who have physical disability or unable to write but need to participate in the process may present themselves during office hours at the offices of the Prince Albert Municipality (Finance Division, Thusong Centre, Adderley Street) where a staff member will assist them to transcribe the relevant comments or representations.

8. DUE DATE FOR SUBMISSION OF COMMENTS

All comments must be submitted to the municipality **by no later than Tuesday 29 September 2026 at 12h00. No exceptions and/or late comments will be allowed.**

Drafted and issued by:

A handwritten signature in black ink, appearing to read 'D. Willemse', is written over a horizontal line.

DAVID-LEIGH WILLEMSE

Manager: Expenditure and SCM

10 September 2026