INFORMATION STATEMENT AS CONTEMPLATED IN SECTION 33(1)(a) OF THE MUNICIPAL FINANCE MANAGEMENT ACT, 2003 ("MFMA").

CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

1. The City intends to enter into a 9 years and 11 months contract with SSG facilities (Pty) Ltd as contemplated in section 33(1)(a) of the Municipal Finance Management Act, 2003 (MFMA) for the provision of facility management of the property, letting, general management, and administrative obligations associated to Johannesburg International Transport Interchange (JITI), the property consists of 2 portions, that is, portion 27 of the farm Johannesburg 91 IR and the adjacent erf 603 Newtown ext 1, both owned by the City of Johannesburg metropolitan municipality;

2. The conclusion by the City of the contract/SLA with SSG facilities (Pty) Ltd is in line with its business plan submitted to the Mayoral Committee.

3. The Contract/SLA will impose financial obligations on the City beyond the three years covered in the annual budget for the financial year of the City and therefore, the City is required to comply with the provisions of section 33 of the MFMA by, *inter alia,* the publication of this information statement summarising the City's obligations in terms of the proposed contract/SLA.

4. It is anticipated that the costs in respect of the contract/SLA will be around R679,075,222.40 (six hundred and seventy-nine million, seventy-five thousand, two hundred and twenty-two rands and forty cents) over the nine-year and eleven months period subject to variable and fixed costs variations over the period. The costs are to be funded in part from the revenue derived from the facility's operation; and

5. The provisions of the contract/SLA can be summarized as follows:

   i. the service provider will be expected to conduct three condition assessments with recommendations and costing one within a month after the appointment. There after another condition assessment in the middle of the contract and the last one at the end of the contract;

   ii. building maintenance;

   iii. the manage JITI property to maximize the performance of such property;

   iv. recruitment of tenants in line with the strategic development approach of the COJ for transport, office, retail space including trader stalls and; outdoor and indoor advertising space;

   v. the leasing and lease management;

   vi. accurate calculation and capturing of current lease rates;

   vii. assist COJ to manage bad debts effectively and efficiently;

   viii. assist COJ in managing collections effectively and efficiently;

ix. liaison with attorneys and supervise legal actions. Such activities are to be reported on quarterly and/or at intervals to be agreed upon;

x. manage and supervise tenant installations;

xi. Update and develop new leasing procedures in consultation with COJ, as and when required;

xii. Establishing all necessary management and control systems;

xiii. Report to the COJ in respect of its functions and operations monthly or at intervals specified by COJ and at such further or other times as may be required by the COJ; the format of such reports will be in the format required by the COJ; and

xiv. The CoJ will be responsible for revenue collection and ensure that all collected amounts of money are paid into a municipality's bank account as stipulated in the MFMA section 8 (1), (2)&(3). The identified revenue streams as per the financial model and approved tariffs are categorized into general rental (Bus ticket station, Offices, retail and informal trading, rank and holding (metered taxi parking, taxi ranking, taxi holding & bus ranking), and other revenue (storage space, advertising space, post office, ablutions, & waiting area.

6. The SLA covers the building and lettable Area

The facility is intended to be a multimodal cross-border and inter-provincial transport interchange where travellers can safely and easily connect from taxi to bus or bus to taxi. The facility also has a retail and office space component to be used by travellers and operators of the facility. The JITI facility consists of the following elements:

Description	**GBA m²**	**GLA**
Bus Ranking Bay	8253m²	20 bays
Taxi Ranking bays	8786 m²	158 bays
Taxi Holding bays	21797m²	648 bays
Metered Taxis bays	267m²	9 bays
Drop-off bays	192m²	
Private Vehicles bays	454m²	20bays
Retail Space	3098m²	3098m²
Post office (repurpose)	250m²	250m²
Office Space	1342m²	1342m²
Ablutions	496m²	496m²
Storage	1200m²	1200m²
Waiting area	98m²	98m²
Ticket Offices	87m²	87m²
Totals	46320 m²	6571 m²

NB: GBA = Gross Building Area
GLA = Gross Lettable Area

Any person who wants to submit comments or representations in respect of the proposals set out above must within 60 (sixty) days after the date of the first public display or publication thereof lodge such comments or representations in writing through Email address to jeffng@joburg.org.za or lutendom@joburg.org.za and in writing to Lutendo Musandiwa at 75 Helen Joseph Street, Old Mutual Building, Johannesburg Roads Agency Head Office.

If such person cannot write, he or she may visit the said official or his nominee, who will assist that person to transcribe such comments or representations.

Copies of this Information Statement together with copies of the draft JITI contract/SLA will be available on the City's website at www.joburg.org.za or can be inspected at the following addresses:

1. Ground Floor Foyer, A-Block, Metropolitan Centre, 158 Loveday Street, Braamfontein.
2. Region A: 300 15th Road, Randjiespark, Midrand.
3. Region B: ACA Krans Building, 35 Symonds Road, Auckland Park.
4. Region C: 100 Christiaan de Wet Road, Florida Park.
5. Region D: 1 Koma Road, Jabulani, Soweto.
6. Region E: c/o 37 Daisy Street, Sandton.
7. Region F: CJ Cronje Building, 80 Loveday Street, Johannesburg.
8. Region G: Extension 9, Katz and Smith Streets, Ennerdale
9. Municipal Libraries in Region E and F

Dr Floyd Brink
City Manager
City of Johannesburg