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**PROPOSAL COVER LETTER**

THE MUNICIPAL MANAGER  
CITY OF JOHANNESBURG  
METROPOLITAN MUNICIPALITY  
158 CIVIC BOULEVARD  
BRAAMFONTEIN  
JOHANNESBURG

26 July 2018

Attention:: Acting Group Head (Logistics & Fleet)  
Cc: Group Head (Legal Services)

**RE: PROVISION OF FLEET LEASING AND SUPPORT SERVICES FOR A PERIOD OF 36 MONTHS**

Dear Sirs,

Foremost, we would like to express our gratitude for the meeting on Thursday, 26 July 2018 and the opportunity to quote the City of Johannesburg on the provision of fleet leasing services.

Secondly, we are excited to submit our proposal, which addresses the following areas in line with the discussions at the meeting, i.e.

- Our capability and capacity;
- References to illustrate our experience;
- Pricing of the services.

We can also confirm the following in relation to the requirements of the MFMA (Act 56 of 2003), regulation 32:

- That we consent to the CoJ utilising our contract with Mogale City for the provision of the required services to the CoJ;
- Whereas no written terms of reference were issued to Afrent by CoJ, we understood from the meeting that the CoJ requires fleet leasing services together with the related fleet management and administration services on behalf of the various fleet users within the CoJ group and clusters;
- The envisaged transaction will be beneficial for the municipality not just in relation to costs but in the guarantee of service and efficiency.

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Director: TM Taabedze



## Feasibility and Benefits

The following benefits can be attributable to the solution that Afrirent is capable of providing as illustrated in our proposal, including:

- Maintaining budget compliance through smart fleet administration interventions,
- Recording financial transactions between the Afrirent and CoJ on a balance forward accounting basis, whereby Afrirent can maintain a list of charges and payments for each account and issue a balance forward statement of account per user on a monthly basis.
- Ensuring that warranties on Vehicle are preserved, such that CoJ does not incur unwarranted cost;
- Reduced fleet administration;
- Eliminating the risk on resale value from CoJ;
- Requiring No capital outlay from CoJ (improved cash flow);
- Improved asset and gearing ratios.

## Implementation Timeline

Afrirent will require at least 3 months to Gear-up and Go-Live, however we can start immediately after appointment and build up capacity over the implementation period.

The delivery scheduling for replacement will be approximately 150 vehicles per month, over 15 months. Afrirent will however source additional capacity from elsewhere within South Africa to ensure completion within the shortest timelines.

## Conclusion

We would like to inform CoJ that this opportunity comes at a time when we are in the middle of a rebranding exercise for our company, hence you will notice that we have changed our logo and motif.

The information requested by CoJ for purposes of the aforementioned transaction has been packaged into a **PROPOSAL PACK (annexed hereto for your attention)**.

Thanking you in anticipation and looking forward to any further engagements as well as the ultimate approval to service the City of Johannesburg.

**For and behalf of AFRIRENT (PTY) LTD**

**Senzo H. Tsabedze**  
**CEO-AFRIRENT (PTY) LTD**

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USER GROUP	NO OF VEHICLES	AVERAGE MONTHLY FML PAYMENT PER UNIT EX VAT: PROPOSAL TO COJ	AVERAGE MONTHLY PAYMENT PER UNIT EX VAT: AS PROVIDED TO MOGALE CITY	PROPOSED SAVING TO COJ PER UNIT R	TOTAL MONTHLY FML PAYMENT PER USER GROUP EX VAT: PROPOSAL TO COJ R	TOTAL MONTHLY PAYMENT PER USER GROUP EX VAT: AS PROVIDED TO MOGALE CITY R	PROPOSED SAVING TO COJ PER USER GROUP, PER MONTH R
CITY POWER	292	11,571.63	12,785.06	1,213.43	3,378,916.54	3,733,237.39	354,320.85
COJ FRESH PRODUCE MARKET	7	10,550.77	11,684.57	1,133.80	73,855.42	81,792.01	7,936.58
COJ PIKITUP	98	12,955.35	15,008.68	2,053.33	1,269,623.99	1,470,850.80	201,226.80
CORE ADMIN	122	12,407.06	13,425.97	1,018.91	1,513,661.03	1,637,968.62	124,307.59
EMS	72	11,561.13	12,314.33	753.20	832,401.31	886,631.46	54,230.14
JHB DEVELOPMENT AGENCY	1	14,828.34	15,940.35	1,112.01	14,828.34	15,940.35	1,112.01
JOBURG CITY PARKS AND ZOO	165	10,939.71	11,768.34	828.63	1,805,052.49	1,941,776.38	136,723.89
JOBURG CITY THEATRES	3	12,735.80	15,214.51	2,478.71	38,207.40	45,643.53	7,436.13
JMPD	1057	13,226.08	14,071.02	844.94	13,979,966.06	14,873,072.86	893,106.80
JOBURG PROPERTY COMPANY	63	10,673.29	11,585.02	911.73	672,416.96	729,856.01	57,439.05
JOBURG ROADS AGENCY	232	10,189.50	11,090.52	901.01	2,363,964.77	2,573,000.22	209,035.45
JOBURG WATER	611	11,463.92	12,824.89	1,360.97	7,004,455.47	7,836,010.58	831,555.11
METROBUS	9	10,843.28	11,106.21	262.93	97,589.55	99,955.93	2,366.38
<b>SUBTOTAL PER MONTH</b>					<b>33,044,939.34</b>	<b>35,925,736.12</b>	<b>2,880,796.78</b>
VAT					4,956,740.90	5,388,860.42	432,119.52
<b>SUBTOTAL PER MONTH INC VAT</b>					<b>38,001,680.24</b>	<b>41,314,596.54</b>	<b>3,312,916.30</b>
<b>GRAND TOTAL OVER 36 MONTHS INCL VAT</b>					<b>1,368,060,488.66</b>	<b>1,487,325,475.29</b>	<b>119,264,986.63</b>

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