

TS15/2019

**KUTLWANONG OUTFALL SEWER: REQUEST FOR BUDGET MAINTENANCE (EDI) (19/8/1/7)**

**PURPOSE**

The purpose of this item is to present before Infrastructure Section 80 Committee the current status and progress report on the Kutlwanong outfall sewer in compliance with Municipal Systems Act 32 of 2000; Section 73 (1), and to request recommendation of the budget maintenance.

**BACKGROUND**

The Kutlwanong outfall sewer project is currently being implemented by the Municipality through MIG funding. The project was registered in 2016/2017 financial year. This project entails the following scope of work:

- Clearing and grubbing
- Earthworks
- Compaction
- Bedding
- Pipe laying
- Backfilling
- Manholes
- Testing

**DISCUSSIONS**

The Kutlwanong Outfall Sewer Project was registered by MIG in the 2016/17 financial year for value of R 20 787 843.77. Upon going out on tender in November 2018, the successful bidder's tender price was R 22 183 654.79 and professional fees are R 3 626 548.22 which is a total of R 25 810 203.01. The revised total project cost is R 25 810 203.01 is due to price escalations and VAT increase from 14% to 15% between 2016/17 and 2018/19 financial years: The acceptable Tender Offer of J.T Promotions JV Mawee exceeded the MIG Amount by 7%.

**LEGAL IMPLICATIONS**

Constitution section 152, MSA MFMA section 19's section 116 "The accounting officer of a municipality or municipal entity must (2) (b) Monitor on a monthly basis the performance of the contractor under the contract or agreement. (2)(d) Regularly report to the council of the municipality or the board of directors of the entity, as may be appropriate, on the management of the contract or agreement and the performance of the contractor."

## FINANCIAL IMPLICATIONS

ITEMS		TENDER AWARD	COST ESTIMATE APPLIED	VARIANCE
1	A:PRELIMINARY AND GENERAL	R 2,505 108.04	R 2,098 930.34	-R 406 177.70
2	SECTION B: DAYWORKS	R 728 291.21		-R 728 291.21
3	SECTION C: SITE CLEARANCE	R 326 700.00		-R 326 700.00
4	SECTION D: EARTHWORKS	R 4 711 600.00	R 4 446 273.25	-R 265 326.75
5	SECTION E: BEDDING	R1 116 063.75	R 8 564 695.67	-R 134 163.75
6	SECTION F: SEWER MAIN	R 8 148 723.00	R 8 564 695.67	+R 487 686.67
SUB TOTAL		R 17 536 486.00	R 16 091 799.26	R 1 444 686.74
Plus 10% CONTINGENCIES		R 1 753 648.60	R 1 766 899.48	R 144 468.67
SUB TOTAL		R 19 290 134.60	R 17 700 979.18	R 1 589 155.42
Plus 15% VAT		R 2 893 520.19	R 2 655 146.88	R 238 373.31
TOTAL		<b>R 22 183 654.79</b>	<b>R 20 356 126.06</b>	<b>R 127 528.73</b>

The additional professional fees in respect to Bid No. 08/2018: Kutlwanong Outfall Sewer is as shown below.

ITEMS		Prof. Fee
1	Original Fees at 15% of R20,607,080.00 (i.e. 15% of Contract Amount plus Contingencies)	R 3,091,062.00
2	Additional Fees at 15% of R1,576 574.79 (i.e. 15% of Total Additions)	R 236 486.22
3	Additional Fees due to redesign	R299 000.00
SUB TOTAL (Inc. VAT)		R 3,626 ,548.22
REVISED TOTAL PROF. FEES		R 3,626,548.22

## OTHER IMPLICATIONS

The project will not be completed successfully without cost adjustments, thus affecting its intended purpose and effective use.

## RECOMMENDATIONS

- That the Infrastructure/Technical Section 80 Committee takes note of the report
- That the Infrastructure/Technical Section 80 Committee recommends the budget maintenance of an additional amount of **R5 203,123.01** to the Mayoral Committee

TS16/2019

**MONTHLY REPORT: DIRECTORATE INFRASTRUCTURE FOR THE MONTH OF AUGUST 2019 (EDI) (12/1/2/4)**

**PURPOSE**

To submit to the Infrastructure/Technical Section 80 Committee the August 2019 monthly report on activities of the Civil Engineering and Electrical Engineering Departments as well as PMU in the Infrastructure Directorate.

**BACKGROUND**

The Infrastructure Directorate is often referred to as “*the face of the Municipality*” because it is mainly responsible for the provisioning of basic service delivery; being water, sanitation, roads and electricity, directly to the communities of the Municipality. It is therefore expected that these services must as far as possible be efficiently provided without as little interruptions as possible that may inconvenience the community.

\*\*\* *Attached* as **SEPARATE COVER 1** is the Monthly Report for April 2019.

**SUBMITTED FOR CONSIDERATION**