

MPAC 4 OF 2018

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REPORT ON NYAKALLONG WASTE WATER TREATMENT PLANT

1. PURPOSE

To submit a report on Nyakallong Waste Water Treatment Plant project challenges.

2. BACKGROUND

Nyakallong Waste Water Treatment Plant is situated in the Northern Side of Welkom in Nyakallong Township Ward 19 of Matjhabeng Municipality. The area consists of 4787 households with an estimated population of 23,935. The municipality identified the need to rehabilitate the Nyakallong Waste Water Treatment Plant to achieve a plant that can accommodate the planned 953 stands for future development, that operates continuously and that discharges treated effluent into nearby pan and dry the outflowing sludge.

3. DISCUSIONS

In 2011 Mothei Consulting Engineers was appointed by the Municipality to assist with the application for funding through the Municipal Infrastructure Grant (MIG). The project was recommended by the Department of Human Settlements and was then approved for funding through MIG by the Department of Cooperative Governance and Traditional Affairs (CoGTA) to a total value of R29 238 325.00 including professional fees and construction costs. In 2013 after a thorough investigation on the plant by Mothei Consulting Engineers it was discovered that most of the structures which were expected to be refurbished were beyond repair and will have to be demolished and construct new ones. An additional funding of R23 061 200.00 was requested and was therefore recommended by the Department of Human Settlements and was then approved by the Department of Cooperative Governance and Traditional Affairs which made a total project funding of R52 229 552.00.

The project was then advertised for bidding in the Free State Sun, The Weekly, Vista and the Municipal website on the 15-19 February 2015 and closed on the2015. Upon the closing of tender an evaluation report was prepared and submitted to the Municipality by Mothei Consulting Engineers which then served in the Bid evaluation Committee meeting of the 24 April 2015 (see attached Bid Evaluation Report from Moedi Consulting Engineers and minutes of the Bid Evaluation Committee). According to the Bid Evaluation Committee minutes the committee concurred with the recommendation as per the report from Mothei Consulting Engineers.

On the 18 May 2015 and 21 May 2015 the Bid Adjudication Committee sat to adjudicate amongst others the Nyakallong Waste Water Treatment Plant the minutes are attached for ease of reference. According to the minutes of the Bid Adjudication Committee the prospective bidders were invited to come and present their understanding of the scope of works. The Bid Adjudication found that after the presentation all the contractors had concerns regarding the ambiguous bill of quantities. Mothei Consulting Engineers was requested to address the concerns of the bidders and present their response to the concerns on 21 May 2015.

Subsequent to the response that was received from Mothei Consulting Engineers the Bid Adjudication Committee resolved as follows:

- That due to the fact that the specifications were not clear and were ambiguous the Bid Adjudication Committee will not be able to appropriately adjudicate this projects.
- An independent consulting engineer be appointed to give a second opinion on the specification.

A contractor was never appointed, Mothei Consulting Engineers was terminated in September 2015 but Hatch Goba (Pty) Ltd was already appointed in August 2015.

4. **FINANCIAL IMPLICATIONS**

Mothei was paid professional fees to an amount of R6 903 902.06 see attached a summary of payments.

*******THE NYAKALLONG FEES REPORTS ARE ATTACHED ON SEPARATE COVER 1.**

5. **RECOMMENDATIONS**

It is hereby recommended as follows;

- That the report be noted