



PROFESSIONAL CONSULTANTS

ENGINEERING & PROJECT MANAGEMENT CONSULTANTS

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06 April 2018

Our Ref.: UPC/P8/MLM/NYA/RPRT/009

Your Ref.: MIG/FS1058/SW/14/16

The Municipal Manager
Matjhabeng Local Municipality
P.O. Box 708
Welkom 9460
Tel: +27 57 391 3359
Fax: +27 57 357 4393
Email: mm@matjhabeng.co.za

Attention: Mr. Thabiso Tsoaeli

Sir,

CONTRACT NO. 6/2016 NYAKALLONG: STORMWATER SYSTEM CONSTRUCTION – PHASE 1

VARIATION ORDER NO. 2: DETAILED APPLICATION FORM

With reference to the budget adjustment report of which this Variation Order No. 2 Application Form is attached under Annexure D, the details of the application are summarized as follows:

Item	Summary of Bill of Quantities	Remarks
	<u>Additional Costs:</u>	
A	<u>Section A: Preliminary and General</u>	
A4	Cost of Survey in terms of the Land Survey Act	Additional provision to setting out of the works.
A6	Compliance with the Occupational Health and Safety Act and applicable regulations	Additional provision to personal protective clothing and equipment.
B	<u>Section B: Stormwater Drainage</u>	
B1.3.5	Keeping excavations free from water	Additional provision due to water table encountered during trench excavations
B1.6.6	Backfill Ancillaries	Additional scope due to design modifications for major road crossing
B1.7	Bedding (Stormwater Pipes)	Additional scope due to design and specifications modifications to bedding materials.

Item	Summary of Bill of Quantities	Remarks
B1.15	Encasing of Pipes	Additional scope due to existing services encounter during trench excavations.
B1.16	Existing services that intersect or adjoin a trench	
B1.17	Concrete Grade 30MPa	Additional scope due to design and specifications modifications for box/portal culvert base slab and the enhancement of labour generation.
B1.18	Steel Reinforcement	
C C1.9	<u>Section C: Attenuation Dam</u> Fencing	Additional cost due to specifications modifications to attenuation dam perimeter fencing.
A A3	<u>Omissions:</u> <u>Section A: Preliminary and General</u> Temporary Works	Savings from quantities not utilized.
A5	Prime Cost Items	Savings from quantities not utilized.
A6	Compliance with the Occupational Health and Safety Act and applicable regulations	Change to initial cost for the provision of personal protective clothing and equipment.
C C1.9	<u>Section C: Attenuation Dam</u> Fencing	Change to initial cost due to specifications modifications to attenuation dam perimeter fencing.

The attached variation order form provides detailed cost implications to this application and can be summarized as follows:

Item	Description	Amount
A	Previous Variation Order (No.1) approved without alteration to the Contingencies Sum balance	R 3 442 657.91
B	Contingencies Sum balance	R 1 046 131.11
C	Current Variation Order (No.2) application	R 2 271 018.22
	Balance Remaining (Item B – Item C = Shortfall)	(R 1 224 887.11)

The Variation Order No. 2 application therefore implies:

- 1) The requirement to utilize the contingencies sum balance remaining in order to cover the shortfall sustained due to Variation Order No. 2 additional costs.
- 2) The requirement to apply for additional funding / budget adjustment in order to have the successful completion of the works realized.

The engineer's recommendations are the following:

- a) The acceptance of Variation Order No. 2 by the Matjhabeng Local Municipality upon an in-depth review and consideration of all affected items and/or sections of works by the engineer taking into consideration, the basic level of service; site conditions; cost implications; and the subsequent social impact.
- b) The Matjhabeng Local Municipality to apply for additional funding from CoGTA under the MIG as the budget ceiling will be exceeded upon approval of the variation order.

We are trust that this application will meet your favourable consideration.

Yours faithfully,



TUBATSI MASIA
Managing Director

Encl.

- Variation Order No. 2 Detailed Application Form

ANNEXURE D

Variation Order No. 2 Application Form