

TS5/2018

WARD BASED SERVICE DELIVERY REPORT (EDI) (6/18/1)**PURPOSE**

To report to the Infrastructure/Technical Section 80 Committee on the progress with regards to the Ward Based Services Delivery Program.

BACKGROUND

The Infrastructure Directorate has compiled an intensive ward-based programme to address service delivery challenges, as discussed and submitted by Ward Councillors. The programme is proceeding over a period of six (6) *months* from 03 April to 12 October 2018, in order to make an impact on service delivery.

The services rendered by the Infrastructure Directorate are water, sanitation, roads, storm water and electricity. The existing Infrastructure to render the services is as follows:

Water Services	:	Water reticulation network	= 1 652km
		Hydrants	= 5000
		Valves	= 6 940
Sanitation Services	:	Sewer network	= 1 482km
		Manholes	= 25 504
		Wastewater Treatment Works	= 11
		Pump Stations	= 55
Roads Services	:	Formal Roads	= 1 200km
		Informal Roads	= 743km
Stormwater	:	Stormwater network	= 525km
		Manholes	= 25 504
		Pump Stations	= 1
Electricity	:	Electricity Network	= 2 332km
		Sub-Stations	= 275
		Street lights	= 18 722
		Highmast Lights	= 367

DISCUSSION

The program started on 03 April 2018 and the following services were rendered in Wards allocated for the period until 7 June 2018:

- Repair of public lights
- Water leakage repairs
- Repair and installation of water meters
- Open of sewer blockages
- Grading/Gravelling of roads
- Resealing of roads
- Patching of potholes
- Construction of speed humps
- Cleaning of stormwater drainage

The Wards where work was done from 03 April until 07 June 2018 are Ward 1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, 18, 20, 21, 22, 25, 27, 32, 33

The Infrastructure Directorate is inundated with service delivery challenges and was unable to effectively address all the complaints in the Wards due to various challenges such as shortage of resources (*Personnel, Plant and equipment and material*).

It must be noted that the daily complaints in other Wards should also be attended to while busy with the Ward Based Service Delivery Program.

Irrespective of the challenges above, the Directorate is determined to improve on service delivery by addressing such challenges through the intensive program.

FINANCIAL IMPLICATIONS

None

LEGAL IMPLICATIONS

Municipal Systems Act
Municipal Finance Management Act (MFMA) 56 of 2003

RECOMMENDATIONS

1. That the Infrastructure/Technical Section 80 Committee **TAKES NOTE** of the report.
2. That **ACTIONS BE PUT IN PLACE** to capacitate the Directorate Infrastructure with the necessary means to execute its mandate of services delivery in Matjhabeng.

TS6/2018

POLICY FRAMEWORK: RULES AND PROCEDURES REGARDING WATER DISTRIBUTION AND METERING IN THE MATJHABENG MUNICIPALITY AREA OF SUPPLY (EDI) (19/2/3)

PURPOSE

To submit to the Section 80 Committee for Technical Services, a Policy Framework: Rules and Procedures regarding the distribution and metering of water in the Matjhabeng Municipality area of supply, for consideration.

BACKGROUND

The Municipality currently does not have policy framework for the distribution and metering of water in the Municipality, as mandated by Section 4 of the Water Services Act 108 of 1997, which state as follows:

“Conditions for provision of water services

4. (1) Water services must be provided in terms of conditions set by the water services provider.
- (2) These conditions must -
 - (a) Be accessible to the public;
 - (b) accord with conditions for the provision of water services contained in the bylaws made by the water services authority having jurisdiction in the area in question; and
 - (c) Provide for -
 - (i) the technical conditions of existing or proposed extensions of supply;
 - (ii) the determination and structure of tariffs;
 - (iii) the conditions for payment;
 - (iv) the circumstances under which water services may be limited or discontinued;
 - (v) procedures for limiting or discontinuing water services; and
 - (vi) measures to promote water conservation and demand management....

DISCUSSION

The Policy Framework aims to:

- Provide guidance with regard to the execution of actions that needs to be undertaken in implementing the Water Services By-law;
- Provide a framework as to the manner in which actions must are to be executed;
- Promote efficiency by ensuring consistency in the performance of activities;
- Ensure compliance with legal and other requirements for the provision of water services;
- Provide a tool for quality improvement and service delivery.

The implementation of the Policy Framework will assist the Municipality to promote water use efficiency through the implementation of revenue protection activities as prescribed in the Municipality's Water Services By-law.

A copy of the Policy Framework: Rules and Procedures regarding the distribution and metering of water in the Matjhabeng Municipality area of supply is attached on:

*****pages 1 to page 23 of the Annexures.*

LEGAL AND POLICY POSITION

1.1 The Constitution of the Republic of South Africa of 1996 as amended

The right to have access to sufficient water is provided in section 27(1) (b) of the South African Constitution. Section 27(1)(b) read in conjunction with section 27 (2) provides that the state must take reasonable legislative and other measures to respect, protect, promote and fulfil the progressive realization of the right to access of water within its available resources.

1.2 Municipal Systems Act

Section 11(3) specifically states that a municipality exercises its executive or legislative authority by, inter alia, "developing and adopting policies, strategies and programmes, including setting targets for service delivery..."

1.3 Water Services Act

Section 4(2) states that water services must be provided in terms of conditions set by the water services provider, which such conditions must, inter alia, provide for "the circumstances under which water services may be limited or discontinued and procedures for limiting or discontinuing water services..."

1.4 Matjhabeng Municipality Water Services By-law

FINANCIAL IMPLICATIONS

The financial implication of the provision of water services, is determined annually through the budget process. The implementation of the Policy Framework will have no additional financial implication to the Municipality.

Effective implementation of the Water Services By-law and the Policy Framework is aimed at contributing to a cost-effective delivery of water services.

IT IS RECOMMENDED

1. That the Section 80 Portfolio Committee for Technical Services recommend the approval of the Policy Framework: Rules and Procedures Regarding Water Distribution and Metering in the Matjhabeng Municipality Area of Supply to the Mayoral Committee.

TS7/2018

MONTHLY REPORT: DIRECTORATE INFRASTRUCTURE FOR THE MONTH OF MAY 2018 (12/1/2/4) (EDI)

PURPOSE

To submit to the Infrastructure/Technical Section 80 Committee the May 2018 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* on pages.....toof the Annexures are the Executive Summary/Narrative Report

SUBMITTED FOR CONSIDERATION

TS8/2018

**CURRENT STATUS OF THE MUNICIPAL INFRASTRUCTURE GRANT (MIG)
CAPITAL PROJECTS IN MATJHABENG LOCAL MUNICIPALITY FOR THE
MONTH OF MAY 2018 (EDI) (3/3/27)**

PURPOSE

To provide information on the current status of capital projects and related MIG expenditure progress for the month of **MAY 2018**.

BACKGROUND

The PMU Department is currently in the Infrastructure Directorate, while working closely with the office of the Chief Financial Officer for the purpose of expediting the Municipal Infrastructure Grant (MIG) funding expenditure.

The operational costs is funded from the MIG allocation and has been approved for **R 6 060 800.00** for the current financial year.

The Municipality was allocated with an additional **R15 000 000.00** in March 2018, thus increasing the 2017/18 financial allocation to **R136 216 000.00**.

DISCUSSION

There are various projects currently being implemented and are on various stages summarized as follows:

STAGE	NUMBER OF PROJECTS
Planning Stage	0
Design Stage	7
Tender Stage	3
Evaluation/ Adjudication Stage	0
Construction Stage	10
Retention Stage	8
Complete beyond DLP/ Retention	8
TOTAL NUMBER OF PROJECTS	32

*** Please refer to the attached implementation plan **on page ... to ... of the Annexures** for the status / progress of projects

LEGAL IMPLICATIONS

Municipal Finance Management Act (MFMA) 56 of 2003
Division of Revenue Act (DORA) 3 of 2016

FINANCIAL IMPLICATION

Initial Allocation:

Summary of Expenditure To Date	
Initial allocation	R 121 216 000.00 (100%)
Planned/ Target Expenditure (Initial allocation)	R 109 640 121.56 (90%)
Current Expenditure (Reported)	R 87 984 180.79 (73%)
Paid unreported – R9 842 421.00mil	R 97 827 201.79 (81%)
Invoices @ hand	R31 593 445.90 (26%)
Balance to be spent (<i>incl Invoices @ hand</i>)	<u>R23 388 798.21 (19%)</u>

Adjusted Allocation:

Summary of Expenditure To Date	
Initial allocation	R 121 216 000,00 (100%)
Additional allocation	R15 000 000,00
Total new allocation	R136 216 000,00
Planned/ Target Expenditure	R 125 318 720,00 (92%)
Current Expenditure (Reported)	R 87 984 180,79 (65%)
Current Expenditure (Paid unreported – R9 842 421mil)	R 97 827 201.79 (72%)
Invoices @ hand	R 31 593 445.90 (23%)
Balance to be spent	<u>R38 388 798.21 (28%)</u>

CHALLENGES AND PROPOSED REMEDY FOR UNDER EXPENDITURE

- We are below expenditure target against the initial allocation of R121.2mil by 26% due to unpaid Invoices at hand. The implications of under expenditure are the possible loss of the conditional grant and subsequently abandonment of site by Contractors due to cash flow challenges thus affecting service delivery to the Community. The outstanding Invoices of **R31 593 445.90mil** must urgently be paid to improve Expenditure, and the remaining balance be paid over the remaining one (1) month as per submitted and certified Invoices for work done.
- We still remain with unregistered projects currently on construction stage but delayed for registration by the Department of Water and Sanitation (DWS) since 2017. Expenditure was incurred but cannot be reported. Intervention is required from higher authorities to have the projects registered and expenditure reported.

RECOMMENDATION

1. That the Infrastructure/Technical Section 80 Committee **TAKES NOTE** of the report.

TS9/2018

MELODING INDOOR SPORTS & RECREATIONAL FACILITY: REQUEST FOR BUDGET MAINTENANCE (EDI) (6/1/1-2018/19) (10/1/2)

PURPOSE

The purpose of this item is to present before the Infrastructure/Technical Section 80 Committee the current status and progress report on the New Indoor Sport and Recreational Facility at Meloding (Virginia) Phase 1 in compliance with Municipal Systems Act 32 of 2000; Section 73 (1), and to request approval of the budget maintenance.

BACKGROUND

The New Indoor Sport and Recreational Facility at Meloding, Virginia Phase 1 project is currently being implemented by the Municipality through MIG funding. The project was registered in **2017/2018** financial year. This project entails the following scope of work:

- Multipurpose hall
- Perimeter fence for the entire site
- Parking
- Construction of infrastructure.

DISCUSSIONS

Upon going out on tender the MIG registered value for Phase 1 of the project was **R 45 714 000.00**. The successful bidder's tender price is **R 39 232 555.00** and professional fees is **R 7 454 185, 45** which is a total of **R 46 686 740.45**. The revised total project cost is **R 47 177 415.76** due to price escalations and VAT increase:

- In the original project estimate no site was allocated to the project and allowance was made for normal base and strip footings to all the structures and standard substrate to paved areas in natural ground conditions. After further investigation it became evident that the soil conditions are clay and very poor founding conditions.
- The Engineer's designs allowed for the removal of the poor soil, addition of a new gravel soil mattress of 2 meters deep under the buildings and 0.8 meters deep under paved areas. An allowance was made for stronger structural and foundations to accommodate the conditions.
- There was also an increase in the VAT from **1 April 2018**.
- The total additional funding required is **R 1 463 415.76**.

LEGAL IMPLICATIONS

According to the constitutions section 152, MSA MFMA section 19's section 116 "The accounting officer of a municipality or municipal entity must (2) (b) Monitor monthly 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

ITEM	DESCRIPTION	BUSINESS PLAN	CONTRACT COST	VARIANCE
1	Sport and recreational hall	R 21 950 000.00	R 19 477 425.00	-R 2 472 575.00
2	Site works	R 4 500 000.00	R 5 719 482.50	R 1 219 482.50
3	Electrical and mechanical installation	R 2 700 000.00	R 2 383 403.30	-R 316 596.70
	SUB TOTAL	R 29 150 000.00	R 27 580 310.80	R 1 569 689.20
4	Preliminaries and General	R 2 950 000.00	R 5 334 211.13	R 2 384 211.13
	SUB TOTAL	R 32 100 000.00	R 32 914 521.93	R 814 521.93
5	Contingencies, Escalation, etc.	R 1 600 000.00	R 1 500 000.00	-R 100 000.00
	SUBTOTAL	R 33 700 000.00	R 34 414 521.93	R 714 521.93
6	14% VAT	R 4 718 000.00		-R 4 718 000.00
7	15% VAT		R 5 162 178.29	R 5 162 178.29
	TOTAL	R 38 418 000.00	R 39 576 700.22	R 1 158 700.22
8	Professional fees including VAT	R 7 296 000.00	R 7 600 715.54	R 304 715.54
9	Total Contract Cost			R 47 177 415.76
10	Total Business Plan			R 45 714 000.00
11	Total Variance	R 45 714 000.00	R 47 177 415.76	R 1 463 415.76

OTHER IMPLICATIONS

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

RECOMMENDATIONS

1. That the budget maintenance of an additional amount of **R 1 463 415.76 BE APPROVED** to increase the project value to **R 47 177 415, 76**.