

TS12/2018

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

PURPOSE OF REPORT

To submit to the Infrastructure/Technical Section 80 Committee the September 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 as ANNEXURE A is the Monthly Report for September 2018.

SUBMITTED FOR CONSIDERATION

TS11/2018**NYAKALLONG: STORMWATER SYSTEM CONSTRUCTION – PHASE 1:
REQUEST FOR BUDGET MAINTENANCE (12/3/2/5) (EDI)****PURPOSE**

The purpose of this item is to present before the Section 80 Committee the status and progress on the construction of a stormwater system in Nyakallong - Phase 1, in compliance with Municipal Systems Act 32 of 2000; Section 73 (1), and to request approval of the budget maintenance.

BACKGROUND

Nyakallong: Stormwater System Construction - Phase 1 project is currently being implemented by the Municipality through MIG funding. Ukunda Professional Consultants was appointed to design the stormwater management master plan for Nyakallong township in February 2013. Matjhabeng Local Municipality then appointed the contractor for R13 774 408.30 on the 12th of April 2017 and works commenced on the 12th of May 2017. After this appointment, additional funding of R8 017 769.62 was requested as there was a shortfall on the initial project budget of R11 402 923.00. The shortfall was due to discrepancies between the project registered amount and contractor appointment amount. In addition, variation order no.1 consisted of items which were under quantified in the BOQ on tender stage, additional work and health and safety requirements as recommended by the Department of Labour. COGTA approved the revised project budget and registered the amount of R19 420 692.83. The original scope of work entailed the following:

- 448.00m portal/box culverts
- 627.00m pipe culverts of varying diameter
- 648.00m lined channels
- New kerb (5No.) and grid inlets (11No.)
- Sand traps (3No.)
- Roadworks including side walk (interlocking paving and road crossing (3No.))
- Attenuation dam (83 700m²)

DISCUSSIONS

The project progress is currently on 86% to completion. The project was due for completion on 31 May 2018 but is still ongoing. The Consultant is yet to submit extension of time claim no.2 which will extend the practical completion date to 31 July 2018. The purpose of this report is to request additional funding for the project (variation order no.2) due to unforeseen site conditions which include groundwater, unsuitable soil strata and existing services which intersect with trenches. These conditions require design and specification modifications for additional works which will incorporate labour intensive methods to advance labour generation and provide a permanent solution beyond construction phase. The additional items mainly consist of an extraction well, concrete encasing of existing services, road crossing stabilization, grid inlet at railway, box culvert base slabs and permanent perimeter fence. Below is an additional scope of work which has financial implications:

- Construction and operating of extraction well for ground water control
- 26.77m³ cement stabilized backfilling with 5% cement for road crossing
- 282.53m³ dump rock material imported from commercial sources for bedding
- 5.28m³ reinforced concrete encasing of existing services which intersect trenches
- 192.84m³ in-situ reinforced concrete slab for box culverts base and road crossing
- Setting out of the works by a registered land surveyor

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

| ITEM | DESCRIPTION | ORIGINAL CONTRACT AMOUNT (Tendered Amount) | REVISED CONTRACT AMOUNT + VO1 | REVISED CONTRACT AMOUNT + VO1 + V02 | SHORTFALL |
|------|--|--|-------------------------------|-------------------------------------|-----------------------|
| 1 | Preliminary and General | R1 115 5200.00 | R 1 122 120.00 | R 1 124 620.00 | R 2 500.00 |
| 2 | Stormwater Drainage | R3 509 479.00 | R 3 509 479.20 | R 4 722 922.48 | R 1 213 443.28 |
| 3 | Attenuation Dam | R5 416 183.00 | R 8 852 240.91 | R 9 928321.85 | R 1 076 080.94 |
| 4 | Road Works | R420 128.00 | R 420 128.00 | R 399 122.90 | (R 21 006.00) |
| 5 | SUB TOTAL A | R10 461 311.10 | R 13 903 969.01 | R 16 174 987.22 | R 2 271 018.21 |
| | | | | | |
| 6 | Plus: Contingencies | R1 046 131.11 | R 1 046 131.11 | R 0.00 | (R1 046 131.11) |
| 7 | SUB TOTAL B | R11 507 442.20 | R 14 950 100.12 | R 16 174 987.22 | R 1 224 887.10 |
| | | | | | |
| 8 | Plus: CPA | R573 372.11 | - | - | - |
| 9 | SUB TOTAL C | R12 082 814.00 | R 14 950 100.12 | R 16 174 987.22 | R 1 224 887.10 |
| | | | | | |
| 10 | Professional fees | - | R 2 085 595.35 | R 2 426 248.08 | R 340 652.73 |
| 11 | SUB TOTAL D | - | R17 035 695.47 | R 18 601 235.30 | R 1 565 539.83 |
| | | | | | |
| 12 | Less: Previously Claimed | - | R14 105 476,92 | R14 105 476,92 | R 0.00 |
| 13 | SUB TOTAL E Balance excluding VAT. | - | R2 930 218.55 | R 4 495 758.38 | R 1 565 539.83 |
| | | | | | |
| 14 | Plus 14/15% VAT | R1 696 594.30 | R 410 230,60 | R 674 363.76 | R 264 133.16 |
| 15 | SUB TOTAL F | - | R3 340 449.15 | R 5 170 122.14 | R 1 829 672.99 |

| | | | | | |
|----|--|------------------------|------------------------|------------------------|-----------------------|
| | Budget remaining including VAT. | | | | |
| | | | | | |
| 16 | Add: Previously claimed Amount including 14% VAT | - | R16 080 243.69 | R 16 080 243.69 | R0.00 |
| 17 | TOTAL | R 13 779 408.30 | R 19 420 692.00 | R 21 250 365.83 | R 1 829 672.99 |

OTHER IMPLICATIONS

The project will not be completed successfully without additional funding, thus affecting its intended purpose.

RECOMMENDATIONS

It is hereby recommended as follows:

The additional funding should be sourced internally within Matjhabeng Municipality and the Accounting Officer approves the variation order as indicated above to ensure successful completion of the project. The variation order of **R1 829 672.99** be approved to increase the project value to **R21 250 365, 83** It is also important to note that variation order no.1 exceeded the 20% allowed maximum for contract extension by **R513 824.29**. This amount is 3.7% above the maximum threshold. This variation order will increase the contract amount to 33, 3% above the allowed maximum contract extension on a project.

**** *Attached documents to item as ANNEXURE B*