

## MATJHABENG

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South Africa



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**To : MUNICIPAL MANAGER**

**From : EXECUTIVE DIRECTOR INFRASTRUCTURE**

**Date : 25 JANUARY 2019**

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### SUBMISSION

#### **1. PURPOSE**

The purpose of the submission is to assist Vukuphile Learner Contractors who underpriced on their tender documents regarding the connection of water meters, house connections and water network in Thabong Extension 20 (Hani Park).

#### **2. BACKGROUND**

The extension of a water network, house connections and 180 water meters in Thabong Extension 20 (Hani Park) project is currently being implemented by the Municipality through MIG funding. This project entails the extension of a water network, house connections and the installation of 180 water meters in Thabong Ext.20. The project was awarded to Lusakho Trading, a vukuphile contractor and is being managed by Epitome Consulting Engineers. A request to assist the learner contractors in revising their rates was received from Epitome Consulting Engineers and is attached for ease of reference.

#### **3. DISCUSSION**

After Lusakho Trading was appointed, the Consultant noticed many errors on the priced tender documents. Most crucial items were underpriced thus posing a challenge on the contractor to successfully complete the project. The priced tender documents currently reflect a financial loss for the contractor and presents a challenge to deliver quality service for the community of Thabong Extension 20 (Hani Park). Before construction proceeds any further, it is recommended that the rates are adjusted in order to ensure successful completion of the project and adequate service delivery.

It is therefore proposed that the awarded contract amounts are amended to suit the recommendation made by the consultant. The new contract amount shall be R2 297 844.62 thus additional funding of R329 118.10 is needed.

#### 4. FINANCIAL IMPLICATIONS

A	SUMMARY OF SECTIONS	APPOINTED AMOUNT	PROPOSED CONTRACT AMOUNT	ADDITIONAL AMOUNT NEEDED
B	Schedule 1: Preliminary and General	R 603 710.20	R 655 700.00	R 51 990.00
C	Schedule 2: Hani Park X20	R 1 189 041.38	R 1 433 249.66	R 247 208.28
D	Sub Total	R 1 789 751.38	R 2 088 949.66	R 299 198.28
E	Contingencies (10%)	R 178 975.14	R 208 894.97	R 29 919.83
F	Total Construction Budget (Vat Inclusive).	R 1 968 726.52	R 2 297 844.62	R 329 118.10

#### 5. RECOMMENDATIONS

It is hereby recommended as follows:

The additional required amount of **R329 118.10** be approved, therefore increasing the contract amount to **R2 297 844.62**. This adjustment will ensure that the contractor has adequate financial capacity to complete the works.

COMPILED BY:

  
N.S. BIYELE  
PMU TECHNICIAN

25/01/2019

DATE

RECOMMENDED BY:

  
SHEPHERD VHUNGA  
SENIOR PROJECT MANAGER

25/01/2019

DATE

P.P.  
RECOMMENDED BY:

  
T. MAKOFANE  
ACTING EXECUTIVE DIRECTOR: INFRASTRUCTURE

DATE

RECOMMENDED BY:

  
T. PANYANI  
CHIEF FINANCIAL OFFICER

07/02/2019

DATE

APPROVED BY:

  
THABISO TSOAELI  
MUNICIPAL MANAGER

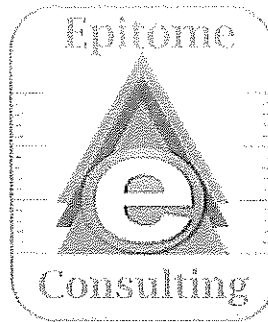
08/02/2019

DATE

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Multi-disciplinary civil engineering consultancy and project management organisation providing services in:  
Water conservation and Water Demand Management, Water and Sanitation, Roads and Stormwater, Structural Engineering,  
Project and Programme Management in the South African Market.

*"Making a difference where it really matters!"*

Project Manager  
Matjhabeng Local Municipality  
Cnr. Ryk & Stateway Street, Civic Centre,  
Welkom  
9460  
Tel: (057)-3913911  
Fax: (057)-357 4754

Date 25 January 2019

Attention: Mr. Thabiso Tsoaeli

Dear Mr. Tsoaeli,

**04/2018 A/B: EXTENSION OF THE WATER NETWORK, HOUSE CONNECTION AND 180 WATER METERS IN THABONG EXTENSION 20(HANI PARK)**

The tendered prices of the contractors for the above-mentioned project are lower than the market rates. This may compromise the contractor's quality of the work on site. Since these are learner contractors from Vuk'uphile and it is important that they be assisted.

We, therefore, present our proposal on how the contractors can be assisted to complete the project and deliver services to the community and assist towards saving water for the municipality.

Yours faithfully,

Clement Mokoene  
for Epitome Consulting

*"Making a difference where it really matters"*

**Members:**

RC Mokoene, BSc(Eng)(Civil)(Wits), GDE(Civil)(Wits), NQF7  
JM Mokoene, MBL (UNISA), PDM (GIBS), ADL (RAU), BA(Psych)(WITS)

EXTENSION OF WATER NETWORK, HOUSE CONNECTIONS AND METERS(180 STANDS) HANI PARK  
CONTRACT NO.:04/2018 B- LUSAKHO TRADING (PTY)LTD

CONTRACT B							New Tender Rates		Difference in Rates	
Item	Payment	Description	Unit	Qty	Rate	Amount	Rate	Amount	Rate	Amount
		<b>PRELIMINARY AND GENERAL</b>								
	SABS 1200									
	A	SECTION : PRELIMINARY AND GENERAL								
1.10	8.3	FIXED-CHARGE ITEMS								
1.1.1	8.3.1	Contractual Requirements	Sum	1	10 000.00	10 000.00	24 000.00	24 000.00	14 000.00	R 14 000.00
1.1.2	8.3.2	Establish Facilities on the Site:								
	PSA 8.3.2.1	a) Facilities for Engineer	Sum	1	60 000.00	60 000.00	60 000.00	60 000.00		R -
		b) Facilities for Contractor								
1.1.2.1		Offices and storage sheds	Sum	1	7 000.00	7 000.00	7 000.00	7 000.00		R -
1.1.2.2		Ablution and latrine facilities	Sum	1	4 000.00	4 000.00	4 000.00	4 000.00		R -
1.1.2.3		Tools and equipment	Sum	1	9 000.00	Rate Only	9 000.00	Rate only		Rate Only
1.1.2.4		Water supplies, electric power and communications	Sum	1	2 000.00	2 000.00	3 000.00	3 000.00	1 000.00	R 1 000.00
1.1.2.5		Dealing with water (Subclause 5.5)	Sum	1	1 000.00	1 000.00	1 000.00	1 000.00		R -
1.1.3	8.3.3	Other fixed-charge obligations	Sum	1	15 000.00	Rate Only	15 000.00	Rate Only		Rate Only
1.20	8.4	TIME-RELATED ITEMS								
1.2.1	8.4.1	Contractual Requirements	Mnth	6	10 000.00	60 000.00	10 000.00	60 000.00		R -
1.2.2	8.4.2	Operate and maintain facilities on the Site:								
	PSA 8.4.2.1	a) Facilities for Engineer	Mnt	6	10 000.00	60 000.00	10 000.00	60 000.00		R -
	8.4.2.2	b) Facilities for Contractor for duration of construction, except where otherwise stated								
1.2.2.1	8.4.2.2.1	Offices and storage sheds	Mnth	6	7 000.00	42 000.00	7 000.00	42 000.00		R -
1.2.2.2	8.4.2.2.2	Ablution and latrine facilities	Mnth	6	4 000.00	24 000.00	4 000.00	24 000.00		R -
1.2.2.3	8.4.2.2.3	Tools and equipment	Mnth	6	9 000.00	54 000.00	9 000.00	54 000.00		R -
1.2.2.4	8.4.2.2.4	Water supplies, electric power and	Mnth	6	1 000.00	6 000.00	1 000.00	6 000.00		R -
1.2.2.5	8.4.2.2.5	Dealing with water (Subclause 5.5)	Mnth	6	1 000.00	Rate Only	1 000.00	Rate Only		Rate Only
1.2.2.6	8.4.2.2.6	Access (Subclause 5.8)	Mnth	6	1 500.00	Rate Only	1 500.00	Rate Only		Rate Only
1.2.3	8.4.3	Supervision	Mnth	6	10 000.00	Rate Only	10 000.00	Rate Only		Rate Only
1.2.4	8.4.4	Company and head office overhead costs	Mnth	6	10 000.00	60 000.00	10 000.00	60 000.00		R -
<b>TOTAL CARRIED FORWARD</b>						<b>390 000.00</b>		<b>405 000.00</b>		<b>R 15 000.00</b>

EXTENSION OF WATER NETWORK, HOUSE CONNECTIONS AND METERS(180 STANDS) HANI PARK  
CONTRACT NO.:04/2018 B- LUSAKHO TRADING (PTY)LTD

Item	Payment	Description	Unit	Qty	Rate	Amount	Rate	Amount	Rate	Amount
<b>TOTAL BROUGHT FORWARD</b>						<b>390 000.00</b>		<b>405 000.00</b>		<b>R 15 000.00</b>
1.2.5	8.4.5	Other time-related obligations	Mnth	6	5 000.00	Rate only		Rate only		Rate only
1.2.6	8.4.6	Payment for a Community Liaison Officers	Mnth	6	5 000.00	30 000.00	5 000.00	30 000.00		R -
1.2.7		Nameboard	Sum	1	7 500.00	7 500.00	7 500.00	7 500.00		R -
1.2.8	8.4.7	Compliance with the Occupational Health and Safety Requirements for the duration of the contract	Sum	1	15 000.00	15 000.00	10 000.00	18 000.00	3 000.00	R 3 000.00
	8.5	Provesional Sums stated by the Engineer								
		Scheduled fixed-charge and value-related items:								
1.2.9	8.3.1	Fixed preliminary and general charges	Sum	1	10 000.00	10 000.00	10 000.00	10 000.00		R -
1.3.0	8.3.2	Value-related preliminary and general charges	Sum	1	10 000.00	10 000.00	10 000.00	10 000.00		R -
		Scheduled time-related items:								
1.3.1	8.4.1	Time-related preliminary and general charges	Sum	1	20 000.00	20 000.00	20 000.00	20 000.00		R -
	D 2.3.2	i) Training allowance paid to targeted labour in terms of formal training	Prov Sum	1	20 000.00	20 000.00	20 000.00	20 000.00		R -
		ii) Extra-over for the administration of payment of training allowances to targeted labour (max.10%)	%	10	20 000.00	2 000.00	20 000.00	2 000.00		R -
	8.6	Prime cost sums:								
1.3.2		Additional tests required by the engineer	PC Sum	1	20 000.00	20 000.00	20 000.00	20 000.00		R -
1.3.3		Charge required by contractor on subitem PC Sum above	%	10	20 000.00	2 000.00	20 000.00	2 000.00		R -
	8.8.4	Location and protection of existing services:								
		Provision of detecting devices for:								
1.3.4		Water and sewer pipes	Sum	1	10 000.00	10 000.00	10 000.00	10 000.00		R -
1.3.5		Electrical and other cables	Sum	1	10 000.00	10 000.00	10 000.00	10 000.00		R -
		Hand excavation necessary for locating and exposing existing services in all materials:								
1.3.6		In roadways	m³	44	70.00	3 080.00	400.00	17 600.00	330.00	R 14 520.00
1.3.7		In all other areas	m³	59	70.00	4 130.00	400.00	23 600.00	330.00	R 19 470.00
<b>TOTAL CARRIED FORWARD</b>						<b>553 710.00</b>		<b>605 700.00</b>		<b>R 51 990.00</b>

**EXTENSION OF WATER NETWORK, HOUSE CONNECTIONS AND METERS(180 STANDS) HANI PARK**  
**CONTRACT NO.:04/2018 B- LUSAKHO TRADING (PTY)LTD**

Item	Payment	Description	Unit	Qty	Rate	Amount	Rate	Amount	Rate	Amount
<b>TOTAL BROUGHT FORWARD</b>						<b>553 710.00</b>		<b>605 700.00</b>		<b>R 51 990.00</b>
1.3.8	8.9	Compensation in terms of subsubclause 57(4)(b)(ii) for delays due to the circumstances described in subclauses 57(1) and (2) of the general conditions of contract, as amended	day	10	5 000.00	50 000.00	5 000.00	50 000.00	-	R -
<b>TOTAL</b>						<b>R 603 710.00</b>		<b>R 655 700.00</b>		<b>R 51 990.00</b>

EXTENSION OF WATER NETWORK, HOUSE CONNECTIONS AND METERS (180 STANDS) HANI PARK  
CONTRACT NO.:04/2018 B- LUSAKHO TRADING (PTY)LTD

CONTRACT B						New Tender Rates		Difference in Rates		
Item	Payment	Description	Unit	Qty	Rate	Amount	Rate	Amount	Rate	Amount
2.10	SABS 1200 C	SITE CLEARANCE								
	8.2.1	Clear and grub	ha	0.2	17 500.00	R3 500.00	50 000.00	R10 000.00	32 500.00	6 500.00
3.10	SABS 1200 DB	EARTHWORKS (PIPE TRENCHES)								
	8.3.1	Site Clearance								
	8.3.2	Excavation								
		(I) For trenches up to 1.5 m in depth, using labour intensive construction methods								
		Over and up to								
3.1.1		0 m 1.5 m	m³	1375	65.00	R89 375.00	90.00	R123 750.00	25.00	34 375.00
		(II) For trenches over 1.5m in depth, using conventional construction methods								
		Over and up to								
3.1.2		0m 2.0 m	m³	0	95.00	R0.00	95.00	R0.00		
		(b) Extra-over Item (a), above, for:								
3.1.3		i) Intermediate excavation	m³	206	250.00	R51 562.50	200.00	R41 250.00	(50.00)	(10 312.50)
3.1.4		ii) Hard rock excavation	m³	138	550.00	R75 625.00	350.00	R48 125.00	(200.00)	(27 500.00)
	8.3.3	Excavation Ancillaries								
	8.3.3.1	Make up deficiency in backfill material (provisional):								
3.1.5		(a) from other necessary excavations on site	m³	158	200.00	R31 600.00	200.00	R31 600.00		
3.1.6		(b) by importation from commercial or off-site sources selected by the contractor	m³	237	650.00	R154 050.00	650.00	R154 050.00		
3.2.0	8.3.3.3	Compaction in road reserves	m³	843	120.00	R101 160.00	120.00	R101 160.00		
	PSDB 8.3.5(a)	Services that intersect a trench								
3.2.1		a) Water house connections.	No	2	1 090.00	R2 180.00	1 090.00	R2 180.00		
3.2.2		b) Water pipes up to 300mm Dia.	No	2	549.49	R1 098.98	549.49	R1 098.98		
TOTAL CARRIED FORWARD						R510 151.48		R513 213.98		3 062.50

**EXTENSION OF WATER NETWORK, HOUSE CONNECTIONS AND METERS (180 STANDS) HANI PARK**  
**CONTRACT NO.04/2018 B- LUSAKHO TRADING (PTY)LTD**

Item	Payment	Description	Unit	Qty	Rate	Amount	Rate	Amount	Rate	Amount
<b>TOTAL BROUGHT FORWARD</b>						<b>R510 151.48</b>		<b>R513 213.98</b>		<b>3 062.50</b>
3.2.3		c) Stormwater pipes up to 1050mm Dia.	No	2	1 320.00	R2 640.00	1 320.00	R2 640.00	-	-
3.2.4		d) Sewer house connections.	No	2	1 812.50	R3 625.00	1 812.50	R3 625.00	-	-
3.2.5		e) Sewer pipes up to 300mm Dia.	No	2	1 500.00	R3 000.00	1 500.00	R3 000.00	-	-
3.2.6		f) Cables.	No	5	440.00	R2 200.00	440.00	R2 200.00	-	-
3.2.7		g) Kerbs and channels.	No	1	360.00	R360.00	2 340.00	R2 340.00	1 980.00	1 980.00
	PSDB 8.3.5(b)	Services that adjoin a trench							-	-
3.2.8		a) Cables.	m	5	440.00	R2 200.00	440.00	R2 200.00	-	-
	PSDB 8.3.5(c)	Services that require special care	No	5	1 650.80	R8 254.00	1 800.00	R9 000.00	149.20	746.00
	PSDB 8.3.5(d)	Trees in construction path	No	0	10 000.00	R0.00	10 000.00	R0.00	-	-
	PSDB 8.3.6.1(a)	Re-instate unreinforced concrete, complete	m <sup>2</sup>	5	685.00	R3 425.00	685.00	R3 425.00	-	-
	PSDB 8.3.6.1(b)	Re-instate grass sods, complete	m <sup>2</sup>	5	2 321.93	R11 609.65	232.31	R1 161.55	(2 089.62)	(10 448.10)
3.3.0	SANS 1200DA 8.3.10	Top soiling including trimming, filling, topsoiling and levelling of verges, removal of debris, rocks, etc. using stockpiled material.	m <sup>2</sup>	5	1 470.43	R7 352.15	1 470.43	R7 352.15	-	-
4.10	SABS 1200 LB	BEDDING (PIPES)							-	-
	8.2.1	Provision of bedding from trench excavation							-	-
4.1.1		(a) Selected granular material for bedding	m <sup>3</sup>	347	126.00	R43 722.00	90.00	R31 230.00	(36.00)	(12 492.00)
4.1.2		(b) Selected fill material	m <sup>3</sup>	255	112.00	R28 560.00	90.00	R22 950.00	(22.00)	(5 610.00)
	8.2.2.1	From other necessary excavation (Provisional)							-	-
4.1.3		(a) Selected granular material for bedding	m <sup>3</sup>	173	335.70	R58 076.10	120.00	R20 760.00	(215.70)	(37 316.10)
4.1.4		(b) Selected fill material	m <sup>3</sup>	128	36.00	R4 608.00	78.00	R9 945.00	42.00	5 355.00
	8.2.2.3	From commercial sources (Provisional)							-	-
<b>TOTAL CARRIED FORWARD</b>						<b>R689 765.38</b>		<b>R635 042.68</b>		<b>(54 722.70)</b>



**EXTENSION OF WATER NETWORK, HOUSE CONNECTIONS AND METERS (180 STANDS) HANI PARK**  
**CONTRACT NO.04/2018 B- LUSAKHO TRADING (PTY)LTD**

Item	Payment	Description	Unit	Qty	Rate	Amount	Rate	Amount	Rate	Amount
<b>TOTAL BROUGHT FORWARD</b>						<b>R689 765.38</b>		<b>R635 042.68</b>		<b>(54 722.70)</b>
4.1.5		(a) Selected granular material	m <sup>3</sup>	87	250.00	R21 750.00	219.83	R19 125.36	(30.17)	(2 624.64)
4.1.6		(b) Selected fill material	m <sup>3</sup>	64	200.00	R12 750.00	219.83	R14 014.27	19.83	1 264.27
5.10	SABS 1200 L	MEDIUM PRESSURE PIPELINES								
	8.2.1	Supply, lay and bed (Class B) complete with couplings including short lengths for pipes of the following materials and diameters								
		uPVC pipes (Class 12)								
5.1.1		a) 32mm diameter	m	727	40.00	R29 080.00	100.00	R72 700.00	60.00	43 620.00
5.1.2		b) 75mm diameter	m	8	85.00	R680.00	175.00	R1 400.00	90.00	720.00
5.1.3		c) 90mm diameter	m	10	120.00	R1 200.00	250.00	R2 500.00	130.00	1 300.00
5.1.4		d) 110mm diameter	m	1128	142.00	R160 176.00	300.00	R338 400.00	158.00	178 224.00
	8.2.2	Extra over Item 8.3.1 for the supplying, laying and bedding of specials complete with couplings (Fittings of PVC pipes, Cast Iron or Aluminium)								
5.2.0		Bends								
		22.5 degree bends								
5.2.1		a) 110mm	No	10	95.00	R950.00	920.00	R9 200.00	825.00	8 250.00
5.2.2		b) 160mm	No	1	150.00	R150.00	987.35	R987.35	837.35	837.35
<b>TOTAL CARRIED FORWARD</b>						<b>R916 501.38</b>		<b>R1 093 369.66</b>		<b>176 868.28</b>

**EXTENSION OF WATER NETWORK, HOUSE CONNECTIONS AND METERS (180 STANDS) HANI PARK**  
**CONTRACT NO.:04/2018 B- LUSAKHO TRADING (PTY)LTD**

Item	Payment	Description	Unit	Qty	Rate	Amount	Rate	Amount	Rate	Amount
<b>TOTAL BROUGHT FORWARD</b>						<b>R916 501.38</b>		<b>R1 093 369.66</b>		<b>176 868.28</b>
5.3.0		Saddles and uPVC pipes tees								
5.3.1		a) 110x32 reducing tee	No	55	190	R10 450.00	1300	R71 500.00	1110	61 050.00
5.3.2		b) 110x75 reducing tee	No	3	190	R570.00	1300	R3 900.00	1110	3 330.00
5.40		Reducers								
		Flanged Adaptor CI for use with uPVC pipes								
5.4.1		a) 32 x 25mm	No	90	95.00	R8 550.00	102	R9 180.00	7	630.00
5.4.1		b) 160x110mm	No	3	280.00	R840.00	390	R1 170.00	110	330.00
5.5.0		VALVES								
	8.2.3	Extra-over on Item 8.2.1 for the supplying, handle, lay, bed of valves with couplings in valve box. Complete with cutting of pipes and valve testing. CI gate to SANS 0664, Class 10, ends socketted for uPVC pipes to SANS 0996, non-rising spindle, LH closing								
5.5.1		a) 110mm	No	6	3 980.00	R23 880.00	0 3980	R23 080.00	0	
		Anchor/thrust blocks and pedestals:								
		Concrete:								
5.5.3		Class . (15) . MPa/19 mm	m³	25	1 450.00	R36 250.00	1650	R41 250.00	200	5 000.00
5.6.0		CHAMBERS								
5.6.1		Valves and hydrant chambers complete with step irons, cover and frames as per applicable drawing. up to 1.5m depth.	No	0	2 550.00	R0.00	3060	R0.00	510	
5.6.2	PSL8-6	yard connection complete with apron and soak away and plastic taps (refer to drawing NO 60113-W-DT-07 Rev 0)	No	90	2 100.00	R189 000.00	2100	R189 000.00	0	
<b>TOTAL CARRIED FORWARD TO SUMMARY</b>						<b>R1 186 041.38</b>		<b>R1 433 249.66</b>		<b>247 208.28</b>

**EXTENSION OF WATER NETWORK, HOUSE CONNECTIONS AND METERS (180 STANDS) HANI PARK**  
**CONTRACT NO.:04/2018 B- LUSAKHO TRADING (PTY)LTD**

<b>SUMMARY</b>	<b>Tendered amount</b>	<b>New tender rates</b>	<b>Difference in tendered amount</b>
Schedule 1: PRELIMINARY AND GENERAL	603 710.00	655 700.00	51 990.00
Schedule 3 HANI PARK X20	1 186 041.38	1 433 249.66	247 208.28
<b>SUB-TOTAL 1</b>	<b>1 789 751.38</b>	<b>2 088 949.66</b>	<b>299 198.28</b>
CONTINGENCIES (10%)	178 975.14	208 894.97	29 919.83
<b>TOTAL CONSTRUCTION BUDGET</b>	<b>1 968 726.52</b>	<b>2 297 844.62</b>	<b>329 118.10</b>