MINISTER OF WATER AND SANITATION

NATIONAL ASSEMBLY: QUESTION 1865 FOR WRITTEN REPLY

A draft reply to the above mentioned question asked by Ms T E Baker (DA) is attached for your consideration.

DIRECTOR-GENERAL (Acting)

DATE: 11/09/2017

DRAFT REPLY APPROVED/AMENDED

MRS NP MOKONYANE
MINISTER OF WATER AND SANITATION

DATE: 26.09.17
FOR WRITTEN REPLY

QUESTION NO 1865

DATE OF PUBLICATION IN INTERNAL QUESTION PAPER: 19 JUNE 2017 (INTERNAL QUESTION PAPER NO. 22)

1865. Ms T E Baker (DA) to ask the Minister of Water and Sanitation:

(1) Whether any Suikerbos pump sites were (a) stripped and/or (b) upgraded during the past five financial years; if so, (i) which pump sites were stripped or upgraded, (ii) when were they stripped or upgraded, (iii) what amount was the contractor paid in each case and (vi) what is the name of the contractor in each case;

(2) whether any contractor failed to fulfill their contract; if so, (a) which contractor, (b) what aspects of the contract did they fail to fulfill and (c) what action has been taken against them in each case?

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REPLY:

(1) We record our undertaking as that the questions relate to Rand Water Zuikerbosch Pumping Station. We also respond with understanding that stripping refers to demolition of infrastructure for the purpose of constructing the new infrastructure, upgrade refers to augmentation. We refer to augmentation when we upgrade our infrastructure to meet water supply demands.

Rand Water implemented augmentation programmes at Zuikerbosch pumping station to provide additional capacity of 200 Ml/d. Annexure A shows augmentation projects implemented at Rand Water Zuikerbosch pumping station in the last five years. The balance of the other contracts at Zuikerbosch pumping station over the last five years is shown in Annexure B.

(1)(a) Refer to Item 7 on Annexure A regarding what was a demolition work which entailed demolition of an old pilot filter house 2B. Demolition was necessary so that new filter house 2B to provide additional 100 Ml/d could be constructed. Refer to Item 11 on Annexure A was the construction of a new sedimentation tank to provide additional 100 Ml/d. The contractor could not achieve contractual obligations and some structures had to be demolished and reconstructed properly.

(1)(b) Refer to the Items 1, 2, 3, 4, 5, 6, 8, 9, 10, 12, 13 and 14 on Annexure A regarding all upgrades forming part of augmentation projects at Zuikerbosch pumping station as part of additional 200 Ml/d added to the infrastructure to meet water supply demands. Items 7 and 11 on Annexure A refer to demolition work (stripping) and the rest of the items refer to augmentation (upgrades).

(2)(a) Demolition work as referred to in Item 7 on Annexure A shows Jampe Construction being the contractor that failed to demolish an old pilot filter house 2B. They were appointed for R1, 736,009 and were paid R342, 510 at the time of terminating their contract due to non-performance. The termination was referred to mediation as per the provisions of contract and the termination was upheld by the mediator. After they were terminated, their remaining scope of work was added to the work awarded to Superway (Pty) Ltd. In addition to demolition of an old pilot filter house 2B, Superway was appointed for the construction of the new filter 2B.

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(2)(b) Refer to Item 11 on Annexure A regarding upgrade works for Dipcivils (Pty) Ltd being the contractor that failed their contractual obligations to construct a new sedimentation tank. They were appointed for R103, 349,955.00 and were paid R57, 911,310.90 at the time of terminating their contract due to non-performance. As part of recouping the costs, Rand Water has held the surety (R10.3m) and retention (R5.8m) from the contractor. The total amount held is R16.1m which is the sum of surety and retention. Furthermore, Rand Water's Legal Service Department has been pursuing claim for damages. Dipcivils had undergone business administration in the process.

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<table>
<thead>
<tr>
<th>Nom des projets</th>
<th>Description</th>
<th>Durée (en jours)</th>
<th>Coût (en $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projet A</td>
<td>Développement de logiciels AV</td>
<td>30</td>
<td>150,000</td>
</tr>
<tr>
<td>Projet B</td>
<td>Refonte du système de gestion</td>
<td>45</td>
<td>200,000</td>
</tr>
<tr>
<td>Projet C</td>
<td>Amélioration de l'expérience utilisateur</td>
<td>60</td>
<td>250,000</td>
</tr>
<tr>
<td>Projet D</td>
<td>Intégration d'une nouvelle plateforme</td>
<td>75</td>
<td>300,000</td>
</tr>
</tbody>
</table>

*Note: Tous les projets ont été effectués en collaboration avec des experts de l'industrie.*

**Annexe A : MAJOR AUGMENTATION PROJECTS AT RAND WATER'S ZUKERBOCH PUMPING STATION**

*Les projets ci-dessus sont spécifiques à l'augmentation majeure des installations de pompage à la station d'eau de Rand Water.*