

**REPORT OF THE PORTFOLIO COMMITTEE ON PUBLIC WORKS, ROADS AND
TRANSPORT; COMMUNITY SAFETY, SECURITY AND LIAISON
TLP OVERSIGHT VISITS TO BUSHBUCKRIDGE LOCAL MUNICIPALITY 27 June
2018 (DPWRT)**

1. INTRODUCTION

The Legislature conducted the programme of Taking the Legislature to the People (TLP) as from 25 to 29 June at the Bushbuckridge Local Municipality. The Portfolio Committee on Public Works, Roads and Transport; Community Safety, Security and Liaison (the Committee) visited Road D3969-Justicia and Lilydale and MP stream Dual purpose Library in Agincourt area and further conducted a public hearing in Agincourt where a number of issues relating to roads were raised.

2. OBJECTIVES OF THE VISITS

The following objectives shaped the oversight visits to the projects of the Department of Public Works, Roads and Transport:

- To evaluate the progress made on projects reflected in the Annual Performance Plan (APP) implemented by the department. The Legislature seeks to ascertain whether provincial government delivers services effectively and efficiently within the respective municipalities.
- To determine the extent to which public funds are efficiently, economically and effectively used by the department in the implementation of its projects.

3. METHOD OF WORK

In preparation for the TLP, the research section conducted pre-site visits to the municipality in early May 2018. Comprehensive research reports were compiled that informed the Committee's programme. The Committee conducted oversight visits to Road D3969 between –Justicia and Lilydale and MP stream Dual purpose Library in Agincourt area on Wednesday the 27th June 2018. The Committee further participated during the joint public hearing of the Economic and Social Cluster of the Legislature on Thursday, 28 June 2018.

4. OVERSIGHT ON GOVERNMENT FUNDED PROJECTS

4.1 Road D3969-Justicia and Lilydale

4.1.1 Project background

The project is located between Justicia and Lilydale in Bushbuckridge Local Municipality. This project was awarded to Klus Civils, consultant being Keratama Consulting Engineering. The project comprises of upgrading the Road D 3969 and Road D4385 between Justicia, Kildare and Lilydale from gravel to surface which is a total of 17.2 km Construction commenced on the 27th July 2016 and the planned completion being was scheduled for 27th July 2018. A total of 63 job opportunities were created The total construction project cost is R 219 000 000.00 inclusive of contingencies, CPA and VAT. The Committee requested the department to report on the status quo of the project and the department reported that the project is currently at 81% completion

The department further indicated that there are no major challenges experienced so far with this project. In terms of labour statistics, the project has a total of 59 personnel who are involved on site, of which 36 were male, 23 were female, 40 of which were youth with no persons with disabilities.

4.1.2 Deliberation during the TLP Oversight visit

- a) The local councillors were not present during site visits, however those who were from the surrounding areas attended and appreciated the project.
- b) The contractor was not present on site, only the foreman and site engineer who availed themselves to respond to the Committee's questions and/or concerns.
- c) The Committee was concerned with the fact that there were no labourers on site whilst the project still in progress and not yet completed. The department and the site engineer of the project indicated that the labourers were given time off as it was a practice of the company to give time off to its workers every month end to enjoy their salaries. However the Committee expressed regret to the practice as it viewed such major to be stalling prompt completion of the project and delaying much desired service delivery.
- d) The Committee also enquired on the cost per kilometre of that road and .the department responded by indicating that each kilometre cost between R 10 to R 11 million
- e) The Committee further requested clarity on why the department failed to appoint local contractors since this project was being constructed by a contractor from KZN. The department responded by saying that this contractor met all requirements such as financial capacity as compared to other local contractors. This explanation could not be convincing to the Committee as it was seen to be contrary to policies of government of promoting local economies.
- f) The department assured the Committee that the design of the road will yield a life span of 20 years.
- g) Local contractors were given contracts only to supply and deliver but not to construct the road. This was found to be a concern by the Committee because no skill was transferred to the local sub-contractors in order to capacitate them.

4.1.3 Findings

The Committee made the following findings:

- a) The Committee noted that the about 6.4 km of the road was incomplete and unsurfaced and no indication was given as to when it was to be completed. .
- b) The Committee noted that the contract has been awarded to a contractor who is based outside the province in KZN and expressed concerns that such practice was against promotion of local based contractors as set out by government policies.
- c) The Committee further noted that local sub-contractors were reduced to suppliers of construction material with no transfer of skill for future development and sustainability of local communities.

4.1.4 Recommendations

The Committee made the following recommendations:

- a) The department must ensure that the project is completed as per the set date.
- b) The department must comply with government policies and ensure local economies are promoted and job opportunities are created
- c) The department should ensure that part of the local sub-contractors contracts should include work that will capacitate and promote skill development

4.2 Bushbuckridge Dual (MP Stream) Purpose Library

The project is situated in Bushbuckridge Local Municipality between MP stream and Agincourt area. This project was awarded to Leswenene Trading Enterprise as the contractor and the principal agent being Creative Axis Architects. The Department of Public Works, Roads and Transport being the implementing agent reported that this project was awarded on the 21 July 2017 with a planned date of completion of the 21 May 2018. The revised date for completion will be 30 September 2018. This contract is said to have been allocated a budget of R 13 144 393.80 by the implementing agent for the construction of the new library in MP stream. The library is still under

construction and according to the project manager it is calculated to be at 47% completion.

4.2.1 Deliberation during the TLP Oversight visit

The Committee made the following Observations:

- a) The project is situated few kilometres away from Agincourt area, however the community of Agincourt will be able to access services from it.
- b) The project does exist, however not yet completed as planned.
- c) The department indicated that the project was not completed on the 21st May 2018 because of slow progress on site by contractor, cash flow due to late payments and community disruptions. The department terminated the previous contractor as part of their mitigation strategy for non-adherence of deadline of the contractor.
- d) A new contractor was appointed called Leswinene Trading and the new anticipated date of completion is 30th September 2018.
- e) The project was initially awarded a budget of R 13 144 393.80 and the department indicated that this budget will not be increased because of the new contractor. This means that the budget is still sufficient to complete the outstanding work.
- f) The project leader Mr Nicolas Mokgetwa of Clear choice indicated to the Committee that 25% of local procurement was supplied to this project by his company.
- g) Local councillors attended the oversight and also indicated that they were happy with the progress of the project and that they are committed to working together with the new contractor. They further indicated that so far there were no challenges .
- h) The project leader assured the Committee that they plan to complete the project before the set completion date.

4.2.2 Findings

The Committee made the following findings with regard to the construction of the Library:

- a) There was poor project monitoring by the department.
- b) Late payments of contractors by client department.
- c) Completion of the project was delayed by months from its initial planning.

4.2.3 Recommendations

The Committee made the following recommendation:

- a) The department should be encouraged to monitor the project strictly to ensure that it's completed in time for service delivery and easy access of the library by the community.
- b) The department must edge the client department during their planning and monitoring meetings to ensure that contractors are paid on time to avoid project delays as per Treasury Guidelines.
- c) The department must ensure that this project is completed on the agreed revised date.

5. CONCLUSION

The Chairperson of the Portfolio Committee, Hon. GC Shabalala extends her appreciation to Members of the Committee, departmental officials, all stakeholders and the support staff of the Legislature for their participation during this oversight visit to the communities of the Bushbuckridge Local Municipality, in enhancing the oversight role of the Legislature. The Portfolio Committee tables this report to the House for adoption with its recommendations. Unless otherwise stated, the department should provide progress reports on all issues raised to the Portfolio Committee by **31 August 2018** and thereafter on a quarterly basis.



HON. GC SHABALALA (MPL)



DATE

**CHAIRPERSON: PORTFOLIO COMMITTEE ON
PUBLIC WORKS, ROADS AND TRANSPORT;
COMMUNITY SAFETY, SECURITY AND LIAISON**