

Ordinary Council (OPEN) Meeting

31 March 2022

Addendum 3:

ITEM NO	SUBJECT	FIL REF	PG
SECTION 5: ENGINEERING SERVICES			
C/5/18/03/22	CONSTRUCTION OF EBENEZER TOP STRUCTURES, PORTION 20	17/6/3/10	2-11

Section 5: Engineering Services

ITEM C/5/18/03/22

CONSTRUCTION OF EBENEZER TOP STRUCTURES, PORTION 20

Directorate: Community Services

Demarcation: Ward 4

Delegation: Council

File Ref: 17/6/3/10

Attachments Annexure "A" – Provincial Allocation Letter Ref: PRT 16/1/25/3
Annexure "B" – Appointment Letter of Sonqua Consulting (Pty) Ltd
Annexure "C" – Proposed Adjusted Targets and Funding Allocation of the 2021/22 HSDG and ISUPG"

Report from: Acting Director: Community Services

Author: Acting Manager: Integrated Human Settlements

Date: 29 March 2022

PURPOSE OF THE REPORT

For Council to take cognizance and approve the handover of construction of Ebenezer Top Structures to the Western Cape Provincial Department of Human Settlements

BACKGROUND /DISCUSSION

The Municipality has received the following allocations in this financial year, 2021/22 for the Construction of Engineering Services, SCM/2020/45/ENG in Ebenezer Portion 20:

Allocation/Grant	Project Description	Budget R (Vat Excl.)
MIG	Ebenhaezer: Extension to Bulk Water Services	6,358,576.66
MIG	Ebenhaezer: New Access Roads	7,116,466.61
Human Settlements	Engineering Internal Services	16,400,000.00

SCM/2020/45/ENG commenced on 26 January 2021 and the anticipated due completion date is 05 May 2022, the contractor on site is SC Housing and consultants is Zutari formerly known as Aurecon. In order for the top structures to be constructed, the following outstanding planning and applications need to be in place:

- General Plan has not been finalized due, the proposed General Plan is to be submitted to the Surveyor General for approval
- Site Development Plan indicating exact houses locations
- Master House Plans
- Geotechnical Phase 2 Report
- Structural Engineer Plan
- Approved Town Planning Layouts

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(g) Beneficiary list, screening and approval

The above list of outstanding applications and plans that could not be concluded timeously are as a result of Chauke Quantity Surveyors contract that was terminated due to varying interpretations with regards to contract ending period. It is assumed that the above processes can be concluded in a period of fifteen months from the date of commencement with the exception that the Provincial Government may assist with fast tracking the approvals.

FINANCIAL IMPLICATION

An allocation of about R39 860 000.00 (VAT Excl.) has been available to the Municipality and the breakdown of the allocation is as follows:

Human Settlement Development Grant (HSDG): R34,860,000.00

Project Description	Sites	Units	Funding R
Qolweni/Bossiesgif Ph3a (433) Top Structures	0	66	10,560,000
New Horizons Ebenhaeser (Portion 20)	204	0	16,400,000
New Horizons Ebenhaeser (Portion 3)	0	0	1,000,000
Shell Ultra (85)	0	0	600,000
Green Valley/Wittedrift Ph2 (425)	0	0	1,200,000
Kwa-Nokuthula Phase 5 (914)	0	0	2,500,000
Kwa-Nokuthula Phase 6 (389) buffer	0	0	1,100,000
Kurland (1500)	0	0	1,500,000

Informal Settlements Upgrading Partnership Grant (ISUPG): R5,000,000.00

Project Description	Sites	Units	Funding R
Qolweni/Bossiesgif TRA	0	0	4,000,000
Zawa-Zawa NGO	0	0	1,000,000

An allocation of about R15,260,000.00 (VAT Excl.) will be made available in the next financial year, 2022/23 to the Municipality as per the attached letter, Annexure A, “2022/23 *Municipal Budget Allocations*.” The Municipality does not intend to have a counter top up funding budgeted for the construction of Ebenezer Top Structures.

In order for the Municipality to fast track the planning and implementation of all the outstanding plans and approvals with regards to Ebenezer and other planned housing projects, an outstanding payment of R1,734,081.01 (VAT Excl.) and the amount is also not taking into consideration the interest account submitted by Sonqua Consulting as a result of non-payment of Chauke Quantity Surveyors.

EXECUTIVE SUMMARY

The termination of the Chauke Quantity Surveyors contract without having in place at the time a Service Provider that could continue with the planning and implementation negatively impacted the delivery of planned housing projects in all Bitou Municipal areas. The housing backlog is putting more strain to the Municipality, the said cancelation of the Chauke contract worsened the situation even more.

An allocation of about R15,260,000.00 (VAT Excl.) will be made available in the next financial year, 2022/23 to commence with first phase of about 102 top structures. In order for the project to

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be considered ready for commencement of top structures, plans and statutory framework approvals such as Environmental Authorization, registration of General Plan with the Surveyor General, etc. Currently the Municipality does not have the capacity to implement the project itself due the following reasoning:

- (i) The Manager Integrated Human Settlements is under suspension and it cannot be determined when will the disciplinary processes will unfold, the unit though having an Acting Manager seconded only in March 2022, it is still much unstable
- (ii) The magnitude of the works to be carried by the Section with regards to the construction of the Ebenezer Top Structures would need a very stable environment, where possible only one Project Manager must be assigned with the execution of the project rather than one commencing with the project and handing it over when the disciplinary processes are concluded
- (iii) The approved existing organogram of Integrated Human Settlements Section makes no provision for the execution of projects of this magnitude, it is for this reason that the Section has over relied on services of Consulting Engineers

RELEVANT LEGISLATION

- The Housing Act 107 of 1997
- Municipal Finance Management Act 56 of 2003
- National Housing Code
- Western Cape Land Use Planning Act 3 of 2014
- National Environmental Management Act and Regulations 2014
- Social Housing Act 16 of 2008
- Preferential Procurement Policy Framework Act

Comments: Director: Financial Services

Chauke was never appointed through a competitive bidding process and internal memo is cited by Chauke as the document authorizing them to work in Bitou Municipality. Any work performed are based on irregular contract.

Comments: Director Community Services

The recommendations by the Municipal Manager is supported.

Comments: Acting Director Engineering Services

Supports the recommendation by the Municipal Manager

Comments Manager: Legal Services

N/A

RECOMMENDED BY THE MUNICIPAL MANAGER

1. That the Council take cognizance of the Integrated Human Settlement report

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2. That the Council approve the payment of Chauke Quantity Surveyors long outstanding account amounting to R1,734,081.01 (VAT Excl.) for purposes amongst others to fast track delivery of housing opportunities to the poor communities of Bitou Local Municipality
3. That the Council approve the handover of the construction of Ebenezer Portion 20 Phase 1 top structures with an allocation amounting to R15,260,000.00 to Provincial Department of Human Settlements

Reference number: PTR 16/1/25/3

Private Bag X9165
CAPE TOWN
8000

The Acting Municipal Manager
Bitou Municipality
Private Bag X1002
PLETTENBERG BAY
6600

Dear Mr Maredi

2022/23 MUNICIPAL BUDGET ALLOCATIONS

This letter outlines the Municipal Budget Allocations for the 2022/23 MTEF, including priority allocations from Provincial Government.

Overall thrust of the 2022/23 Budget

Minister David Maynier tabled the 2022/23 Western Cape Provincial Budget in the Provincial Parliament on 14 March 2022 and arising from this, for the 2022/23 MTEF, your Municipality receives total planned transfers from various Provincial departments as set out in the attached Schedule A, of which the frameworks for the provincial allocations are presented in the 2022 Provincial Gazette No. 8566, dated 14 March 2022.

In the attached Schedule A, all the allocations applicable to your Municipality take effect on the date of commencement of the WC Appropriation Act, 2022, but you are required to take up these allocations in your municipal budget, in line with the Municipal Budget and Reporting Regulations.

I trust that communicating this information will provide you with the required strategic and operational information on the plans of provincial departments, so that you can better plan and budget within your Municipality.

Kind regards

MR S KENYON

CHIEF DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE

DATE: 14 March 2022

Cc: The Mayor

Cc: The Chief Financial Officer

LOCAL GOVERNMENT MTEF ALLOCATIONS: 2022/23 - 2024/25			
Bitou	2022/23 R thousands	2023/24 R thousands	2024/25 R thousands
Vote 8 - Human Settlements	15,260	41,020	15,000
HUMAN SETTLEMENTS DEVELOPMENT GRANT (BENEFICIARIES)	15,260	41,020	15,000
Vote 10 - Transport and Public Works	135	135	135
FINANCIAL ASSISTANCE TO MUNICIPALITIES FOR MAINTENANCE AND CONSTRUCTION OF TRANSPORT INFRASTRUCTURE	135	135	135
Vote 12 - Economic Development and Tourism	600	-	-
WESTERN CAPE MUNICIPAL ENERGY RESILIENCE GRANT (WC MER GRANT)	600	-	-
Vote 13 - Cultural Affairs and Sport	11,867	11,598	12,119
LIBRARY SERVICE: REPLACEMENT FUNDING FOR MOST VULNERABLE B3 MUNICIPALITIES	9,572	9,706	10,142
COMMUNITY LIBRARY SERVICES GRANT	2,295	1,892	1,977
Vote 14 - Local Government	169	169	19
THUSONG SERVICE CENTRES GRANT (Sustainability : Operational Support Grant)	150	150	-
COMMUNITY DEVELOPMENT WORKERS (CDW) OPERATIONAL SUPPORT GRANT	19	19	19
Total Transfers from Provincial Departments	28,031	52,922	27,273



Bitou

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Ref:
8/1/3

Enquiries
Fezile Maki

Tel
044- 501 3210

email address
fmaki@plett.gov.za

11 March 2022

Project Leader
Sonqua Consulting (Pty) Ltd
8 St. John's Street
George
6530

Sent via e-mail to: theo.adams@sonqua.co.za

Attention: Mr. T Adams

Dear Sir

SCM/2022/03/COMM - PROFESSIONAL SERVICES FOR THE PLANNING AND IMPLEMENTATION OF HUMAN SETTLEMENTS PROJECTS FOR A MULTI-YEAR PERIOD ENDING 30 JUNE 2024

PROJECT APPOINTMENT:

We have pleasure in confirming your appointment on the following projects:

No.	Project Description	Estimated Budget	Funding
		2021/22	
1	New Horizons Ebenhaser (Portion 3)	R1000,000.00	AFR
2	Shell Ultra (85)	R600,000.00	AFR
3	Green Valley/Wittedrift Ph2 (425)	R1,200,000.00	AFR
4	Kwa-Nokuthula Ph5 (914)	R2,500,000.00	AFR
5	Kwa-Nokuthula Ph6 (389) Buffer	R1,100,000.00	AFR
6	Kurland (1500)	R1,500,000.00	AFR

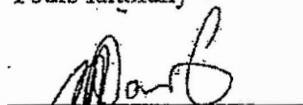
Please note the following:

1. Your appointment is based on the conditions, rates and prices given in your tender and your fee proposals dated 30 March 2022.
2. An official order will be processed based on the accepted fee proposal. Fee account invoices must reference the order number before payment will be processed. Payment for services rendered will be made within thirty (30) days from receipt of correct invoice.
3. The estimated budget is for the total project cost, including professional fees, relating to planning and up to project readiness but excluding VAT.

4. The project is funded through Human Settlements Development Grant (HSDG) and the budget may not be exceeded without prior written approval from the Employer. Funding for Draft and Multi-year budgets are subject to amendment and therefore not guaranteed for the full amount displayed.
5. The project implementation will be managed by the Community Services Departments' Integrated Human Settlements Section (IHS) and your contact person will be Mr. F. Maki at the office on 044 501 3228 or fmaki@plett.gov.za. Mr. Maki will be assisted by Mr. A Fourie at 044 501 3242 or afourie@plett.gov.za. You are requested to please include Mr. Maki in all project related correspondence

We trust the project will be successfully implemented to the satisfaction of all parties involved. Please contact the above official for any further information in this regard.

Yours faithfully



MARK FOURIE

ACTING DIRECTOR: COMMUNITY SERVICES

Cc Ms. P Casa

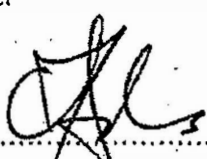
- Bitou: SCM

pcasa@plett.gov.za

ACCEPTANCE BY SERVICE PROVIDER

1. New Horizons Ebenhaeser (Portion 3)
2. Shell Ultra (85)
3. Green Valley / Wittedrift Ph 2 (425)
4. Kwa-Nokuthula Ph 5 (914)
5. Kwa-Nokuthula Ph 6 (389) Buffer
6. Kurland (1 500)

Signature(s)



Name(s)

THEO CHARL KEARS

Capacity


DIRECTOR

Name and address of organisation):

SANQUA CONSULTING (PTY) LTD

8 ST. JOHN'S STREET, GEORGE, 6530

Signature and name of witness


Randa Nall

Date

14/03/2022

ATT: Mr Ntho Maredi

Acting Municipal Manager

Bitou Municipality

Private Bag X 1002

Plettenberg Bay

6600

Per email: nmaredi@plett.gov.za

Dear Mr Maredi

PROPOSED ADJUSTED TARGETS AND FUNDING ALLOCATION OF THE 2021/22 HUMAN SETTLEMENTS DEVELOPMENT GRANT (HSDG) AND INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT (ISUPG):

With reference to your municipality's adjusted targets and funding allocation based on the 2021/22 Human Settlements Development Grant (HSDG) and the Informal Settlements Upgrading Partnership Grant (ISUPG), the revised 2021/22 HSDG and ISUPG targets and funding allocations for your municipality are being proposed as follows:

2021/22: R 34, 860 000- HUMAN SETTLEMENT DEVELOPMENT GRANT (HSDG)

Bitou Municipality	2021/22 Planned		
	Sites	Units	Funding R'000
Qolweni/Bossiesgif Ph3a (433) Tops Structures	0	66	10,560
New Horizons Ebenhaeser (Portion 20)	204	0	16,400
New Horizons Ebenhaeser (Portion 3)	0	0	1,000
Shell Ultra (85)	0	0	600
Green Valley/Wittedrif Ph2 (425)	0	0	1,200
Kwanokuthula Phase 5 (914)	0	0	2,500

Kwanokuthula Phase 6 (389) buffer	0	0	1,100
Kurland (1500)	0	0	1,500
TOTAL	204	66	34,860

Please find below a project list of the **ISUPG** adjusted targets and funding allocation for the current financial year (2021/22):

2021/22: R 5,000 000 - INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT (ISUPG)

Bitou Municipality	2021/22 Planned		
	Sites	Units	Funding R'000
Qolweni/Bossiesgif TRA	0	0	4,000
Zawazawa NGO	0	0	1,000
TOTAL	0	0	5,000

These revised targets were done in consultation with municipal officials and took into consideration the state of project readiness. The Department hereby confirms your adjusted budget for the 2021/22 financial year totalling **R 39,860 000**.

You are kindly requested to ensure that the relevant readiness criteria and Supply Chain processes are in place to enable your performance on the stated projects in the current financial year.

We appreciate your efforts and inputs in constantly working with the Department to ensure that integrated sustainable human settlements are provided for our communities. For any Business Plan enquires, kindly contact the Regional Director: Garden Route, Mfundo Taliwe at Mfundo.Taliwe@westerncape.gov.za.

Your co-operation is appreciated.

Kind regards



Ms. P Mayisela

Acting Head of Department

Date: 04.02.2022