

PRINCE ALBERT MUNICIPALITY



INFORMATION STATEMENT

EXTENSION OF EXISTING CONTRACT

Tender 98/2023 – Construction of borehole pipeline and associated infrastructure in Prince Albert

Prepared in accordance with the provisions of Section 116 of the Municipal Finance
Management Act (Act 56 of 2003)

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1. INTRODUCTION AND BACKGROUND

Section 116(3) of the Municipal Finance Management Act (Act 56 of 2003) (MFMA) prescribes that public participation is required whenever a local authority intends to amend or extend a contract procured through its municipal supply chain management policy.

2. SECTION 116(3) PROCESS TO BE FOLLOWED

Section 116 of the MFMA refers to the section regarding **CONTRACTS AND CONTRACT MANAGEMENT**. As required by the MFMA, a municipality is therefore required to provide information and to invite written comments from the local community and affected parties and/or persons for the proposed amendment of contracts procured through the municipal supply chain management policy.

Section 116(3) of the MFMA stipulates the following:

- 3) A contract or agreement procured through the supply chain management policy of the municipality or municipal entity may be amended by the parties, but only after—*
- a) the reasons for the proposed amendment have been tabled in the council of the municipality or, in the case of a municipal entity, in the council of its parent municipality; and*
 - b) the local community—*
 - (i) has been given reasonable notice of the intention to amend the contract or agreement; and*
 - (ii) has been invited to submit representations to the municipality or municipal entity.*

3. PROJECT BACKGROUND

The situation is caused by the damage to the Prince Albert Municipal production boreholes and water supply infrastructure when we experienced high intensity seasonal rainfall as recent as 25 September 2023 as well as during a prior event on May 2023 the conveyance infrastructure was destroyed.

This intense rainfall gives rise to the Dorps River discharge/flow velocity and current increasing exponentially, as well as widespread overland flow. Change of the course of flow also resulted in, not only damaging the borehole headworks, but also the conveyance pipeline infrastructure, which is essential for ensuring the town's (Prince Albert) daily water supply is delivered to the water treatment works and ultimately the residents.

The Project Scope involves:

1) New pipes and cable sleeve are placed on the edge of the riverbank.	This will ensure the pipes and cabling are not within the critical flow zone of the river during flooding and will assist with preventing the washing away of the pipe.
2) Securing the pipe and cable sleeve to the road /riverbank edge using pipe brackets and chemical anchors.	This will secure the pipe and cabling to prevent the pipe from washing away during flooding.
3) Cover the new pipe and cable sleeve with stones and rocks.	This will assist in making the pipe and electrical cable less visible to the public and blending in with the environment. It will also assist with further protecting the pipe against other weather incidents.
4) Baseline Telemetry SCADA system	This will improve monitoring and signal alarms in the event of damage to critical infrastructure

4. CONTRACT DETAILS

Service provider:	ACTIVE PHAMBILI CIVILS
Commencement Date:	24 OCTOBER 2023
Estimated Contract ending date:	30 JUNE 2024
Contract value:	R 3 934 150.00 (Inclusive of VAT)

5. FINANCIAL IMPLICATION OF AMENDMENT

Section 116 of the Municipal Finance Management Act (Act 56 of 2003), read together with MFMA Circular 62 (Supply Chain Management, enhancing compliance and accountability) states that contracts may be expanded or varied by not more than **twenty percent (20%) for construction related goods**, services and/or infrastructure projects and **fifteen percent (15%) for all other goods and/or services** of the original value of the contract.

Below is an indication of the financial implications for such contract amendment:

DESCRIPTION	AMOUNT
Awarded contract amount (Incl. VAT)	R 3 934 150.00
Plus 20% variation – Construction contract	R 786 830.00
AMENDED CONTRACT VALUE (INCL. VAT)	R 4 720 980.00

This project will be funded from the Water Services Infrastructure Grant (WSIG) and funding from Provincial Treasury.

6. MOTIVATION FOR AMENDMENT

Tender 98/2023 was awarded to Active Phambili Civil Contractors during October 2023 after the Intention to Award on 15 June 2023 due to awaiting the outcomes of the roll over funding application by National Treasury. During this period Active Phambili Civil CC was requested to extend the tender validity to 30 November 2023 subsequent to the storm event and further damages to the conveyance infrastructure during September 2023, the extension of validity was accepted. However, the damages experienced during the storm event stated above gave rise to a several statutory approvals that had to be obtained from the respective Authorities before the Works could commence. The timeline of events for acquiring these are outlined below:

- 04 May 2023 – Meeting with Dept of Infrastrucutre (DoI) in Council Chambers, Prince Albert to discuss Wayleave approval conditions
- 05 June 2023 -This Branch's Dept. Of Infrastructure (Wayleave approval) letter TPW/CFS/RP/LUD/WLWP-23/08 (Job 29090a) dated 5 June 2023, Wayleave Approval issued to the Municipality of Prince Albert.
- 05 June 2023 – Issued Letter Job 29090c stating *This Branch's 5 June 2023 approval letter is in support of the installation of the water pipe only. This Branch does not support Lyners Consulting Engineers' proposed electrical cable installation immediately adjacent to the road. This Branch recommends that the electrical cable is installed adjacent to the approved pipeline along the river's western bank, almost similar than the existing cable installation.* – this condition has since been agreed to.
- 24 October 2023 – Letter of award to Primary Contractor Active Phambili Civils for Tender 98/2023
- 09 February 2024 –Heritage WC Emergency PERMIT CASE NUMBER: HWC24020911WD0209 issued to the Western Cape Dept. Of Infrastructure
- 15 February 2024 – Pre- Site Hand Over, Site Inspection conducted by the Department of Infrastructure's, District Road Engineer, Oudtshoorn Office, SMEC, MISA and Prince Albert Municipality
- 19 February 2024 – Submission of all required outstanding supporting documents to finalise Site Hand Over
- 21 February 2024 – Section 30 A, Emergency Directive Reference: 16/6/C2/7/0021/24 issued by the Depart. Of Environmental Affairs and Development Planning

- 26 February 2024 – The DoI requests that Heritage Western Cape re-issue PERMIT CASE NUMBER: HWC24020911WD0209 in the name of Prince Albert Municipality
- 14 March 2024 – Request to re-issue the above Heritage Permit rejected by Heritage Western Cape
- 22 March 2024 – A request is submitted to DoI by the Municipality to issue Site Hand Over and include as a condition the conditions contained in Heritage PERMIT CASE NUMBER: HWC24020911WD0209
- 18 April 2024 - Inaugural Site Handover Meeting

These uncontrollable variables as expected has had an adverse impact on the project timeframe for implementation and by extension to the project costs thus resulting in the need to expand/amend and for variation of the contract.

7. ACCESS TO RELEVANT INFORMATION

- a) Copies of the explanatory documents, contract and information statement will be available for inspection during office hours (from 07h30 to 16h00, Monday to Thursday and 07h30 to 15h30 on Fridays) at the following locations:

Municipal libraries:

LOCATION	ADDRESS	CONTACT PERSON
Prince Albert Library	Church Street, Prince Albert, 6930	Ms. Reinie Smit
Leeu-Gamka Library	Gompou Street, Prince Albert, 6930	Ms. Deborah Sarels
Klaarstroom Library	Bloekom Street, Prince Albert, 6930	Ms. Erica Pienaar

Offices:

LOCATION	ADDRESS	CONTACT PERSON
Administration Offices	Church Street, Prince Albert, 6930	Ms. Wilhelmina Hannies
Finance Offices	Adderley Street, Prince Albert, 6930	Mr. David-Leigh Willemse

- b) A copy of all documentation will also be available on the Prince Albert Municipal website at www.pamun.gov.za.

8. SUBMISSION OF COMMENTS

8.1) Written comments

Written comments must be submitted to the Prince Albert Municipality. All comments must be sealed in an envelope that must be deposited in Tender Box Nr. 2. All submissions must be addressed to:

The Municipal Manager - Prince Albert Municipality

33 Church Street, Prince Albert, 6930

RE: TENDER 98/2023 CONTRACT EXTENSION

8.2) Electronic submissions

Electronic submissions must be sent to BOTH of the following addresses:

- scm@pamun.gov.za

- rekords@pamun.gov.za

8.3) Assistance with physically disabled individuals

People who have physical disability or unable to write but need to participate in the process may present themselves during office hours at the offices of the Prince Albert Municipality (Finance Division, Thusong Centre, Adderley Street) where a staff member will assist them to transcribe the relevant comments or representations.

9. DUE DATE FOR SUBMISSION OF COMMENTS

All comments must be submitted to the municipality by no later than Friday 03 May 2024 at 14h00. No exceptions will be allowed.

Drafted and issued by:



DAVID-LEIGH WILLEMSE

Manager: Expenditure and SCM

25 April 2024