

PRE-TLP OVERSIGHT VISIT REPORT OF THE PORTFOLIO COMMITTEE ON HUMAN SETTLEMENTS, CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS COGTA) ON THE PRE-TAKING LEGISLATURE TO THE PEOPLE (PRE-TLP) CONDUCTED AT TSAKANI WATER RESERVOIR [ACORNHOEK] ON 29 JANUARY 2016 AT BUSHBUCKRIDGE LOCAL MUNICIPALITY - DEPARTMENT OF COGTA

1. INTRODUCTION

The Taking Legislature to the People (TLP) programme will take place at Bushbuckridge Local Municipality from 29 February 2016 – 04 March 2016. As part of the preparations for the main TLP event, the Portfolio Committee on Human Settlements and Cooperative Governance and Traditional Affairs (the Committee) undertook pre-TLP oversight visits from 28 - 29 January 2016.

A Tsakani Water Reservoir project of the Department of Co-operative Governance and Traditional Affairs (the Department) was visited. The House resolutions emanating from this Committee report will be referred to the Department for the necessary interventions and report back to the Legislature before the TLP event.

2. PURPOSE OF THE PRE- TAKING LEGISLATURE TO THE PEOPLE

- The purpose of the pre-TLP oversight visits to the projects was to verify their functionality, identify their challenges and to assess the service delivery by the Department of COGTA.
- To assess the extent of service delivery rendered by the Department of COGTA at Bushbuckridge Local Municipality;

- To determine whether there is value for money in the implementation of projects at Bushbuckridge Local Municipality;
- To evaluate the realization of the provincial government priorities within Bushbuckridge Local Municipality;
- To assess the beneficiaries' satisfaction in relation to government services.

3. METHOD OF WORK

The researchers conducted preliminary visits to identify projects to be visited by the Committee. Their findings and recommendations were incorporated into the research report, and subsequently the programme of the Social Transformation Cluster oversight visits for the week of 28 - 29 January 2016 was circulated to the Committee Members.

Invitations were sent to the Department (MEC and HOD) informing them of the oversight programme and requesting them to ensure the availability of the Department officials to interact with the Committee during the oversight visits. The Nkomazi Local Municipality (Executive Mayor) and all municipal structures were invited to accompany the Committee. Other stakeholders invited to the pre-TLP programme were the Office of the Auditor-General, the Department of Finance, South African Local Government Association (SALGA), the Public Service Commission (PSC) and the House of Traditional Leaders (HTL).

On 28 January 2016, the Committee was briefed by the researcher and site inspection was conducted at Tsakani Water Reservoir. On 29 January 2016, the Committee further conducted the oversight visit at Tsakani Water Reservoir. The Committee subsequently considered and adopted its pre-TLP report on 09 February 2016.

4. OBSERVATION BY THE COMMITTEE ON THE PROGRESS MADE AT THE TSAKANI WATER RESERVOIR PROJECT

The Committee noted the delay to finalise the Tsakani Water Reservoir Project as this project dated back in 2008. It was also noted that the original completion date of the project was 27 August 2015 and extended to **30 July 2016**.

The Department also indicated that this revised date would not be met due to unrests and other challenges mentioned in the report. It was further observed that the Department did not bring its stakeholders to the project site (Rand Water and the Bushbuckridge Municipality) as a result failed to respond to some questions of who is paying the service providers and monitoring the project since the Department was reporting mainly on behalf of the stakeholder. The Committee registered its dissatisfaction on the management of this project and requested the Department to provide a detailed report which will include reports from its stakeholders by 02 February 2016.

5. PROJECT PROFILE : TSAKANI WATER RESERVOIR PROJECT

Mr Khumalo, Senior Manager from the Department of COGTA reported on the Tsakani Water Reservoir project outlining the project profile as follows

Funder	Municipal Infrastructure Grant – (MIG) for R 10 024 134. 86
Appointed Consultant	S & W Limpopo Consulting Engineers
Appointed Contractor	Ibuthu Projects
Start Date	27 February 2015
Original Completion Date	27 August 2015

Revised Completion Date	30 July 2016
Implementing Agent	Rand Water

The Department further reported that the scope of work is as follows;

- ❖ The installation of steel pipe connections at the Inyaka Bulk Pipe line and road crossing at R40 is 100% complete;
- ❖ The installation of pipe fittings in the inlet chamber, sealing of walls and floor at Tsakani Reservoir is fully functional;
- ❖ The sealing of walls and floor at Maripe Reservoir is completed. Outstanding is the inlet and outlet pipe fittings and fitting of cover slabs at the valve chambers, as a result the reservoir is not functional;
- ❖ Refurbishment of booster pump station. The pipe work, pipe connections and electrical connections is still outstanding;
- ❖ The refurbishment of the reservoir at Maotole village and the sealing of walls and floor has been completed. The only thing that is outstanding is inlet and outlet pipe fittings and fitting of cover slabs at the valve chambers;
- ❖ The reservoir is not functional due to Maripe reservoir and booster pump station which has not been functional.
- ❖ Construction of new 750 KI reservoir at Ga-Bopelang with installation of inlet and outlet lines, valve chambers and associated fittings. The progress on this portion of works is at 80% on concrete walls and all the other items are also still outstanding.

The overall progress on this project is at 45% completion. The Department further reported that the completion date will not be met due to the following reasons:

- Disruptions caused by labour strikes;
- Late delivery of material;
- Re-doing of poor quality work done by the previous contractor;
- The scope of work on this project was not clearly defined and quantified eg Bermaid valves were damaged but could only be discovered at a later stage when under pressure;
- Late payments of service providers;
- Lack of project and construction management, eg late approval of additional work and lack of sufficient resources on site;
- An expenditure of R 2 693 783.38 has been reported and relates to 27% of the approved MIG funding;
- 30 job opportunities were created;
- Boreholes are currently being utilised as a temporary measure to supply water to the communities not receiving water from this project;
- After the completion of the project, a total of 5349 households will benefit from the project and the communities benefiting will be Green Valley, Tsakani and Brooklyn (Maotole, Moloro, Boelang).

The Department also indicated the challenges as follows;

- Late start of construction due to labour protests and delay in delivery of material;
- Late payment of service provider relating to cash flow problems;
- Lack of defined and quantified scope of work due to the nature of the project;

6. COMMENTS BY THE COMMITTEE

Budget

The Committee noted with concern that the expenditure of this project would escalate from the allocated budget of R10 024 134.86 as it was indicated that the revised date of 30 July 2016 would not be met. A plan to prevent the escalation of cost and to ensure that the project is completed within the given time frame has been requested to be submitted on 02 February 2016.

Illegal connection of water pipes

Illegal connection in terms of water distribution has been reported as the major challenge within Acornhoek area. The Committee further wanted to know the plan that has been put in place in ensuring that the Department assists the municipality in addressing this challenge.

7. Findings

After the interaction with the Department, the Committee found that:

- a. The progress in this project is very slow. The project was started in 2008 and was abandoned by the first contractor; with the new contractor currently is at 45% completion;
- b. More money still to be spent in this project as the Department anticipated that the revised completion date of **30 July 2016** would not be met by the contractor due late delivery of material; re-doing of poor quality work done by the previous contractor; scope of work was not clearly defined and quantified e.g. Bermaid valves were damaged but could only be discovered at a later stage when under pressure; late payments of service providers; lack of project and construction

management, e.g. late approval of additional work and lack of sufficient resources on site to mention a few;

- c. Water has been raised as a major challenge in Bushbuckridge Local Municipality;
- d. The Department did not provide detailed information in relation to the appointment of all the service providers in respect of starting and end date; lack of monitoring and evaluation of contractors.

8. Recommendations

After the findings the Committee recommended that the Department must:

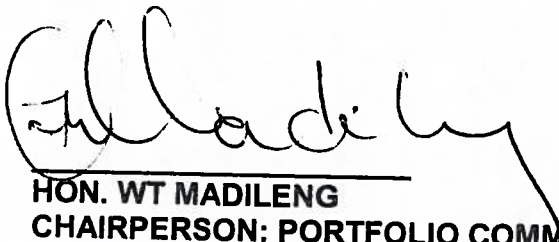
- a. Fast-track the completion of the Tsakani Water Reservoir; strengthen the monitoring and evaluation process and ensure that the Department complies with the completion date of the project (30 July 2016).
- b. Ensure that there should not be any escalations of cost, if any; the Department should come up with a plan to fund those costs and be submitted to the Legislature before or by 23 February 2016. Further to that, the Department must also submit a detailed report on the process used to appoint the first service provider that abandoned the Tsakani Water Reservoir project, including the amount and penalties, if any.
- c. Ensure that the municipality uses water tanks to provide free water to the community weekly while finalizing the Tsakani Water Reservoir project;
- d. The Department must provide a detailed report on how it has dealt with the defaulting service providers.

The Chairperson requests the House to adopt the Committee Report with the findings and its recommendations. The Department must submit a detailed progress report to the Portfolio Committee on or before 23 February 2016.

9. CONCLUSION

The Chairperson wishes to thank the Hon. Members of the Committee for their participation and contributions during the deliberations on the Pre-TLP site visits. The Chairperson further extends his appreciation to the Department of COGTA, South African Local Government Association (SALGA) as well as the Bushbuckridge Local Municipality for supporting the programme of the Committee.

Lastly, he also wishes to thank the Legislature support staff for supporting the Committee during the Pre-TLP.



HON. WT MADILENG
CHAIRPERSON: PORTFOLIO COMMITTEE ON
HUMAN SETTLEMENTS AND CO-OPERATIVE GOVERNANCE &
TRADITIONAL AFFAIRS

16/02/2016
DATE