

# NELSON MANDELA BAY METROPOLITAN MUNICIPALITY

## ADJUDICATION COMMITTEE

**MEMBERS:** Ms B de Scande  
Mr S Brown  
Mr R Ferreira  
Mr C Hempel  
Adv. V Zeelie  
Dr W Shaidi

A SPECIAL MEETING OF THIS COMMITTEE WILL BE HELD IN THE BOARDROOM, SUPPLY CHAIN MANAGEMENT, HARROWER ROAD, PORT ELIZABETH ON WEDNESDAY, 28 NOVEMBER 2018 AT 08:30.

### AGENDA

1. APOLOGIES
2. DISCLOSURE OF INTEREST BY OFFICIALS IN TERMS OF PARAGRAPH 5 OF THE CODE OF CONDUCT (SCHEDULE 2 OF THE SYSTEMS ACT NO. 32 OF 2000)
3. REPORT BY EXECUTIVE DIRECTOR : INFRASTRUCTURE AND ENGINEERING (circulated herewith)



**N XHEGO (MS)**  
**ACTING EXECUTIVE DIRECTOR :**  
**CORPORATE SERVICES**

27 November 2018

**REPORT BY  
EXECUTIVE DIRECTOR :  
INFRASTRUCTURE AND  
ENGINEERING**

# NELSON MANDELA BAY MUNICIPALITY

## Report For Bid Adjudication Committee

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<b>Demand #</b>	: 1874
<b>Contract #</b>	: SCM/16-141/C
<b>Description</b>	: CONSTRUCTION OF MUNICIPAL INFRASTRUCTURE CIVIL SERVICES IN JACHTVLAKTE
<b>Directorate</b>	: INFRASTRUCTURE, ENGINEERING, ELECTRICITY & ENERGY
<b>Project Manager</b>	: MR. PHUMLANI MDITSHWA
<b>Contact Details</b>	: 0415061015
<b>Email</b>	: pmditshwa@mandelametro.gov.za
<b>Contract Duration</b>	: 18 Months
<b>File No.</b>	:
<b>Estimated Value No.</b>	: 45802231.08

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### 1. PURPOSE OF REPORT

The purpose of this report is to request the Bid Adjudication Committee to recommend to the city manager to increase the contract amount awarded to BDP PLANT HIRE (PTY) LTD as per new SCM policy clause 54(3) on Contract SCM/16-141/C for the Construction of Civil Engineering Services in Jachtvlaakte by 16.6% from R45 802 231.08 (inclusive of VAT and Contingencies subjected to CPA) to R53 393 491.87 (inclusive of VAT and Contingencies subjected to CPA).

### 2. BACKGROUND

The Nelson Mandela Bay Municipality (NMBM) provide civil services for future construction of low income housing in Jachtvlaakte, In order to achieve this objective the Employer requires the construction of the sewer and water services to each erven and associated infrastructure such as roads and stormwater drainage, road signage's and markings.

Aurecon group Engineers were appointed as the Engineers for this contract to undertake design, construction monitoring and close out administration for the contract (SCM/16-141/C).

BDP PLANT HIRE (PTY) LTD were appointed as the Contractor for SCM/16-141/C Construction of Civil Engineering Services in Jachtvlaakte for the amount of R45 802 231.08 (Including VAT and subject to CPA).

### 3. SCOPE OF WORK

The Scope of this Contract includes:

- a) Site Clearance, Clear and grub road reserves 165 000m<sup>2</sup> including removal of vegetation.
- b) Construction of 43700m of surfaced roads which includes kerbing.
- c) Construction of a sewer reticulation system consisting of 20800m of 110mm, 160mm and 200mm diameter uPVC sewer pipes.
- d) Construction of a water reticulation system consisting of 9140m of 20mm, 25mm, 75mm, 110mm, 160mm, 200mm and 250mm diameter uPVC and HDPE pipes.

e) Stormwater

- Installation of 50m of precast 2400mm x 1200mm precast rectangular portal culverts on cast insitu concrete base slabs, headwalls and gabion protection.

Installation of 3500m v-drains for storm water.

#### 4. MOTIVATION

The main reasons to require increase have been outlined below:

- Fencing of no go areas to comply with the new environmental requirements that were enforced after the tender spec was approved.
- Delay caused by the community protest that ended up to the extension of time to the contractor. As well as continued protests happening on Stanford Rd that delay material deliveries which effect progress but are outside the parameters of the project.
- Pockets of Hard Rock that need to excavated at a higher rate
- Additional temporary access road to bypass Environmental no go areas to assist not only this project but future phases as well.

#### Summary of increase costs

Value of work	Type of work
R 1 480 880.85	Fencing Of No go areas
R 607 540.86	Delayed caused by the community protest
R 2 088 421.72	Pockets of Hard Rock
R 3 414 417.36	Access road

In order to complete the project, the directorate require an increase in the tender from R45 802 231.08 (inclusive of VAT and Contingencies subjected to CPA) to R53 393 491.87 (inclusive of VAT and Contingencies subjected to CPA) .

**Subsequently it is also requested that the tender ID be extended to 30 April 2019.**

The Contingencies were used on the following items:

- New CLO rate
- Class and size of pipe changed(400dia pipe), chambers changed from brick to concrete
- Additional Gabions for water pipe protection
- Building Rubble removal that needed to occur before construction could commence that was illegally dumped by unknown company/individual(s)
- 57 day Delay claim due to new environmental requirements enforced after the tender spec was approved
- The cost incurred by the change in VAT from 14% to 15% (Attached are the costs incurred).

**5. ITEM DETAIL**

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## 6. FINANCIAL PROVISION

Financial Year	Vote No		Job Code	Allocated Amt
	Org Code	Item Code		
2018-2019			20170091	4187560.00
2018-2019			20170093	4187560.00
2018-2019			20170096	5583410.00
	Total (Vote No) 0		Total (Job Code)13958530.00	(Total) 13958530.00

### Budget and Treasury

The Directorate confirms that the necessary budget provision is available for this tender

Remark: This Jachtlakke project have a combined budget of R13.9 million for the 2018/19 financial year.

Signature: *Karel Kramer*

Date: 26-11-2018

Name: Mr. Karel Kramer - Signed in SCMS

### Head of the Department

Department Head approves the use of the funds for this project

Remark: approved

Signature: *Luthando Mabhoza*

Date: 09-11-2018

Name: Mr. Luthando Mabhoza - Signed in SCMS

## **7. COMMENTS**

## **8. RECOMMENDATIONS**

It is recommended to the City Manager that:

- a) the contract amount awarded to BDP PLANT HIRE (PTY) LTD be increased as per new SCM policy clause 54(3) on Contract SCM/16-141/C for the Construction of Civil Engineering Services in Jachtvlakte by 16.6% from R45 802 231.08 (inclusive of VAT and Contingencies subjected to CPA) to R53 393 491.87 (inclusive of VAT and Contingencies subjected to CPA).
- b) The Tender ID 2018TEND00043 for BDP PLANT HIRE (PTY) LTD under SCM/16-141/C for the Construction of Civil Engineering Services in Jachtvlakte, be extended to 30 April 2019.

<b>Cert No.</b>	<b>14% VAT</b>	<b>14% VAT</b>	<b>15% VAT</b>	<b>Difference</b>
1	R 64,927.80			
2	R 30,201.52			
3	R 149,449.70			
4	R 397,086.75			
5	R 149,751.58			
6	R 233,847.61			
7	R 217,338.09			
8	R 208,576.55			
9		R 188,884.29	R 202,376.03	R 13,491.74
10		R 272,879.50	R 292,370.89	R 19,491.39
11		R 651,993.73	R 698,564.71	R 46,570.98
12		R 522,903.32	R 560,283.55	R 37,380.23
13		R 149,641.66	R 160,544.63	R 10,702.97
14		R 246,013.30	R 263,585.68	R 17,572.38
15		R 239,131.26	R 256,212.06	R 17,080.80
16		R 322,585.03	R 345,626.82	R 23,041.79
17 onwards		R 2,490,620.27	R 2,668,521.72	R 177,901.45
<b>Total VAT</b>	R 1,451,179.60		R 5,448,086.09	R 6,899,265.69
<b>ADDITIONAL VAT</b>				R 363,233.73



## **ITEM 2**

# NELSON MANDELA BAY MUNICIPALITY

## Report For Bid Adjudication Committee

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<b>Demand #</b>	: 1877
<b>Contract #</b>	: SCM/16-123/C
<b>Description</b>	: CONSTRUCTION OF CIVIL ENGINEERING SERVICES IN MALABAR EXTENSION
<b>Directorate</b>	: INFRASTRUCTURE, ENGINEERING, ELECTRICITY & ENERGY
<b>Project Manager</b>	: MR. PHUMLANI MDITSHWA
<b>Contact Details</b>	: 0415061015
<b>Email</b>	: pmditshwa@mandelametro.gov.za
<b>Contract Duration</b>	: 12 Months
<b>File No.</b>	:
<b>Estimated Value No.</b>	: 24478551.63

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### 1. PURPOSE OF REPORT

The purpose of this report is to request the Bid Adjudication Committee to recommend to the city manager to increase the contract amount awarded to Strata civils (PTY) LTD on Contract SCM/16-123/C for the Construction of Civil Engineering Services in Malabar by 0.90% from R24 478 551.63 (inclusive of VAT and Contingencies ,subjected to CPA) to R24 697 051.63 (inclusive of VAT and Contingencies, subjected to CPA)

### 2. BACKGROUND

The Nelson Mandela Bay Municipality (NMBM) objective is to provide civil services for future construction of low income housing in Malabar, In order to achieve this objective the Employer requires the construction of the sewer and water services to each erven and associated infrastructure such as roads and stormwater drainage, road signage's and markings.

Strata civils (PTY) LTD were appointed as the Contractor for SCM/16-123/C Construction of Civil Engineering Services in Malabar, for the amount of R 24 478 551.63 (Including VAT ,10% Contingencies and subject to CPA).

IX Engineers have been appointed to this contract as the consultant Engineers.

### 3. SCOPE OF WORK

The Scope of works to be carried out are as follows:

- Construction of approximately 2700m of water pipelines raging from 50mm to 200mm in diameter.
- Construction of 5 000m of sewer pipelines with a size of 160mm in diameter.
- Construction of approximately 4.5km of surfaced roads, 4m wide with kerbing and +- 1500m of storm water pipes with sizes ranging from 300mm to 600mm in diameter.

- Construction of a number of small earth lined detention ponds.

#### **4. MOTIVATION**

Due to the cancellation of the next phase due, to the withdrawal of acceptance of the contractor, there are outstanding minor roads that needed to be surfaced under the new phase. This surfacing needs to be completed as to not allow the underlying layerworks to be disturbed causing these works to be redone. The remaining contingencies covers the bulk of the cost however we still require R218 500.00 to complete the works.

Contingencies were used on the following:

An extension of time claim to the value of R221 095.81

The increase in Vat totalling R108 508.87

New environmental regulations requiring a fenced demarcation of no go areas to the value of R432 856.32

**5. ITEM DETAIL**

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**6. FINANCIAL PROVISION**

Financial Year	Vote No		Job Code	Allocated Amt
	Org Code	Item Code		
2018-2019			20120059	10000000.00
	Total (Vote No) 0		Total (Job Code)10000000.00	(Total) 10000000.00

**Budget and Treasury**

The Directorate confirms that the necessary budget provision is available for this tender

Remark: R10,000,000 USDG funding is budgeted for this project in 2018/19.

Signature: *Karel Kramer*

Date: 26/11/2018

Name: Mr. Karel Kramer - Signed in SCMS

**Head of the Department**

Department Head approves the use of the funds for this project

Remark: approved

Signature: *Sameer Agherdien*

Date: 26/11/2018

Name: Mr. Sameer Agherdien - Signed in SCMS

## **7. COMMENTS**

## **8. RECOMMENDATIONS**

It is recommended to the City Manager that

- a) The contract amount awarded to Strata Civils (PTY) LTD be increased as per new SCM policy clause 54(3) on Contract SCM/16-123/C for the Construction of Civil Engineering Services in Malabar, be increased by 0.90% from R24 478 551.63 (inclusive of VAT and Contingencies subjected to CPA) to R24 697 051.63 (inclusive of VAT and Contingencies, subjected to CPA).

## **ITEM 3**

# NELSON MANDELA BAY MUNICIPALITY

## Report For Bid Adjudication Committee

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<b>Demand #</b>	: 1887
<b>Contract #</b>	: SCM/17-3/C
<b>Description</b>	: SCM/17-3/C - THE TRIENNIEL TENDER FOR THE SURFACING OF MINOR RESIDENTIAL GRAVEL ROADS FOR THE PERIOD OF 36 MONTHS - WORK PACKAGE C18
<b>Directorate</b>	: INFRASTRUCTURE, ENGINEERING, ELECTRICITY & ENERGY
<b>Project Manager</b>	: MS. SANDA NJAJULA
<b>Contact Details</b>	: 0415061402
<b>Email</b>	: snjajula@mandelametro.gov.za
<b>Contract Duration</b>	: 6 Months
<b>File No.</b>	:
<b>Estimated Value No.</b>	: 7608124.54

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### 1. PURPOSE OF REPORT

The purpose of this report is to request approval from the committee to appoint the nominated backup contractor for SCM/17-3/C-C18: The Triennial Tender for the Surfacing of Minor Residential Gravel Roads for the period of 36 months due to the original awarded contractor submitted a withdrawal letter herewith attached for ease of reference.

### 2. BACKGROUND

The original awarded contractor (Nhanhe Trading T/A SNA Construction) was issued with an award letter dated the 11th September 2018 on the 25th September 2018 for Work Package C18 of SCM/17-3/C for a duration of six (6) months.

The Contractor was also issued with the signed form of offer and acceptance and requested to sign and return the acceptance part of the Letter of Appointment (LOA) on the 1st October 2018 and further to note that the 14 days period to submit the contractual documents starts as indicated in the LOA.

A meeting requested by the Contractor was scheduled for the 22nd October 2018 in response to the Contractor's letter to balance their rates in which the Contractor never pitched up after his acknowledge and confirmed attendance.

A letter of intention to terminate dated the 29th October 2018 was issued to the Contractor given another 14 days and further sighting that failure to submit the required documentation will result to NMBM terminating the contract in accordance with Clause 9.2.1.3.2 of the GCC 2015 (3rd Edition).

A withdrawal letter dated the 5th November 2018 was submitted by the Contractor with an e-mail which reads the following:

*Good day Sanda,  
Please find the attached correspondence.  
We humbly apologise to the municipality for the delay we have caused. We have tried our level best trying to negotiate with  
Sub-contractors and material supplies to see if we could be able to take up the project and complete it to the clients satisfaction,*



*however we still falling short.*

### **3. SCOPE OF WORK**

The construction of roads in the following streets and wards:

- Road Off Gaba Street in Ward 23 an approximate length of 52m
- Inqu Street in Ward 54 an approximate length of 182m
- Nokwe Street in Ward 55 an approximate length of 77m
- Mbayisa Street in Ward 56 an approximate length of 80m
- Road AMA Off Bumbana Street in Ward 57 an approximate length of 66m
- Road ACR Off Mtimkhulu Street in Ward 58 an approximate length of 66m
- Road TP off Mchene Street in Ward 59 an approximate length of 66m

### **4. MOTIVATION**

Due to the withdrawal letter from the Contractor ( Nhanhe Trading T/A SNA Construction), the Directorate requests to utilise a nominated backup contractor for the said waork package (C18).

The difference that will be paid more from initial awarded contractor ( R5 788 405.64) to the approved nominated backup contractor, as per the BAC minutes dated 21 October 2016 and resolution ( 2591) from the City Manager dated 31 October 2016, (R 7 608 124.54) is 31.4%

**5. ITEM DETAIL**

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**Item No. 1**

**SCM/17-3/C - THE TRIENNIEL TENDER FOR THE SURFACING OF MINOR RESIDENTIAL GRAVEL ROADS FOR THE PERIOD OF 36 MONTHS - WORK PACKAGE C18**

<b>Bidder Name</b>	<b>PM</b>	<b>Price</b>	<b>PM Comment</b>
SIYAYAKHAYA/CYTOSPEX JV PARTNERSHIP	<input type="checkbox"/>	7,608,124.54	

## 6. FINANCIAL PROVISION

Financial Year	Vote No		Job Code	Allocated Amt
	Org Code	Item Code		
2018-2019			20050286	7608124.54
	Total (Vote No) 0		Total (Job Code) 7608124.54	(Total) 7608124.54

### Budget and Treasury

The Directorate confirms that the necessary budget provision is available for this tender

Remark: The Tarring of gravel roads project have a total budget of R83 million for the 2018/19 financial year

Signature: *Karel Kramer*

Date: 26-11-2018

Name: Mr. Karel Kramer - Signed in SCMS

### Head of the Department

Department Head approves the use of the funds for this project

Remark: approved

Signature: *Luthando Mabhoza*

Date: 23-11-2018

Name: Mr. Luthando Mabhoza - Signed in SCMS

## **7. COMMENTS**

None

## **8. RECOMMENDATIONS**

That the committee accepts the appointment of Siyayakhaya / Cytospex JV as the new contractor for SCM/17-3/C-C18 to a value of R 7 608 124.54 including 10% contingencies, 15% VAT and subjected to Contract Price Adjustment.

## **ITEM 4**

# NELSON MANDELA BAY MUNICIPALITY

## Report For Bid Adjudication Committee

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<b>Demand #</b>	:	1890
<b>Contract #</b>	:	SCM/16-36/S
<b>Description</b>	:	CONSTRUCTION OF SIDEWALKS IN IBHAYI - BERTRAM ROAD
<b>Directorate</b>	:	INFRASTRUCTURE, ENGINEERING, ELECTRICITY & ENERGY
<b>Project Manager</b>	:	MR. SIYANDA NTENGE
<b>Contact Details</b>	:	0415063157
<b>Email</b>	:	sntenge@mandelametro.gov.za
<b>Contract Duration</b>	:	9 Months
<b>File No.</b>	:	
<b>Estimated Value No.</b>	:	1090134.84

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### 1. PURPOSE OF REPORT

The purpose of this report is to request the Bid Adjudication Committee to increase the value for SCM/16-36/S-20/08: construction of ancillary work (Sidewalks Phase 20 in Ibhayi at Bertram Road), from R 1 090 134.84 by R48 772.96 to R1 138 933.11 as well as extend the Tender ID 2017TEND00084 for the same contract until 30 December 2019 which includes defects and liability period.

### 2. BACKGROUND

The Nelson Mandela Bay Municipality (NMBM) has previously identified the need to provide non-motorised transport (NMT) facilities to enable pedestrians and cyclists to move safely and efficiently along the existing road and street networks within its metropolitan areas (Port Elizabeth, Uitenhage and Despatch). It is for this reason that employer (NMBM), has awarded contract SCM/16-35/S-20/19 in Ward 45: for the Construction of Paved Sidewalks

Design and Implementation is running the project to undertake the Project Management, Consulting Services and Site Supervision during construction and SRK Consulting have been appointed to coordinate and Manage the Budget and masterplanning.

Mantishe Construction were appointed as the Contractor for SCM/16-36/S-20/08: Construction of Ancillary Work (Sidewalks Phase 20 in Ibhayi at Bertram Road), for the amount of R 1090 134.84 (Including VAT and subject to CPA).

### 3. SCOPE OF WORK

The Contract includes the following construction work:

- i. Site Preparation  
General site clearance of the road reserve area, as well as cut to fill and cut to spoil operations.
- ii. Existing services

Locating, dealing with and protection of existing services.

iii. Sidewalks

The construction and installation of 1.5m wide asphalt-surfaced sidewalk,695m as specified in the layout and all layer works of:

- 150mm insitu material compacted to 90% MOD AASHTO density
- 150mm G7 material compacted to 93% MOD AASHTO density
- 150mm G5 subbase material compacted to 95% MOD AASHTO density
- 20mm Asphalt layer compacted to 93% MARSHALL density

The project commenced in 13 November 2017

#### **4. MOTIVATION**

Due to the unforeseen circumstances the project led to the increase of value and time as explained in the following:

- An existing storm water that needed to be fixed.
- An existing asphalt that had to be ripped and re-installed.
- Additional kerbing that had to be installed.

**5. ITEM DETAIL**

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## 6. FINANCIAL PROVISION

Financial Year	Vote No		Job Code	Allocated Amt
	Org Code	Item Code		
2018-2019			20060020	1090134.84
	Total (Vote No) 0		Total (Job Code) 1090134.84	(Total) 1090134.84

### Budget and Treasury

The Directorate confirms that the necessary budget provision is available for this tender

Remark: This Project have total 2018/19 Capital Budget of R10 milliion.

Signature: *Karel Kramer*

Date: 27-11-2018

Name: Mr. Karel Kramer - Signed in SCMS

### Head of the Department

Department Head approves the use of the funds for this project

Remark: approved

Signature: *Sameer Agherdien*

Date: 27-11-2018

Name: Mr. Sameer Agherdien - Signed in SCMS

## **7. COMMENTS**

## **8. RECOMMENDATIONS**

It is recommended to the Bid Adjudication Committee that

- a) The Contract value for Mantishe Construction under SCM/16-36/S-20/08 for the Construction of Ancillary Work (Sidewalks in Ibhayi, Bertram Road in Ward 25 Zone 3), be increased from R 1 090 134.84 by R 48 772.96 to R 1 138 933.11 which is 4.47%.
- b) The Tender ID 2017TEND00084 for Mantishe Construction under SCM/16-36/S-20/08 for the Construction of Ancillary Work (Sidewalks in Ibhayi, Bertram Road in Ward 25 Zone 3), be extended to 30 December 2019. This includes defects and liability period.