

NELSON MANDELA BAY METROPOLITAN MUNICIPALITY

ADJUDICATION COMMITTEE

SUPPLEMENTARY AGENDA

(Meeting – 28 September 2018)

7. SUPPLEMENTARY REPORT BY EXECUTIVE DIRECTOR : ELECTRICITY AND ENERGY (circulated herewith)


N XHEGO (MS)
ACTING EXECUTIVE DIRECTOR :
CORPORATE SERVICES

26 September 2018

**SUPPLEMENTARY REPORT BY
EXECUTIVE DIRECTOR :
ELECTRICITY AND ENERGY**

NELSON MANDELA BAY MUNICIPALITY

Report For Bid Adjudication Committee

Demand # : 1806
Contract # : SCM/15-61/S
Description : INSTALLATION OF ELECTRICAL SERVICE
Directorate : INFRASTRUCTURE, ENGINEERING, ELECTRICITY & ENERGY
Project Manager : MR. THINYANE KOBELI
Contact Details : 0413924220
Email : tkobeli@mandelametro.gov.za
Contract Duration : 2 Months
File No. :
Estimated Value No. : 9999990.00

1. PURPOSE OF REPORT

The purpose the report is to request the Bid Adjudication Committee of the Nelson Mandela Bay Municipality to consider the extension the contract of Neal Contractors under contract SCM/15-61/S for Installation of Electrical Service Connections.

2. BACKGROUND

At its meeting held on 10 July 2015, the Municipal Bid Adjudication committee resolved

- a) That the following tenderers, under Contract No. SCM/15-61/S: Installation of Electrical Service Connections be accepted for of 3 years, in the following Electrical Supply Area of the Electricity and Energy Directorate of NMBM, on an as-and-when required basis:

Names of Tenderer	Area(s) awarded
1. Neal Contractors	Betheldorp Bloemendal
2. Sandile Trading and Contruction	Uitenhage
3. EastComms Business Communications CC	Motherwell Wells Estate
4. Hlalanathi Contactors	Ibyayi (New Brighton/Zwide/Kwazakhele Walmer/West

5. Kuyaso Trading CC	Despatch/Joe Slovo West West/Khayamnandi
6. JZ Electrical Contractors CC	Kwanobuhle/Rocklands Farms

These tenders will expire on 30 September 2018. The total expenditure for each of the above mentioned contractors to date is as follows:

1. Neal Contractors	R 4 629 070.14 (Incl VAT)
2. Sandile Trading and Construction	R 937 440.41 (Incl VAT)
3. EastComms Business Communications CC	R 9 437 960.94 (Incl VAT)
4. Hlalanathi Contactors	R 7 820 988.35 (Incl VAT)
5. Kuyaso Trading CC	R 10 296 774.58 (Incl VAT)
6. JZ Electrical Contractors CC	R 13 633 665.92 (Incl VAT)

It was agreed by BAC Committee at its meeting held on the 10th July 2015 that the total cost for each contractor should not exceed R10 Million per contractor.

It is proposed that contract number SCM/15-61/S be extended for a period of two (2) months until the new tender is in place.

3. SCOPE OF WORK

This contract provides for the installation of overhead and/or underground service connections including the relocation of existing services from informal to formal houses on an as and when required basis.

The scope of the work to be executed is as follows:

- The installation of underground or overhead service cable, strapping of cable onto pole or coiling of cable in ground at CDU or coiling of cable at service distribution box on pole;
- The installation of energy control units (Ready boards) and electricity dispensers (pre-payment split meters) (passive base only);
- The submission of Customer Report Form and Certificate of Compliance (CoC) for each service connection.
- The excavation of pole, strut and stay holes;

- The planting of poles, struts and stays, alignment and compaction of ground as required;
- Fit and make-off stay wire between pole and stay including the installation of coach screws, stay insulators and guy grips;
- The installation of overhead LV Aerial Bundle Conductor, including strain assembly (bolts and brackets included), suspension assemblies (bolts and brackets included), cable ties and terminations;
- The complete testing for continuity and insulation resistance on the LV ABC System.

Mechanical construction methods will only be allowed where hand methods are impractical. Bulk of the material to be installed will be supplied to the successful tenderer by Council. (Therefore no CIDB grading will be required).

4. MOTIVATION

At the BAC Committee meeting held on the 21 September 2018

The Committee noted the following in terms of the documentation provided in respect of Hlalanathi Contractors (PTY) Ltd :

- Not employee of the State as per the CSD registration.
- Not restricted supplier as per the CSD registration.
- Tax Matters are in order.
- Municipal Billing Clearance Certificate valid.

The Committee noted the following in terms of the documentation provided in respect of Neal Contractors CC :

- The supporting documentation provided was for Bravosat 138 CC and is trading as Bravosat 138 CC.
- There was no evidence provided of a link between Bravosat 138 CC and Neal Contractors CC.

RESOLVED:

That it be recommended to the City Manager : -

(a) That the provisions of the Municipal Supply Chain Management Policy be departed from in terms of Section 36(1)(a)(v) thereof.

(b) That the Contract SCM/15-61/S be extended for a period of two months effective 1st October 2018, on the same terms and conditions as per the existing contract, to allow for the new contract to be finalised.

(c) That the extension be only granted to Hlalanathi Contractors (Pty) Ltd as their tax compliance and billing clearance matters are in order. It is to be ensured that any work commenced must be completed prior to the expiry of the extension period granted.

(d) That the recommendations (b), (c) and (d) of the Directorate not be approved.

Motivation for Extension

Based on the above BAC Committee comments and resolution, it is recommended that the Neal Contractors also be given a two (2) months extension as they now provided documents confirming that Bravosat 138 CC is trading as Neal Contractors.

(Please find attached Annexure B for supporting documents)

5. ITEM DETAIL

Item No. 1

Installation of Electrical Service

Bidder Name	PM	Price	PM Comment
Neal Contractors CC	<input checked="" type="checkbox"/>	22,302,610.00	Extend the contract with two months

6. FINANCIAL PROVISION

Financial Year	Vote No		Job Code	Allocated Amt
	Org Code	Item Code		
2018-2019			2017JCSX00209	19371621.59
	Total (Vote No) 0		Total (Job Code) 19371621.59	(Total) 19371621.59

Budget and Treasury

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

Remark: The extension on installation of electrical services will be funded from the DoRA grant fund.

Signature: *Siyabulela Luzipho* Date: 26/09/2018

Name: Mr. Siyabulela Luzipho - Signed in SCMS

Head of the Department

Department Head approves the use of the funds for this project

Remark: Approved.

Signature: *Bernhardt Lamour* Date: 26/09/2018

Name: Mr. Bernhardt Lamour - Signed in SCMS

7. COMMENTS

- Contract SCM/15-61/S will be expire on the 30 September 2018 and there is no contract in place yet to replace this contract when it expires.
- Contract SCM/19-28/C (Installation of Electrical Service Connections) to replace SCM/15-61/S will only be closing on the 20th September 2018.

Please find attached the following supporting documents to this report:

- a) Annexure A: Copy of BAC Committee minutes of 21 September 2018 relevant to the second attempt on this item.**
- b) Annexure B: Copy of supporting documents stating that Bravosat 138 is trading as Neal Contractors CC.**

8. RECOMMENDATIONS

Based on the above mentioned motivation and comments, it is remmended that:

- a) Neal Contractors be extended for a two months period effective from 1st October 2018 until new contract is in place.