

THE CHAIRPERSON

THE PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA

PORTFOLIO COMMITTEE ON HUMAN SETTLEMENTS

CAPE TOWN

8000

Attention: Hon. Dambuza

ZANEMVULA CHATTY 600 HOUSING PROJECT- PORT ELIZABETH

Dear Madam Chairperson

We refer to the above project and wish to advise you that during 2007 we were appointed by the Nelson Mandela Bay Municipality to construct 600 houses in the Zanemvula project. A number of problems arose within the municipality which affected the progress of the project adversely. These problems came to the attention of the Honourable Sisulu who was a Minister of Housing then. In July 2007 she took over the administration of this project from the Municipality to the control of Thubelisha Homes and the Eastern Cape Department of Housing. When the Municipality was in charge of the project we had the following problems which remain unresolved:

1. We built foundations but we were not paid for the foundations as the municipality did not ask for a price from us for the foundations as they should have been built by a specialist contractor as can be seen from Annexure A but no specialist contractor built the foundations we built the houses from foundation to handover without pay for the foundations.
2. The municipality only allowed for 2 roof trusses in the tender although a house needs 10 trusses to be a complete house as a result we were only paid for 2 out of 10 trusses we have constructed per house. SEE Annexure B and C.
3. The tender was for zincs but we provided roof tiles which resulted in us not being paid in full for the roof sheeting and blanks.
4. All the other quantities of work we did were more than what we were paid for.
5. These problems could not be resolved as the municipality suspended the housing project manager who should have resolved these problems.

After Thubelisha Homes took over the project the above problems continued Thubelisha only paid us for escalation of prices as the project stood for a year when the municipality was having internal problems which caused the Minister to take this project away from them.

As a result of the above in the above project as the 5 contractors who built the houses we are still owed R 16 Million.

The Minister closed Thubelisha Homes and all the other Thubelisha projects were taken over by the Housing Development Agency and the officials of Thubelisha Homes were also employed by the Housing Development Agency. Now these officials have refused to resolve this problems saying the project is under the hands of the MEC for Human Settlements. We have then submitted an application in 2012 to the MEC for approval of our outstanding amount. The MEC has ignored our application. We have also approached the Eastern Cape Legislature late in 2012 and up to it has done nothing with our complaint that the MEC is ignoring us. SEE ANNEXURES D and E.

As it can be seen that this problem has been drawn out for a long time without response from government we are praying for your urgent intervention.

We would be happy to make a presentation to the Committee as soon as you permit us.

Your assistance will be greatly appreciated Madam.

Yours truly,

Welcome Gawu

On behalf of the Chatty 600 Contractors (Big Eye Construction, Cacadu Development Trust, Nombasa Construction, IT Trading and Ubuso Ngo Buso Trading).

CACADU -

ANNEXURE A

BILL OF QUANTITIES

Description	Unit	Qty	Rate	Amount
BUILDING MATERIALS				
RAFT FOUNDATIONS (20MPa concrete)		6 ^m	595.00	3570.00
Raft Foundation: Engineer designed & constructed by Specialist Contractor	Item	1	N/A	N/A
APRON				
Cement (SABS ENV 197-1)	pocket	6	R 49.95	R 299.70
Sand/Stone - for concrete (SABS 1083)	m ³	2.0	R 130.00	R 260.00
SUPERSTRUCTURE WALLS				
Cement (SABS ENV 197-1)	pocket	15	R 49.95	R 749.25
Sand - for mortar (SABS 1090)	m ³	3.0	R 100.00	R 300.00
390 x 190 x 140 mm concrete blocks (SABS 1215)	No.	760	R 3.72	R 2834.80
390 x 190 x 90 mm concrete blocks (SABS 1215)	No.	330	R 3.32	R 1095.60
190 x 190 x 190 mm concrete cill blocks (SABS 1215)	No.	26	R 3.57	R 95.40
Precast concrete lintel 2,4 m for 140 mm wide wall (SABS 1504)	No.	1	R 84.00	R 84.00
Precast concrete lintel 1,5 m for 140 mm wide wall (SABS 1504)	No.	2	R 52.50	R 105.00
Precast concrete lintel 1,2 m for 140 mm wide wall (SABS 1504)	No.	2	R 42.00	R 84.00
Precast concrete lintel 0,9 m for 140 mm wide wall (SABS 1504)	No.	1	R 35.00	R 35.00
Precast concrete lintel 2,1 m for 90 mm wide wall (SABS 1504)	No.	1	R 65.00	R 65.00
Precast concrete lintel 1,2 m for 90 mm wide wall (SABS 1504)	No.	1	R 36.00	R 36.00
Brickgrip embossed DPC - 150 mm wide x 0,375 mm (SABS 952 type B)	roll (4 m)	1	R 40.00	R 40.00
Brickforce - galvanised 75 mm wide x 2,8 mm Ø wire	roll (20 m)	6	R 17.00	R 102.00
Galvanised 8 gauge (4 mm Ø) wire for roof ties	m	50	R 49.00	R 2450.00
Sondor Cordex or equal 10 mm Ø sealant backing cord	m	12	R 2.00	R 24.00
ABE Duracryl or equal pure acrylic flexible sealant	tube	5	R 18.00	R 90.00
Subtotal - foundation, apron and superstructure wall materials (carried forward to SUMMARY)				R 12319.70

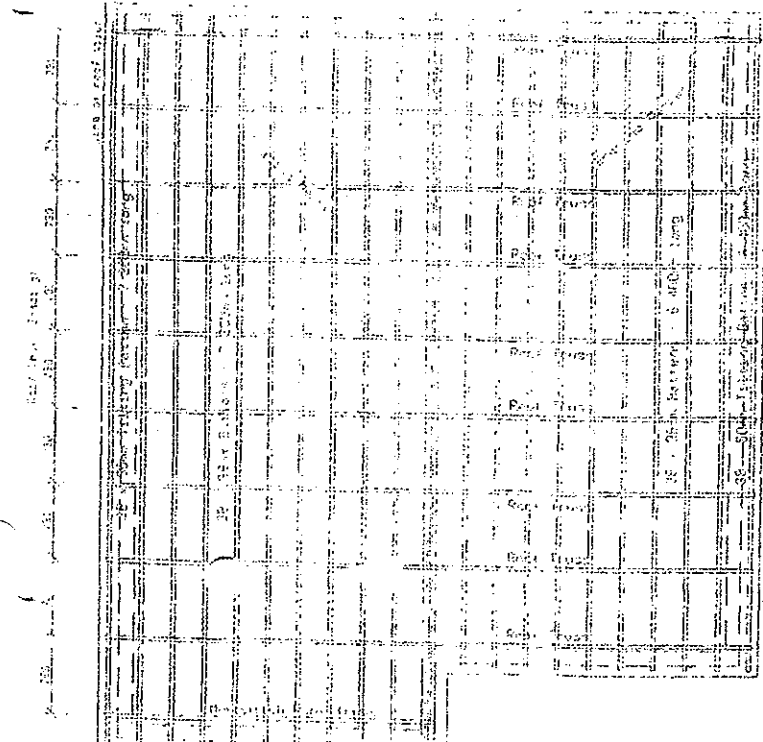
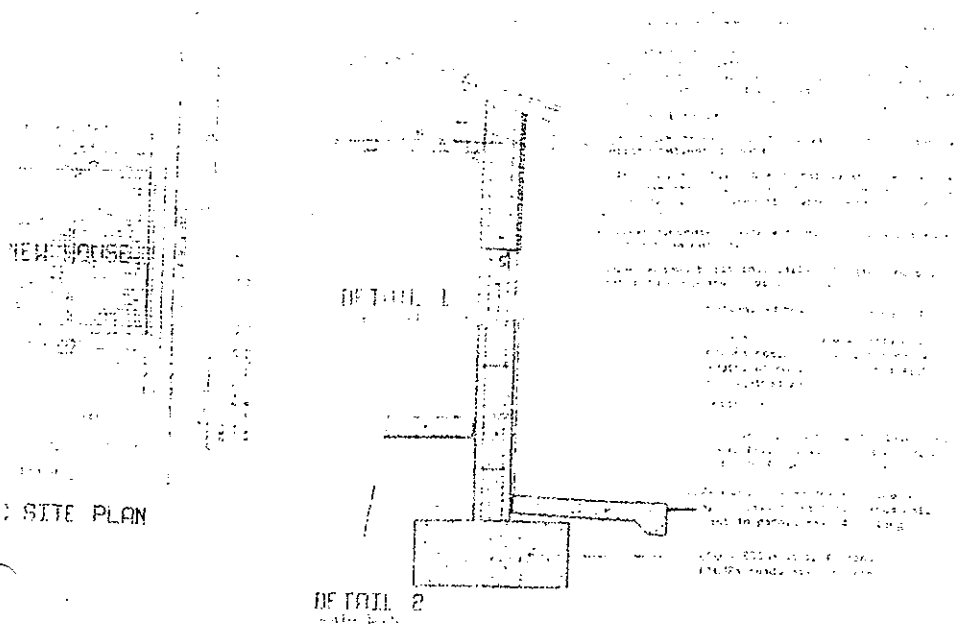
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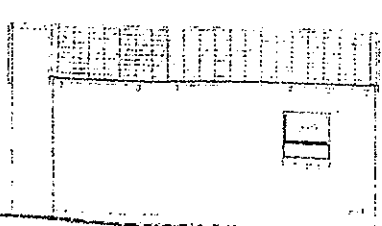
ANNEXURE B

Description	Unit	Qty	Rate	Amount
ROOF				
Prefabricated timber truss - 6,0 m span & 15° pitch (SABS 0243)	No.	2	R 316.25	R 632.50
50 x 76 mm purlins - 6,3 m long (SABS 563)	No.	3	R 95.00	R 285.00
50 x 76 mm purlins - 7,2 m long (4,8 m + 2,4 m) (SABS 563) factory spliced with:	No.	5	R 108.00	R 540.00
70 x 200 mm Mitek plate each side (or equal & approved)	No.	10	R 15.00	R 150.00
38 x 76 mm (grade 5) tie-beam runner - 4,5 m long	No.	2	R 45.00	R 90.00
38 x 114 mm (grade 5) purlin bracing member - 5,1 m long	No.	2	R 72.00	R 144.00
75 mm wire nails	kg	1	R 8.00	R 8.00
0,40 mm galv. (SABS 934) corrugated steel roof sheets 0,7 x 3,3 m	No.	23	R 85.00	R 1955.00
Galvanised roof ridging - 1,8 m	No.	4	R 49.00	R 196.00
Galvanised roof ridging - 0,9 m	No.	1	R 25.00	R 25.00
65 x 3,55 mm Ø Safe -Top drive screws	box	2	R 39.00	R 78.00
Galvanised hurricane clips	No.	64	R 1.80	R 115.20
32 mm galvanised clout nails	kg	1	R 28.00	R 28.00

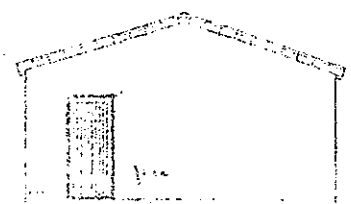
ANNEXURE C



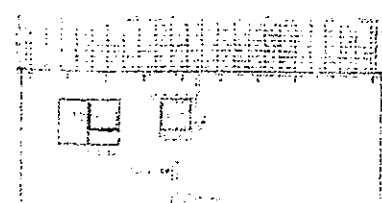
ROOF PLAN



SIDE ELEVATION



BACK ELEVATION



GENERAL
 1. All work shall be in accordance with the specifications of the SABS and the relevant standards of the Bureau of Standards (SABS) and the relevant standards of the Bureau of Standards (SABS).

SITE PREPARATION
 1. The site shall be cleared of all vegetation and debris. The ground shall be levelled and compacted to a minimum depth of 150mm.

FOUNDATIONS
 1. Foundations shall be cast in concrete to a minimum depth of 150mm below ground level. The foundations shall be reinforced with 12mm diameter bars.

FLOORING WALLS
 1. The walls shall be cast in concrete to a minimum height of 150mm above ground level. The walls shall be reinforced with 12mm diameter bars.

FLOOR
 1. The floor shall be cast in concrete to a minimum thickness of 100mm. The floor shall be reinforced with 12mm diameter bars.

WALLS
 1. The walls shall be cast in concrete to a minimum thickness of 100mm. The walls shall be reinforced with 12mm diameter bars.

Internal walls
 1. Internal walls shall be finished with 15mm thick gypsum plaster and paper lined PVA (SABS 1000).

Mortar
 1. Mortar shall be finished with external and internal.

LINTELS
 1. External and internal lintels shall be provided with a length of 150mm each side of opening. Lintels shall be provided with 12mm diameter bars.

WINDOWS & DOORS
 1. Windows and doors shall be set in a 150mm thick wall. Windows shall be finished with 15mm thick frame, at block or lugs each side of window and 50mm thick side of door frame. All block shall be filled with mortar and walls concrete.

Windows and doors
 1. Windows and doors shall be finished with 15mm thick frame, at block or lugs each side of window and 50mm thick side of door frame. All block shall be filled with mortar and walls concrete.

ROOF
 1. Double 100mm concrete roof tiles shall be laid on a 150mm thick to SABS 502 and to the recommendation of the manufacturer of software battens and 22 x 200mm timber batten (SABS 553) at a tile membrane (SABS 552 - E) with minimum 150mm overhang. The roof shall be designed, manufactured and erected in accordance with the design of the manufacturer and erected in accordance with the design of the manufacturer.

CEILING
 1. 60mm thick gypsum ceiling board (SABS 200) shall be fixed to softwood raftering (SABS 553) fixed to underside of truss, only. Fix 44 x 18mm softwood cover strip over all sheet joints. Ceiling 20 x 50 x 75mm gypsum cover board all joints gypsum prime seal head with galvanized iron pin and finish ceiling to style B or equal.

CEILING INSULATION
 1. 75mm thick x 750mm wide lightweight compressible mineral fibre ceiling insulation shall be fixed to the ceiling between trusses.

APRON
 1. 600mm wide x 75mm thick 1/2" thick concrete apron shall be cast in front of each window and door. Apron shall be cast in blocks of maximum length of 4m, or as required to fit.

NOTE
 1. ALL DIMENSIONS SHALL BE IN METERS UNLESS OTHERWISE SPECIFIED. THIS IS TO BE OBSERVED ON PLANS AND IN CONSTRUCTION. THE BUILDING SHALL BE CONSTRUCTED IN ACCORDANCE WITH THE SPECIFICATIONS OF THE SABS AND THE RELEVANT STANDARDS OF THE BUREAU OF STANDARDS (SABS).

REUBEN MANDELA NE TROPICAN BUREAU OF STANDARDS

PHS HOUSE (Plan Tg)

10, De STEENHOF HOUSE (3m x 7m)

CONSTRUCTION PLAN

1:100 1:50 1:200 1:300

January 2005

ANNE XURSE D

APPLICATION FOR A CHANGE OF A DEVELOPER TO SUPPORT
ORGANISATIONS DUE TO AN UNDUE CLOSURE OF THUBELISHA HOMES AND
REMOVAL OF THE NELSON MANDELA BAY MUNICIPALITY AS A DEVELOPER
WHICH LEFT THE PROJECT WITH UNRESOLVED MATTERS

THE MEMBER OF EXECUTIVE COUNCIL

PROJECT NAME: ZANEMVULA CHATTY EXT 3&4: 600 SUBSIDIES

PARTIES TO THE AGREEMENT

The parties to the agreement are Thebelisha Homes (a Company that has lost locus standi due to its closure)/Nelson Mandela Bay Municipality and the Department of Housing, Local Government and Traditional Affairs now known as Eastern Cape Human Settlements.

DATE OF AGREEMENT

On 13 September 2006 the Nelson Mandela Bay Municipality entered into an agreement with the MEC for the development of this project from P1 to P5 following a phased approached development. The envisaged phased approached entailed preparation of survey information, preparation of engineering designs, construction of civil services and construction of top structures.

The construction of civil services was completed in about March 2007. In December 2006 the Municipality solicited services of contractors for the construction of houses. Immediately after the award of these houses to 5 contractors internal problems surfaced within the Municipality which are not a concern of this application but these problems serious threatened the completion of this project at the helm of the Municipality. There could not be proper coordination of relationships between contractors and the Municipality as the

person who had been nominated by the Municipality as a Principal Agent was subsequently due to be suspended for reasons that do not concern this application. A replacement in this position could not resolve the problems that were created by the removal of the first Nominated Principal Agent as the Replacement as no Replacement was ever provided which severely affected the operation of the JBCC and the agreement as whole and in turn the completion of the project. The situation deteriorated to a point where the then Executive Mayor Hon. Maphazi requested intervention by the last Minister of Housing before Housing became Human Settlements.

The Minister's intervention brought about the appointment of Thubelisha Homes as a Project Manager for the entire Zanemevula project which included this phase or project. Thubelisha Homes signed 5 cessionary agreements with the affected contractors and the Municipality was therefore relinquished of any liability and obligations under this project. Thubelisha Homes signed the first directive with the MEC on 24 April 2008. The project therefore only had a juristic body or institution to properly act as an Employer in this project only in April 2008 despite the fact that the project should have started in early 2007. Surely at this time the tendered rates despite other problems they had were no longer valid.

FINANCIAL ARRANGEMENTS

The following amounts were appropriated by the MEC for the achievement of the relevant milestones:

P1 - 600 Sites @ R 300 = R 180 000.00

P2 - 600 Sites @ R 504 = R 302 400

P3 - 600 Sites @ R 9 700 = R 5 820 000.00

P5 - 600 Sites @ R 38 984.00 = R 23 390 400.00

SCCCA - 600 Sites @ R 7 932.80 = R 1 189 800.00

Geotechnical Variance - 600 Sites @ R 6 885.14 = R 4 131 084.00

TOTAL AMOUNT FOR HOUSE CONSTRUCTION PER UNIT= R 53 801.94

PROGRESS TO DATE

P1- Engineering designs were prepared and approved and used for construction purposes

P2- All survey and town planning was done and approved by the SG's office

P3- All 600 sites have been provided with services in terms of the agreement

P4-not known and does not concern this application

P5- All 600 houses have been constructed according to specifications which were and are on their own not suitable for the conditions of this site.

SCCCA- All 600 houses have been provided with plastering and paint externally and ceilings have not been installed as they did not form part of the specification and bill of quantities that were provided for tendering purposes and equally Thubelisha Homes did not correct this problem.

Geotechnical Variation- 251 out of the 600 houses have been built with a proper raft foundation and 349 units have been built with a combination of a raft foundation on top of a strip footing which was purely a remedial measure after problems surfaced as the Municipality did not make provision for construction of a raft foundation although the ground conditions call for a heavy raft foundation.

PROJECT STATUS- The project remains largely incomplete as a result of structural problems that need some form of attention, ceilings that have not been installed and outstanding payments to contractors for additional work that did not form part of the tender bill of quantities.

BASIS OF AGREEMENT BETWEEN THE PARTIES

The basis and terms of agreement between the parties are not known but the terms of agreement between the contractors and the then Thubelisha Homes are incorporated in JBCC 2000 Minor Works agreement which calls for a Nomination of a Principal Agent to administer the contract in accordance with its terms.

SECTION OF PROJECT THAT REQUIRES ATTENTION OF THE MEC

The attention of the MEC is only required in as far as the Top Structures are concerned as this is the only section that concerns the Contractors.

PROBLEMS THAT LED TO THIS APPLICATION BEING MADE

The main problem that faced this project related to clause 5.1.8 of JBCC Minor Works agreement which states unequivocally that "The Employer (being Thubelisha Homes/Nelson Mandela Bay Municipality) shall appoint the principal agent and in the event of the principal agent's inability to act, or ceasing to be the principal agent, another principal agent to the reasonable approval of the contractor". This is one of the material terms of the contract, however neither the Municipality or Thubelisha Homes appointed a principal agent or replace it when the need arose. Therefore the principal agent was never duly appointed and/or duly replaced when it was necessary to do so.

Clause 6.0 of the JBCC Minor Works agreement reads as follows:

6.1 The principal agent shall:

6.1.1 Administer the contract, monitor the progress of the works and carry out duties assigned to him in terms of the agreement.

6.1.2 Define on drawings the levels and coordinates and any other information required by the contractor which is required for setting out and the execution of the works.

6.1.3 Meet regularly with the contractor to inspect and facilitate the progress of the works.

6.1.4 Record all the actions taken by the parties including discussions held, progress of works, contract instructions and drawings issued and claims and decisions regarding delays and payment in the contract minutes at the periods stated in the schedule. Such contract minutes shall be issued to the employer and the contractor for action. The contract minutes shall be tabled for approval in the following meeting.

6.1.5# Issue payment certificates and completion certificates in terms of the agreement.

6.1.6 Adjust the contract value in terms of clause 14.0

6.1.7 Prepare the final account in terms of clause 13.10

6.1.8 Revise the construction period in terms of clause 11.0

6.2 The principal agent may issue contract instructions to the contractor regarding:

6.2.1 Alteration to design, quality, or quantity of the works where such contract instructions do not substantially change scope of the works.

6.2.2 Rectification of discrepancies, errors in description or omissions in the contract documents.

6.2.3 Removal of any materials and goods from site and substitution of any other materials and goods therefor.

6.2.4 Removal or re-execution of any work.

6.2.5 Opening up of work for inspection and the testing of work and materials and goods.

6.2.6 Protection of the works.

6.2.7 Making good physical loss and repairing damage to the works in terms of clause 3.2.

6.2.8 Removal from site of any person not engaged or not connected with the works.

6.2.9 Prime cost amounts and the purchase of materials and goods.

6.2.10 The expenditure of employer allowances.

6.2.11 Work by a direct contractor in terms of clause 8.0

6.2.12 The lists of practical completion, final completion and defects.

6.3 Should the contractor fail to proceed with a contract instruction the principal agent may notify the contractor to proceed within five (5) working days of receipt of such notice. On default by the contractor the employer may act in terms of clause 5.2.

Absent a nomination of an important member of the construction team such a principal agent, it is obvious that the contract was rendered by both the Municipality and largely Thubelisha Homes inoperative.

The project was therefore not managed in accordance with the terms of contract, and there was nothing the contractors could have done as the employer surrenders its authority to the principal agent and in the absence of a duly nominated/appointed site agent the project could not progress well as the contract was never honoured by both the Municipality and Thubelisha Homes.

SPECIFIC AREAS THAT NEEDED THE ATTENTION AND RESOLUTION BY
THE PRINCIPAL AGENT

1. Ruling on what type of a foundation needed to be used in the project,
2. Provision of details of the foundation for pricing and negotiation of prices
3. Issuing of a Variation Order for the foundation
4. Fixing of rates for the foundation upon agreement with the employer and contractors
5. Adjustment of contract price upon the inclusion of the foundation variation order
6. Valuation of scheduled quantities against actual quantities
7. Inclusion of omitted items in the tender bill
8. Rulings on claims made by contractors
9. Provision of information needed by the contractors

10. Ruling on delays between December 2006 and June 2008 in respect of extension of time

11. Ruling on compensation for extension of time

The above given duties that should have been performed by a duly appointed principal agent negatively affected the completion of the project in all respects. The contractors were therefore prejudiced.

ATTEMPTS MADE BY THE 5 CONTRACTORS IN GETTING THESE MATTERS RESOLVED

1. The takeover of this project and Zanemvula at large from the Municipality to Thubelisha Homes was an admission by the three (3) spheres of government that the Municipality was in no position to administer this project.
2. The immediate intervention by the Minister was in respect of resolving problems that were affecting the project at the level of the Municipality and had nothing to do with performance or non-performance of contractors.
3. It is common cause that if the Employer is unable to perform its duties to an extent that the Minister must intervene there is no way that the contractors could have worked in terms of a contract which has been repudiated by the Employer. The decision of the Minister was directly informed by problems that were happening in this project as it was evident that the Municipality was in no way able to manage this project.

4. The decision of the Minister, MEC and the Mayor was communicated with the contractors in a letter of 13 August 2007 to all 5 contractors which is annexed to this application.
5. On 05 February 2007 due to the absence of the principal agent as he was reportedly due to be suspended and in the midst of that he took a sick/stress leave, contractors submitted a report to the Municipality on all the problems affecting the project.
6. The municipality by failing to replace the principal agent when the municipality itself was unable to serve him with a letter of suspension as he was reportedly off sick it breached the contract as the project cannot operate without the services of a principal agent, this renders the contract in operative and the contractors performance becomes duly suspended till such time that the Employer performs its obligations in full.
7. The problems of the project which were covered in the report of 05 February 2007 only started getting attention when province appointed a project manager to manage Zanemvula, and amongst the things that started getting attention was the admission of the fact there had been no proper attention given by the Municipality in respect of the site conditions. As a result a phase 2 Geotechnical Report was only made available on 02 October 2007, and a proper foundation design was only provided on 31 October 2007. Without this information there was no way that this project could have been properly implemented as this information is prerequisite prior a project can be implement. These were all responsibilities of the Municipality as the Developer/Employer.
8. Even after the correct information was provided with the assistance of province and funds adjusted contractors were only reimbursed for what was termed escalation, deficiencies in the bill of quantities and changes in

the foundation were not taken into account by Thubelisha Homes who had then taken control of the project.

9. As we understand it, it could not have been possible for them to do so, as they themselves were also using the top structure funds to fund their operations.
10. Equally Thubelisha Homes did not duly appoint a principal agent as required by the JBCC and problems that could have been addressed daily between contractors and Thubelisha Homes could not be addressed.
11. A certain Eddie Potberg who worked as a Project Manager although not duly appointed as a principal agent, made contacts with the contractors on 08 November 2007.
12. Immediately, contractors wrote to him highlighting problems that were facing the project.
13. At this time, the project was still under the Municipality.
14. Only on 23 January 2008 that the Municipality was relieved of its responsibility as an Employer in the project.
15. Only on 18 June 2008 an agreement (CESSIONARY) was signed with the contractors wherein all rights and obligations of the Municipality were now by agreement ceded to Thubelisha Homes.
16. Only on 06 October 2008 Thubelisha Homes recognised the effects of inflation in the project which was not the only problem in the project, all the other problems were never resolved despite having informed Eddie Potberg in November 2007.
17. Also Thubelisha Homes although they accepted the obligations of the Municipality as contained in JBCC, they never appointed a principal agent to perform his duties as state above.

18. Both Thubelisha Homes and the municipality were in mora and they rendered the JBCC inoperative by their very failure to appoint a principal agent and/or replace it when the need arose.
19. On closure of Thubelisha Homes the contractors were told by Eddie Potberg that the Housing Development Agency would be responsible for the project.
20. No formal arrangements were finalised with the Housing Development Agency except the fact that contractors were given cessions which they signed but they were never signed by the Housing Development Agency or at least brought back to the contractors.
21. This matter was referred for resolution by Arbitration due to the extent of problems experienced by the contractors through 3 different organs of state.
22. On referral of the matter to Arbitration Nicholas Tsewu of the Housing Development Agency first said they are no longer dealing with this project, the project is with province.
23. Later, the attorneys of the Housing Development Agency clearly argued through the Arbitrator Mr. Barry Jammy that they have no contracts with the contractors and the responsible organ of state for this project is the Provincial Department of Human Settlements.
24. As the contractors, we never signed any agreement with province, and we have no knowledge of contractual arrangements with province on this project.
25. It is quite clear that Thubelisha Homes, the Municipality and the Housing Development Agency are unable to deal with the problems they elected not to deal with in more than 5 years, and in all these years contractors became victims of breach of contract.

26. We now wish to request the MEC to consider our application and assist us in alleviating the plight of the communities of Chatty 600 and our companies that have suffered for too long under the hands of organs of state.
27. We are confident that the MEC will be able to resolve this situation which does not present a good picture of our government.
28. The MEC remains the only available authority to intervene in this project and see it getting to a closure.

RELIEF SOUGHT

The 5 contractors being Cacadu Development Trust, Ubuso Ngo Buso Construction, Nombasa Building and Civil Construction, Big Eye Construction and IT Cleaning Services and General Trading seek the following relief:

1. The MEC to consider entering into an addendum with the 5 contractors individually and separately for the conclusion of all the outstanding matters in the project,
2. Appointment of a Departmental official as a Principal Agent in terms of clause 5.1.8 of JBCC Minor Works agreement 2000 series to administer the contract to completion.
3. The appointed person shall be familiar with the Housing Rules and Relevant code and be familiar with the JBCC to eliminate a repeat of the problems that have been experienced by contractors and community of Chatty.
4. Approval of required funds to ensure that the project can be brought to completion in the quickest possible time.
5. The MEC is requested to consider the breakdown as proposed below:

5.1 Top Structure- an increase from R 38 984 to R 54 650.00 for 600 units which shall be expended in agreement and in consultation with the Principal Agent ensuring that houses are left in an acceptable condition (Value for Money).

5.2 SCCCA- an increase from R 7 932.80 to R 12 380.09 for 600 units

Geotechnical Variation from R 6 885.14 to R 12 648.66

Variation for sites with topographical conditions (Steep Sites) – R 2 156.09 per site for sites to be determined in consultation with the Principal Agent, but in expediting completion of the project, this variation be approved for all 600 sites and be expended based on verification by the contractors and the Principal Agent, should these funds not be needed on a specific site they may not be claimed from the Department.

The contractors request the MEC to favourably consider their application as it is in the interest of delivery, image of government and most importantly in the interest of the affected beneficiaries and the plight of contractors.

TOTAL FINANCIAL RELIEF THAT IS SOUGHT

The 5 contractors seek a financial relief for an amount of R 25 876.81 for 600 = R 15 526 086.00 for work already done and an amount of R 7 181.23 per site for 600 sites for installation of ceilings = R 4 308 736.50

Total financial relief that is sought = R 19 834 822.

UNDERTAKING BY THE FIVE (5) CONTRACTORS

Contractors undertake to ensure that on approval of these funds they will waive the lien they currently have on these houses and immediately fix any snags that

ANNE XURSE

THE EASTERN CAPE LEGISLATURE
PROVINCE OF THE EASTERN CAPE
BHISHO

PER FAX-040 635 2148

15 October 2012

Attention: Hon. Pikinini (Chairperson)

RE: ZANEMVULA CHATTY 600 UNITS-PETITION DUE TO FAILURE OF THE MEC FOR HUMAN SETTLEMENTS AND HER EXECUTIVE MANAGEMENT TO RESPOND TO AN APPLICATION FOR PAYMENT OF OUTSTANDING FUNDS FOR A COMPLETED PROJECT AND TO CORRECT ERRORS THAT WERE MADE BY THUBELISHA HOMES AND THE HOUSING DEVELOPMENT AGENCY SUBSEQUENT TO THEM TAKING OVER THE ZANEMVULA PROJECT FROM NELSON MANDELA BAY MUNICIPALITY

Dear Sir

We refer to an application by 5 contractors to the MEC for considering their application subsequent to the takeover of the Zanemvula project by Thubelisha Homes and the Housing Development Agency from the Nelson Mandela Bay Municipality. We have submitted all relevant information to the MEC including on poor management of the project by the Municipality, failure of both Thubelisha Homes and the Housing Development Agency to correct failures of the Municipality and funding problems that were created by the Department itself.

We request your office to investigate our allegations and compel the MEC to respond to our application and several letters.

It is urgent for the MEC to respond to our application as her failure to respond to our application as viewed as failure by her department comply to roles of a

Forwarded message -----

From: **Chatty600 Contractors** <chatty600contractors@gmail.com>
Date: Fri, Apr 27, 2012 at 3:14 PM
Subject: Re: Chatty 600 letters
To: NICHOLAS TSEWU <tsewunicholas@gmail.com>
Cc: Nicholas Tsewu <nicholas.tsewu@thehda.co.za>, Phatheka Mdingi <Phatheka.Mdingi@thehda.co.za>

Dear Mr. Tsewu,

I hope you understand why this is important to us, there is nothing malicious at all but we have to make sure that we are speaking to the person who is authorised to speak to us from the HDA and now we understand that you are the right person to receive our papers.

We will however embark on a process for the commencement of arbitration proceedings with the HDA as you have failed to make a ruling on our dispute notice. For the record and so that you understand that our correspondence and queries are not misplaced, as we understand it, there are 2 relationships here, one being a relationship between us and the HDA and the other being a relationship between HDA and Provincial Department which is not our concern at all.

As such we will be submitting a list of Arbitrators for you to agree on which one you agree that he arbitrates over our dispute or alternatively we will approach either the Arbitration Foundation for a nomination of an Arbitrator or another equally competent body in the built environment. The HDA will be a Defendant/ Respondant on the matter, it will be your election to invite the Provincial Department as a Second Respondent/Defendant.

This is not something we are asking you we are putting it as it is stated in the JBCC and a series of other addenda to the contracts we signed.

Kind Regards,

Chatty 600 Contractors.

On Thu, Apr 26, 2012 at 4:48 PM, NICHOLAS TSEWU <tsewunicholas@gmail.com> wrote:

To the writer:

Your correspondence to HDA refers:

You have been advised about the relevant institution to contact regarding your matter and it is your responsibility to pursue it accordingly and the person to contact thereof, your continued contact of my office will not be of assistance to the matter as it has been clarified to yourselves and we will not be held responsible for your failure to contact relevant authorities.

Your cooperation in this regard will be much appreciated, thank you!

Kind Regards

NICHOLAS TSEWU

On Apr 26, 2012 2:37 PM, "Chatty600 Contractors" <chatty600contractors@gmail.com> wrote:
Dear Phateka,

We acknowledge receipt of your email below as your response to our correspondence.
Could you please confirm that you are the authorised person in respect of communicating with us as the contractors in respect of this matter before 17h00 on 30 April, failing which we will accept that you are the appropriate person and we shall accordingly lodge further correspondence with you or through you, if not this email below is a nullity.

Yours truly,

CHATTY 600 CONTRACTORS.

On Tue, Apr 24, 2012 at 4:31 PM, Phatheka Mdingi <Phatheka.Mdingi@thehda.co.za> wrote:

Dear Sir / Madam,

I trust that you are well.

We acknowledge receipt of your letters dated the 05 April and 23rd April 2012 and would like to advise that we have forwarded the letters to Provincial Department of Human Settlement (PDoHS), as we are not working on this project any longer.

Thank you

Regards

Phatheka Mdingi

The Housing Development Agency

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Fax: [+27 41 393 2614](tel:+27413932614)

E-mail: phatheka.mdingi@thehda.co.za

Website: www.thehda.co.za

