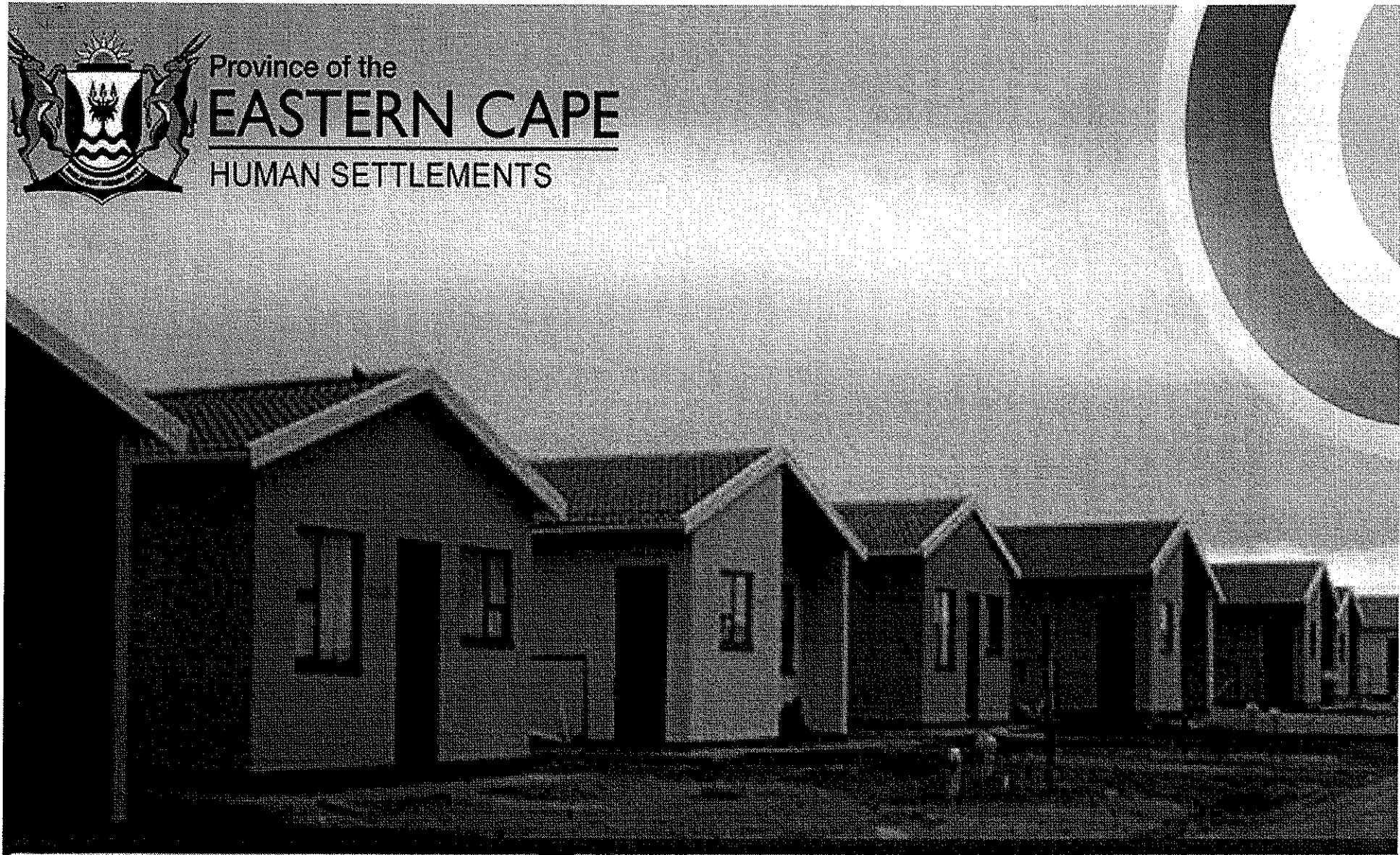




Province of the
EASTERN CAPE
HUMAN SETTLEMENTS



OUTCOMES & OBJECTIVES

- Accelerate delivery of housing opportunities
- More efficient land utilisation
- Improving Property Market
- Access to basic services
- Rural settlements development

it's **impossible**
human settlements eastern cape



On a mission to eradicate homelessness and informal settle

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Background

- Thubelisha was appointed to undertake the construction of 950 Units at Joe Slovo situated in the Nelson Mandela Municipality. Two Contractors, Verern Construction and Nomagwayi Developers were employed to construct 475 units each

Contractual Arrangements and Payments

- Agreements were entered into between Thubelisha Homes and two contractors , that is, Nomagwayi Developers and Verern Builders for the construction of 475 units each in July 2008.
- In August 2009 Nomagwayi Developers wrote to Thubelisha and requested that they be allowed to withdraw from their contract with Thubelisha as they were about to be liquidated.

Contractual Arrangements and Payments Cont.

- After the the withdrawal of Nomagwayi Developers, the remainder of sites were re - allocated to the current contractor on site.
- Thubelisha then entered into an Addendum of Agreement with Verern Builders for the completion of units not finished by Nomagwayi Developers, accepting all contractual obligations and commitments.

Contractual Arrangements and Payments Cont.

- Verern Builders provided :
 - construction insurances.
 - Public liability insurance.
 - Warranty of houses (NHBRC FUR).
- Verern Builders appointed sub- contractors working under Nomagwayi Developers.
- Upon value created and certification of work, invoices were submitted with letter of instruction to pay what is due to the sub-contractors by Verern Builders.

Contractual Arrangements and Payments Cont.

- Metro Builders, as a sub - contractor was paid via the above arrangements taking all due processes into consideration and more than R3 million claims of value created.
- All houses built on site and certified by NHBRC issued with Final Unit Report(FUR) were under the name of the main contractor (Verern Builders).

Platforms to Address the Matter

- After numerous meetings with Metro Builders to try and resolve the matter within confines of the law and administrative processes, they took the matter further to the following platforms:
 - Provincial Human Settlement Portfolio Committee.
 - Provincial Petition and Arbitration Commission.
 - Office of the Premier – Eastern Cape Province.
 - National Department of Human Settlement.



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**Enkosi !!! Thank you !!!
Baie Dankie!!!**

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