

Jimmy Freyssen : jimmy.freyssen@drrlr.gov.za



**rural development
& land reform**

Department:
Rural Development and Land Reform
REPUBLIC OF SOUTH AFRICA



District 6 Phase 3

Contract CON0024(2014/2015)

Contract Closure Status

Report



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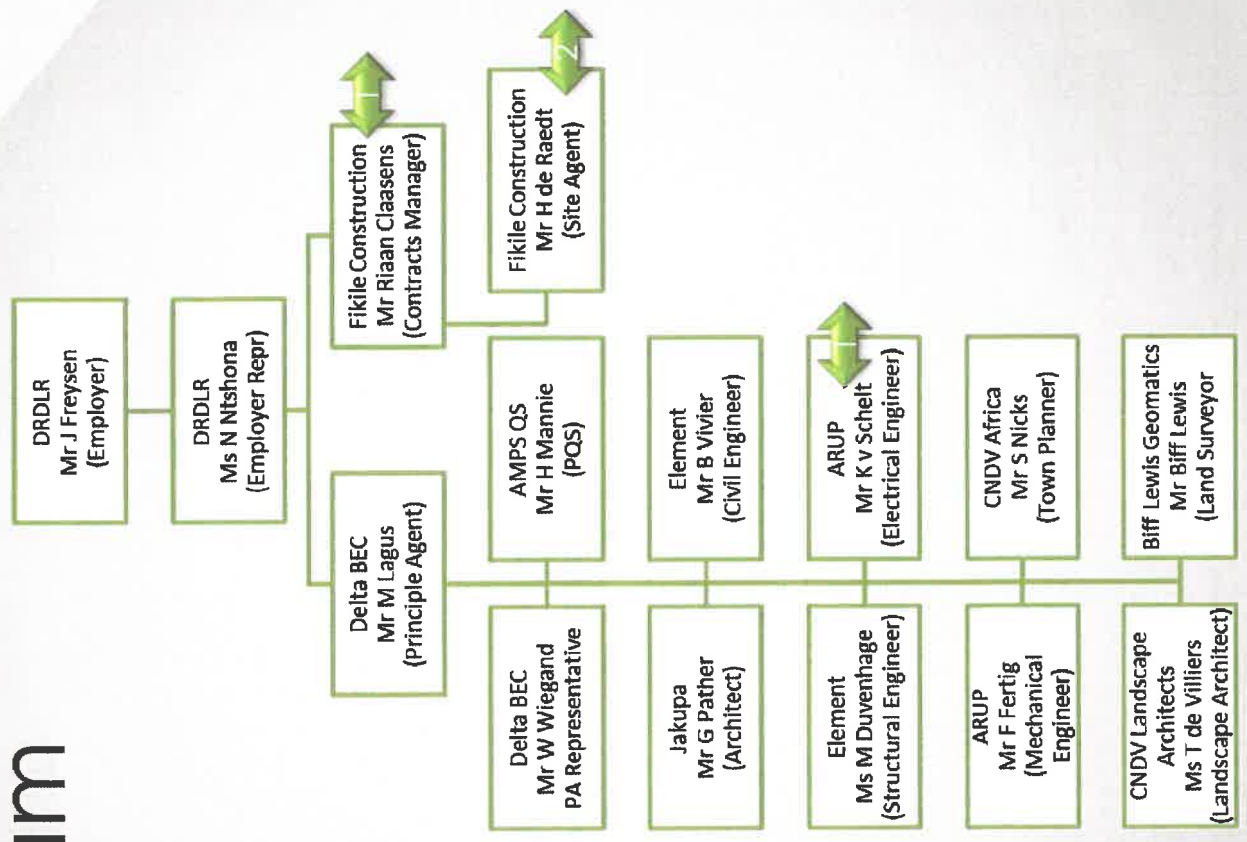
Contract Dates

- Tender advertisement: 20 March 2015
- Clarification Meeting: 30 March 2015
- Tender period: 4 weeks
- Tender closing: 20 April 2015
- Tender evaluation period: 3.2 months
- Contract Award: 25 July 2015
- Site possession: 25 November 2015
- Date for practical completion: 20 April 2017
 - Section 1: 24 February 2016
 - Section 2: 25 July 2016
 - Section 3: 24 November 2016
 - Section 4: 20 April 2017

Contract Dates

- Revised Date for Practical Completion: 30 Nov 2017
 - Section 1: 31 March 2016
 - Section 2: 13 October 2017
 - Section 3: 03 November 2017
 - Section 4: 30 November 2017
- Actual Practical Completion date: Not achieved
 - Section 1: 26 April 2017
 - Section 2: Not achieved
 - Section 3: Not achieved
 - Section 4: Not achieved
- Works Completion date: Not achieved
- Final Completion date: Not achieved
- Default Notice Issued: 09 Nov 2017
- Contractor Suspension of Works: 10 Nov 2017
- Contract Termination: 22 March 2018

Project Team



Financial Report

Description	Tender Amount	Completed & Paid	%
Building Work	113 974 637	63 056 452	55%
Electrical Installation	9 119 629	773 569	8%
Civil Work	10 312 704	3 840 085	37%
SUBTOTAL	133 406 970	67 670 107	51%
Contingencies	13 340 697		
Variations		3 010 106	
SUBTOTAL	146 747 667	70 680 212	48%
Building MOS		2 088 282	
Civil MOS		190 959	
Electrical MOS		959 973	
Electrical Materials off site		2 328 318	
SUBTOTAL	146 747 667	76 247 744	52%
Penalties deducted		-1 185 000	
SUBTOTAL	146 747 667	75 062 744	51%
VAT	20 544 673	10 508 784	
TOTAL	167 292 340	85 571 528	51%

Final Account Process

1. Paid to date
2. Less work not tested (end May)
3. Plus Materials on & off site (done)
4. Less penalties (calculated)
5. Total = Provisional Final Account (mid June)
6. Detail site assessment, testing & as-built drawings (t.b.c.)
7. Add & Omit
8. Total = Final account (t.b.c.)
9. Cost to complete (t.b.c.)

Construction Report

Contract Administration

Increment Weather Delays

Section	Sum of extensions of time
Section 1	3 ½ working days
Section 2	11 working days
Section 3	11 working days
Section 4	11 working days

Construction Report

Contract Administration

Revisions to date for Practical Completion

Description	Extensions of Time (work days)			
	Section 1	Section 2	Section 3	Section 4
Building Plan Approval	0	24	24	24
Structural Revision to Substation	8.5	0	0	0
Ground Water and additional subsoil drainage	11	0	0	0
Ground Water Q2 foundation excavation	0	68	0	0
Revision to structural retaining wall block Q7	0	7	0	0
Structural Drawings delay Q1, Q2,Q3	0	0	67.5	0
Electrical cable Richmond boundary	0	39	15	30.5
Election Day	0	1	1	1
Brick Angle Painting	0	8	8	8
Planned Protesting	0	1	1	1
Section 2 RC Walls	0	81	33	41
Section 3 RC Walls				
Section 4 RC Walls				
LV Reticulation	0	53	61	39
Total Working days per section	19.5	282	210.5	144.5

Construction Report

Contract Performance

- Contractor continually struggled to keep up with program (even after legitimate delays)
- Site not adequately resourced for much of the project (despite demands to do so).
- Poor programming & coordination of works (e.g. concrete pours) – internal delays.
- Subcontractor turnover – rework.
- Administratively sub-standard (inspection request, test results referencing).
- Overclaiming on certificates.
- Setting out errors.
- High staff turnover
- Improvement with new site agent – too little too late.

Construction Report

Construction Quality

- Structural concrete, masonry and civil works inconsistent and generally poor quality – high level of ‘failure’ reports and re-work.
- Internal quality management procedures good – not adhered to.
- Setting out accuracy poor.
- Generally: not enough foreman & insufficient experience.
- Electrical Subcontractor notable exception to the above.

Risks & Responses

Risks

Responses

Known defects	Deduct from provisional final account
Unknown defects	Detailed site assessment Enhanced monitoring Dayworks
'Unknowable' defects	Contingency
Theft (materials on site)	Security
Damage (materials and elements)	Security & contingency
Material degradation	Treatment & contingency
Construction liability & increased risk	Accept
Claims	Accept, enhanced monitoring, delegation of authority

Challenges

and lessons learned

- Lowest tender offer not necessarily best value.
- 'External contractor' – Gauteng pricing.
- Under resourced project – slow progress and quality problems.
- Extensive quality meetings per trade and control measures – helped quality but slowed progress.
- Lengthy approval periods by Employer – delegation of authority.

Outstanding Matters

- Land Transfer
- Substation handover
- Sectional Title plans
- Detailed site assessment
- Make site safe (staircases & edge protection)
- 'To complete' tender drawings
- Final account
- Documentation for new tender

Photo Report

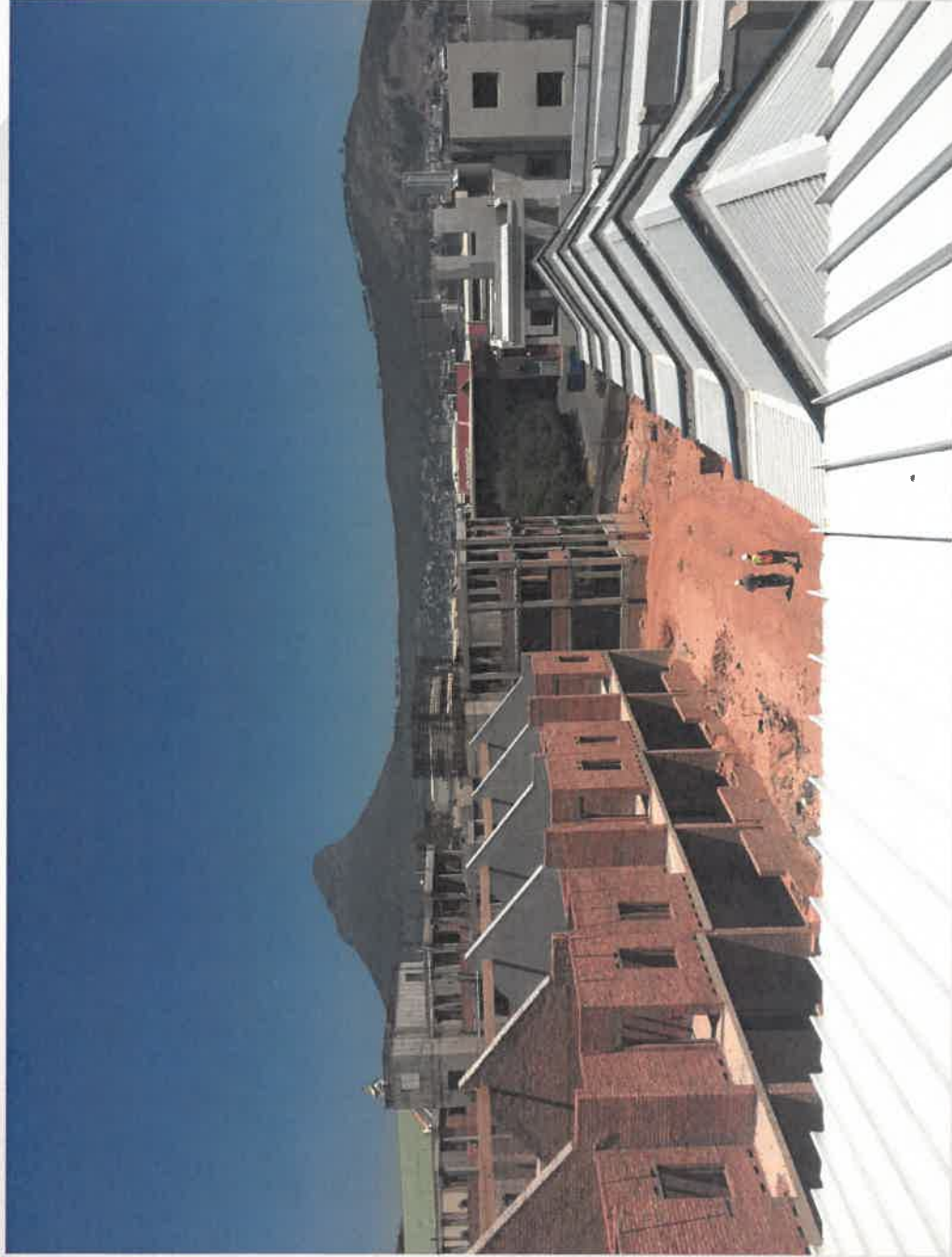




Photo Report



Photo Report





Photo Report





Photo Report



Dates

Team

Finance

Construction

Risks

Challenges

Outstanding

Photos

Forward

Photo Report





Photo Report



Way Forward

- Call on guarantee done?
- Provisional Final Account
- Consultant appointment extension or new appointment.
- Determination to make site safe
- Quotation or Tender (make site safe).
- Detailed site assessment
- Drawings to complete & tender document
- New tender
 - Selected electrical subcontractor
 - Provisional sums and dayworks
 - Increased contingency
- Construction
 - Invited tenders?
 - Adequate construction monitoring



THANK YOU

