**1.1** **GIYANI BULK WATER SUPPLY INTERVENTION**

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| **Project Description** |  | **Project Phase** | | | | | **Construction** | | | |
| The project was initiated to address water services challenges in Giyani. The intervention included:   * Refurbishment and repairs to existing water services infrastructure * Construction of 1.5Ml/d wastewater works in Giyani * Revitalization of 154 boreholes in Giyani * Construction of approximately 325km of pipelines to 55 villages in Giyani (sectioned into 9 pipelines, i.e. Pipeline A, B, C, C1/D1, D, D2, F1, F2 & Makosha branch) | **Project Start** | | | Aug 2014 | | **Project Completion** | | | Dec 2022 |
|  | | | | | | | | |
| **Project Schedule** | | | | | | | | |
| **Key Milestones\*** | | | | **Planned** | | | **Actual/ Revised** | |
| Directive issued | | | | N/A | | | Aug 2014 | |
| Construction commenced | | | | N/A | | | Feb 2015 | |
| Construction completion: pipelines to 55 villages | | | | July 2019 | | | Dec 2022 | |
| Project closure | | | | March 2023 | | | N/A | |
|  |
| * Refurbishment and repairs to existing water services infrastructure- 100% completed * Construction of 1.5Ml/d wastewater works in Giyani 100% completed * Revitalisation of boreholes – Department in discussion with Lepelle water to submit the close out report for all the boreholes. * Progress on pipelines is as follows: * Pipeline A – 62% * Pipeline B – 62% * Pipeline C1/D1 – 67% * Pipeline C – 39,2 * Pipeline D – 46.9% * Pipeline D2 – 38,7% * Pipeline F1 – 25,9% * Pipeline F2 – 60.2% * Makosha branch – 0% |  | | | | | | | | |
| **Project Expenditure** | | | | | | | | |
| **Estimated Total Cost at Completion** | | | | | | R4,28 billion | | |
| **Total Expenditure to Date R’000** | | | | | | R3,3 billion | | |
| **% Expenditure to Date** | | | | | | 77% | | |
| **Approved Budget** | | R520 million | | | | **Revised Budget** | | R978 262 929 |
| **Month Projected** | | R26 232 734 | | | | **Month Actual** | | R15 845 550 |
| **Cum Projected** | | R460 000 000 | | | | **Cum Actual** | | R233 931 878 |
| **% of variation to the baseline projection** | | | | | | Project is 30 months late  Project was R230 million under the planned expenditure when project was taken over by internal construction unit of the department | | |
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| **Variance Reason** | | | **Recovery Plan** | | | | | | | |
| The previous contractor reported work to be 92% complete when in fact it was 52% and not functional to deliver water as villages were also without reservoirs | | | An engineering review was conducted to ascertain outstanding works and review the scope to include reservoirs. Lepelle Northern Water is the implementing agent and has appointed a new materials support contractor to assist the Department’s construction unit. Additional labourers and plant have also been added to the project to fast-track delivery | | | | | | | |
| The termination of the previous contractor led to uncertainty on the balance of the remaining work as there was inaccurate reporting in the closeout report | | | PSP reviewed the scope and developed a recovery plan to complete the project by December 2022 | | | | | | | |
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| Delays in approval of Water Use License authorization | | | An environmental Practitioner has been appointed to finalise the application | | | | | | | |
| Pipeline that was previously reported being complete failed pressure testing when commissioned | | | Defects on the previous contractor workmanship were recorded and corrected as and when found. The team has been increased by 75 workers to accelerate the work | | | | | | | |
| Delays in the procurement of services | | | Dedicated supply chain practitioner appointed for the project in office of DDG | | | | | | | |

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| **Key Risks / Issues** | | |
| **No.** | **Risk Description** | |
| **Root Causes of the Risk** | | **Mitigation Strategy or Management Actions for Resolution** |
| 1. | Additional budget required to complete the remaining works, including connections to the reservoirs and refurbish/construct of service reservoirs in some villages | Unspent allocations and savings from other projects will be used to fund the gap |
| 2. | The project scope ends at village service reservoirs and the benefiting 55 villages are not fully reticulated | The municipality must prioritize the construction of reticulations in all 55 villages through WSIG & MIG. The plans have been synchronized to use unspent allocations to complete reticulation as the project progresses |
| 3. | Availability of sufficient water to distribute and commission the system | The Municipality will be directed to refurbish/reconstruct the non-functioning 6.5Ml/d water treatment module at Nsami WTW for additional capacity |
| 4 | Illegal connections | The municipality will be directed to enforce by-laws and implement water conservation and demand management |
| 5 | Vandalism and theft of completed infrastructure | Extensive stakeholder engagement through social facilitator as the project progresses |
| **Responsible DDG: Moshodi Motebele** | | |

# 1.2 Olifants Water Resource Management Module (OMM Programme)

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| **Project Description** |  | **Project Phase** | | | | **Inception** | | | |
| Scope of the Programme:   1. Abstract the current WUA scheme water primarily from De Hoop dam instead of the Olifants river to relieve pressure on the already over-allocated Flag Boshielo dam 2. The project has been reconceptualised as a partnership with the WUA (which is mostly mining companies), with joint funding from government and the WUA 3. Re-sequence the construction of ORWRDP bulk raw water infrastructure to meet revised water needs:  * commence construction with Phase 2B, 2B+ and 2F whilst deferring Phase 2D and 2E until needed * construct a new pump station between Steelpoort pump station and Mooihoek reservoir * construct potable water infrastructure for defined areas in the Northern and Eastern Limb with construction to be fast tracked where existing bulk water infrastructure is already in place;  1. Establish a resourcing partnership through the OMM WUA to:  * construct, operate and maintain the defined bulk water infrastructure (including the De Hoop dam); * construct potable water infrastructure in the defined areas in the Northern and Eastern Limb; and * provide operational support to WS Authorities (where required);  1. Implement a socio-economic development plan to prepare communities to participate in the OMM Programme spend to develop skills, create jobs and change behaviour. The SED programme is to focus on potable water, sanitation services, connectivity, education and enterprise development.   Schedule dates are indicative only and will be updated prior to the feasibility study phase kick-off. Although overall completion date targets are indicated for the potable water supply in the respective regions, it is important to understand that subsections within villages will be completed and handed over on an ongoing basis during the construction period.  The capital cost estimate excludes the following:  1. Operating costs beyond the handover after commissioning  2. Value Added Tax (VAT)  3. Customs duties and import taxes  4. Interest on capital loans  5. Currency fluctuation after 1 October 2021  6. Study costs  7. Independent technical solution verification of all previous studies.  Study Phase budget R430 million  Setup Phase (up to appointment of main consultants) R30 million | **Project Start** | | 01 February 2022 | | **Project Completion** | | | Last Programme project Q2 2030 |
|  | | | | | | | |
| **Project Schedule** | | | | | | | |
| **Key Milestones\*** | | | **Planned** | | | **Actual/ Revised** | |
| Initiate Programme: Signing of Ministerial Heads of Agreement | | | 4 February 2022 | | | End February 2022 | |
| Setup of the Integrated Programme Steering Committee (kick-off of the Programme set-up phase) | | | 16 February 2022 | | |  | |
| Kick-off OMM Programme Study Phase Main Consultants | | | 1 August 2022 | | |  | |
| Final Investment Decisions (FID) for projects as respective designs reach stage readiness requirements | | | March 2023 to October 2024 | | |  | |
| Completion Eastern Limb Phase 1 potable water | | | Q3 2028 | | |  | |
| Completion Bulk raw water phases 2B & 2B+ | | | Q1 2027 | | |  | |
| Completion Northern Limb potable water | | | Q3 2030 | | |  | |
| Completion Reverse flow of LWUA network | | | Q2 2027 | | |  | |
| Completion Bulk raw water phases 2F | | | Q4 2028 | | |  | |
| Completion Eastern Limb Phase 2 Potable water | | | Q2 2030 | | |  | |
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| **Project Expenditure** | | | | | | | |
| **Estimated Total Cost at Completion (nominal)** | | | | | Circa 25 billion rands | | |
| **Total Expenditure to Date** | | | | | Zero (Budget Start Date – 01 February 2022) | | |
| **% Expenditure to Date** | | | | | Zero | | |
| **Approved Budget** | To be considered by 28 February 2022 | | | | **Revised Budget** | |  |
| **Month Projected** | R 6 million | | | | **Month Actual** | |  |
| **Cum Projected** |  | | | | **Cum Actual** | |  |
| **% of Variation to baseline projection** | | | | |  | | |

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| **Programme opportunities** | **Mitigation Strategy or Management Actions for Resolution** | |
| The OMM Programme has the opportunity of realising some significant opportunities not only regionally but also at a national level. These include:  1. Social harmony in the region through the provisioning of potable water, job creation and socio-economic development  2. Behavioural change to water conservation and payment for services  3. Increased collaboration between stakeholders to develop high impact socio-economic projects  4. Development of skills in the Water Sector  5. Establishment of a predictable cost-effective water tariff to assist large scale economic investment; and  6. Provision of water infrastructure to assist the industrialisation of the region. | The OMM Water User Association will capacitate an organisation with sufficient capabilities to design, build, finance, operate and maintenance the OMM Programme. | |
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| **Concluding Remarks** |
| * Signing of the Ministerial Heads of Agreement will initiate the integrated potable and bulk raw water solution for the middle Olifants River regions and the transformation of Lebalelo Water User Association into the OMM Water User Association that will act as vehicle to implement the agreed programme * The OMM Programme implementation is based on the following key drivers:  1. Fastest supply of water to communities 2. Lowest investment capital 3. Maximum use of available infrastructure and data 4. Optimal use of available water resource 5. Open and transparent commercial and governance processes 6. Establish a resourcing partnership with OMM WUA members to:    1. construct, operate and maintain the defined bulk water infrastructure    2. provide operational support to Water Services Authorities where required; and 7. As an integrated part of the OMM Programme a socio-economic development plan to prepare communities to participate in the Programme spend to develop skills, create jobs and change behaviour. The SED programme will focus on potable water, sanitation services, connectivity, education and enterprise development. | |
| **Responsible Deputy Director General: Moshodi Motebele** |

# 1.3 Project name: Masodi Wastewater Treatment Works - Mogalakwena Local Municipality in partnership with IvanPlats Proprietary Limited Mine

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| **Project Description** |  | **Project Phase** | | | | **Planning** | | |
| The construction of the Masodi Wastewater Treatment Works is a multi-year project that was implemented by Mogalakwena Local Municipality (LM), for the construction of a 10ML/day Wastewater Treatment Works, with capacity for expansion to 15 ML/day in future should the need arise.  The implementation of the Masodi Wastewater Treatment Works commenced on the 24th of June 2015 and was planned to be implemented over a period of 24 months ending on the 23rd of June 2017. However, the implementation of the project did not go according to plan due to community strikes and labour unrest. These delays resulted in an increase in project costs which depleted the budget and caused the Municipality to have insufficient funds to complete the project. The project has been at a complete standstill for almost five years. To date a capital cost of approximately R214 million was spend on the project, as well as the additional costs incurred by the Municipality on conclusion of the arbitration process with the previous Contractor who terminated his services.  In view of the potential local economic and social benefits that could be harnessed through the completion of this project, the Minister of Water and Sanitation (during his visit to Limpopo Province from 07-09 September 2021) arranged for the project to be completed. The completion of the construction works will be fully funded by Ivanplats Proprietary Limited Mine as per sponsorship agreement signed between Mogalakwena LM and Ivanplats mine. | **Project Start** | 01/10/ 2021 | | | **Project Completion** | 31/03/2022 | |
|  | | | | | | |
| **Project Schedule** | | | | | | |
| **Key Milestones\*** | | | **Planned** | | | **Actual** |
| Stakeholder engagement, intervention and signing of SLA between Mogalakwena LM and Ivanplats Proprietary Limited Mine | | | 17/01/2022 | | | 17/01/2022 |
| Project scoping and procurement of a Contractor | | | 31/03/2022 | | |  |
| Social facilitation and community engagements prior to commencement of construction works on site | | | 31/03/2022 | | |  |
| Water Use License Application for Masodi WWTW | | | 31/03/2022 | | |  |
| Exploration of funding models for interim water source development and reticulation of 11 settlements to generate sewerage for Masodi WWTW | | | 31/03/2022 | | |  |
| **Project Phase Construction** | | | | | | |
| **Project Start** 04/04/2022 | | | **Project Completion** | | | 31/12/2023 |
|  | | |  | | |  |
| **Project Schedule** | | | | | | |
| **Key Milestones\*** | | | **Planned** | | | **Key Milestones\*** |
| Completion of construction works for Masodi WWTW and Project Handover to Mogalakwena LM | | | 31/12/2023 | | |  |
| Operation & Maintenance of Masodi WWTW as per signed Sponsorship Agreement between MLM and Ivanplats Mine | | | 01/01/2027 | | |  |
| **Summary Progress** |  | | |  | | |  |
| * Stakeholder engagement, intervention and signing of SLA between Mogalakwena LM and Ivanplats Proprietary Limited Mine is completed. * Project scoping and procurement of a contractor is in progress and expected to commence on 01 February 2022. * Procurement of a Service Provider to lead the social facilitation and community engagements prior to commencement of construction works, is in progress through Ivanplats own internal procurement processes. * DWS, Ivanplats and Mogalakwena LM met to discuss process and procedures required for a Water Use Licence application (WULA). MLM will be supported by the PSP (to be appointed by Ivanplats) to conclude all WULA requirements in order to complete the application. |  | | | | | | |
| **Project Expenditure** | | | | | | |
| **Estimated Total Cost at Completion** | | | | **To be determined on completion of project scoping** | | |
| **Total Expenditure to Date** | | | | **Not applicable** | | |
| **% Expenditure to Date** | | | | **Not applicable** | | |
| **Approved Budget** | | ***TBC*** | | **Revised Budget** |  | |
| **Month Projected** | | ***TBC*** | | **Month Actual** |  | |
| **Cum Projected** | | ***TBC*** | | **Cum Actual** |  | |
| **% of Variation to baseline projection** | | | | **Not applicable** | | |

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| **Key Risks / Issues** | | |
| **No.** | **Risk Description** | |
| Public unrest may disrupt construction phase of the project. | | |
| **Root Causes of the Risk** | | **Mitigation Strategy or Management Actions for Resolution** |
| 1. | Community dissatisfaction regarding compensation demands for land encroachment by the WWTW project.  The demand for higher level of local SMME participation in construction works (local content). This emanates from the previous construction attempt by the Municipality to implement the project. | Appointment of social facilitator for thorough community engagement to unlock challenges at hand prior to actual commencement of construction works on site. |

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| **Responsible Deputy Director-General: Lindiwe Lusenga** |

* 1. **Olifantspoort and Ebenezer Water Supply Schemes (O&E WSS)**

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| **Project Description** | |  | **Project Phase** | | | | **Design** | | | |
| The project entails designs, upgrade and refurbishment of the Olifantspoort and Ebenezer Water Supply Schemes (O&E WSS) bulk infrastructure to meet the 2043 water demands.  The scope of the project includes   * WP A: Olifantspoort weir and raw water abstraction works- Raising of the existing weir by 2.8 m and modifications to the existing raw water pump station * WP B: Olifantspoort off-channel storage dam and raw water mains * WP C: Refurbishment of the Olifantspoort WTW * WP D: Refurbishment of PS1, PS2 & PS3 pump stations * WP E: Upgrading of SPECON reservoir * WP F: Duplicate rising main from Olifantspoort WTW(PS1) to SPECON * WP G: Duplicate mains from SPECON to ps2 & Witkos reservoir * WP H: Duplicate mains from Witkos reservoir to PS3 & Palmietfontein reservoir * WP I: Refurbishment of the Ebenezer WTW * WP J: Ebenezer high lift pump station to Rustfontein rising main * WP K: Extension of gravity pipeline b to Mankweng reservoir off-take * WP L Rehabilitation of the Megoring & Thakgalang river crossings * WP M: Refurbishment of Ebenezer High Lift Pump Station * WP NA: Emergency Bypass 7km Pipeline | | **Project Start** | | Oct 2019 | | **Project Completion** | | | Jul 2025 |
| **Project Schedule** | | | | | | | |
| **Key Milestones\*** | | | **Planned end date** | | | **Actual/ Revised** | |
| Appointment of PSP | | |  | | | Oct 2019 | |
| Project commencement | | |  | | | Nov 2019 | |
| Completion of Designs | | | July 2022 | | |  | |
| Implementation end dates (provisional): | | | To be confirmed after designs | | |  | |
| Anticipated Olifantspoort and Ebenezer Water Supply System (WSS) | | | Jan 2025 | | |  | |
|  | |
| **Summary of Progress** | 70 % |  | | |  | | |  | |
| * Inception, concept, and viability stages are completed (100%), design progress is 70% * Infrastructure Fund (IF) partnership to underway to support the programme * Project in process of the registering under Infrastructure South Africa (ISA) * Budget Facility for Infrastructure (BFI) application underway * Implementation Readiness Study (IRS) under appraisal with DWS | | **Project Expenditure** | | | | | | | |
| **Estimated Total Cost at Completion** | | | | | R4 580 100 607 | | |
| **Total Expenditure to Date** | | | | | R 94 327 691 (LNW fiscus) | | |
| **% Expenditure to Date** | | | | | 2,06% | | |
| **Approved Budget** | Provisional approval from National Treasury R1,4 billion; Pending securing R1,2billion of social component from DWS RBIG | | | | **Revised Budget** | | Not revised to date |
| **Month Projected** | R 5 000 0000 | | | | **Month Actual** | | To be confirmed 28/02/2022 |
| **Cum Projected** | R 99 327 691,81 | | | | **Cum Actual** | | To be confirmed 28/02/2022 |
| **% of variation to baseline projection** | | | | | 0 | | |  |  |

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| **Variance Reason** | **Recovery Plan** |
| Delays in acquiring the borrowing limit from the National Treasury. Commercial funding of R1,9 billion has also not gained traction which will make the balance of the R4,5 billion. | National Treasury to fast track the approval of the borrowing limit and allow DBSA to seek the commercial funding. |

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| **Key Risks / Issues** | | |
| **No.** | **Risk Description** | |
| **Root Causes of the Risk** | | **Mitigation Strategy or Management Actions for Resolution** |
| 1. | Insufficient capacity to meet future power demands of the existing electrical supply infrastructure needs to be addressed | LNW in conjunction with Eskom to develop the power supply plan for the system |
| 3. | Funds unavailability from RBIG (R 1,2 billion social component) | After the approval of the IRS, the registration should be finalized by DWS |
| 4. | Land availability; providing access to the site | LNW to finalize registration of servitudes |
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| **Concluding Remarks** | |  |
| The designs are anticipated to be completed by July 2022 and actual construction is expected to start as per the programme. The contractor is expected to start with emergency works to stabilize water supply. | |  |

**Responsible DDG: Thoko Sigwaza**