# 1.1 VAAL GAMARA REGIONAL WATER SUPPLY SCHEME

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| **Project Description** | | |  | **Project Phase** | | | | | **Construction Phase** | | | | |
| **The project location**   * John Taolo Gaetsewe District Municipality in NC   **The purpose of the project**   * The functional replacement of the existing steel pipeline with a new pipeline to provide assurance of current and future demands by all users. * The main water users in the area include the various mines, municipalities, agricultural sector and Transnet * Households to benefit is ±5958   **PROJECT SCOPE:PIPELINE**   * Upgrading of the existing 75 km pipeline from Roscoe to Black Rock:   **Pipeline 1A**   * 7.8 km of DN900 and DN1100 new pipeline from Roscoe to Khumani.   **Pipeline 1B**   * 5.6 km of DN700 new pipeline from the end of SWEP by-pass to a new Pressure Reducing Valve (PRV) station at Kathu Reservoir. * Note: The Scope was reduced from 5.6km to 0.38km after a condition assessment of the existing pipeline indicated that replacement could be delayed for some years.   **Pipeline 2**   * 54.5 km of DN700 and DN800 of a new pipeline from a new PRV station at Kathu Reservoir to Hotazel Reservoir.   **Pipeline 3**   * 11 km of DN600 pipeline between Hotazel Reservoir and Blackrock as well as 2.3km of DN400 pipeline to be installed in parallel with an existing DN560 pipelines | | | **Project Implementation Start** | | | 04 October 2016 | | **Project Implementation Completion** | | | March 2021 (Initial completion date)  May 2022 (revised completion date) | |
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| **Project Schedule for Feasibility Study** | | | | | | | | | |
| **Key Milestones\*** | | | | **Planned** | | | **Actual/ Revised** | | |
| Upgrading of the existing 75 km pipeline from Roscoe to Black Rock: | | | | | | | | | |
| **Pipeline 1A**   * 7.8 km of DN900 and DN1100 new pipeline from Roscoe to Khumani. | | | |  | | |  | | |
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| **Percentage Progress** | | **96 %** |
| **Summary Progress** | | | **Pipeline 1B**  5.6 km of DN700 new pipeline from the end of SWEP by-pass to a new Pressure Reducing Valve (PRV) station at Kathu Reservoir. | | | |  | | |  | | |
| * **CONSTRUCTION PROGRESS:** * The entire pipeline is in the ground, and some valve chambers need to be built * Pressure testing require before commissioning * Pressure testing has started, 50% complete * Pressure testing will be completed third week of February * This was conceptualized as a public private collaboration with two phases, with joint funding by government and a mining forum. * Phase 1 was to be funded by government while the details of the collaboration are worked out for phase 2, which will be partially funded by the mining forum. * The department appointed SW as the IA for the project in 2016. * The initial objective was to complete the project by June 2018, due to lack of funding from government this was revised to June 2020. * The project is almost two years overdue for completion. * Financial and governance challenges at Sedibeng Water (SW) resulted in delayed payments to the contractors, which in turn resulted in the contractor repeatedly stopping work. * The department and the mining forum agreed that this situation will be resolved by DWS making money available to SW for the contractor to be paid. DWS will be refunded at a later stage from capital raising fees paid by the mining forum members to SW, which are currently been held by SW. | | | **Pipeline 2**  54.5 km of DN700 and DN800 of a new pipeline from a new PRV station at Kathu Reservoir to Hotazel Reservoir. | | | |  | | |  | | |
| **Pipeline 3**  11 km of DN600 pipeline between Hotazel Reservoir and Blackrock as well as 2.3km of DN400 pipeline to be installed in parallel with an existing DN560 pipeline | | | |  | | |  | | |
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| **Project Expenditure** | | | | | | | | | |
| **Estimated Total Cost at Completion** | | | | | | R1 232 452 817,11(Initial Project Cost)  R1 526 831 071.00 Incl. VAT(Revised Total Project Cost) RBIG Contribution | | | |
| **Total Expenditure to Date** | | | | | | R1 474 646 245 | | | |
| **% Expenditure to Date** | | | | | |  | | | |
| **Approved Budget** | | R 136 000 000 current FY | | | | **Revised Budget** | | R 389 334 457,45 | |
| **Month Projected** | | R 20 000 000 | | | | **Month Actual** | | R19 727 459.63 | |
| **Cum Projected** | | R 360 000 000 | | | | **Cum Actual** | | R132 725 890.00 | |
| **% of Variation to baseline projection** | | | | | |  | | | |
| **Key Risks / Issues** | | | | | | | | | | | | |
| **No.** | **Risk Description** | | | | | | | | | | | |
| 1. Unauthorized and fruitless expenditure: | | | | | | | | | | | | |
| **Root Causes of the Risk** | | | | | **Mitigation Strategy or Management Actions for Resolution** | | | | | | | |
| 1 | Non -Compliance by Implementing agents | | | | Enforcement letters (As and when required): In terms of the project management principals and requirements related to RBIG grant funding as gazette in DORA, the Northern Cape Regional Office requested a forensic audit be conducted on the Vaal Gamagara Phase 1 project. Memo requesting audit dated 12 February 2021. Internal audit reported on 06 September 2021 that a term of reference has been prepared and procurement process for a service provider will commence. | | | | | | | |
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| **Concluding Remarks** | | | | |
| There are currently no disruptions on site and work is progressing well. | | | | |

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| **Project Description** | |  | **Project Phase** | | | | **Construction Phase** | | | |
| **PHASE 2**  **PROJECT SCOPE:**   * Upgrading of the existing 260 km pipeline from the Vaal river pump station to Roscoe near Kathu in the Gamagara Local Municipality:   **PROJECT DESCRIPTION**   * The purpose of the project is for the functional replacement of the remaining existing steel pipeline with a new pipeline to provide assurance of current and future demands by all users.   **LOCATION:**   * John Taolo Gaetsewe District Municipality | | **Project Implementation Start** | | 2022 | | **Project Implementation Completion** | | | 2033 |
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| **Project Schedule for Feasibility Study** | | | | | | | |
| **Key Milestones\*** | | | **Planned** | | | **Actual/ Revised** | |
| Sub-dividing the work into smaller projects | | | March 2022 | | | N/A | |
| **Percentage Progress** |  | Agreement on SPV | | | April 2022 | | | N/A | |
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| DWS and the mining forum have agreed to explore possible cost savings on phase 2 as currently planned through breaking it into sub-projects which can be implemented incrementally based on ongoing risk assessments of the pipeline and associated infrastructure, and any other possible ways of reducing costs. This will be done by the end of March 2022 | |  | | |  | | |  | |
| **Project Expenditure** | | | | | | | |
| **Estimated Total Cost at Completion** | | | | | R10 Billion ( estimated)  Government Contribution: 44% | | |
| **Total Expenditure to Date** | | | | | 0 | | |
| **% Expenditure to Date** | | | | | 0 | | |
| **Approved Budget** | N/A | | | | **Revised Budget** | | N/A |
| **Month Projected** | N/A | | | | **Month Actual** | | N/A |