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**JAMES KLEYNHANS BULK WATER SUPPLY
PARLIAMENTARY PRESENTATION**

PREPARED BY:
PLANNING AND DEVELOPMENT

PROJECT BACKGROUND

Makana Local Municipality, in a letter dated 18 September 2013, appointed a Service Provider for the Upgrading of the Bulk Water Supply for James Kleynhans. The appointment involved the following.

- Technical Feasibility
- Preliminary Design and Research
- Implementation Ready Study
- Funding application to Regional Bulk Infrastructure Grant (RBIG)

In terms of RBIG funding requirements, presentations and submissions were presented to the Eastern Cape Technical Appraisal Committee (ECTAC) and Eastern Cape Planning Co-ordination Committee (ECPCC) meetings held at the DWS offices in East London.

The following submissions have been completed and approved to date:

- Scoping Report - DWS approved scoping report on the 20 January 2014.
- Social Criteria Section Report - DWS approved Social Criteria Report on the 20 January 2014.
- Technical Feasibility Report - DWS approved Technical Feasibility Report on the 20 January 2014.
- Implementation Readiness Study - DWS approved the Implementation Readiness Study on the 06 June 2014.
- Approval of Regional Bulk Infrastructure Programme Project: James Kleynhans Bulk Water Supply, Makana Local Municipality (ECR047) – DWS approved by DG on the 04 March 2015.

The project cost & funding in accordance with the Medium-Term Expenditure Framework (MTEF) budget allocations as indicated on the approval letter from DWS, Ref 21/2/1203/ECR047, dated 04 March 2015 is R101,850,000.

Makana Local Municipality was placed under administration in terms of section 139(1)(b) in Oct 2014 until 30 July 2015 (Mrs Pam Yako was the administrator) and then from July 2015 to March 2016 (Mr Gamoma was the Administrator) and then from April 2016 to July 2018 Mr Pillay from SBDM was Acting MM under Section 54 and currently from the 1st August 2018 (Mr M Mene) is the new MM. Due to Makana LM being placed under administration, Amatola Water (AW) was appointed to act as implementing agent on the project.

A Tri-Partite, RBIG Funding and Implementation Agreement was signed by all parties, namely, Department of Water & Sanitation (DWS), Makana Local Municipality (MLM) and Amatola Water Board (AW) with DWS signing the Agreement on the 19 August 2015.

AW appointed Bosch Projects for the Professional Services for James Kleynhans Bulk Water Supply approved 07 August 2015.

The CIDB - Standard Professional Services Contract, was signed by both parties for the above appointment with AW signing the Contract on the 09 September 2015.

The scope of work agreed in the above Contract was the following;

- a) Augmentation of the James Kleynhans Water Treatment Works.
- b) Upgrading / refurbishment of the Existing 350mm dia Pumping Main.
- c) Refurbishment of the Existing James Kleynhans WTW.

Due to DWS funding constraints, the project was split into phases. The following phases were agreed.

- **Phase 1 – Augmentation of the James Kleynhans Water Treatment Works (R70.1m)**
- **Phase 2 – Augmentation of the James Kleynhans Water Treatment Works (R136.4m)**
- **Phase 3 – Refurbishment of Existing 350mm dia. Pumping Main (R15.5m)**
- **Phase 4 – Refurbishment of Existing Water Treatment Works (R15.5m)**
- **Total = R237,6m**

Funding was approved for Phase 1 and a small part of Phase 2 was covered by the existing budget of R68m. Funding applications were submitted for additional funding to complete Phase 2 and additional funding for Phases 3 and 4.

DWS indicated that additional funding for Phases 3 & 4 must follow the RBIG Framework and Processes. An updated Scoping Report was sent to Eastern Cape Technical Appraisal Committee (ECTAC) for consideration and approval. The additional funding (Phase 3 and 4) will be a scope change to the current RBIG approval.

A presentation took place at the ECTAC meeting on the 22 August 2016 and Phase 3 & 4 was approved. The proposal was sent to RBIG Eastern Cape Planning Co-ordination Committee (ECPCC). A meeting was held the following week where the project funding was approved by ECPCC with some conditions.

DWS requested that an additional funding submission for James Kleynhans BWS be submitted in terms of the Budget Facility for Infrastructure (BFI) 2018 Budget Cycle. On the 04 August 2017, a funding proposal was submitted to DWS for approval and submission. This funding was in support of large strategic infrastructure projects and/or programs.

DWS requested that an additional funding submission for James Kleynhans BWS be submitted in terms of the Drought Relief Funding 2018/2019. On the 13 June 2017, a funding proposal was submitted to Makana LM and DWS for approval and submission.

A PICC meeting was held at the offices of AW on the 11th of December 2018 to facilitate an integrated approach to fast-track the JKBWS project as much as possible to alleviate the water crisis in Makana Municipality. DWS expresses that they do not have additional funding and have had no underspending accrued on RBIG in the last two years. The PICC brings no funds at this stage, but this meeting will explore funding options after technical considerations. DWS to speedily approve the JKBWS Phase 2 Budget.

The approval of additional funding for the James Kleynhans BWS project on the approval letter from DWS, Ref 21/12/D5/2, dated 24 January 2019 is R237,575,865.

PROJECT SCOPE

The project's original scope was for the augmentation of the existing 10 Ml/day James Kleynhans WTW by constructing sludge ponds, 2MI clear water storage reservoir and high lift pumps.

Due to the drought in Makana that occurred between 2011 to 2017 which led to Waainek Water Treatment Works being unable to supply the Makana area, a decision was taken to augment the existing James Kleynhans Water Treatment Works with an additional 10 Ml/day capacity, along with associated works required to meet the bulk potable water needs for Makana.

Due to the nature of the project and funding, a phased implementation process is required. The Contract covers the following works under the various Phases.

Phase 1: Augmentation of the James Kleynhans Water Treatment Works – Completed – R69 133 309.00 (Direct, Indirect and IA Fees)

Main Delivery items (2ML Reservoir, Sludge Ponds & High Lift Plant)

- Clearwater storage (2MI reservoir) –Construction of new reservoir.
- Handling of Sludge and Backwash water – Upgrading of existing.
- Sludge Ponds – Construction of new sludge ponds.
- Mechanical works – Refurbishment of existing and installation of new.
- Electrical (bulk and internal) – Refurbishment of existing and new installation.
- Instrumentation (SCADA & PLC).
- Telemetry.
- Interconnecting pipe work – Construction of new interconnecting pipelines.
- Miscellaneous works.

Phase 2: Augmentation of the James Kleynhans WTW – At Construction Stage (Terminated) R139 950 358.70 (Direct, Indirect and IA Fees)

Main Delivery items (Additional 10ML treatment capacity to take the plant to overall 20ML, Refurbishment of the 350mm Raising Main and auxiliary works)

- Raw Water Inlet – Upgrading and refurbishment of existing inlet system.
- Upgrading Chemical Building – Upgrading and refurbishment of the existing dosing system.
- Extension of flocculation channels – Construction of additional floc channel.
- Sedimentation tank(10MI/d) – Construction of new sedimentation tanks.
- Filters(10MI/d) – Construction of 4 additional new filters.
- Backwash and Air Blowers – New installation.
- Clear water storage (1.0MI) – Construction of new reservoir below filters.
- Chlorination – Upgrading and refurbishment of existing system.
- Electrical (Internal and Bulk) – New electrical installation for additional infrastructure.
- Instrumentation (SCADA & PLC) – Installation of new for additional infrastructure.
- New Telemetry – Setup installation.
- Interconnecting pipework – Construction of new interconnecting pipelines.
- Upgrading / Refurbishment of Existing WTW and pumping main – Emergency works.
- Sludge pond and drain outlet – Gabion Works.

- Refurbishment of the existing 350mm dia. rising main.

PROJECT FINANCE

ITEM	DESCRIPTION	ORIGINAL BUDGET	REVISED BUDGET	Costs to Date
1	James Kleynhans Phase 1 & 2 BWS –	R 101 850 000,00	R 237 575 865,03	R 162 935 803,22
1,1	Phase 1	R 3 069 358,75	R 58 529 611,82	R 55 567 803,13
1.1.1	WINWATER (Terminated)	R 0,00	R 5 370 056,79	R 5 370 056,79
1.1.2	MAMLAMBO (Alternate Contractor)	R 0,00	R 35 946 739,77	R 35 946 739,78
1.1.3	AW (Suppliers)	R 0,00	R 528 400,00	R 536 591,30
1.1.4	Makana LM Payments	R 3 069 358,75	R 3 069 358,75	R 3 069 358,75
1.1.5	Fees, Add. Ser. & Dis	R 0,00	R 13 615 056,51	R 10 645 056,51
1,2	Phase 2 - Terminated	R 0,00	R 112 998 409,48	R 79 741 671,47
1.2.1	Contractor	R 0,00	R 96 175 976,32	R 58 391 572,53
1.2.2	Fees, Add. Ser. & Dis	R 0,00	R 16 822 433,16	R 20 975 895,43
1.2.3	AW (Suppliers)	R 0,00	R 0,00	R 374 203,51
1,2	Phase 2 - Completion	R 0,00	R 0,00	R 0,00
1.2.1	Contractor	R 0,00	R 0,00	R 0,00
1.2.2	Fees, Add. Ser. & Dis	R 0,00	R 0,00	R 0,00
1.2.3	AW (Suppliers)	R 0,00	R 0,00	R 0,00
1,3	Sub Total	R 85 087 719,30	R 197 239 895,22	R 135 309 474,60
1,4	IA Fees	R 4 254 385,97	R 9 708 526,82	R 6 612 005,79
1,5	Sub Total	R 89 342 105,27	R 206 948 422,04	R 141 921 480,39
1,6	VAT	R 12 507 894,74	R 30 627 443,00	R 21 014 322,83

Phase 1 - Actual Construction Expenditure

The Terminated Contractors invoices (WinWater) submitted to AW for Phase 1 are as follows;

No	Month	Estimated Expenditure (Excl. VAT)	Actual Expenditure (Incl. VAT)	Date Paid
1	Sep 2016	R 2,958,695.24	R0	
2	Oct 2016	R 3,969,576.46	R 2, 782, 681.29	22 Dec 2016
3	Nov 2016	R 6,209,644.24	R 3, 339, 183.45	20 Jan 2017
	Sub Total		R 5, 370, 056.79	
	VAT 14%		R 751, 807.95	
	Total		R 6, 121, 864.74	

The Alternate Contractor's invoices (Mamlambo Construction) submitted to AW to date for Phase 1 are as follows;

No	Month	Estimated Expenditure (Excl. VAT)	Actual Expenditure (Excl. VAT)	Date Paid
1	Sep 2017	R 1,275,596.93	R 1 275 596.93	07-Nov-17
2	Oct 2017	R 748,895.70	R 748 895.70	08-Dec-17
3	Nov 2017	R 2,410,207.00	R 2 410 207.01	25-Jan-18
4	Dec 2017	R 500,435.76	R 500 435.76	25-Jan-18
5	Jan 2018	R 1,293,439.98	R 1,293,439.98	13-Apr-18
6	Feb 2018	R 1,163,557.65	R 1,163,557.65	16-Apr-18
7	Mar 2018	R 1,255,581.65	R 1,255,581.65	28-May-18
8	Apr 2018	R 1,667,067.00	R 1,667,067.00	21-Aug-18
9	May 2018	R 1,919,792.77	R 1 919 792.77	23-Jul-18
10	Jun 2018	R 2,829,523.71	R 2 829 523.71	12-Sept-18
11	Jul 2018	R 661,650.79	R 661 650.79	13-Sept-18
12	Aug 2018	R 977,197.68	R 977 197.68	05-Oct-18
13	Sept 2018	R 359,901.07	R 359,901.07	13-Nov-18
14	Oct 2018	R 2,504,347.83	R 2,854,687.32	15-Dec-18
15	Nov 2018	R 3,710,006.96	R 2,676,616.26	24-Jan-19
16	Dec 2018	R 3,417,391.31	R 796,336.68	15-Dec-18
17	Jan 2019	R 3,547,826.09	R 1,120,117.78	08-Mar-19
18	Feb 2019	R 3,547,826.09	R 1,286,274.87	29-Mar-19
19	Mar 2019	R1 982,608.70	R 351,306.60	17-May-19
20	Apr 2019		R 3,623,201.65	28-Jun-19
21	May 2019		R 2,739,716.01	
22	Jun 2019		R 383,130.20	
23	Aug 2019		R 1,212,154.57	
24	Sept 2019		R 935,655.85	
25	Nov 2020		R 904,655.85	
	Sub Total	R 36,186,233.85	R 35, 946, 740.78	
	VAT 14/15%	R 5,066,072.74	R 5, 305, 533.86	(14% & 15%)
	Total	R 41,252,306.58	R 41, 252, 274.74	

The Contractors and Suppliers invoices (Garden & Floors and Trapro) submitted to AW directly for payment for Phase 1 are as follows;

No	Month	Supplier	Actual Expenditure (Excl. VAT)	Comment
1	Sep 2018	Garden and Floors	R217, 391.30	
2	Oct 2018	Trapro – H&S	R 52, 800.00	
3	Nov 2018	Trapro – H&S	R 148, 800.00	14% Vat was used
4	Jul 2019	Trapro – H&S	R 76,800.00	
5	Mar 2020	Trapro – H&S	R40,800.00	
	Sub Total		R 536, 591.30	
	VAT 14/15%		R 79, 000.70	
	Total		R 615, 592.00	

Phase 2 - Actual Monthly Expenditure

The Contractor's invoices (Mamlambo) and Consultant invoices submitted to AW to date for Phase 2 are as follows;

CONTRACTORS BUDGET		R 96 175 976,32	CONSULTANT BUDGET		R 19 724 941,85	16 MONTH CONTRACT
		R 110 602 372,77			R 22 683 683,13	
CLAIM No	MONTH	CONTRACTOR	CONTRACTOR REMAINING	CLAIM No	CONSULTANT	CONSULTANT REMAINING
	Feb-20			1	R 2 576 400,45	R 17 148 541,40
1	Mar-20	R 1 347 616,80	R 94 828 359,52	2	R 1 364 808,54	R 15 783 732,86
2	Apr-20	R 293 175,00	R 94 535 184,52	3	R 357 166,82	R 15 426 566,04
3	May-20	R 854 210,25	R 93 680 974,27	4	R 408 286,82	R 15 018 279,22
4	Jun-20	R 3 472 020,34	R 90 208 953,93	5	R 459 298,66	R 14 558 980,56
5 Claim	Jun-20	R 553 027,65	R 89 655 926,28			R 14 558 980,56
6	Jul-20	R 2 940 947,61	R 86 714 978,67	6	R 426 096,93	R 14 132 883,63
7	Jul-20	R 2 434 165,25	R 84 280 813,42			R 14 132 883,63
8	Aug-20	R 1 326 196,80	R 82 954 616,62	7	R 445 444,26	R 13 687 439,37
9	Sep-20	R 1 308 488,00	R 81 646 128,62	8	R 443 261,17	R 13 244 178,20
10	Oct-20	R 1 883 730,63	R 79 762 397,99	9	R 449 536,63	R 12 794 641,57
11	Nov-20	R 1 443 042,43	R 78 319 355,56	10	R 473 747,26	R 12 320 894,31
12	Dec-20	R 2 158 213,37	R 76 161 142,19	11	R 425 909,87	R 11 894 984,44
13	Jan-21	R 1 417 364,56	R 74 743 777,63	12	R 408 957,87	R 11 486 026,57
14	Feb-21	R 2 417 782,33	R 72 325 995,30	13	R 544 421,63	R 10 941 604,94
15	Mar-21	R 1 720 159,79	R 70 605 835,51	14	R 592 295,96	R 10 349 308,98
16	Apr-21	R 2 981 373,18	R 67 624 462,33	15	R 518 794,98	R 9 830 514,00
17	May-21	R 2 370 069,80	R 65 254 392,53	16	R 738 061,82	R 9 092 452,18
18	Jun-21	R 2 920 254,90	R 62 334 137,63	17	R 579 915,81	R 8 512 536,37
19	Jul-21	R 2 379 916,80	R 59 954 220,83	18	R 524 134,10	R 7 988 402,27
20 Cession	Aug-21	R 1 930 167,24	R 58 024 053,59	19	R 561 142,10	R 7 427 260,17
21	Aug-21	R 2 909 118,76	R 55 114 934,83			R 7 427 260,17
22 Cession	Sep-21	R 1 759 475,20	R 53 355 459,63	20	R 559 594,77	R 6 867 665,40
23	Sep-21	R 1 150 340,31	R 52 205 119,32			R 6 867 665,40
24 Cession	Oct-21	R 1 753 319,84	R 50 451 799,48	21	R 591 558,24	R 6 276 107,16
25	Oct-21	R 1 668 450,74	R 48 783 348,74			R 6 276 107,16
26 Cession	Nov-21	R 1 993 757,98	R 46 789 590,76			R 6 276 107,16
27	Nov-21	R 1 784 175,81	R 45 005 414,95	22	R 556 031,81	R 5 720 075,35
28	Dec-21	R 1 991 680,41	R 43 013 734,54	23	R 746 104,20	R 4 973 971,15
29	Jan-22	R 884 437,05	R 42 129 297,49	24	R 491 064,11	R 4 482 907,04
30 Cession	Jan-22	R 3 990 025,78	R 38 139 271,71			R 4 482 907,04
31	Feb-22	R 354 867,92	R 37 784 403,79	25	R 571 488,43	R 3 911 418,61
32	Mar-22		R 37 784 403,79	26	R 432 062,51	R 3 479 356,10
	Apr-22			27	R 431 116,41	
	May-22			28	R 471 839,23	
	Jun-22			29	R 447 555,40	
	Jul-22			30	R 409 798,64	
Sub Total		R 58 391 572,53			R 18 005 895,42	
VAT		R 8 758 735,88			R 2 700 884,31	
TOTAL		R 67 150 308,41			R 20 706 779,73	
REMAINING		R 43 452 064,36			R 1 976 903,39	
COMBINED			R 87 857 088,14			
IA FEE			R 4 392 854,41			
TOTAL FEE			R 92 249 942,55			