



## **NOTICE OF AMENDMENT TO CONTRACT WS.6373**

In terms of the Municipal Finance Management Act, Section 116 (3) (a) and (b), notice is hereby given for the proposed amendment of Contract WS.6373 awarded to RAF Engineering for the Provision of Mechanical/Electrical for the Servicing, Maintenance and Repairs of Network/Works assets located in the Southern Coastal Area. The awarded contract value is R27 640 000.00. The contract has a three year term having commenced 1 February 2013 and expiring on 31 January 2016.

### **Reasons for the Amendment:**

As a consequence of the in-house depletion of proficient mechanical and electrical artisan skills, coupled to the limited M&E resource not managing to halt the deteriorating condition of the M&E assets, Contract WS 6373 was inaugurated on 1 February 2013 outsourcing the M&E servicing and repair function in the eThekweni Southern Coastal Zone. Upon launch of Contract WS.6373 and following an extensive condition pre-audit of the M&E assets specific to the southern coastal area, it became abundantly clear that the vastness and magnitude of the challenges facing the rehabilitation of the southern coastal area, had been grossly under-estimated.

This has been borne out by the servicing/maintenance/refurbishment returns lodged to date. The corrosive coastal climate has exacerbated the challenges facing the M&E function, and is encouraging refurbishment interventions rather than short-term quick fixes. This will significantly dent life-cycle expenditure over the long haul. The budget squeeze has also been aggravated by the unforeseen spend attributable to acts of vandalism that are a constant plague in vulnerable southern coastal districts. Since the inception of Contract WS 6373, inordinate expenditure has been incurred addressing these unpredictable events that are on the rise.

An adverse, yet not so obvious, consequence of these acts of vandalism is the disastrous effect on the receiving environment. Depending on the severity of the vandalism incident, and even with tankering and other mitigation interventions, the final spillage tally is always significant. As per EWS' manifesto, all sewage spillages are addressed with sincerity and intent. The upshot of the foregoing is that the budget allocated to Contract WS 6373 has fallen woefully short of the reality of the challenges facing the Southern Coastal Zone. To provide short term relief while the Section 116 (3) motivation was prepared, BAC approval was secured for the budget limits of WS 6373 to be increased by 20%, congruent with Circular No. 62 'Management of Expansion or Variation of Orders against the Original Contract'. To enable Contract WS.6373 to function effectively to the end of the contract period viz. 31 January 2016, it is submitted that the contract value will need to be expanded by an additional R29 000 000.00.

**Affected parties** must submit representations not later than 26th September 2013 addressed to the City Manager, 6th Floor, City Engineer's Building, 166 KE Masinga Road, Durban. For enquiries: Mr A. Peinke on 031-3118070. Email [andrew.peinke@durban.gov.za](mailto:andrew.peinke@durban.gov.za)