



**Publication:** CityPressWesternCape - Main  
**Title:** NW JUSTIFIES PAYING BALLOONED ROAD COSTS  
**Publish date:** 23 Jul 2023  
**Page:** 4

**Reach:** 3127  
**AVE:** R 37089.98  
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# NW JUSTIFIES PAYING BALLOONED ROAD COSTS

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The North West department of public works and roads has been left trying to justify the ballooned payment of incomplete road works on Nelson Mandela Drive in Mahikeng.

The department confirmed with City Press this week that it is going to pay an additional R32 million to the already allocated budget of R47 million for the refurbishment and special maintenance of the road that connects the province with Botswana.

The department is now expected to pay R79 million for the incomplete work.

"The department of public works and roads confirms an increase in the initial contract amount," said MEC for public works and roads Saliva Molapisi's spokesperson, Lerato Gambu.

City Press reported in March that the company that was awarded the tender, Khosi/Vuyo Logistics, was required to do special maintenance and appurtenant works on the road for a distance of 4.5km.

Insiders claim that the ballooned payment was caused by the contractor's submission of faulty invoice documents. However, the department said the increase was a result of the variation order and additional work.

"The amount did not balloon as put by the City Press; a variation order is a result of under-measured quantities and the stormwater," said Gambu.

"Nelson Mandela Drive is known for water that was pounding because of poor drainage that damages the layer works. Hence the reason for the rehabilitation and why a variation order was issued to address the issue of stormwater in order to avoid damaging the newly built road. Due processes were followed to apply for the amounts, excluding VAT, of R7 577 989 for the variation order and R20 609 820 for the storm water drainage. Approval was granted, leading the contract amount to R79 418 928.56," said Gambu.

After advertising and appointing Khosi/Vuyo Logistics

# R47M

**THE DEPARTMENT CONFIRMED TO CITY PRESS THIS WEEK THAT IT IS GOING TO PAY AN ADDITIONAL R32 MILLION TO THE ALREADY ALLOCATED BUDGET OF R47 MILLION FOR THE REFURBISHMENT AND SPECIAL MAINTENANCE OF NELSON MANDELA DRIVE, WHICH CONNECTS THE PROVINCE WITH BOTSWANA**

to do the work in November last year, the company was given a the completion deadline of September.

The department said the contractor had been unable to proceed with work prior to the approval of the variation order.

"Stormwater proposed has to run underneath the road. The contractor slows down the pace, awaiting the outcome of the submitted variation order," said Gambu.

Insiders said the amount is expected to increase further, as the refurbishment has fallen behind and is still far from complete. But the department said it has extended the deadline for the completion of the work.

Gambu said the department was only paying for work done and had only paid the company R3.3 million so far.

According to insiders, the head of department (HOD) Ikgopoleng Kgantsi approved the payment of the contractor without following due process and also getting the approval of the treasury.

However, Gambu said the HOD can pay any contractor doing business with the department based on certificates issued by the employer's agent, which are deemed correct and for work done.

He said approval for payment was based on two factors.

"Variation order 1 is for the provision of additional base and sub-base material; the condition of the existing road proved to be in a worse state than originally anticipated. The second being additional work on stormwater. Nelson Mandela Drive is in a very bad state due to defects of water locking up on the road and resulting in pavement layers being damaged. The stormwater and culvert to be installed in line with the Municipal Stormwater Plan were erroneously omitted in the designs," he said.

Gambu defended Kgantsi from any wrongdoing.

He said that, in terms of Public Finance Management Act supply-chain management instructions, if construction-related goods or services, or both, are expanded or varied by more than 20% or R20 million (including all applicable taxes), whichever is lower, the accounting officer must, in a format determined by the National Treasury, submit a monthly report, including the reasons for the expansion or variation, to the relevant treasury and the Auditor-General.

"Categorically put, the HOD duly notified the provincial treasury and the Auditor-General; and will provide monthly reports in line with the prescripts."

City Press reported that the contractor had been awarded the tender despite its noncompliance at the time. A letter from the Bigen Group, an engineering company that acts as an agent for the department, indicates that the company had not submitted all the necessary documents requested by the department by February.

"To this date, the department has not received any nonconformance in terms of the quality of work Khosi/Vuyo has done. It is worth noting that any work done by any contractor has to be approved by the employer's agent and failures are normal," said Gambu.

The contractor was well within the prescribed time limits and an extension of time had been granted because of additional work, Gambu added.