



OFFICE OF THE MEMBER OF THE EXECUTIVE COUNCIL

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RESPONSE TO QUESTIONS FOR WRITTEN REPLY – IQP NO.33 OF 2018

448. Ms V Knoetze to ask the MEC responsible for Public Works:

With reference to the Bhisho Office Precinct:

- (1) Whether she can kindly provide reasons for the delay in terms of progress regarding the abovementioned project;**

RESPONSE

The Tender was advertised in the tender bulletin and national media on 23 April 2017. A Compulsory Tender Briefing was held 18 May 2017 in Bhisho, and 122 interested parties attended the briefing session.

The tender closed on 31 October 2017, however no tenders were received. The no-bid response delayed the original project implementation timelines.

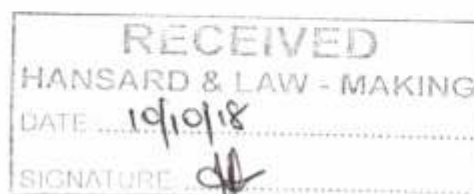
The department then approached the National Treasury through Provincial Treasury for a limited bidding process due to the critical nature of the project.

A response was received wherein a limited bidding process has been approved in respect of Public Investment Corporation (PIC); Development Bank of South Africa (DBSA) and Independent Development Trust (IDT).;

The department in consultation with Provincial Treasury is now in the process of implementing the approval;

The highest risk factor that caused the delay was the provision of bulk infrastructure by the Buffalo City Metropolitan Municipality. The DPW proposed an onsite sewerage package solution to deal with sanitation. Approval has since been granted by BCMM.

The tender briefing with the three nominated SOE's was held on 17 August 2018 in Bhisho, and the tender closes on 20 October 2018.



- (2) what is her Department's timeline for work and completion in terms of the project mentioned above;**

RESPONSE

Construction is anticipated to commence in April 2019.

- (3) when does her Department project that offices in the abovementioned precinct will be ready for occupation by departments;**

RESPONSE

The envisaged occupation date is March 2021.

- (4) (a) what total budget has her Department set aside in respect of the project, (b) how much of the budget has her Department already spent and (c) over which financial period;**

RESPONSE

The Bhishe Office Precinct is a Public Public Partnership (PPP). The department has placed a bid to attract a financier/developer that will construct the precinct with their own funding and operate the precinct over a concession period of not more than twenty-five years. The department will pay a monthly unitary payment over the concession period. After the concession period, the department will own the precinct.

- (5) (a) which companies has her Department awarded tenders in terms of the project, (b) to what value and (c) during which financial year(s) and can she kindly provide the relevant details in this regard?**

RESPONSE

The department appointed a Transaction Advisory (TA) Company (TKDS Consulting) as required by Treasury guidelines. Due to the urgent nature of the project the department included a professional design team within the Transaction Advisory Project team in order to fast track the design and approval. The cost thus far for the TA and Professional Team (consisting of Architects, Quantity Surveyors, Mechanical, Structural, Electrical, Civil Engineers and Town planners) is 49 million.