

# **ANNEXURE A**

## 2014/15 PROPOSED CAPITAL BUDGET ADJUSTMENTS

Department	Project Name	Source of Finance 2014/2015	Original Budget 2014/15	2014/15 Budget (as at 31 Dec 2014)	Exp incl. commitments (as at 31 Dec 2014)	Amount to be Reduced (Reductions) (-)	Additional amount requested (Additions) (+)	Net Adjustment	Total Budget after Adjustments 2014/15	Detailed Motivation as to why the adjustments are necessary
Council General	ERP Phase 1	Municipal Bonds	10,000,000	10,000,000	3,085,000	(10,000,000)	-	(10,000,000)	-	Project moved to ICT Department as the budget will be utilised during the 2014/15 FY. This is in addition to the budget which is put forward for the next 3 years.
Customer Relations Management	CCA Brownfields Upgrades (Benoni, Boksburg, Brakpan, Germiston, Kempton Park & Springs CCC)	Municipal Bonds	5,850,000	6,510,000	1,449,891		4,000,000	4,000,000	10,510,000	Kempton Park has been moved out to 2014/15 to accommodate the planning processes of the project. The additional amount is required to fund the springs under quoted tender to complete the project within the current financial year. The Springs project experienced numerous problems due to contractor non-performance. However, measures have been put in place to monitor the progress and ensure that the contractor deliver on the contract. The fact is that the contract is under-priced given the size of the site and that Electrical and Mechanical allowances in the tender document were very low compared to the market values. This significantly increased the cost on the project, because selected sub-contractors had to be appointed through a tender process. The Bid document also did not make allowance for structural/civil engineering services, which were necessary and critical on this project because of the age of the Springs Civic Centre building. The additional funds requested are to cover the shortfall on the items that the BOQ did not adequately provide for.
Customer Relations Management	Daveyton Building Upgrade	Municipal Bonds	7,000,000	7,122,214	3,477,470	-	3,000,000	3,000,000	10,122,214	Daveyton Project had approved a reduced scope due to funding constraints. Funding is required to fund the full scope and additional expenses incurred. SCM would have to amend the appointment letter to accommodate the full scope in line with the bid. A further report on the scope creep will have to be approved by the accounting officer through his committees.
Customer Relations Management	Nigel Building Upgrade	Revenue	1,100,000	4,100,000	2,556,473	-	6,000,000	6,000,000	10,100,000	The Nigel Customer Care Centre (CCC) building upgrade also incurred additional costs because of poor soil conditions, and that when an excavation was done; two (2) storm water pipes were discovered running underneath the main building, which were not showing on the site plan. These technical problems had to be resolved by conducting an extensive Geo-tech study to determine how the foundation should be constructed and strengthened. The revised final expenditure is R 17,143,011.90, including VAT and contingency and professional fees. Nigel and Tembisa 2 require council approval on the extensive cost and duration variation to enable the current contractor to complete the project within the current financial period.

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Customer Relations Management	Tembisa 2/ Winnie Mandela New Building	Municipal Bonds	10,000,000	10,000,000	6,646,710	-	8,000,000	8,000,000	18,000,000	The Tembisa 2/Winnie Mandela new Customer Care Centre building incurred additional costs because of dolomite on the construction site. The Geo-Technical study revealed that the whole floor area contained dolomite rocks underneath, which had to be exposed to check the severity of the problem. The solution applied was to blast the tips of the rocks, because many of them were inter-locked to each other underneath; and removing them was going to create a sink hole. The total project value was estimated to reach 27 000 000.00. However, the final expenditure projection from the Quantity Surveyor (QS) is R 33, 378, 546.43, excluding professional fees. Nigel and Tembisa 2 require council approval on the extensive cost and duration variation to enable the current contractor to complete the project within the current financial period.
Customer Relations Management	Unified Command Centre	Municipal Bonds	10,000,000	17,019,402	7,275,022	(10,000,000)	-	(10,000,000)	7,019,402	R10m of the UCC budget is to be transferred to ICT as a result of a decision by the City Manager. The rollover from 2013/14 of R7,019,402 is to remain with CRM.
Customer Relations Management	Vosloorus Building Upgrade	Municipal Bonds	400,000	2,520,000	2,346,336	-	200,000	200,000	2,720,000	The project is scheduled to be completed at the end of November 2014, and the additional funding is required to cover cost relating to variation orders, which were necessary for the successful completion of the project.
Disaster & Emergency Management Services	Const Fire Station/House Germiston Central	USDG	20,000,000	7,381,309	2,727,335		7,700,000	7,700,000	15,081,309	There was a delay in awarding the bid for construction due to the fact that the highest scoring bidder's price was far below the market price (16%). The BEC advised the department to engage the contractor in order to determine whether they will be able to deliver the required project for the tendered amount. After lengthy engagements; the bidder agreed and eventually withdrawn his bid. This process delayed the finalization of the appointment of the contractor. The second highest bidder was appointed and the site hand-over took place on 2 September 2014 and only commenced work in October 2014. The department budgeted a total of R20m in the 2014/15 Fin Year. The delay in the appointment of the contractor posed a risk of under spending on USDG. The risk had to be mitigated early enough. At the same time; the Duduza Fire Station where the original contractor was dismissed due to poor performance and poor workmanship at beginning of the 2nd half of 2013/14, required additional funds in order to avoid the stop – start situation during the construction of the Fire Station. Additional funds were informed by an assessment report of the Consulting team after the appointment of the replacement contractor who had higher rates than the previous one. The reallocation of funds to Duduza Fire Station from Germiston Fire Station was done through an expedited item (R12, 62m) during October 2014. At the time of this reallocation; the cash-flow projection for Germiston Fire Station project was not yet available from the contractor. Towards the end of October, the projections were made available to the value of R15,08m in 2014/15. This meant that an additional R7.7m is required to augment the remaining budget of R 7,38m in the current financial year. The project will still be completed in early 2016/17 as a result of the delay with the appointment.

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Disaster & Emergency Management Services	Const Fire Station/House Thokoza	USDG	13,000,000	13,000,000	-	(12,500,000)	-	(12,500,000)	500,000	Thokoza area is highly dolomitic and the Geo-Tech and dolomite investigation took longer than anticipated originally. When the investigation was finalized; the outcome thereof required that the designs be re-done to comply with the recent SANS 1936 in order to secure the building platform. This process delayed the finalization of the designs thereby requiring a budget adjustment and therefore moving the completion of the Project to 2016/17 instead of 2015/16. The Geo-Informatics Division of City Planning was driving the process of investigation. As part of mitigation; City Planning Department also deployed a service provider to assist DEMS Department with the bulk earthworks in order to secure the building platform, since the project is in a highly dolomitic area. Therefore the earth works is already taking place on operating budget to ensure that once the contractor is appointed; he/she starts immediately with foundations. These complications with designs on dolomitic site delayed completion of plans and subsequent procurement of the building contractor. The contractor is anticipated to be appointed by April/May 2015. R 12 500 000m provided for 2014/2015 needs to be provided for in 2015/16. The estimated project cost is R36 000 000. The remaining amount is requested in 2016/17. The Project is not abandoned but moved by one year and continuing as per IDP.
Disaster & Emergency Management Services	Const Fire Station/House Zonkezizwe	USDG	-	-	-	-	736,000	736,000	736,000	The project was completed in June 2014 at the end of the 2013/14. As per contract; the contractor has 90 working days to submit the "Final Account". The final account of the contractor was submitted during the Q1 of 2014/15 and an outstanding payment to the contractor to the value of R 735 540.35 is due to the contractor for work done, whilst no provision was made in the 2014/15 for this project as this final account was not yet available at the end of 2013/14. The submission beyond 2013/14 was due to sub-contractors that did not submit their payment certificates in time relying on the 90 days period as per conditions of contract. An additional amount of almost R 736 000 is required to pay contractor. This amount will not constitute over expenditure on the Project as the amount of R 880 000 was reallocated from this project to refurbishment projects towards the end of 2013/14 to mitigate the risk of under expenditure on USDG budget which is a rule to avoid.
Disaster & Emergency Management Services	ICT Equipment (EMS)	Revenue	600,000	600,000	459,332	-	1,000,000	1,000,000	1,600,000	ICT Department has advised the Department that the operating system used can not be supported on the majority of the current desktops in Emergency services, and that they should be replaced urgently. In addition the copier/printers at the Corporate Office and training centre is continuously failing and needs to be replaced urgently.

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Disaster & Emergency Management Services	Refurb of All Metro Fire Stations/House	Municipal Bonds	2,000,000	2,000,000	642,855	-	3,064,000	3,064,000	5,064,000	<p>1. The original approved R2m for Refurbishment of Fire Stations is currently allocated and used for the following projects :</p> <p>a) Completion of the Mezzanine floor at Bedfordview Fire Station - R 540 000</p> <p>b) Replacement of roof at Boksburg Fire Station - R 360 000</p> <p>c) Paving and Carports at Boksburg Fire Station - R 900 000</p> <p>d) Professional Fees for the Consultants - R 200 000</p> <p>Contractors are already appointed and commenced the work. R3, 064, 000 Requested for Re-allocation to Refurbishment of Fire Stations will be used for the following projects: a) Replace Machine Bay Doors at Benoni and Commercia for R 1 200 000, b) Refurbish swimming pools at Rynveld, Bedfordview and Edenvale for R 500 000, c) Fencing at the following Fire Stations (R600,000): Wadeville – 345m palisade fence plus 2 gates, Bedfordview – 100m palisade fence, Boksburg – Leon Ferreira – 300m palisade fence and 80m clearview at offices, Nigel – 30m of pre-fabricated fence, Zonkizizwe FS – extend height of boundary wall by 600mm, d) Refurbishment of kitchens at 10 Fire station houses for R 764 000</p>
Economic Development	Ekurhuleni Industrial Parks	Municipal Bonds	2,000,000	2,000,000	-	(2,000,000)	-	(2,000,000)	-	The Division Consulted with the Department of Trade and Industry to establish their role and support in the municipalities implementation of their Industrial development programmes including the Special Economic Zones. The division is relinquishing the R2million allocation as the anticipated support from the DTi is expected to cover the preparatory work needed for the implementation of the Ekurhuleni Own Industrial Park and related projects. The Division may however in future require funding from Council especially when the project reaches implementation phase.
Economic Development	Tourism Route Infrastructure	Municipal Bonds	1,000,000	1,000,000	512,861	-	200,000	200,000	1,200,000	The funds are required to continue in the development of routes as per the National Tourism sector strategy.
Economic Development	Township Economies Development	USDG	10,000,000	10,000,000	149,100	(6,000,000)	-	(6,000,000)	4,000,000	Identification of council owned shops that were to be refurbished was delayed due to legitimacy of leaseholds, the Provincial DED is at the point of transferring some shops to people. Due to this process the Department needed to ensure that the identified shops are not in contention. The department is forced to implement the Council Owned Refurbishment project in the next year to allow space to deal with all the challenges. Therefore out of the R10m funds budgeted for this project, R4m will be used for planning for 2015/16, 2016/17 and 2017/18 financial years
Economic Development	Township Industrial Parks	USDG	6,000,000	6,000,000	569,214	-	6,000,000	6,000,000	12,000,000	The consultants appointed conducted an assessment of the Refurbishment of Duduza Resource Centre project. The Bills of Quantities and plans indicated that the project was under budgeted, and that it would require R12m to complete all the works, hence the Department is requesting additional R6m to complete the project.

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EMPD	Const Precinct Stations Tokoza	Municipal Bonds	12,500,000	12,500,000	1,366,566	(4,000,000)	-	(4,000,000)	8,500,000	Contractor was delayed during construction as actual founding conditions on this dolomitic site was different than planned and platform had to be altered to suit new on site conditions. Caused a delay of ±6 weeks - extension of time to follow. Contractor has completed bulk earthworks, raft foundation and brickwork up to top of window level. Contractor approximately 2 months behind initial programme. Cash flow consequently delayed - Payment of R 832 746 and R1 010 160 processed end Sept 2014 and during October 2014 respectively. Due to the delays in the project, it will not be completed in this FY and the funds will not be fully utilised and the intention is to complete the project in the new FY.
EMPD	Const Precinct Stations Zonkezizwe	USDG	-	4,285,066	3,438,390	-	5,000,000	5,000,000	9,285,066	Initial contract has been delayed due to reasons beyond contractors control. Additional costs due to : a) The generic design of the initial consultant had to be altered to suit the site specifics and additional costs incurred on dolomitic conditions (Foundation and site wet services), b) revised "Green Building" design and c) extension of time. Contract was extended to complete during April 2014. Contractor did not perform and contract expired end June 2014. Busy finalizing contractual documentation to complete the project. First Payment certificate in 2014/15 FY to be submitted end October 2014. Building enclosed, roof installed and most windows and doors installed, suspended ceilings and light fittings 80% installed. 60% painted inside. Busy with final finishing and site work. Anticipated completion March 2015. Invoices to the value of R 3.5 mil have been received and submitted yesterday for payment - they were submitted on 3 November but due to an error on the invoice, they were returned for resubmission. This precinct is in the final stages of construction and the additional funds are required for the completion thereof. This Precinct is directly related to service delivery and the Departmental SDBIP will not be achieved if the project is not completed.
EMPD	Refurbishment All EMPD facilities	Municipal Bonds	2,040,000	2,040,000	1,357,342	-	1,000,000	1,000,000	3,040,000	Addition funds required for the urgent refurbishment of Brakpan Precinct. This Precinct is in need of urgent refurbishment in order to render service to the community. The present facilities are not conducive for the rendering of efficient services to the community.

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EMPD	Refurbishment Boksburg Pound office	Revenue	-	-	-	-	1,000,000	1,000,000	1,000,000	Additional funds are required for the tarring / paving of the premises to prevent fires and damage to impounded vehicles. The current pound premises is a grassed area and due to the number of vehicles in the pound, the grass is difficult to cut and maintain. In winter the grass becomes dry and is prone to fires, with the consequences being that of major destruction to impounded vehicles, resulting in claims against Council.
EMPD	Refurbishment Logistics section	Municipal Bonds	2,000,000	2,000,000	-	-	1,000,000	1,000,000	3,000,000	Additional funds are required for the erection of carports for the safekeeping of the pool busses and mini busses in EMPD. It is the intention of the EMPD to pool the busses and mini busses in EMPD in order to ensure that the vehicles are utilised correctly and efficiently and are not misused. We have a constant need for these vehicles and they are not always available at short notice. Therefore the EMPD intends to store the vehicles at the EMPD Logistics Section in Kempton Park and have them work on a book in - book out system. In order to protect the vehicles from the elements (hail etc.) they need to be under cover and at present there is space of the vehicles, but no protection. By pooling the vehicles in once place and having control over their utilisation - this will ensure that the vehicles are available when needed and utilised in the best possible manner to ensure service delivery.
EMPD	Specialized Equipment (EMPD)	Revenue	4,000,000	4,000,000	2,638,686	-	2,500,000	2,500,000	6,500,000	Additional funds are required for the purchase of dash mounted radios for all EMPD vehicles for the transmission of data from the control room to the officer in the vehicle. The dash mounted radios will directly enhance service delivery as better policing services can be rendered, through better communication - this will also assist in fighting crime and thus reducing the crime rate.
EMPD	Specialized Vehicles (EMPD)	Revenue	1,500,000	1,500,000	1,441,971	-	2,000,000	2,000,000	3,500,000	Single cab LDV's must be purchased for By-Law and Cable Theft law enforcement - transportation of impounded good and evidence. These vehicles can only be purchased from the Specialised Vehicles vote number and EMPD requires these vehicles in order to enforce Council By-Laws and combat cable theft, thus meeting the SDBIP targets in terms of service delivery, by-law enforcement and reducing cable theft.

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EMPD	Establishment of Equestrian Unit	Municipal Bonds	-	130,000	-	-	200,000	200,000	330,000	These funds are required for the purchase of horses for the replacement of old horses which need to be retired. The horses would have originally been bought from the Specialised Equipment vote number, but we were told by Finance (Lovedalia) that we have to purchase the horses from the Establishment of Equestrian Unit vote number, and that we could not use the Specialised Equipment vote number. The Specialised Equipment vote number has been utilised for the purchase of firearms (R 2.7 million) and the balance will be utilised for the purchase of speed equipment on the tender that was approved at BAC last week. It is important to replace 3 of the horses as these horses are unable to perform duty due to there age and medical condition - if the horses are not replaced this will seriously impact service delivery in terms of the serviced rendered by the Equestrian Unit - they need horses to perform their functions.
Energy	Corporate Electrification	USDG	100,000,000	100,000,000	828,912	-	20,000,000	20,000,000	120,000,000	The department is inundated with petitions from communities in townships that currently do not have electricity requesting the provision of basic services. EMM is currently only having 82% access to electricity which is amongst the worst of the eight Metros. There is a need to increase the pace of providing electricity to qualifying communities. The funding will be utilised in the areas of Palm Ridge, Eden Park, Esselen Park, Chief Albert Luthuli, John Dube, Villa Liza and Kwa-Thema.
Energy	Corporate Energy efficiency	Other National Grants	10,000,000	10,000,000	9,622,003	-	7,500,000	7,500,000	17,500,000	Additional allocation as per the Division of Revenue Act adjustments published in December 2014
Energy	Corporate Lighting	Municipal Bonds	6,000,000	6,000,000	2,021,879	-	2,000,000	2,000,000	8,000,000	The department is inundated with petitions from communities in townships that are requesting the provision of streetlights and highmast lights. There is a need to increase the pace of providing lighting to qualifying communities.
Energy	Corporate Network enhancement	Municipal Bonds	3,000,000	3,000,000	-	-	10,000,000	10,000,000	13,000,000	The department has experienced a recent spike in network performance challenges with outages that affected areas like Sunward Park, Freeway Park, Brakpan, etc. This resulted in outages that left customers without electricity supply for extended periods. The funding will be utilised in the areas of Kwa-Thema, Langaville, Tsakane, Duduza, Daveyton, Etwatwa, Tembisa, Katlehong, Vosloorus, Tokoza.
Energy	Corporate Revenue enhancement	Municipal Bonds	25,000,000	25,000,000	11,126,414	-	20,000,000	20,000,000	45,000,000	The department has identified an urgent need to increase revenue protection and enhancement in the form of rolling out of protective structures and prepaid meters metering. This will improve the electricity revenue loss of EMM.



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Energy	Corporate Substations	USDG	160,000,000	160,000,000	29,021,400	(80,000,000)	-	(80,000,000)	80,000,000	The department has experienced challenges with appointment of contractors for (1) Edenvale Substation where the bidder could not produce the required Performance Guarantees and as a result had to be non-awarded (2) Mayfield Stations where the bidder wanted to negotiate his tendered amount. The department would like to re-prioritized the savings for the construction of substation and allocated the funding towards the increased rollout of electrification to subsidised housing, the installation of new streetlights and highmast lighting, and increasing revenue enhancement projects.
Energy	Corporate vehicles	Revenue	15,000,000	15,000,000	13,235,770	-	15,000,000	15,000,000	30,000,000	The department has requested more electrician positions as part of critical vacancies who requires additional vehicles to operate.
Energy	External Infrastructure Development Glen Gory	Municipal Bonds	41,000,000	41,000,000	-	(41,000,000)	-	(41,000,000)	-	The budget for the provision of bulk infrastructure for the Glen Gory development is dependent on the timelines of the private Developer and he has indicated that he will only require council funding portion towards the end of the mid-term budget cycle (possibly 2017/18 financial year). The budget will also be centralised to one vote number for the developer to provide bulk services for Roads & Storm water, Electricity, and Water & Sanitation.
Energy	Renewable Energy Projects	Municipal Bonds	20,000,000	20,000,000	17,994,000	-	13,000,000	13,000,000	33,000,000	The department is inundated with petitions from communities in informal settlement requesting the provision of basic services. There is a need to increase the level of providing PV Systems to the qualifying communities.
Environmental Resources Management	Development and Upgrading Community Environmental Education Centres: Esselen Park	USDG	500,000	500,000	-	(500,000)	-	(500,000)	-	The area to build the facility falls within an environmental sensitive area hence not suitable to build infrastructure of this nature as this will trigger an EIA authorization and therefore impossible to implement in this financial year
Environmental Resources Management	Payneville Ext 3 rehabilitation	USDG	2,000,000	2,000,000	-	(2,000,000)	-	(2,000,000)	-	The area identified is currently occupied and requires Human Settlements to relocate residence before rehabilitation commences
Environmental Resources Management	Upgrading of Ambient Air Quality Monitoring Stations	Revenue	4,000,000	4,000,000	4,000,000	-	500,000	500,000	4,500,000	The equipment's are sourced from an international supplier and this has an impact on price increased due to inflation and exchange rate. The department will have a shortfall of R 490 100 based on the placed order.
EPMO	Project Management System	Revenue	9,000,000	9,000,000	-	(6,000,000)	-	(6,000,000)	3,000,000	There was a misunderstanding between EPMO and Finance when the R9million for the PM software was approved in that it was assumed the R9million would be spent in one FY. The purpose of this proposed adjustment is to split it over 2 financial years.
Fleet Management	Fuel Management and Fleet Management System	Municipal Bonds	-	19,746,262	-	(10,149,406)	-	(10,149,406)	9,596,856	Given the fact that no Tender has been awarded at this stage, the department has reviewed the project plan and identified that a portion of the project works will inevitably have to be executed in 2015/2016 financial year. For this reason, department requires an amount R10, 149,406 to be moved to next financial year.

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Fleet Management	Specialized Equipment	Revenue	-	-	-		5,235,000	5,235,000	5,235,000	The funds are requested in order to effect EMM decision to acquire Home Based Bulk Fuelling Tanks that are currently owned by Sasol. Sasol SA is the fuel supplier who initially supplied fuel across EMM and installed fuel storage and dispensing facilities at no cost to EMM as part of the agreement. Due to change in strategy, in 2012/2013 EMM went out on open Tender for the supply of fuel and appointed a new service provider - Wassa Gasses PTY LTD. The new tender obligated the new supplier to acquire the fuel facilities from Sasol as part of Tender conditions. However, given that the Tender was only awarded for 12 months instead of the 3 year period advertised the supplier could not satisfy this condition on the grounds of insufficient income streams that will be generated from the contract. Following several discussions with the supplier, a decision was subsequently made by EMM to acquire the facilities using its own resources. This decision supports the plan to roll out electronic fuel monitoring technology which needs to be installed in the current fuel facilities. It would have been risky to invest millions of rands (+/-R20m) on equipment that is not owned by EMM. The amount required purchase Sasol equipment is estimated at R2,5m. The balance (R2,735m) of the new provision will be utilized to fund the equipment needs identified during the Needs & Options Assessment
Fleet Management	Mechanical Workshop	Revenue	7,735,000	6,535,000	174,640	(5,235,000)		(5,235,000)	1,300,000	This provision includes an amount (+/-R5,5m) that was provided for as part of the 3 year multiyear budget to be utilized to fund the development of a new fleet building (i.e. Warehousing & Auction Facility). The department recently undertook an assessment of needs and options and identified an existing site that could be utilized for the same purpose which implied the development of a new facility was no longer required. This approach has now realised savings that could be utilized to fund Specialised Equipment needs. The balance will be utilized for the upgrading and refurbishment of workshops as identified during the needs assessment.

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Health & Social Development	Bonaero Park Clinic	Municipal Bonds	2,000,000	1,700,000	-	(500,000)	-	(500,000)	1,200,000	Initial provision was to cover consulting fees for planning phase. Consultant now appointed and costing for planning phase will not exceed R1 000 000. the saving will not impact on the final delivery of the project. The Bonaero Park Clinic does not comply to the requirements of a modern clinic. Accommodation needs were given through to Real Estate to design additions to the existing clinic. Real Estate came up with 4 possible options to extend the facility. At that stage funds were requested on the 2014/15 Capex to appoint consultants to conclude on the feasibility of the proposals, the final design and the preparation of bid documentation. Consultants were appointed via the Real Estate as-and-when Contract for Consultants. Preliminary reports highlighted certain constraints with the initial draft proposals. It has now become clear that the consultants will not be able to conclude on work stages 1 to 4. Only work stages 1 and 2 are expected to be completed in this financial year. For this reason the saving is proposed.
Health & Social Development	Early Childhood Development Centre	Municipal Bonds	2,000,000	2,000,000	-	(1,150,000)	-	(1,150,000)	850,000	At the completion of the 2014/15 budget it was envisaged to initiate 2 Early Childhood Development Centres in the year. R1, 0m was provided for each project for the appointment of consultants to conclude on the pre-planning of the projects. The contract for the appointment of the consultants was advertised on 21 November 2014. A compulsory project meeting is scheduled for 2 December 2014. It is envisaged that the evaluation of the project will be delayed as the Tender Office is experiencing serious backlogs with the finalization of the commodity based evaluation reports. This will result in less work that can be executed by the consultants. The scope of work of the consultants also calls for the successful bidder to take full responsibility for the standard construction documentation that will be dependent on rates offered by the successful bidder. It is clear that a number of uncertainties will influence the final expenditure.
Health & Social Development	Ext & Upgrade Motsamai Clinic	USDG	11,500,000	12,500,000	6,956,352	-	900,000	900,000	13,400,000	A contractor is on site and the project is supposed to conclude in the 2014/15 financial year. Insufficient funds are available that resulted from contingencies that were experienced on site e.g. <ul style="list-style-type: none"> <li>• Hard rock that was encountered at excavation stage</li> <li>• Errors on the unit of measure in the Bills of Quantities</li> <li>• Insufficient provision for ventilation system in the bills of quantities</li> <li>• Expiry of consultant contract and subsequent appointments of new consultants through Real Estate as –and –when Contract for Consultants</li> </ul>

## 2014/15 PROPOSED CAPITAL BUDGET ADJUSTMENTS

Department	Project Name	Source of Finance 2014/2015	Original Budget 2014/15	2014/15 Budget (as at 31 Dec 2014)	Exp incl. commitments (as at 31 Dec 2014)	Amount to be Reduced (Reductions) (-)	Additional amount requested (Additions) (+)	Net Adjustment	Total Budget after Adjustments 2014/15	Detailed Motivation as to why the adjustments are necessary
Health & Social Development	Extension & Upgrade Esangweni Clinic	USDG	7,000,000	6,000,000	280,609	(1,000,000)	-	(1,000,000)	5,000,000	Due to the delay in the award of the 2 contracts (Esangweni and Selope Thema) , the projected cash flow were reduced. The awards based are on the "Commodity Based Approach" a new concept and delays are experienced. The 2 tenders closed on 3 September 2014 and is valid for 120 days. As per the departmental experience in the past, it was envisaged to have an appointment made within 90 days of tender closing. That would have left the department with 7 months remaining in the 2014/15 financial year with an estimated expenditure of R1,0m per project per month. To date the evaluation of the 2 bids have not been concluded hence the request to re-allocate some funds to projects where it is needed most.
Health & Social Development	Extension & upgrade Selope Thema Clinic	USDG	7,000,000	6,000,000	147,976	(1,000,000)	-	(1,000,000)	5,000,000	Due to the delay in the award of the 2 contracts (Esangweni and Selope Thema) , the projected cash flow were reduced. The awards based are on the "Commodity Based Approach" a new concept and delays are experienced. The 2 tenders closed on 3 September 2014 and is valid for 120 days. As per the departmental experience in the past, it was envisaged to have an appointment made within 90 days of tender closing. That would have left the department with 7 months remaining in the 2014/15 financial year with an estimated expenditure of R1,0m per project per month. To date the evaluation of the 2 bids have not been concluded hence the request to re-allocate some funds to projects where it is needed most.
Health & Social Development	New TSIETSI Clinic Phomolong South	USDG	2,000,000	1,000,000	469,667	(500,000)	-	(500,000)	500,000	On all 3 projects (Tsietsi, Crystal Park and Khumalo) funds were provided for 2014/15 to finalise the planning of the projects and to get tenders out for the construction of the new facilities. All consultants have already submitted the bid documentation to the Planning Review Committee (PRC) in the Real Estate Department and are currently working on the review of the documentation. The consultant tenders were awarded at a higher than expected discount rate that resulted in the projected savings on the 3 projects. This saving will not impact negatively on the final delivery of the project if the contractors are appointed with effect 1 July 2015.
Health & Social Development	New Crystal Park Clinic	Municipal Bonds	1,500,000	1,500,000	469,661	(1,000,000)	-	(1,000,000)	500,000	On all 3 projects (Tsietsi, Crystal Park and Khumalo) funds were provided for 2014/15 to finalise the planning of the projects and to get tenders out for the construction of the new facilities. All consultants have already submitted the bid documentation to the Planning Review Committee (PRC) in the Real Estate Department and are currently working on the review of the documentation. The consultant tenders were awarded at a higher than expected discount rate that resulted in the projected savings on the 3 projects. This saving will not impact negatively on the final delivery of the project if the contractors are appointed with effect 1 July 2015.

## 2014/15 PROPOSED CAPITAL BUDGET ADJUSTMENTS

Department	Project Name	Source of Finance 2014/2015	Original Budget 2014/15	2014/15 Budget (as at 31 Dec 2014)	Exp incl. commitments (as at 31 Dec 2014)	Amount to be Reduced (Reductions) (-)	Additional amount requested (Additions) (+)	Net Adjustment	Total Budget after Adjustments 2014/15	Detailed Motivation as to why the adjustments are necessary
Health & Social Development	New Dukatole Clinic	USDG	7,000,000	7,000,000	-	(1,500,000)	-	(1,500,000)	5,500,000	A saving is projected based on the delay experienced with the award. The evaluation report was referred back for the department to meet with the highest point scoring bidder who came in at about R3,0m less than the projected and average value of the received bids. The department as well as the Real Estate Department and consultants were concerned with this low offer. The bidder has however confirmed in writing that he would be able to conclude the project successfully with the offered price. The cash flow was then adjusted accordingly. Pre-site handover was done on the 22 November 2014. The contractor was given 14 days to submit the contractual documentation (guarantee, insurance, work compensation documentation). The site handover is expected to be done in the first week of December 2014.
Health & Social Development	New Khumalo Clinic	USDG	2,000,000	1,000,000	-	(500,000)	-	(500,000)	500,000	On all 3 projects (Tsietsi, Crystal Park and Khumalo) funds were provided for 2014/15 to finalise the planning of the projects and to get tenders out for the construction of the new facilities. All consultants have already submitted the bid documentation to the Planning Review Committee (PRC) in the Real Estate Department and are currently working on the review of the documentation. The consultant tenders were awarded at a higher than expected discount rate that resulted in the projected savings on the 3 projects. This saving will not impact negatively on the final delivery of the project if the contractors are appointed with effect 1 July 2015.
Health & Social Development	PALM RIDGE Clinic	USDG	4,000,000	6,200,000	4,232,438	-	1,400,000	1,400,000	7,600,000	Contractors are currently on site and it is expected in terms of the contract that the construction will be completed in the 2014/15 financial year. Due to a calculation error in the department, insufficient funds were approved in the 2014/15 financial year to conclude the projects. The department was provided with revised final contract value budgets and the requested funds are required to conclude the projects. Should the department not be in a position to conclude the payment of the contractors it could result in legal action with financial implications.
Health & Social Development	Training Unit for Nurses	Municipal Bonds	3,000,000	3,000,000	200,247	-	2,850,000	2,850,000	5,850,000	After consultation with both SA Nursing Council and Ann Latsky College additional requirements were made in order to obtain accreditation for this facility. It is imperative to conclude the project in the 2014/15 financial year to offer Council the opportunity to implement the first intake of Primary Health Care students in 2015. This will release a lot of stress in operational Primary Health Care facilities as the students will be deployed to existing Ekurhuleni facilities instead of facilities throughout Gauteng.
Health & Social Development	VILLA LIZA Clinic	USDG	12,000,000	11,050,000	5,102,330	-	2,000,000	2,000,000	13,050,000	The contractual completion date is July 2015. The contractor fell behind schedule and there was a concern that the project will be delayed. Good recovery work was however experienced and the projected cash flow was re-adjusted accordingly.

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Human Settlements	Acquisition of Land for New Human Settlements	USDG	7,000,000	7,000,000	-	-	9,200,000	9,200,000	16,200,000	The valuation of the property was finalised on 29 September 2014 by the Real Estate Department. The value of the property is estimated at R16 000 000.00 which was in principle accepted by the seller which is Transnet. The additional allocation is being requested to address the difference and the valuation
Human Settlements	Acquisition of Land for New Human Settlements	USDG		-	-		32,000,000	32,000,000	32,000,000	An amount of R32m was provided as a guarantee for the purchase of the Modderbee land and subsequently paid out to effect the transfer, the amount was erroneously omitted in the USDG roll-over request. This amount is now requested as an additional allocation.
Human Settlements	Delville Social Housing Project-Services and Amenities	USDG	9,150,000	9,150,000	-	(9,150,000)	-	(9,150,000)	-	This amount was earmarked to be transferred to EDC however EDC is not ready to implement in the current financial year.
Human Settlements	Germiston Fire Station Social Housing Project-Services and Amenities	USDG	13,150,000	13,150,000	-	(13,150,000)	-	(13,150,000)	-	This amount was earmarked to be transferred to EDC however EDC is not ready to implement in the current financial year.
Human Settlements	Germiston Urban Renewal (Civic Precinct)	USDG	32,000,000	32,000,000	-	(32,000,000)	-	(32,000,000)	-	This amount was earmarked to be transferred to EDC however EDC is not ready to implement in the current financial year.
Human Settlements	Germiston Urban Renewal (Cultural Precinct)	USDG	10,000,000	10,000,000	-	(10,000,000)	-	(10,000,000)	-	The funding is to be utilised for project implementation by SRAC for the Germiston Theatre
Human Settlements	Germiston Urban Renewal (Fire Station)	USDG	10,000,000	10,000,000	-	(10,000,000)	-	(10,000,000)	-	The funding is to be utilised for project implementation by DEMS for construction of the Germiston Fire Station
Human Settlements	Tembisa Urban Renewal Framework Projects	Other National Grants	50,000,000	50,000,000	176,600	(50,000,000)		(50,000,000)	-	As per the Division of Revenue Act adjustments published on 31 December 2014, the total allocation has been taken away as a result of non-performance
ICT	ERP Phase 1	Municipal Bonds	-	-	-	-	10,000,000	10,000,000	10,000,000	Project moved to ICT Department as the budget will be utilised during the 2014/15 FY. This is in addition to the budget which is put forward for the next 3 years.
ICT	Security for ICT Infrastructure	Municipal Bonds	10,000,000	10,000,000	3,754,400	-	20,000,000	20,000,000	30,000,000	ICT has several Security related audit findings. As a department we have created a security strategy and framework that aims to prioritise three specific areas namely database security, exchange and link and lastly Active Directory. The additional amount is to cater for this specific scope in order to address the audit findings
ICT	Unified Command Centre	Municipal Bonds		-	-	-	13,500,000	13,500,000	13,500,000	The building is currently occupied by employees who refuse to move out of it. An instruction from the HOD: CRM was ignored. The matter is currently handled by Labour. This challenge has caused delays to the implementation of this project and has resulted in additional penalty costs of R3,500,000. This is a building renovation project. The affected departments DEMS, the Springs Despatch Centre and the Alberton CCTV Monitoring Centre. R10m of the UCC budget is to be transferred to ICT as a result of a decision by the City Manager. The rollover from 2013/14 of R7,019,402 is to remain with CRM.

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Real Estate	Construct Metro Parks Depots	Municipal Bonds	2,000,000	2,000,000	496,693	-	1,300,000	1,300,000	3,300,000	OHS requirement to provide female staff ablutions. Tender in place to provide Pre-fabricated units.
Real Estate	Densification of Council Buildings	Municipal Bonds	56,000,000	56,000,000	4,940,538	(16,000,000)	-	(16,000,000)	40,000,000	Delays with Procurement Process resulted in late appointment of Consultants, hence projects will not require total funds.
Real Estate	Develop/Upgrade Community Parks	USDG	5,600,000	5,600,000	1,718,080	-	4,600,000	4,600,000	10,200,000	Shortfall to complete about 20 community parks as indicated in IDP. Install playgrounds equipment, parks furniture, trees and paving of pathways.
Real Estate	Develop/Upgrade Regional Parks	Municipal Bonds	8,100,000	8,100,000	284,761	-	720,000	720,000	8,820,000	Paving of parking area in Germiston Lake.
Real Estate	Development of Town Entrances	Municipal Bonds	1,000,000	1,000,000	50,000	-	1,025,000	1,025,000	2,025,000	Shortfall to complete Palm Ridge town entrance as requested by Council. As and When Tender in place for landscape upgrades.
Real Estate	Office furniture for densified buildings	Revenue	2,000,000	2,000,000	66,600	(1,800,000)	-	(1,800,000)	200,000	Tender for Office Furniture not finalised yet.
Roads and Stormwater	Aerotropolis: Rhodesfield road network	Municipal Bonds	9,000,000	9,000,000	-	(3,000,000)	-	(3,000,000)	6,000,000	Available budget to go towards reconstruction of Gladiator Road. Land transactions delayed due to expropriation of land for grade separated intersection at Ventura/Pta Road intersection. IRPTN route to be finalised before matter can be finalised.
Roads and Stormwater	Construct Daveyton CBD/N12 Interchange	USDG	8,000,000	8,000,000	-	(8,000,000)	-	(8,000,000)	-	The project is under planning and will be funded under OPEX for planning purpose
Roads and Stormwater	Construction of K86	Municipal Bonds	6,500,000	6,500,000	-	(6,500,000)	-	(6,500,000)	-	Road proclamation and property acquisition to be finalised. The project will be funded under OPEX.
Roads and Stormwater	Contribution Township Development	Developer's	1,000,000	1,000,000	-	(1,000,000)	-	(1,000,000)	-	No requests for road upgrading under any private developments to date
Roads and Stormwater	De-silting Elsburg dam	Municipal Bonds	-	-	-	-	100,000	100,000	100,000	The Bid document to call for bids from Consultants is ready to serve at BSC. An appointment can still be made this Financial Year and funds can still be spent
Roads and Stormwater	Doubling Barry Marais Rd	Municipal Bonds	1,500,000	1,500,000	-	(1,500,000)	-	(1,500,000)	-	The project is under planning and it will be funded under OPEX
Roads and Stormwater	Elandsfontein, SW Implementation (North)	Municipal Bonds	500,000	500,000	-	-	1,000,000	1,000,000	1,500,000	The funding will be required to complete the work in Elandsfontein. Available funding insufficient to complete the project.
Roads and Stormwater	Esangweni Pedestrian facilities/bridge	USDG	500,000	500,000	-	(500,000)	-	(500,000)	-	Saving: Project to be implemented as part of the IRPTN construction
Roads and Stormwater	Extension of Albertina Sisulu Expressway	Municipal Bonds	4,000,000	4,000,000	-	(4,000,000)	-	(4,000,000)	-	The project is under planning and will be funded under OPEX for planning purpose
Roads and Stormwater	External Infrastructure Development Glen Gory	Municipal Bonds	18,300,000	18,300,000	-	(18,300,000)	-	(18,300,000)	-	The developer has undertaken to install services at his own costs.
Roads and Stormwater	Gladiator Stormwater System Implement	Municipal Bonds	500,000	500,000	-	(500,000)	-	(500,000)	-	The project is under planning and will be funded under OPEX for planning purpose

## 2014/15 PROPOSED CAPITAL BUDGET ADJUSTMENTS

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Roads and Stormwater	K136 & Rd 1894 Link Road	USDG	3,000,000	3,000,000	-	-	10,000,000	10,000,000	13,000,000	Design completed. Contractor and Consultant appointed. Project ready for implementation. EIA in place.
Roads and Stormwater	Kaal Spruit rehabilitation	USDG	4,000,000	4,000,000	-	(4,000,000)	-	(4,000,000)	-	The project is under planning and will be funded under OPEX for planning purpose
Roads and Stormwater	Katlehong & Thokoza, Lining of Canal between Katlehong and Thokoza	USDG	1,550,000	991,000	-	(991,000)	-	(991,000)	-	Project completed previous financial year, there is no need for budget in this financial year
Roads and Stormwater	Monument Road	Municipal Bonds	2,500,000	2,500,000	-	(2,500,000)	-	(2,500,000)	-	The project is under planning and will be funded under OPEX for planning purpose
Roads and Stormwater	Paving & Sidewalks: East	USDG	3,000,000	3,000,000	1,162,719	-	1,600,000	1,600,000	4,600,000	Additional funding required to eradicate backlog
Roads and Stormwater	Quinine Rd Stormwater System	Municipal Bonds	4,000,000	4,000,000	770,720	(2,200,000)	-	(2,200,000)	1,800,000	Only Veld street to be implemented this financial year. Delay on the the projects as work on Quinine is done on phases. The culverts are constructed under the existing road surface.
Roads and Stormwater	Rehabilitate Dam Spillways	Municipal Bonds	3,000,000	3,000,000	-	(3,000,000)	-	(3,000,000)	-	The project is under planning and will be funded under OPEX for planning purpose
Roads and Stormwater	Rehabilitate Roads in Eastern Region	Municipal Bonds	39,000,000	39,000,000	6,078,745	(34,000,000)	-	(34,000,000)	5,000,000	Delayed due to legal matter. New tenders to be prepared to appoint new contractors by July 2015.
Roads and Stormwater	Rehabilitation of Roads (North)	USDG	42,000,000	42,000,000	-	(37,000,000)	-	(37,000,000)	5,000,000	Delayed due to legal matter. New tenders to be prepared to appoint new contractors by July 2015.
Roads and Stormwater	Rehabilitation of roads: South	USDG	42,000,000	42,000,000	2,659,113	(37,000,000)	-	(37,000,000)	5,000,000	Delayed due to legal matter. New tenders to be prepared to appoint new contractors by July 2015.
Roads and Stormwater	Roads East (AS and When)	Municipal Bonds	26,000,000	26,000,000	1,156,905	-	52,000,000	52,000,000	78,000,000	Request is base on readiness to implement the projects. Contractor, consultant and designs in place.
Roads and Stormwater	Roads: Low Cost Housing: East	USDG	41,000,000	41,000,000	25,412,081	-	10,900,000	10,900,000	51,900,000	Contractor and consultant in place. Designs in place. Projects ready for implementation.
Roads and Stormwater	Stormwater improvements (Minor) (North)	Municipal Bonds	3,500,000	3,500,000	-	-	1,400,000	1,400,000	4,900,000	Additional funding is required for additional stormwater projects identified. Savings to be utilised for these identified projects
Roads and Stormwater	Stormwater Upgrading Thintwa	USDG	2,500,000	2,500,000	-	(2,500,000)	-	(2,500,000)	-	The project is under planning and it will be funded under OPEX with the EIA still to be approved
Roads and Stormwater	SW in Vosloorus	USDG	2,300,000	2,300,000	1,798,118	-	600,000	600,000	2,900,000	Additional funding is required for additional stormwater projects identified.
Roads and Stormwater	Tembisa Depot Upgrading	Municipal Bonds	8,000,000	8,000,000	60,135	(5,000,000)	-	(5,000,000)	3,000,000	Delay experienced in the appointment of a service provider.
Roads and Stormwater	Tembisa Natural Watercourses upgrading	USDG	2,000,000	2,000,000	-	(2,000,000)	-	(2,000,000)	-	The project is under planning and it will be funded under OPEX.
Roads and Stormwater	Tertiary Rds South Dept Construction	Municipal Bonds	4,000,000	4,000,000	-	(4,000,000)	-	(4,000,000)	-	No departmental construction is currently performed.
Roads and Stormwater	Tertiary Roads (South)	Municipal Bonds	16,000,000	16,000,000	1,505,848	-	11,000,000	11,000,000	27,000,000	Huge backlog in roads to be constructed within southern area



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Roads and Stormwater	Tertiary Roads in Katlehong	USDG	6,000,000	6,000,000	37,729	-	35,991,000	35,991,000	41,991,000	Funds required to reduce huge backlog.
Roads and Stormwater	Tertiary Roads in Vosloorus-Phase 3	USDG	3,600,000	3,600,000	-	-	14,000,000	14,000,000	17,600,000	Huge backlog in roads to be constructed within ward 95
Roads and Stormwater	Tertiary Roads: North	USDG	30,000,000	30,000,000	2,040,632	-	26,000,000	26,000,000	56,000,000	Funds required to reduce huge backlog.
Roads and Stormwater	Traffic Calming (North)	Municipal Bonds	800,000	800,000	-	-	200,000	200,000	1,000,000	The requests for speed calming measures exceeds the available funding. Additional funding is required to deal with the backlog.
Roads and Stormwater	Traffic Signals Upgrading (North)	Municipal Bonds	3,000,000	3,000,000	601,336	-	1,000,000	1,000,000	4,000,000	Funding needed for LED's.
Roads and Stormwater	Trichardt Rd from North Rand to Impala Park	Municipal Bonds	3,000,000	3,000,000	-	(3,000,000)	-	(3,000,000)	-	The project is under planning and will be funded under OPEX for planning purpose
Roads and Stormwater	Tunney Rds: Brolo & Brickfields rds	Municipal Bonds	3,000,000	3,000,000	-	(3,000,000)	-	(3,000,000)	-	The project is under planning and will be funded under OPEX for planning purpose
Roads and Stormwater	Upgrade Joe Mzamane Road Kwa- Thema	USDG	4,000,000	4,000,000	-	(3,900,000)	-	(3,900,000)	100,000	The project is under planning and will be funded under OPEX for planning purpose
Roads and Stormwater	Upgrading of Agric Holding Roads (North)	Municipal Bonds	3,000,000	3,000,000	-	-	3,000,000	3,000,000	6,000,000	Huge backlog. Additional funding required.
Roads and Stormwater	Upgrading of Michelle street	Municipal Bonds	-	-	-	-	4,600,000	4,600,000	4,600,000	Erven are ready to be purchased in preparation of this project and funds should be provided for the purpose.
Roads and Stormwater	Vehicles	Revenue	11,000,000	11,000,000	3,587,098	-	7,000,000	7,000,000	18,000,000	About 4 Million was spent on fitting Cranes on vehicles that were bought in the previous financial year. There is a need to procure new vehicles for Depots (e.g Trucks etc)
Roads and Stormwater	Witfield SW System	Municipal Bonds	3,000,000	3,000,000	-	(2,000,000)	-	(2,000,000)	1,000,000	The project is under planning and will be funded under OPEX for planning purpose
Roads and Stormwater	Replacement of Railway Sidings (Nigel)	Municipal Bonds	-	-	-	-	9,000,000	9,000,000	9,000,000	Siding was stolen. Needs to be replaced.
SRAC	Construction & Development of Duduza Reconciliation Park	Municipal Bonds	8,500,000	8,500,000	6,872,739	-	1,410,000	1,410,000	9,910,000	Unforeseen low water table was encountered resulting in additional excavations and backfilling with rock. Contract amount to be exceeded. Escalation was also not fully catered for during original budgeting.
SRAC	Construction of a new swimming pool in Eden Park	Municipal Bonds	4,000,000	4,000,000	-	(1,410,000)	-	(1,410,000)	2,590,000	Delay in procurement procedure due to termination of consultant appointment. New consultant to continue and complete plan submission process.
SRAC	Construction of New Library: Tsakane	USDG	10,300,000	10,300,000	632,074	(2,000,000)	-	(2,000,000)	8,300,000	Request for roll over. Contract terminated in October 2014 due to non-performance. Have to re-evaluate tender. New contractor only to be on site in January 2015
SRAC	Construction:New Library: Brakpan	Municipal Bonds	12,850,000	12,850,000	1,331,235	-	1,000,000	1,000,000	13,850,000	Due to slow start by contractor in 2013/14 he underperformed in 2013/14/is caused shortfall of funding in 2014/15 and 2015/16

## 2014/15 PROPOSED CAPITAL BUDGET ADJUSTMENTS

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SRAC	Germiston Theatre	USDG	20,000,000	20,000,000	4,712,610	(2,000,000)	-	(2,000,000)	18,000,000	Request for roll over. Due to re-design contractor only came on site 1st October 2014. With committed R5m from Human Settlements R25m expenditure will not be possible before June 2015.
SRAC	Libraries Specialised Equipment(SRAC GRANT)	Other Provincial Grants	700,000	700,000	-	(700,000)	-	(700,000)	-	LIS- Provincial Government requested EMM to adapt the original Business plan to include the Visually Impaired software (books) R700 000 as Resources as it could not be a standalone item and part of CAPEX. The City Manager signed the adjusted Business plan and this amount must be provided on Opex.
SRAC	Rehabilitation of Thami Mnyele Cultural Park	Municipal Bonds	2,800,000	2,800,000	-	(1,000,000)	-	(1,000,000)	1,800,000	Final cost estimate of first phase less than originally anticipated
SRAC	Upgrade: Construction of Memorial Sites	USDG	3,500,000	3,500,000	1,069,606	(1,700,000)	-	(1,700,000)	1,800,000	Roll over requested for phase two of Indaba Tree
Transport	Bluegumview Taxi Rank	USDG	18,000,000	18,000,000	-	(8,000,000)	-	(8,000,000)	10,000,000	There were delays in appointing the contractor for construction of the project. The tender closed in September and to date the evaluation has not been concluded. This is beyond the Department's control. It is expected that the contractor will be appointed at the end of quarter leaving only six months for construction which is not practical. Therefore the project will be completed in the first quarter of 2015/16 financial year. (advertised on 12 Sept, closed 15 Oct).
Transport	Construction of Intermodal facilities: Upgrading Germiston Station Taxi Rank	USDG	30,000,000	30,000,000	-	(30,000,000)	-	(30,000,000)	-	This project's biggest challenge is that PRASA could not indicate whether they have appointed a service provider by end of August 2014 to achieve stage 4 (development of detailed designs) target. The original plan was to have a Consultant appointed by end August 2014 and for designs to be completed by end September 2014. Based on these delays, it is safe to say that the above target will not be achieved. The HoD has escalated the matter to the Group CEO of PRASA and requested that the project be officially handed over and EMM to implement, the matter was also escalated to MMC who has written a letter to the CEO of PRASA. We will have to re-allocate these funds during the budget adjustment period.
Transport	Establish MVRA/DLTC Katlehong	Municipal Bonds	21,800,000	21,800,000	-	(6,800,000)	-	(6,800,000)	15,000,000	There are delays in appointing the contractor for construction of the project. It is expected that the contractor will be appointed in the end of quarter 2 leaving only 5 months to spend R21.8m which is not practical. Therefore it is necessary to shift funds to 2015/16. The project will still be completed in the 2015/16 financial year. (Advert closed 21 Aug. currently the documents are still at tender office.)

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Transport	Integrated Rapid Public Transport Network(IRPTN)	Other National Grants	230,000,000	271,288,248	90,591,224	-	18,935,500	18,935,500	290,223,748	In addition to the R41mil PTIG rollover approved by DoT a further R8,9Mil of the operationalised savings from 2013/14 was also approved for roll-over. It is requested that this R8,9mil be allocated to the PTIG Capex vote. An estimated underspending of R10mil of 2014/15 PTIG operationalised funds (Vote 1330722566030) is anticipated due to the lower than anticipated Industry Transition costs as a result of the uncertainty of appointment of the Industry Technical advisors. It is therefore requested that R10m be reallocated from Vote 1330722566030 to this vote.
Transport	New Vosloorus Hospital Taxi Rank	USDG	15,000,000	15,000,000	10,483,679		3,000,000	3,000,000	18,000,000	Contractors were appointed in 2013/14 financial year and the total project cost is known, therefore the adjustments are further funds required due to increased project cost, as a result of unforeseen earthworks, rubble removal. As at end October 2014 a total of R8,2mil was spent.
Transport	Palm Ridge Taxi Rank	USDG	15,000,000	14,850,000	4,040,161	(6,500,000)	-	(6,500,000)	8,350,000	Contractors were appointed in 2013/14 financial year and the total project cost is known, therefore the adjustments are savings which will not be utilised.
Transport	Phuthaditjaba Taxi Rank (Tokoza)	USDG	15,000,000	15,000,000	-	(5,000,000)	-	(5,000,000)	10,000,000	There were delays in appointing the contractor for construction of the project. It is expected that the contractor will be appointed at the end of quarter leaving only six months for construction which is not practical. Therefore the project will be completed in the first quarter of 2015/16 financial year. (advertised on 12 Sept, closed 15 Oct, department is awaiting the commencement of the evaluation process by the Bid Committee).
Waste Management	Cell development - Platkop	USDG	10,000,000	10,000,000	-	(6,000,000)	-	(6,000,000)	4,000,000	A budget of R8million was allocated to this project during the last financial year where some of the scope was covered by the budget which resulted in savings for the current budget. The project will be completed within the reduced amount.
Waste Management	Cell Development - Rietfontein	Municipal Bonds	-	-	-	-	6,500,000	6,500,000	6,500,000	Unbundling of facilities vote number. Additional funding needed to complete the project because of unexpected sludge found during construction which needed to be pumped out and extra work needed because of recommended modified design (Recommended in April 2014) by the Department of Water Affairs resulting in additional work needed to complete the project. Contractor on Site.
Waste Management	Storwater and Leachate Management System at Weitevreden Landfill Site	Revenue	-	-	-	-	5,080,000	5,080,000	5,080,000	Unbundling of the Facilities Vote. Vote unbundled to comply with MFMA. Work originally finance under upgrading of Facilities Vote.

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Waste Management	Develop Simmer & Jack Waste site	USDG	15,000,000	15,000,000	-	(14,400,000)	-	(14,400,000)	600,000	During the implementation of the project , GDARD advised EMM to conduct public participation and modelling process prior to commencement. On taking the report to BEC for the variation in the scope of work, it became apparent that the service provider had changed it's company name and directorship which, according to legal opinion was in contravention of SCM prescripts. In rectifying the contravention, it became apparent that the Department would not spend the entire allocated budget for the construction phase. The regularization process led to the delay in the approval of the additional scope of the project.
Waste Management	Facilities, Upgrade and construction of facilities	Municipal Bonds	15,000,000	15,000,000	3,523,394	(11,580,000)	-	(11,580,000)	3,420,000	Vote unbundled to comply with MFMA. (R6, 500, 000 plus R5, 080, 000 for Rietfontein and Weltevreden Landfill were originally financed under Facilities Vote.) Work originally finance under upgrading of Facilities Vote. The two cell development projects of Rietfontein and Weltevreden which has Contractors on site have been transferred to their own vote in line with MFMA Requirements.
Waste Management	Rehabilitation of the closed Brakpan landfill site	Municipal Bonds	5,000,000	5,000,000	-	(5,000,000)	-	(5,000,000)	-	A meeting with DWA to approve the designs could only take place in November 2014, thus delaying the implementation of the project by a year.
Waste Management	Upgrading of public offolading areas/recycling facilities	Municipal Bonds	3,000,000	3,000,000	403,052	(2,050,000)	-	(2,050,000)	950,000	Work will be completed within the proposed budgeted amount.
Water & Sanitation	Alberton: Install new OF Huntersfield	Municipal Bonds	2,000,000	2,000,000	-	(1,700,000)	-	(1,700,000)	300,000	EIA process is still underway due to the specialist studies that were required to complete the environmental management plan for the Record of Decision(ROD) to be granted.
Water & Sanitation	Buiding New and Upgrade Depot Buildings	Municipal Bonds	6,000,000	6,000,000	2,333,356	(500,000)	-	(500,000)	5,500,000	The budget was intended to complete the construction of Kempton Park and Tembisa depots and provide design fees for 1) Germiston Depot 2) Nigel 3) and Voosloorus depots. Savings of R500 000 are anticipated on the construction side of the budget.
Water & Sanitation	Edenvale: Illiondale Outfall sewer	Municipal Bonds	10,000,000	10,000,000	-	(9,800,000)	-	(9,800,000)	200,000	The tendered sum(R 25m) was higher than the available budget (R10m). The department had hoped to co-fund the project through the Upgrade of Sewer networks vote which was rejected by the BAC .The tender cannot be awarded until such time that additional multi-year budget is provided to the project. Therefore the tender will be re-advertised when the sufficient budget has been provided in 2015/16 financial year. Additional budget in this financial year will not be spent. The available budget will therefore not be spent. It is hoped that when the multi-year budget is made available in the draft budget in February, the contractor will be appointed by end of May and only R200 000 will be spent in 2014/15 financial year.
Water & Sanitation	Etwatwa Ext 35 Essential Services	USDG	500,000	500,000	-	-	400,000	400,000	900,000	Additional contingency approved for geo-technical studies. The consultants need to monitor groundwater abstraction as per the CSIR requirements for approval of construction in dolomitic environment until the end of June 2015.

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Water & Sanitation	External Infrastructure Development Glen Gory	Municipal Bonds	45,600,000	45,600,000	-	(45,600,000)	-	(45,600,000)	-	The developer has undertaken to install services at his own costs.
Water & Sanitation	Germiston: Elimination of Klippoortjie s pump s	Municipal Bonds	500,000	500,000	-	-	5,000,000	5,000,000	5,500,000	This is to fund additional contingencies for unforeseen items that BAC has approved subject to availability of funds. There was under-estimation of bulk earthwork quantities by the consultant and unforeseen ingress of water into the dug trenches hence a variation of R4,847,573.01 (VAT Exclusive) in order
Water & Sanitation	ICT Equipment	Revenue	800,000	973,000	493,606	-	100,000	100,000	1,073,000	New staff and independent contractors have been employed. There is shortage of ICT equipment as a result.
Water & Sanitation	Nigel: Upgrade/Eliminate Rockville pumpst	USDG	4,500,000	4,500,000	1,027,247	(1,872,000)	-	(1,872,000)	2,628,000	There was an over estimation of quantities resulting in savings of R1,872,000. The project is complete and commissioned. The total project was R7,378,391.32
Water & Sanitation	Pomona: Bulk supply Albertina Sisulu Corridor	Municipal Bonds	25,500,000	25,500,000	7,433,167	(7,500,000)	-	(7,500,000)	18,000,000	The project is at construction stage for Phase 1. There were delays caused by the WUL at the beginning. We have lost 3 months of production since July 2014. Currently appointed contract is R38,302,177.19 Phase 1 with contractor appointed. Phase 2 has a value of R96,697,822.81 informed by the Design Report estimates. Scope includes 20MI reservoir and bulk supply lines. Phase ready for tender.
Water & Sanitation	Pomona: New Eastern OF sewer	Municipal Bonds	34,200,000	34,200,000	8,115,390	(4,200,000)	-	(4,200,000)	30,000,000	The project is at construction stage. Current awarded contract value of R38 million and Phase 2 R100m still to be awarded and ready for tender. Phase 1 was delayed by two months due to lack of co-operation by the land owners who refused to provide access to their properties when requested by the contractor.
Water & Sanitation	Reservoir Construction	USDG	4,600,000	4,600,000	1,275,778	-	1,100,000	1,100,000	5,700,000	Additional budget is required for the design of various reservoirs that include 1. Etwatwa 35MI -R63M 2) Persida 7.5MI - R30M 3) Northmead 5.5MI - R15M 4) Nigel Water 1.5MI -R15M 5) Fairleads (Rynfield) 12MI - R24M 6) Zulu Xhosa 15MI - R30M 7) Russel Road Reservoir 20MI - R40M 8) Kempton Park Reservoir 20MI - R40M. The water storage capacity of the Metro is less than 24 hours which is below the recommended norm of 48 hours.
Water & Sanitation	Specialized Equipment	Revenue	500,000	420,000	-	-	1,400,000	1,400,000	1,820,000	Acquisition of 200 special handheld devices
Water & Sanitation	Springs: Modder East Outfall Sewer	USDG	5,000,000	5,000,000	-	(2,000,000)	-	(2,000,000)	3,000,000	Phase 1 completed. Funds on the project is for the appointment of consultants. The R 4 500 000 with which the project is reduced is to be added in 2015/16 financial year when a contractor will be appointed
Water & Sanitation	Tembisa: New water pressure tower	USDG	4,000,000	4,000,000	-	(4,000,000)	-	(4,000,000)	-	The funds are identified as a saving cause this project is being provided for under Reservoir construction vote no 1326206111252

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Water & Sanitation	Upgrade Outfall Sewers in Vosloorus C/F	USDG	1,500,000	1,500,000	-	(1,200,000)	-	(1,200,000)	300,000	Project is estimated at R18.5 million. Appointed contractor declined the appointment last FY and as a result funds could not be utilised and insufficient budget had been provided for in 2014/15 hoping some work was going to happen in 2013/14 FY. Therefore the tender will be re-advertised when the sufficient budget has been provided in 2015/16 financial year. Additional budget in this financial year will not be spent. The available budget will therefore not be fully spent. It is hoped that when the multi-year budget is made available in the draft budget in February, the contractor will be appointed by end of May and only R300 000 will be spent in 2014/15 financial year.
Water & Sanitation	Upgrade Water Network C/F Etwatwa X19	USDG	1,000,000	1,000,000	12,373	(987,627)		(987,627)	12,373	Budgeted for under vote 1326206111252 - Reservoir construction
Water & Sanitation	Upgrade Water Networks	USDG	15,000,000	15,000,000	13,417,710	-	31,459,627	31,459,627	46,459,627	Progress on the sites is going at a much faster rate than anticipated. Contractors have been appointed for 'As and When'. Russel Road 1) Russel Road Bulk Supply - R50M 2) Northmead Bulk Supply - R30M 3) Brakpan Water Upgrade - R18M 4) Germiston CDB - R40M 5) Zinco - R3M 6) Nigel Water Upgrade - R20M 7) Isakelo - R1M 8) Stuart Bulk - R15M
Water & Sanitation	Water Loss Eradication Programme	Revenue	150,000,000	150,000,000	100,426,030	-	40,000,000	40,000,000	190,000,000	This is a ten year multi-year program. In this financial year, project progress is moving faster than expected. Additional funding is required for Pipeline and Valve Assessment and Replacement of Mid-block Pipelines(R20m) and R20 million for Meter related projects
Water & Sanitation	Water Services Vehicles	Revenue	2,100,000	2,100,000	1,947,090	-	9,200,000	9,200,000	11,300,000	Acquisition of 5 water tankers and 5 rapid response vehicles
			<b>1,939,525,000</b>	<b>2,001,411,501</b>	<b>466,525,222</b>	<b>(711,525,033)</b>	<b>559,306,127</b>	<b>(152,218,906)</b>	<b>1,849,192,595</b>	