



the **dpw**

Department of Public Works
North West Provincial Government
Republic of South Africa

Department terminates R46.6million building contract

DATE: Wednesday, August 29, 2007

The Department of Public Works (North West) has terminated the R45.6million building contract with **Mawasha Building Construction CC**.

The decision was taken after the said contractor fell behind schedule with the construction work on the *New Provincial Library & Archive Building* for the Department of Sports Arts and Culture.

The construction site in question is at corner of James Moroka Drive and University Drive , opposite the University of North West Campus in Mafikeng .

The contractor was paid R8.8million for the work done prior to the cancellation of the contract and work has stopped.

A new contractor, **JR/Stock/Madonna JV**, who was the second lowest tenderer on the same project 15 month ago, has been confirmed as the new contractor for the project.

This has been done so as to shorten the time it would have taken to replace the terminated contractor. **JR/Stock/Madonna** is expected to move on site before the end of September 2007. Construction work of the *New Provincial Library and Archives* was to have started on August 24, 2006 . The completion date, according to the contract was November 26, 2007 .

Though the site was handed over to **Mawasha Building Construction CC** in August 2006, there was extremely slow progress for some time and as a result, the contractor fell behind schedule from the beginning.

Progress was also very slow after the contractor moved on site.

The Department of Public Works, notified its principal agent that the contractor was in default and not performing in terms of contractual agreement.

This was followed also by official notification to the contractor in April 2007 that he was not performing in terms of the contractual agreement and there was no improvement on progress

The Department of Public Works terminated the contract awarded to **Mawasha Building Construction CC** on July, 09 2007 as we have an obligation to our user client (Department of Sports Arts and Culture) in terms of delivery.

MEC Jerry Thibedi said he supported the move to terminate the contract entered into with **Mawasha Buildings CC** following thorough consultations with the Head of Department, Mr Obakeng Mongale.

“This should serve as a strong warning to other contractors that my department, will not tolerate any delays by contractors as this seriously compromises service delivery and in this particular case, our client department which is the Department of Sports Arts and Culture,” he said.

Two days after the contract was cancelled- on July 11- a separate letter from the contractor’s attorney was received informing the Department about the contractor’s decision to also cancel the contract in question.

The contractor was requested to vacate the site but the safe keeping of all goods (building materials etc) site would remain his responsibility.

The department will also dispatch a quantity surveyor to assess the full scope of the work already done by **Mawasha Building Construction CC**.

We can confirm that defective work has been detected on the work performed by the terminated contractor and we are in the process of assessing and estimating the repair cost thereof.

Issued by Communication Directorate
Contact Person: **Matshube Mfoloe**
Contact Number: (018) 387 2447 / 0823054594
E-mail: mmfoloe@nwpg.gov.za

