



Department today (Fri) terminates North West hospital building contract valued at more than R465.5 awarded to Ilima/Tsoga Developers Joint Venture (JV).

Date: Friday, February 19, 2009

The department has today decided to terminate yet another contract with the construction company called, Ilima Projects/Tsoga Developers Joint Venture (JV).

The contract is valued at R456.5m for the construction of the new Brits Hospital in Brits town situated in the district of Bojanala.

The company (JV) was awarded the contract on July 30, 2008 and construction of the hospital began on November 25, 2008.

The decision to terminate this particular contract is informed by the provisional liquidation by the majority partner in the JV, Ilima Projects (Pty) Ltd.

The said company also had the necessary Construction Industry Development Board (CIDB) grade of GB9 whereas the junior partner, Tsoga Developers only has the grade GB5. GB stands for General Building.

Tsoga Developers, being the remaining contractor on site does not have the required CIDB grading and this amounts to non-compliance to the contract.

The department is considering various options to avoid a vacuum being created that could stall construction work and the speedy delivery of the project.

Meanwhile, in December last year, the department terminated a R137.5m worth contract with the same company because of poor performance and failure to meet targets.

This was with regard to the building of a Government Office Complex (Mini Garona) in Vryburg.

The start date of the project was July 25, 2006 and the expected date of completion was July 25, 2008 but the project is yet to be completed.