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Department:
Public Works, Roads and Transport
North West Provincial Government
Republic of South Africa

Modiri Molema Road
Provincial Head Office
Mmabatho, 2735
Private Bag X 2080, Mmabatho, 2735
Republic of South Africa
Tel.: +27 (18) 387 2447
Fax: 086 535 1538
Website: www.nwpg.gov.za/public-works

Address by MEC Mahlakeng Mahlakeng and spokesman, Matshube Mfoloe, during a media conference held today (Wed, May 19) in Mafikeng.

Issues:

1. Progress on the Koster to Lichtenburg road project.
2. Official hand over on Monday (May 24) of the Fifa road projects in Rustenburg
3. 2010-2011 Budget Speech highlights to be tabled tomorrow (Thurs) in the Provincial Legislature

Date: Wednesday, May 19, 2010

- A stalemate between us and the road construction company, Kaulani Civils, has partially been resolved in that, they have now agreed to continue work -from where they left- on the **Koster to Lichtenburg road**.
- Central to the conditions agreed upon to resume work on the project, is on a without prejudice basis, to any pending or possible future legal dispute on the contract.
- In short, whatever investigation currently underway and or arising also from the irregular awarding of road tenders by officials of the department which may or may not implicate them further, will continue unhindered.
- Kaulani Civils has finally agreed to that condition, which they had objected to very strongly in the past but without giving reasons.
- Our position as a department, with regards to the purported appointment of Kaulani Civils for **Koster to Lichtenburg** road project, remains unchanged.
- Their appointment was horrendously flawed and irregular and the company is yet to disprove and rebuts that statement, which in our view has now been elevated from being a mere allegation to fact.
- This is so, because a week ago, the suspended Chief Director for Roads Mr Eddie Thebe, was found guilty on eight of the 10 charges including that of the irregular awarding of road tenders to Kaulani Civils and others.

- Be that as it may, we have been engaged in constructive talks lately and the hostility that characterized our previous engagements was non-existent.
- Various options were discussed, including off course our initial position as a department to terminate Kaulani Civils and force them to vacate site.
- The result of talks and way-forward is, for Kaulani Civils to go back on site and complete the Koster-Lichtenburg road project.
- But also, they agreed to our termination of among others, another road project they were awarded, which is in Kgomo-Kgomo in Bojanala District.
- The scope of work on the Koster-Lichtenburg road project is rehabilitation of a 63km stretch. The contract value is R208m and the expenditure to date is R79m.
- The project started on November 24, 2008 and the original completion date was November 23, 2010.
- The status of the work done to date is approximately 51percent.
- The construction work on the Koster-Lichtenburg Road stopped before the end of September 2009 at about the same time a forensic firm, PriceWaterHouseCoopers, had began a forensic investigation in the Roads Directorate.
- Subsequent to that, the department sent a letter to Kaulani Civils on January 20, 2010 disputing the validity of the contract and requesting the contractor to vacate site.
- The contractor refused to vacate site, citing legal technicalities and this stalled construction work on the road.
- However, to date, the contractor remained on site and only managed the traffic flow. But that created serious problems judging by the numerous complaints by road users with regards to the confusion created because of the poor management the STOP/Go signs on the road.
- The outstanding works on the project will take approximately 10 months to complete in terms of the discussions concluded between parties.

MEC Mahlakeng's remarks on the official hand-over to Fifa's Local Organising Committee of to road projects: Sun City to Phokeng road and the Western Bypass.

- On Monday, May 24, the Premier of the North West Province, Honourable Maureen Modiselle and I, including a number of key stakeholders, will officially hand over to Fifa's Local Organising Committee, the protocol route which is the Sun City to Phokeng road.

- Our initial plan was have the even on May 22, but that had to be postponed because of the unavailability then, of key stake holders. Monday is the only suitable date for the majority to join in the celebration and the only other available date is May 31 which is just too far for us.
 - This is one of the critical roads we also had disputed, with regards to the appointment of the road contractor on site, Moseme Construction.
 - However following our understanding of the critical role this particular road will serve for the successful hosting by the country, the province, Rustenburg and the Bafokeng Royal Nation, we agreed that the Moseme Construction continue the work and complete the project.
 - This we did and agreed on a without prejudice basis which was explained earlier. They never had a problem with that.
 - I am pleased that following a commitment to government by the contractor to finish the project ahead of the kick-off, the remainder of the work was done 24 hours and seven days to date.
 - We are satisfied with the quality and pleased also that the contractor met the target.
 - The Western bypass from the N4, which is now a quick link from the highway to Phokeng and Sun City, is also complete and ready to be handed over.
 - More details with regards to the arrangements for Monday next week will be communicated over the next three days leading to the event to be held in Rustenburg.
- MEC Mhlakeng on the highlights of the 2010-2011 Budget Speech he is scheduled to table before the provincial legislature tomorrow (Thurs) 10am
- We are tabling our second budget speech in the provincial legislature tomorrow (Thurs) from 10am. You are all invited.
 - I am of the view that, it is important to give you a sense of what to expect and also make available to you, copies of the speech.
 - Obviously, the contents are embargoed until after 10am tomorrow.
 - But my initiative is to assist you in the event you want find different approaches to issues we are dealing with mindful of your tight deadlines.
 - Let me re-emphasize this point. The content of my speech which will be delivered tomorrow at 10am in the provincial legislature is embargoed until after 10am on Thursday, May 20.

- Expect to hear an admission that this department was betrayed and was made to mislead the Legislature into voting for the budget when the money was not there. I will deal at length with that issue and what we did to try and correct the situation.
- No commitment this financial year on the construction of new roads. Instead available roads budget will go towards the maintenance of the existing roads infrastructure i.e. paved and gravel roads
- Stop expenditure on all non-core functions of the department. For example, the time is right for the private sector to take over the organisation and running of the annual Airshow, just like it is the case in other provinces.
- Scale-down on consultants doing work we should be doing ourselves
- More funding for scholar transport following the withdrawal of Sub-Sahara government subsidy.
- Rural development (Mokgalwaneng and Moretele Office Park) which we are spearheading as a department
- Job creation especially in rural areas through Expanded Public Works Programme on all infrastructure projects especially roads.
- Call to urgently claim our full mandate of Public Works from some client departments.

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