



## water & sanitation

Department:  
Water and Sanitation  
REPUBLIC OF SOUTH AFRICA

EdCM

Enquiries: S Mkhize  
Telephone: 012 336 6696  
Reference: 6/2/2/6

**MINISTER OF WATER AND SANITATION**

**NATIONAL ASSEMBLY: QUESTION ★126 FOR ORAL REPLY**

A draft reply to the above mentioned question asked by Mr L J Basson (DA) is attached for your consideration.

  
ACTING DIRECTOR-GENERAL

DATE: 22/08/2016

DRAFT REPLY APPROVED/AMENDED



MRS NP MOKONYANE  
MINISTER OF WATER AND SANITATION

DATE: 25.08.16

NATIONAL ASSEMBLY

FOR ORAL REPLY

QUESTION NO ★126

DATE OF PUBLICATION IN INTERNAL QUESTION PAPER: 16 AUGUST 2016  
(INTERNAL QUESTION PAPER NO. 19)

★126. Mr L J Basson (DA) to ask the Minister of Water and Sanitation:

(a) Why did the tender amount for Phase 2 of the Lesotho Highlands Water Project increase from R22 billion to R26 billion and (b) which company and/or companies were appointed for the construction of the specified phase?

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REPLY:

(a) The latest estimate of cost at completion inclusive of escalation and contingency amounts to R 23,2 billion (Lesotho Highland Water Project LTCP, dated May 2016 ). This increase of R 361 million from May 2015 to May 2016 includes the following updates:

- where contracts have been awarded during the year the actual contract prices have been included ;
- updated escalation indices have been applied; and
- updated foreign currency assumptions and indices have been applied; and
- certain revised implementation methodologies that strive's to reduce the implementation period have been incorporated in the updated cost estimates.

The refinements introduced to the LHWP Procurement Policy has resulted in an adjusted implementation program but project authorities are investigating avenues to recover some of the time lost as well as the additional cost. The source of the reported R26 billion LHWP Phase 2 cost is not known to the project authorities.

(b) The implementing authority (LHDA) is currently in the process of tendering the Design & Supervision contracts for the Polihali Dam and the Polihali Katse Tunnel. The tender process for the main construction contracts will only commence after the award of the Design & Supervising contracts.

The LHDA is currently in the process of preparing the tender documents for the advance infrastructure works and its design and supervision contracts.

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