

## GTM TERMINATES ITS CONTRACTS WITH TSHIAMISO

The Greater Tzaneen Municipality has terminated the services of Tshiamiso Trading 135 (PTY) LTD in respect of SCMU15/2018 (Mulati Road Upgrading Project) and SCMU21/2018 (Codesa to Hani Street Upgrading). The two tenders were awarded as a result of misrepresentation on the part of the service provider and the exact methodology was used in both tenders.

The termination is effected in order to reduce the cost of the two projects which has skyrocketed to twice the tendered amount. In respect of the Codesa project Tshiamiso tendered for R9 217 610.99 instead of R16.960.951.00 that Tshiamiso claims is the actual tendered amount. In respect of the Mulati Project, Tshiamiso tendered for an amount of R26 824,512.88 instead of R57, 509,148.80 which they are now claiming. The termination was also done for purposes of administrative compliance, which is a legal obligation.

The municipality will issue an emergency tender to complete outstanding work on both projects. An engineer has already been tasked to determine the outstanding scope of works and applicable market related rates to complete the outstanding works.

All responsive tenders that were received in respect of the two projects will be invited to submit bids to complete the outstanding work. Only tenderers which submit bids for an amount less than the amount determined by the engineer will be considered.

The successful tenderer will be obliged to give preference to members of the local community who were previously employed by Tshiamiso. This will be done to ensure that no worker or subcontractor in the two projects lose their employment.

The municipality will consider the possibility of making outstanding payments directly to subcontractors and workers in the Codesa to Hani Project. This will be done within the ambit of the law and in line with applicable laws and regulations.

We however wish to state categorically clear that the municipality has no contractual arrangements with any of the subcontractors or workers in the aforementioned projects. The intervention is made in the interest of the community.

The municipality sympathizes with residents, subcontractors and workers who are affected by the current contractual dispute in the two projects and is doing all within its legislative powers to get a speedy resolution in the matter.

Issued by THE GREATER TZANEEN MUNICIPALITY

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