



BEACON VALLEY

PROPOSED HOUSING DEVELOPMENT

Progress Summary & Background Overview

1. Project Brief

The proposed Beacon Valley housing project will provide 1 809 formal housing opportunities on the following vacant erven: erf 42911, erf 42912, erf 45867, erf 44229 and erf 35990. All subject sites are located within Sub council 12, Ward 116, Mitchells Plain.

2. Locality

The proposed Beacon valley housing project consists of three vacant sites that have been identified and secured for housing purposes. The proposed development is located along Highlands Drive and Swartklip road.



FIGURE 1: LOCALITY MAP

3. Beneficiary Community

In-line with the approved Allocation Request Form (ARF) 90% of the beneficiaries will be sourced from Mitchells plain area including Endlovini (approved target area). The remaining 10% will be allocated to applicants earliest on the City database outside the target area.

4. Background

- Two civil contractors were appointed and construction commenced in July 2020. While the contractors were in process with site-establishment various acts of violence (petrol bombing) and intimidation occurred and subsequently both contractors de-established the site.
- This office (via City Legal) immediately applied for an urgent court order application against the respondents to prohibit acts of violence, intimidation and damage to public and private property with the goal of getting the contractors back on site.
- An interim Court Order was granted. The City engaged with the respondents on three separate occasions as requested by the Court. Several actions were driven by the City to resolve the matter however the demands made by the respondents were unattainable. The local Sub Council and Political leadership also assisted greatly in trying to mitigate the security threats.

- Additional security measures were included in the contracts as well as the implementation of a combined action plan between Law Enforcements, Safety and Security and the South African Police Service.
- Notwithstanding the above actions, once the contractors returned to site, the acts of violence became increasingly worse until such point where drive-by shootings occurred (27/11/2020) and two people were shot on-site. Both contractors de-established for the third time.
- This office had various meetings with the appointed contractors in order to find a way forward. The contractors submitted a combined security proposal which stated that unless the City can implement the proposed plan, they will not be able to continue with the subject contracts.
- This office requested intervention on a political level in order to avoid the termination of the contracts.
- Subsequent to a meeting with the Executive Mayor on 17/03/2021 the following were actioned;
 - Two public open community meetings to re-affirm public support.
 - Various PSC meetings to discuss and confirm the way forward.
 - Meetings with both contractors to discuss conditions / requirements to return to site.
 - Various meetings with Law Enforcement, Metro Police and Traffic.
 - The establishment of an updated integrated security operational plan (Law Enforcement, Metro Police, Traffic and SAPS).
 - Ensure local neighborhood-watch forms part of contractors' internal security team.
 - Additional funding request for overtime to allow for the integrated security operational plan.
- Once the above-mentioned security operational plan was approved a 'return to site' date was confirmed for the 7th of July 2021.
- On the evening of the 6 July 2021 the construction site camp was petrol bombed. No individual was injured.
- On the 7th of July 2021 a security officer was assaulted with a gun another security officer was shot in both legs and a machine operator was shot in the chest while working.
- It should be noted that these acts of violence transpired while static deployment of the integrated security plan was in place. The perpetrators jumped the fence and targeted individuals closest to the site perimeters.
- As a result of these shootings (4th individual being shot) both Contractors de-established and indicated they have no intention of continuing with the works.

Mitigation measures included:

- Court order.
- Various interactions and mediation with respondents (as requested by Court).
- Additional security measures included in the contracts.
- Implementation of combined action plan between Law Enforcements, Safety and Security and SAPS.
- The Project Steering Committee (PSC) for the proposed Beacon Valley housing project has met on a regular basis since the inception of the subject project with strong support for the housing development.
- Before civil construction started a public open meeting was held with the broader Mitchells Plain (beneficiary) community. The subject meeting was held on 08 February 2020 and approximately 1 000 community members attended. Strong support for the project was displayed by the beneficiary and broader community.

5. New tenders

Due to the existing need for housing in the subject area, this office proceeded with a new supply chain process for the proposed construction works. This included a detailed security Bill of Quantity to ensure the successful contractors are aware of the existing risk and to price accordingly.

Furthermore, a compulsory tender briefing session was held, at which the risk was highlighted. As previously undertaken, public support from the surrounding communities was obtained via various engagements with the Project Steering Committee (PSC), Sub Council structures as well as public meetings.

In addition to the two construction tenders for Beacon Valley, Highlands Drive (which is in close proximity to the Beacon Valley sites) was advertised at the same time.

6. Financial viability

The Bid Evaluation Committees (BEC) have identified the highest ranked tenderers for the proposed works. The total cost (including bulks civil services) of the works amounted to R315 978 927 (ex VAT). The total security costs for the proposed works (as submitted by the bidders identified for appointment) amounts to R38 928 378 (ex VAT). The proposed security cost therefore amounts to an average of R16 551 per site.

To provide context, within existing construction works with a similar scope, security per site is on average between R1 000 – R2 000 (subject to the nature of the risk).

7. Continued risks

Even though both proposed housing developments have the support from the local communities, it should be noted; during the compulsory tender briefing session demands of 60% of all work was made by some individuals and 'business forums'. These demands are understood to be the cause of the violence and intimidation that ultimately lead to the termination of the previous contracts.

8. Value for money

The average cost for the construction of an individual serviced site amounts to ±R60 000. The additional security costs of R38.8million could theoretically service another 646 erven within a lower security risk area.

9. Project Funding

The current funding approval does not provide sufficient funding to cover the total cost of construction that includes the proposed level of security. Discussions were held with the Grant Funding department that indicated that an additional funding request might not be supported.

10. Current status

Since the additional cost pertaining to the security component could not reasonably be justified this office consulted the office of the City Manager, the CFO and well as the Executive Mayor. It was proposed to cancel the two tenders pertaining to the Beacon Valley project, however to proceed with the Highlands Drive project. The reason for the aforesaid is due to the fact that the Highlands Drive project has a smaller yield, therefore the financially linked risk is smaller than the Beacon Valley project.

11. Way forward

Once construction on the proposed Highlands Drive project is progressing well without any serious incidents this office will proceed with the Beacon Valley construction works utilising the following panel contracts:

- 260C/2021/22
- 366Q/2021/22
- 374Q/2021/22

An estimated timeline pertaining to the proposed Beacon Valley project will only be available once confirmation (successful progress of Highlands Drive construction works) of a reduced security risk is confirmed.