



GAUTENG PROVINCE
HUMAN SETTLEMENTS
REPUBLIC OF SOUTH AFRICA

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Makgotamishe Building Construction

15 Joubert Street Muyoene Building

Suit No 2

Vereeniging

Attention: Tshepo Mashigo

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Provisional Appointment of Makgotamishe Building Construction for the redevelopment of 1266 RDP walk-ups in Sethokga Hostel

We wish to advise that the Department has allocated the above-mentioned project to Makgotamishe Building Construction for the redevelopment of 1266 RDP walk-ups in Sethokga Hostel broken down as follows;

Scope of work	Cost
Demolishing of old buildings (phase 1B, 2A,2B,3A & 3B)	R 37 983 150.00
New ABT System Structures	
Construction of 1266 units	R 240 073 732.20
Bulk Earthworks	R 55 197 600.00
Total	R 333 254 482.20

The following conditions of the provisional appointment apply:

1. The signing of an agreement by the Head of Department.
2. The submission of a ten percent (10%) **R 29 527 133.20** performance guarantee by no later than **21st December 2017**.
3. Failure to submit the guarantee on the stipulated date will result to the provisional appointment being automatically terminated or cancelled. This therefore means the department no longer has a commitment with the service provider.
4. The submission of a construction programme for the project.

The Performance Guarantee or Construction Guarantee will only be accepted from a Banking Institution registered in Terms of the Banks Act, 1965 or from an Insurer registered in terms of the Insurance Act, 1943.

The value of the abovementioned contract is **R 333 254 482.20 (Three Hundred and Thirty Three Million Two Hundred and Fifty Four Thousand Four Hundred and Eighty Two Rand and Twenty Cents Only)**.

The Performance Guarantee requirements are as follows:

- The Performance Guarantee should clearly state that it is made by the guarantor (i.e. Std Bank, Absa Bank, FNB, Nedbank etc.).
- The Performance Guarantee should be addressed to the Head of Department or Head of Supply Chain Management.
- The Performance Guarantee should be made in favour of the Department of Human Settlement.
- The performance guarantee should make specific reference to the redevelopment of 1266 RDP walk-ups in Sethokga Hostel.
- The guarantee should stipulate the amount of the guarantee, which should be ten percent of the total contract value.
- The Performance Guarantee should undertake to pay upon demand without necessarily determining the correctness and validity of the demand.
- The Performance Guarantee should only expire once the Department has issued a Completion Certificate.

Yours faithfully


Ms. Matilda Gasela
Head of Department

Date: 04 DECEMBER 2017