

practice. However, the APP document was approved by Council and was aligned with the requirements of the DHET. After the review of the Strategic Plan and the Annual Performance Plan, MUT is currently operating under the new report regulations. Council needs to determine the KPIs that the Council believes need to be achieved by Management. There is a need to go back to the Strategy as it determines the APP.

SECURITY TENDER

Council Considered the Security Tender from the time it was advertised, the constitution of the Appeals Tribunal and the process thereof. The rules of the Tender Appeals Tribunal were also considered by Council. Out of five service providers, two of them had submitted their notice of motion to the MUT attorney for the Appeals Tribunal. Two security firms were providing security services for the University on a month to month basis until the objections were resolved.

The question of the Security Tender was deliberated on at EXCO and EXCO had resolved to revoke the award of the security tender which was the subject of the appeal. This automatically nullified the need for the appeal to proceed. The security tender would be advertised as soon as possible. After deliberations Council ratified cancellation of the security tender that was awarded to a security company during 2013 as well as the Tender Appeals rules.

INFRASTRUCTURAL DEVELOPMENT AND MANAGEMENT

- a) Report on the Lack of Sewerage Capacity between MUT and eThekweni Municipality

Council considered the report on the lack of sewerage capacity between MUT and the eThekweni Municipality. Project drawings submitted in 2013 and 2014 had not been approved by eThekweni Municipality due to lack of sewerage capacity. These were: Engineering Laboratories and Offices; Student Centre; and the Student Housing Phase 2. Council considered the proposal that the University provides "bridging finance" for the construction of the upgrading of the truck sewerage line for 3.5 km from Seme Hall to Isipingo Waste-Water Treatment.

A series of meetings were held between MUT and the Municipality in order to resolve this challenge. After deliberations, both parties agreed that the University funds the upgrading of the sewerage system on behalf of eThekweni Municipality and the Municipality would in turn pay back the money that the University will have used for the upgrade, with interest or alternatively an off-set on the services rates for a limited number of years. The University in turn negotiated with the National Department of Human Settlements to sponsor the sewerage upgrade for eThekweni Municipality. Eventually on 20 November

2015 the Human Settlements department agreed to find resources within their grant system to support MUT with R45 million required to upgrade the sewer system.

- b) Report on the Engineering Offices & Laboratories and Student Centre

Council considered the progress report on the construction of the Engineering Laboratories and the Student Centre in relation to the appeal lodged. Council expressed a concern about the delay caused because the Appeals Tribunal and the fact that the affected parties could not agree on the proposed rules of the Appeal Tribunal. The meeting resolved that a legal opinion be sought to find out if MUT could have recourse for the escalated cost. Council then agreed that the University must have controls in place for such matters in order to avoid consequential delays and escalated costs. At the end of 2015 plans for the construction of the Student Centre and the Engineering Laboratories and Offices were eventually approved by eThekweni Municipality.

- c) Construction of a 640-bed Student Residence - Phase 1

This project was approved in 2010 with a total cost estimate of R1 06 049 of which R56 million was to be provided by the University and the rest by the DHET. The tender was awarded to a Construction Company which commenced construction on 17 February 2014 with a completion date of December 2015. Occupation was planned for 1st January 2016. Due to delays, the cost of construction escalated from R105 million to R156 million. During 2015, work stoppages delayed the construction.

- d) The Construction Company's Request for Recovery of Cost of Labour

The Council considered the claim by the Construction Company for the costs incurred due to substantial work stoppages. Focus Project Management assessed the claim received from the Construction Company and concluded that the contractual standing of the Construction Company in relation to their current claim was weak and offered limited contractual backing, hence the claim was rejected. Focus Project Management recommended an extension of time to be granted for the full duration claimed until 17 December 2015. The time-related costs amounted to at least R4 million. Council considered the conclusion reached by Focus Project Management and supported it.

COMMUNICATION WITH THE DHET & OTHER EXTERNAL STAKEHOLDERS

Council noted the following interactions with the DHET and other government institutions: