

CITY OF CAPE TOWN

INTEGRATED RAPID TRANSIT

Project Progress Report No 4

March 2010



Progress Report of the City of Cape Town's
Integrated Rapid Transit Project
March 2010



Project Status & Progress Report

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PROJECT STATUS & PROGRESS REPORT PURPOSE

The Project Status / Monthly Progress Report is a document prepared by IRT Project Team for the purpose of recording progress and for the regular project status and progress reporting to various City of Cape Town political and administrative oversight committees, the Department of Transport and Department of Finance, PGWC and other key stakeholder groups and interested parties.

Cover Photograph

The City's first 18m IRT vehicle docked at the Granger Bay Station early in April 2010.

Disclaimer: While ever effort has been made to present accurate and current information in this progress report, the City of Cape Town will not be held liable for the consequence of any decisions or actions taken by others who may utilise the information contained herein.

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1. Executive summary

1.1. Process management

1.1.1. Project review and governance

The intention of this report, as part of a set of regular progress reports, is to provide regular updates of all aspects of the IRT Project including the cost estimates, so that there can be effective oversight of the Project and that interventions where necessary can be made in good time.

As reported previously a report from the independent consultants that conducted a Due Diligence study was submitted to the City. The IRT Project Team is presently considering the recommendations, after which the Due Diligence report and the City's response will be submitted to Council (in May 2010). Where considered appropriate the IRT plans are being adjusted to accommodate the report findings and recommendations.

In mid-December 2009, during the preparation for contracting the Due Diligence study, it became apparent that VAT on IRT infrastructure may be tax exempt (i.e. non recoverable by the City). A tax determination from SARS was sought on this as well as other IRT tax related issues. A determination has now been received from SARS and all dedicated IRT infrastructure which is part of "*a public transport service for fare paying passengers*" has been ruled VAT exempt i.e. VAT cannot be recovered from SARS. As this applies only to "*dedicated public transport infrastructure for fare paying passengers*", an apportionment of these infrastructure costs for VAT determination is currently being assessed. In the mean time the CFO has, as a precautionary measure to minimise any penalties and/or interest, arranged for the maximum VAT amounts to be paid. This SARS determination was made after investigating the Bus Rapid Transit systems being implemented as part of the Integrated Rapid Transit Plan in the metropolitan municipalities.

1.2. Business plan review, system review and modelling

The revision of the IRT Business Plan is close to completion and where appropriate has taken into account the findings of the Limited Due Diligence study. Once the results of the latest modelling information become available, it will be possible to conclude the Business Plan. One of the key challenges in the Business Plan is to minimise the operating deficit without compromising the quality of the service for both the roll-out of a start-up service and full Phase 1A.

A key aspect of this review process has been an audit and comprehensive review of the IRT transport demand and cost model. The latest modelling information will be used to develop a revised project roll out for Phase 1A. This will include the roll out of the various service contracts, procurement of further vehicles as well as the continued roll out of infrastructure.

1.3. Finances

The Division of Revenue Bill and the proposed Framework for the PTI&S Grant was published in February. This Bill confirmed the allocation of R 3 350 million over the next three financial years to the City for projects in support of the City's integrated rapid public transport networks. The Bill provides a mechanism for the indicative funding in outer years to be 'enforced', i.e. for national commitments that such funds (once approved by Treasury) will not be reduced.

This will provide a secure basis upon which the City can commit to multi-year contracts and the City is currently rescheduling the work to accommodate the additional funding received from National as well as the SARS determination regarding VAT.

1.4. Developments regarding the minibus-taxi and bus industry

The City has been engaging with the newly elected executive committee of the Western Cape Provincial Taxi Council (WCPTC) as well as the National Taxi Alliance about the role of, and opportunities for the minibus-taxi industry in the 2010 World Cup. Following liaison with the Provincial Government, it has been agreed that in future discussions on matters affecting the entire minibus-taxi industry, will be done with a forum consisting of representatives from all the minibus-taxi regions within the City.

The City will be exploring ways, with the industry, in which services to and from Public Viewing Areas, the Fan Fest (CBD) and the Last Mile Home service can be provided during the 2010 FIFA World Cup event. One of the serious challenges in achieving success with this endeavour is the limited time that is available to reach agreement and conclude such services.

The positive developments in being able to work with the minibus-taxi industry as a whole for the 2010 World Cup are welcomed. It is hoped that this will lay the basis for a good relationship for the IRT in the future.

1.5. 2010 World Cup vehicle operations

TransPeninsula, consisting of minibus-taxi associations in the Inner City, successfully provided transport services for the Cape Town Stadium's second test event on Monday 22 March 2010, and third test event on Saturday 10 April 2010. Valuable lessons have been learnt by both the City's operations team as well as Transpeninsula. However, for the actual World Cup event the intention is to use the IRT vehicles and stations for core services, and a further test event is being considered to operationally test the effectiveness of the IRT buses and station systems.

The training of the drivers is proceeding, although the full product specific training can only be completed once the actual IRT buses arrive and are licensed.

1.6. Advertising

Previously it was reported that a tender for advertising opportunities on the IRT vehicles and in IRT stations during the 2010 World Cup had been advertised. The advertising on buses is partly intended to distinguish the 2010 World Cup service from the later IRT-branded service.

Because there were no responses to the formal tender process an alternate procurement process is being considered. Contracts for these advertising opportunities would need to be awarded soon to allow sufficient time to develop, produce and apply decals to the vehicles.

1.7. Management of operations

In previous reports the importance and urgency of bringing on board additional resources to take responsibility and focus on the operational management of both the 2010 World Cup operator's contract and the subsequent IRT Phase 1A contract, was highlighted. Since then the brief for the Joint Venture consulting team responsible for 2010 Operations had been extended to offer support with the management of the 2010 vehicle operator contract.

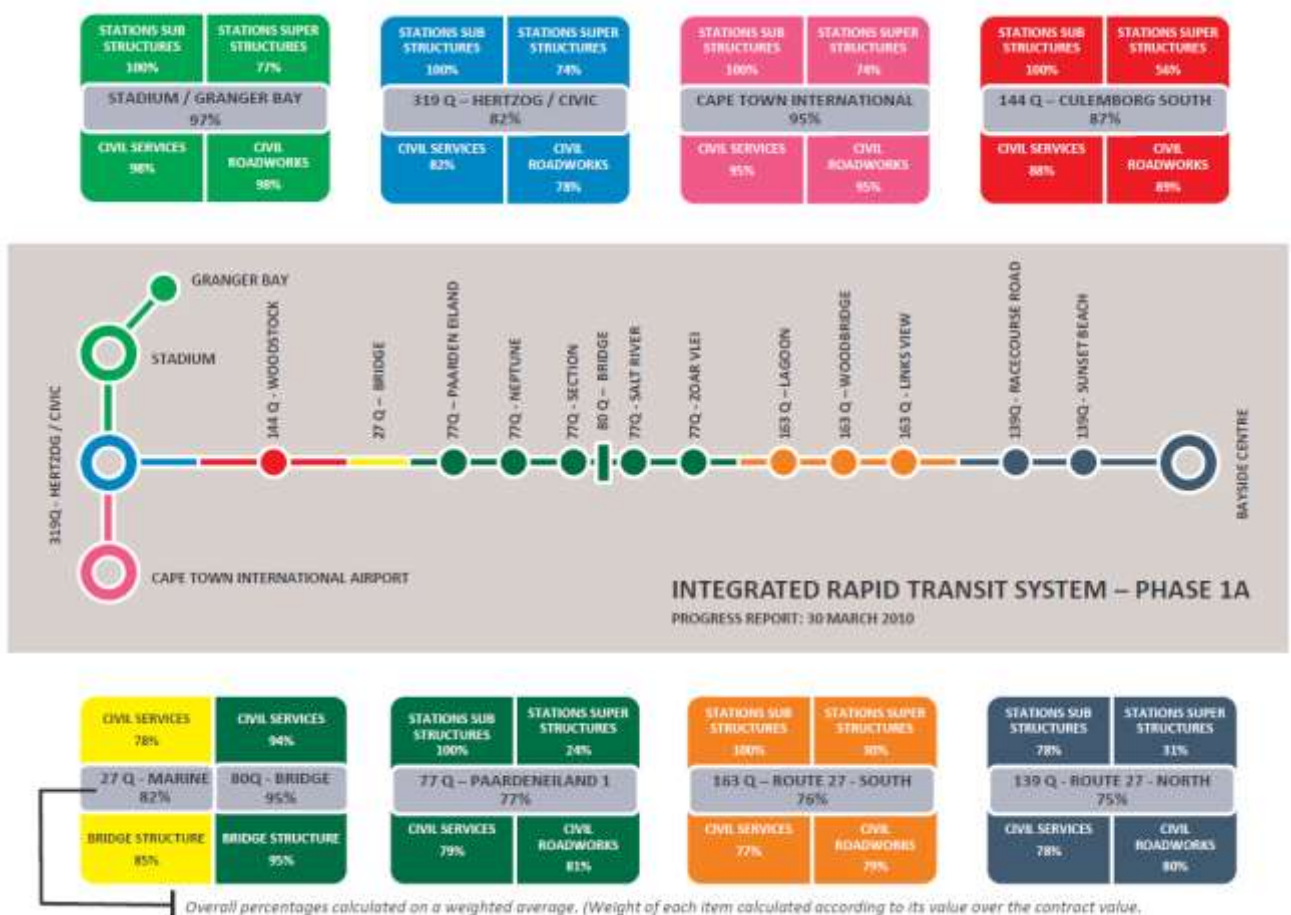
Regarding the appointment process regarding the Director: IRT Operations, see paragraph 1.10 below.

1.8. Infrastructure

Construction of the foreshore staging area is progressing well as is the construction at the Inner City depot site in Prestwich Street, which has been secured in terms of a two year lease from Transnet. This depot and staging area are necessary for providing adequate vehicle operator services during the World Cup period, and are components of the required IRT Phase 1A infrastructure.

The construction of the three key stations for the World Cup transport service, at the Airport, Civic Centre and the Cape Town Stadium, will be completed in May 2010 in time to support the World Cup event transport services.

Construction of the busways and stations on the route up the R27 is proceeding in accordance with the contracted programmes with the exception of two areas; a) the viaduct from Culemborg across the N1 which is approximately two months behind schedule due to complex diversion of services; b) the Bayside / Blaauwberg Road station, delayed by the minibus-taxi relocation earlier this year. These delays will not impact on the World Cup services. The progress of the various contracts along the CBD-R27-Tableview corridor is presented in the graphic below.



1.9. Vehicles

The first IRT 18-meter prototype vehicle has arrived in Cape Town and will be used predominantly for driver training. A second vehicle, a 12- meter bus built by Volvo to the City's specification is in Cape Town and will also

be used for training purposes. The 12m bus is owned by Volvo. The training and licensing of drivers to the appropriate standard is progressing well and product specific training is to commence shortly.

Volvo has reported that the production of the City's IRT buses is ahead of programme and delivery ahead of the contracted delivery schedule is probable.

1.10. Project team establishment

The organisational framework for the IRT Project Office which was approved by the City Manager on 24 February 2010 and included both "Implementation" and "Operations" work streams / departments has been developed to reporting levels two to four and awaiting approval by the City Manager in terms of the Municipal Systems Act. Work on a provisional structure for levels five and below is also underway.

Applications for the advertised Director: Implementation and Director: Operations positions are currently being assessed. Draft job descriptions for the two Department's respective manager positions have been prepared.

Simultaneously a process is underway to develop a staffing strategy for the project as part of the business plan and subject to the Council mandate for the possible future establishment of a Municipal Entity in this regard. The business strategy for the project will determine the strategy for populating the IRT Project Organisational Structure.

1.11. Salient IRT project information: Phase 1A¹

First IRT construction contract awarded	6 Oct 2008
Projected completion of Phase 1A as currently programmed	30 Sep 2013
Estimated Capital cost of implementing Phase 1A	R 3 501 million
Estimated Operating cost of implementing Phase 1A	R 808 million
Estimated Total cost of implementing Phase 1A	R 4 309 million
Estimated Annual Operating Deficit of running Phase 1A as currently modelled (not escalated, not included above, and excludes operational funding through reallocated bus subsidies – in the process of being remodelled)	R 118 million pa
Expenditure 2008/09 FY	R 248 million
Total expenditure to date 2008/09 FY and 2009/10 FY on SAP as at 2010-03-30	R 692 million
Projected total expenditure to end of the 2009/10 FY	R 1 074 million
Available assured funding from City and National received to date (This does not include the R 288 million made available by the City to bridge the gap between the City and National financial years to be recovered from the National PTI&SG when funding received)	R 951 million
Estimated future expenditure for implementing Phase 1A (for the remainder of the 2009/10 FY and the 2010/11, 2011/12, 2012/13 and 2013/14 FY's but excluding annual running cost)	R 3 509 million
Total indicative PTI&SG funding from National in future financial years	R 3 350 million ²

¹ While every effort is made to ensure that cost estimates are as accurate as possible there are many factors that impact on cost estimates over a lengthy project implementation period of 4 years including technical, legal, financial, taxation and economic factors.

(Reference Draft Division of Revenue Bill, as introduced in the National Assembly, Feb 2010) Refer to footnote.	
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Estimated total cost of implementing Phase 1A	R 4 309 million
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Note: The above estimates do not include the implications of SARS' VAT determinations, the value engineering exercise and the revised business plan all of which is underway.

Note on project cost estimates

The estimated total cost of implementing Phase 1A has remained approximately the same as the previous progress report and is estimated at approximately R 4 309 million. The annual operating deficit of running the service is estimated at approximately R 118 million based on current modelling projections.

The implications of SARS VAT determination still needs to be fully assessed. This issue will be taken up with both the national Department of Transport and National Treasury. Future applications for PTI&SG allocations will factor in the VAT implications.

The Project Team has been engaged in a major review of the transport and operating cost modelling of Phase 1A i.e. the estimated cost of running the system once commissioned and taking into account the operating income and operating expenditure. An audit of the modelling has been conducted and the inputs and assumptions closely scrutinised. The review of the transport and cost model will enhance and improve the confidence and accuracy of the estimated operating cost of Phase 1A.

The Project Team is also reviewing other parts of the project, such as possible re-engineering of the infrastructure and value engineering to ensure that project costs are minimised without compromising project objectives.

The basis of programming Phase 1A is that funds are committed when secured.

Mike Marsden

21 April 2010

Executive Director: Transport Roads and Major projects

² The total inductive Public Transport Infrastructure and Systems Grant (PTI&SG) funding refers to the total allocation as published in the Division of Revenue Bill made to the City of Cape Town for the 2010/11 to 2012/13 financial years for IRT and related transport projects. Completion of this project phase will fall outside the current DORA allocation period and motivations for further allocations will be made in terms of the PTI&SG funding framework to address the project's overall funding requirements.

2. Process management

2.1. Key project activities / processes

2.1.1. Due diligence study

The City's IRT Team has been reviewing the numerous recommendations made by the Due Diligence Team. This work will support the Due Diligence report scheduled to be submitted to Council in May. It will stipulate the action taken by the IRT related to the recommendations.

The IRT is a new area of work for the City, and in fact for South Africa. As the project rolls out, various changes are made to the initial plans to deal with issues and challenges as they come to light. Therefore some of the recommendations provided in the report have already been implemented or new issues and challenges may even have caused some recommendations to be obsolete.

2.1.2. VAT determination

After conducting a fact finding mission on the VAT implications of the IRT on all Metropolitan Municipalities early in March 2010, SARS notified the City that output VAT should be paid on Bus Rapid Transit infrastructure used for the transport of fare-paying passengers and no input VAT claimed due to the service of carrying fare-paying passengers being a VAT exempt service in terms of the VAT Act. Due to this proclamation by SARS on the VAT exempt nature of the infrastructure that is created that will be used exclusively for the carrying of fare-paying passengers, the CFO has ensured that all potential VAT due has been paid to SARS.

City officials now need to review the project to date in order to differentiate between those parts of the project which are VAT exempt (i.e. purely created for the purpose of transporting fare-paying passengers) and other general roads, dual use roads and road improvements, non-motorised transport or other dual use infrastructure which are considered as zero-rated for VAT purposes. This will ensure that there is no overpayment to SARS.

Adjustments will be made by the City to ensure that budgetary provisions are made for VAT for the already contracted portions of the project that are not zero-rated for VAT purposes. Any adjustments to the budget will be reported to council.

The City has already flagged all related Capital and operating Votes as zero-exempt for VAT purposes. All future tenders will have to be broken up into those portions which are exclusively for municipal public transport of fare-paying passengers and those portions which are determined as zero-rated for VAT in accordance with current VAT legislation.

2.1.3. Business plan review

The revision of the IRT Business Plan (described in Chapter 4) is close to completion and where appropriate has taken into account the findings of the limited Due Diligence study where appropriate. Once the results of the latest modelling information become available would it be possible to conclude the Business Plan. One of the key challenges in the Business Plan is to minimise the operating deficit without compromising significantly on the quality of the service for both the roll-out of a start-up service and full Phase 1A.

2.1.4. System development and modelling

In October 2009 Council resolved (C 71/10/09) to adopt a number of recommendations pertaining to the traffic demand and cost modelling as well as a strategic review of the IRT system. The progress with respect to these review processes is described in Chapter 5.

2.2. Project management

2.2.1. Appointment of a professional project management service provider

Notwithstanding the project progress made to date the IRT project team is under-resourced in a number of critical areas including that of project management. Given the magnitude of this R 4,3 billion project phase, and the complexity of managing and integrating the multitude of diverse work streams, it has become essential to seek the assistance of professional project management services providers. Consequently a proposal call (tender) for these services will be advertised with the intention of making an appointment on 1 July 2010.

2.2.2. Master project programme (Infrastructure)

The master programme (High level Gant Chart) **for infrastructure components** of Financial Scenario 1 is provided on the following pages.

Note: Financial Scenario 1 refers to the financial scenario for roll out of the IRT as adopted by Council in October 2009, based on a very cautious approach in terms of which funds are committed only when secured. This programme is currently under review (as part of the Business Plan review and IRT System strategic review processes) and will be updated once complete. This Gantt chart covers information mainly regarding infrastructure related streams of the IRT.

(GANT CHARTS REMOVED, DUE TO FILE-SIZE CONSIDERATIONS)

3. Project financial management

3.1. Introduction

Due to the fact that the IRT Project Office has not been fully staffed as yet, the responsibility of financial management and budgetary control cannot be assigned to a dedicated individual. The staffing of the IRT Project Office will not only provide the resources for proper financial management, but will also assist in assigning responsibilities to the stream leaders who can be held accountable.

3.2. Budget, funding and expenditure authority

3.2.1. Operating

Council's 2009/10 Adjustments Budget served before Council on the 27th of January 2010. Included in this Budget was a budgetary provision of R 30 m (million) for the establishment of an IRT Project Office. The establishment of an IRT Project Office is now underway by particularly determining the staffing requirements, equipment, accommodation etc.

Budgetary provision for Grant Funded Operating projects, associated with the various streams within the IRT project, was also amended from R 53 m to R 92 m, based on the recent financial review of Phase 1A. The reason for this increase is due to the fact that more information on systems planning, operations and business planning are becoming clearer as the project progresses.

3.2.2. Capital

As a result of the recent financial review of Phase 1A, and based on our contractual commitments and future commitments, the capital programme for the implementation of Phase 1A was changed drastically. These changes have been incorporated into the 2009/10 Adjustments Budget that served before Council at the end of January 2010, and the Draft 2010/11 to 2012/13 Capital Budget Programme serving before Council at the end of March 2010.

3.3. Projected Costs: Phase 1A

Projected capital and operating costs required to the implement Phase 1A of the IRT System are presented in Table 3.1 below. These costs exclude any system operating deficit that may accrue during the ongoing service operations.

Table 3.1: Projected Costs Phase 1A

	Capital	Operating	Total
2009/10 Estimated Requirement	787,309,723	122,807,234	910,116,957
2009/10 Available Funding	490,903,965	92,807,234	583,711,199
2009/10 Total Estimated Shortfall	(292,405,758)	(16,000,000)	(308,405,758)
To be funded ex EFF bridging funding	288,405,758		288,405,758
To be funded ex Rates	4,000,000	30,000,000	34,000,000
Total Further Estimated Requirements for Phase 1A	2,489,973,105	660,238,037	3,150,211,142
Estimated balance of commitments already entered into	172,416,497	39,424,734	211,841,231
Further Estimated Requirements for Phase 1A	2,317,556,608	620,813,303	2,938,369,911
<u>Note:</u>			
Expenditure 08/09	248,413,879		
Estimated Expenditure 09/10	910,116,957		
Estimated Future Expenditure	3,150,211,142		
Total Estimated Cost for Phase 1A to 2013/14	4,308,741,978		

3.4. Expenditure: Capital and operating

3.4.1. Progressive Capital Expenditure Report for 2008/09 and 2009/10

Table 3.2 represents all the capital projects associated with the IRT since the date of inception. Individual projects are group according to their funding sources and reflects the percentage spend to date compared to the approved budget.

Table 3.2: 2008/2009 & 2009/2010 (February '10) Capital Projects – INTEGRATED RAPID TRANSIT SYSTEM

2008/2009 & 2009/2010 (March '10) Capital Projects - INTEGRATED RAPID TRANSIT SYSTEM

Category	WBS	Project Description	2008/2009			2009/2010		
			Current Budget	Actual	% Spend	Current Budget	Actual	% Spend
NG DOT PTI&SG	C09.00419-F1	IRT:Granger Bay Blvd:PTIF	10 500 000	10 500 000	100.0%	-	-	-
NG DOT PTI&SG	C09.00487-F1	IRT:Klipfontein Corridor:PTIF	-	-	-	-	-	-
NG DOT PTI&SG	C09.00488-F1	IRT:Public Trsprt&Bus Upgr on Corr:PTIF	20 000 000	19 983 113	99.9%	-	-	-
NG DOT PTI&SG	C09.00489-F1	IRT:IntegratedFareManagement System:	-	-	-	-	-	-
NG DOT PTI&SG	C09.00497-F1	IRT:PropertyAcquisition:PTIF	57 800 000	57 202 138	99.0%	-	-	-
NG DOT PTI&SG	C09.00498-F1	IRT:VehicleAcquisition:PTIF	-	-	-	76 500 000	-	0.0%
NG DOT PTI&SG	C09.00499-F1	IRT:WestCoastCorridor:PTIF	90 000 000	89 999 969	100.0%	-	-	-
NG DOT PTI&SG	C09.00500-F1	IRT:AirportService:PTIF	2 000 000	2 000 000	-	-	-	-
NG DOT PTI&SG	C09.00501-F1	IRT:PropertyAcquisition:PTIF	-	-	-	-	-	-
NG DOT PTI&SG	C10.10320-F1	IRT:PropertyAcquisition:PTIF	-	-	-	17 629	17 629	100.0%
NG DOT PTI&SG	C10.10327-F1	IRT:WestCoastCorridor:PTIF	-	-	-	51 941 535	50 511 853	97.2%
NG DOT PTI&SG	C10.10350-F1	IRT:InnerCityService:PTIF	-	-	-	10 000 000	8 808 550	88.1%
NG DOT PTI&SG	C10.10542-F1	IRT:AirportService:PTIF	-	-	-	6 000 000	6 000 000	100.0%
NG DOT PTI&SG	C10.10581-F1	IRT:Public Trsprt&Bus Upgr on Corr:	-	-	-	2 000 000	-	0.0%
NG DOT PTI&SG	C10.10582-F1	IRT:IntegratedFareManagement System	-	-	-	13 295 117	1 861 540	14.0%
Total NG DOT PTI&SG			180 300 000	179 685 220	99.7%	159 754 281	67 199 573	42.1%
CRR BRT System	C09.00313-F2	IRT:Integr Rapid Transit Syst(Ph1A)	-	-	-	66 682 409	23 760 266	35.6%
CRR BRT System	C09.00486-F2	IRT: Traffic Management Centre: CRR	15 000 000	14 998 601	100.0%	-	-	-
CRR BRT System	C09.00497-F2	IRT:PropertyAcquisition:CRR	-	-	-	50 177 314	50 177 314	100.0%
CRR BRT System	C09.00498-F2	IRT:VehicleAcquisition:CRR	-	-	-	25 000 000	-	-
CRR BRT System	C09.00499-F2	IRT:West Coast Corridor:CRR	30 000 000	28 861 715	96.2%	111 583 679	111 583 679	-
CRR BRT System	C10.00093-F2	IRT: Control Centre:CRR	-	-	-	25 000 000	-	0.0%
CRR BRT System	C10.10337-F2	IRT:West Coast Corridor:CRR	-	-	-	-	-	-
CRR BRT System	C10.10579-F1	IRT: Traffic Management Centre: CRR	-	-	-	45 001 399	30 964 694	68.8%
CRR BRT System	C10.10582-F2	IRT:IntegratedFareManagement System	-	-	-	7 704 883	-	0.0%
Total CRR BRT System			45 000 000	43 860 316	97.5%	331 149 684	216 485 953	65.4%
EFF	C05.00951-F1	Acquisition of Land	247 529	247 529	100.0%	-	-	-
EFF	C07.00002-F2	R27: Addtl lanes and intersection impr	-	-	-	-	-	-
EFF	C09.00499-F3	IRT:WestCoastCorridor:EFF	-	-	-	288 405 758	144 375 787	50.1%
EFF	C10.10112-F1	IRT: Project Office	-	-	-	4 000 000	-	-
Total EFF			247 529	247 529	100.0%	292 405 758	144 375 787	49.4%
			225 547 529	223 793 065	99.2%	783 309 723	428 061 313	54.6%

3.4.2. Expenditure report for grant funded operating projects

Table 3.3 reflects all operating expenditure, funded from grant funding, relating to the IRT project. Individual projects are group according to their specific area and relates to the procurement of external service provider. The expenditure report reflects the percentage spend (13.8%) to date compared to the approved budget, which was amended during the Adjustments Budget process at the end of January.

Table 3.3: IRT grant funded projects: Expenditure to February 2010

2008/2009 & 2009/2010 (March '10) Grant Funded Projects - INTEGRATED RAPID TRANSIT SYSTEM

Category	WBS	Project Description	2008/2009			2009/2010		
			Current Budget	Actual	% Spend	Current Budget	Actual	% Spend
NG DOT PTI&SG	G09.00068-F1	Integrated Rapid Tra	16,130,000	1,875,472	11.6%	9,407,519	4,855,412	51.6%
NG DOT PTI&SG	G09.00097-F1	IRT:Prov of Prof Ser	3,000,000	1,651,103	55.0%	7,590,323	2,000,000	26.3%
NG DOT PTI&SG	G09.00099-F1	IRT:Prov of Prof Ser	27,000,000	10,403,662	38.5%	21,626,893	4,999,121	23.1%
NG DOT PTI&SG	G09.00100-F1	IRT:Prov of Prof Ser	6,500,000	6,321,511	97.3%	16,000,000	1,572,993	9.8%
NG DOT PTI&SG	G09.00101-F1	IRT:Prov of Prof Ser	4,500,000	1,616,594	35.9%	38,182,500	1,442,974	3.8%
Total NG DOT PTI&SG			57,130,000	21,868,342	38.3%	92,807,235	14,870,501	16.0%
			57,130,000	21,868,342	38.3%	92,807,235	14,870,501	16.0%

3.5. Future funding (DORA Allocations)

Table 3.4 reflects the increases in future allocations from the Department of Transport (DoT) towards the Public Transport for the City as a whole, as has now been confirmed in terms of the Division of Revenue Act. This is an indication of all funding on this particular category of grant and does not imply that all funding is for the IRT project. Discussions between the IRT project team and the City's Transport, Roads and Major Projects Directorate will give guidance on the split of funding between various different projects.

The IRT Team has previously reviewed the Division of Revenue Bill and the frameworks for the Public Transport Operations Grant and Public Transport Infrastructure and Systems Grant as these frameworks relate to the provision of integrated rapid public transport as proposed by the IRT system being implemented. These comments were submitted, with the authority of the Office of the Executive Mayor, to the Parliamentary processes calling for comments on Thursday 4 March 2010. The main concerns were regarding numerous contradictory or inconsistent clauses and requirements.

Table 3.4: Division of Revenue Act: CoCT Allocations (2010/11 to 2012/13)

2010/11		2011/12		2012/13	
Previous DoRA	2010 DORA	Previous DoRA	2010 DORA	Previous DoRA	2010 DORA
R 647 m	R 850 m	R 800 m	R 1,600 m	R 840m	R 900 m

3.6. Progress with ring-fencing IRT project finance

All the IRT projects, both capital and operating, and the cost and profit centres associated with the IRT project, have been re-aligned to the IRT Project Office. New cost and profit centres were also created to reflect the latest organizational structure for the IRT Project Office.

4. Business development and IRT operations

4.1. Previously reported

The **first monthly IRT Status and Progress Report** (December 2009) provided a description of the various components of the business plan and how these components are proposed to work together. It highlighted the status of each component and the progress to date made in terms of the implementation programme. It explained how the management of the operations lies at the strategic centre of the system and that this function will initially be performed by an IRT Operational Management Unit that will manage the operations through contracts with the following independent service providers :

- a) **The vehicle operator contractors** – It is planned that two such contracts will be negotiated with the directly affected taxi and bus operators regarding Phase 1A, each running feeder operations in different areas, and with overlapping trunk services, subject to the required procurement processes. Facilitators, business advisors and legal advisors have been appointed to assist these operators regarding their negotiation with the City. In this regard the operators have been divided into two groups, in line with the division of services described above.
- b) **The fare systems contractor** – to provide all infrastructure needed for the fare system, as well as software for monitoring sales and finances in the system, and maintenance of the system. This contract was put out to tender in mid-2009 but its award has been delayed until sufficient funds are available.
- c) **The control centre contractor** – to provide all infrastructure needed to monitor and control the vehicles in real time and to reconfigure services based on passenger demand information, maintenance of the system and to provide such controlling services in the initial period, for handover to the Operational Management Unit or ME. This service was put out to tender in mid-2009 but its awarding has also been delayed until sufficient funds are available.
- d) **The station services contractor** – to manage all IRT stations, sell tickets at stations and be responsible for related cash handling, provide access control and security, and clean stations and its precincts. An initial prospectus for these services has been completed but the tender documents still need to be drafted.
- e) **Other contracts**, such as advertising and concessions.

It is envisaged and likely that the operational management function will in due course be transferred to a municipal entity (ME), subject to the relevant legal steps and Council approval.

In the **second Progress Report** we reported on the broader set of areas of progress regarding the business plan, and provided a summary reflecting on the work of the business plan joint venture. This JV was appointed in June 2008 to assist in the development of business plan components of the IRT project. The contract provider, referred to as the Business Plan Joint Venture, comprises the local professional teams of Hunter van Ryneveld, Webber Wentzel, Axios Consulting, and String Communications, as well as international consultants from Brazil, Colombia and the United States who have worked on BRT projects across the world, including Logit, GSD and the Institute for Transportation and Development Policy. The scope of their appointment includes the following: Project Management, Business structure, Institutional plan, Refinement of operating cost model, Industry transition strategy, Operator contracts, Marketing plan, Public participation process, and Financing plan. A detailed description and the status of each of these components were described, and an indication of the work completed and outstanding was provided.

In the **third progress report** we focussed on the following key areas in the business plan where progress had been achieved since the previous progress report: (a) Reviewing the business plan, (b) Developments regarding the minibus-taxi and bus industry, (c) Setting up 2010 World Cup vehicle operating company, (d) Advertising opportunities, (e) Management of Operations, and (f) The Section 33 process

In this **fourth progress report** we focus on the following areas where progress has been achieved subsequent to the previous progress report.

4.2. Progress with reviewing the Business Plan

The revision of the IRT Business Plan is close to completion. Once the results of the latest modelling information become available, as well as comment is received from Province and National regarding key issues in this regard, would it be possible to conclude the Business Plan. One of the key challenges in the Business Plan is to minimise the operating deficit without compromising significantly on the quality of the service for both the roll-out and full Phase 1A.

4.3. Developments regarding the minibus-taxi and bus industry

The City has been engaging with the newly elected executive committee of the Western Cape Provincial Taxi Council about the role of, and opportunities for the minibus-taxi industry in the 2010 World Cup. Approaches were also made to the City by NTA to discuss the same matter, and through close liaison with the Provincial Government it was arranged that in all future discussions on matters affecting the entire minibus-taxi industry, the representatives of the different regions (whether more closely aligned with the WCPTC or the NTA) be invited. Hence a number of meetings had been held with the regional representatives of the WCPTC.

Concern was raised by the industry about the 2010 World Cup vehicle operator contract awarded to Transpeninsula. It was questioned why only two associations should benefit from contracted World Cup services. The 2010 Operations Plan provided for services to be provided by minibus-taxis to service the four Public Viewing Areas (Bellville, Khayelitsha, Athlone and Mitchells Plain), the Fan Fest (CBD), and the Last Mile Home Service from the 26 designated rail stations. Due to budget constraints, these services could not be contracted and therefore also not guaranteed to the public. However, based on the inputs received from the industry, it did not necessarily appear viable for the taxi industry to respond by providing these services after normal operating hours (including after 12 midnight) without any guaranteed passenger demand. In the interest of providing a more secure service to the public attending the Fan Fest and PVA's, that can be advertised to the public, the City will be exploring with the industry ways in which such services can be guaranteed. One of the serious challenges in achieving success with this endeavour is the limited time that is available to reach agreement and contract such services.

4.4. Setting up 2010 World Cup vehicle operating company

TransPeninsula has successfully run its second test event on Monday 22 March 2010, and third test event on Saturday 10 April 2010. Valuable lessons have been learnt by both the City's operations team as well as TransPeninsula with the experience of these test events. However, for the actual World Cup event the intention is to use the IRT vehicles and stations. If there is no other test event prior to the World Cup, a mock event will be arranged to operationally test the systems for the buses and stations.

In the meantime, training of the drivers is proceeding, although the full product can only be completed once the actual IRT buses arrive and are licensed.

In anticipation of the handover of the three IRT stations to be used during the World Cup, and to the delivery of the IRT buses, the City IRT infrastructure and business plan teams has been engaging with TransPeninsula to iron out anticipated operational issues. A key issue still to resolve fully is appropriate operational capacity within the City in this regard.

4.5. Advertising

Previously it was reported that a tender for advertising opportunities on the IRT vehicles and other IRT opportunities inside of the buses, and inside the IRT stations had been advertised. The deadline for submission of tenders was 6th April 2010 by which date no offers had been received.

Given there were no responses to the formal tender process, it was decided to invite interested parties to submit proposals by 12h00 on 23 April 2010. These contracts need to be awarded soon after the deadline of the 23 April 2010 to allow sufficient time to develop, produce and apply the decals to the vehicles and advertising elsewhere in the IRT system.

4.6. Management of operations

In previous reports the importance and urgency to bringing on board additional resources to take responsibility and focus on the operational management of both the 2010 contract and well and the subsequent IRT contract, was highlighted. Since then the brief for the Joint Venture consulting team responsible for 2010 Operations had been extended to offer support with the management of the 2010 vehicle operator contract. However, at the time of drafting this report no staff could be dedicated full time to this task and it had to be attended to by staff with a range of other responsibilities, with the support of consultants.

No candidates for the the post of Director: IRT Operations, advertised on the 6th March 2010 have yet been interviewed. This is discussed in Chapter 7.3.

5. Systems planning and modelling

Note: This workstream was previously referred to as "operational planning".

5.1. Introduction

In October 2009 Council resolved (C 71/10/09) to adopt a number of recommendations pertaining to the project that have a significant implication on the operational / system planning and modelling programme. This chapter addresses the progress made in addressing these which include inter alia;

- Preparation of a Technical Audit report on Transport demand and cost model.
- A Strategic review of Phase 1 (including Phase 1A and starter service)
- A Strategic review of Phase 2
- The identification of additional resources required to enhance capacity (internal and external) within system planning and modelling domain.

5.2. Technical audit report on transport demand and cost model.

In response to Council resolution C 71/10/09 a technical audit of the IRT transport demand model was undertaken by local independent transport modelling experts. This was completed in mid January 2010 where after the findings of this audit, which were documented in a comprehensive report, was presented to IRT project management team on the 22nd January 2010. The IRT project management team recommended that the various questions and concerns raised in this audit report be forwarded directly to the consulting engineering firm LOGIT who undertook the original transportation demand and cost modelling for Phase 1A. LOGIT, a Brazilian firm of specialist transportation engineers with extensive knowledge of South American BRT systems, is a sub consultant to Pendulum Consulting Engineers who are the lead consultant for the IRT Operation Plan appointment. Based on LOGIT's response to these questions, the report would be amended and finalised accordingly. Currently the team is interacting with LOGIT to resolve these questions and concerns.

Generally the modelling audit report concluded that within the timeframe allowed, the model process and architecture is generally sound. However the audit has identified a number of issues and areas of improvement that requires attention before any further modelling be undertaken. Amongst others, the report identified the following:

- The timeframes to complete essential transport planning products like feasibility studies, economic evaluations, spatial planning integration and travel behaviour evaluations appear unrealistic.
- There is insufficient in-house transport modelling capacity and associated data and surveys personnel.
- Timeframes did allow intense workshop, discussion and documentation of transport model inputs and assumptions.

Other significant technical issues identified in the audit that that require clarification / attention included:

- The extrapolation of the commuter demand matrix to adequately represent off-peak and weekend travel
- Confirmation that the modelled network (nodes and links) accurately represents reality.
- An update of the cost model calculation to include refined estimations from tenders received and local knowledge.

The City had a technical engagement with the Brazilian consultants in the last week of March to finalise the outstanding technical issues and conclude the modelling capacity transfer. The objectives of the technical engagement were all achieved and the audit and review report is being finalised.

5.3. A Strategic review of Phase 1 (including Phase 1A and starter service)

The following key objectives has been established for the review of Phase 1, namely

- Optimise balance between quality and affordability
- Maximise use of current committed infrastructure
- Optimise the use the current ordered fleet
- Minimise system operational deficit
- Ensure smooth industry transition
- Minimise customer inconvenience
- Commence service shortly after World Cup period

Taking the above objectives into account various trunk and feeder routing proposals and operating regime models for Phase 1, Phase 1A and the starter service have been developed and are currently being assessed. Once these have been refined, taking into account capital funding requirements and operational business requirements including operating company formation, fare management and control centre functionality the preferred options will be undergo further rigorous transport demand modelling to assess system operations and system cost.

The COCT technical team has produced an amended plan for phase 1a. This plan will described in detail in the next progress report. The review of Phase 2 and beyond will follow thereafter.

5.4. Identification of additional resources to enhance capacity

The system planning and modelling staff (resource) requirements have been assessed and have been forwarded to the Directorate's Human Resources practitioner. The general progress towards acquiring these resources, amongst others, is dealt with in Chapter 8 of this report.

Additional modelling resources are also being made available by PG:WC and this is currently being negotiated with the relevant PG:WC department. The sharing of these resources (consultants) would provide considerable benefit in concluding the review of Phase1 and the following Phases

5.5. Operational planning consultant appointment

Much of the work on the operational plan has been undertaken by transportation planning consultants appointed to support this IRT project work stream: Pendulum Consulting. Through this appointment extensive international experience has been provided in the development the (IRT) transport demand and cost models. In addition to the modelling the operational planning appointment included including the following areas:

- Data Collection
- Transport Demand Modelling & operational analysis
- System structure and design
- Traffic Impact Analysis , Intersection design and signal phasing
- Non Motorised Transport impacts

- Intelligent Transport System (ITS) and Fare system plan
- Station conceptual design
- Economic Evaluations
- Strategic Environmental Assessments

The current outstanding deliverables include:

- Technical Audit Report (Demand and cost Model) - *98% complete*
- Finalization of the Transport Modelling report - *75% complete*
- Finalization of the Phase 1 operational report – *65% complete*
- Full phase status report – *60% complete*
- Economic Evaluation of Phase 1 – *20% complete*
- Limited additional modelling of Phase 1 is also to be undertaken - *awaiting routing proposals*

Approved consultant budget: R12 378 142.80

Expenditure to 31st March 2010: R11 556 043.92

Table 5.1: Progress regarding finalisation of operational plan

Consolidated Deliverables	Work packages	Resources required	Percentage complete at 31 st March 2010	Comments
1. Technical Audit report on Transport demand and cost model.	1.1 Prepare brief and identify appropriate mechanism to appoint local modelling experts. 1.2 Detailed assessment of current modelling methodology, architecture, inputs and assumptions 1.3 Prepare final report 1.4 Present and workshop with project team. 1.5 Engage LOGIT and amend model accordingly.	Internal External modelling experts Internal + Experts Internal + Experts Internal + Experts	1.1) 100% 1.2) 100% 1.3) 98% 1.4) 100% 1.5) 100%	Draft report submitted to COCT. COCT to study and review.
2. Strategic review of Phase 1 (+ Phase 1A and starter service)	2.1 Extract trip distribution matrix for Phase 1 Area; 2.2 Assess if all O-D pairs (base and future) are suitably covered in terms of route and type of route. 2.3 Present and Wkshop proposals to project team. 2.4 Financial Assessment of proposed roll-out 2.5 Prepare Modelling scenario descriptions for LOGIT or for internal modelling 2.6 Technical Memo report covering system operational outputs and systems costs 2.7 Review and Assess results 2.8 Complete Economic Evaluation of Phase 1 2.9 Start to input into Council Report	Internal resources Internal resources Internal resources Internal resources LOGIT (Need to ensure sufficient budget is available) Internal resources Within current appointment	2.1) 100% 2.2) 100% 2.3) 100% 2.4) 70% 2.5) 60% 2.6) 0% 2.7) 0% 2.8) 5% 2.9) 0%	2.5) 2 wks delay. COCT is busy packaging model inputs. 2.6 – 2.9) Dependent on model outputs.
3. Strategic review of Phase 2 - 4	2.1. Prepare tender docs and appointment of consultants for the system operational planning and modelling for phase 2-4. 2.2 Extract trip distribution matrix for Phase 2-4;	Internal resources Internal resources	On hold	Item 2.1 is being reviewed based on the latest additional resources as offered by PG: WC. COCT

Consolidated Deliverables	Work packages	Resources required	Percentage complete at 31 st March 2010	Comments
	2.3 Assess if all O-D pairs (base and future) are suitably covered in terms of route and type of route. 2.4 Present and Wkshop proposals to project team. 2.5 Amend and review the Route Description table for Phase 2 - 4 2.6 Prepare Modelling scenario descriptions for LOGIT or for internal modelling 2.7 Technical Memo report covering system operational outputs and systems costs 2.8 Transport Impact Assessment Report 2.9 NMT Plan report 2.10 Review and Assess results	Internal resources Internal resources External modelling consultants External modelling consultants External consultants External consultants Internal resources		awaiting MOA. Items 2.2 – 2.10 will follow 2.1 accordingly.
4. Identify additional resources required to enhance capacity (internal and external) within system planning and modelling. 5. General	4.1 External Appointment of consultants (R8.1m) for modelling, transport impacts, NMT plan and other for Phase 2 and beyond. This will be a new tender. 4.2 Internal (09/10 financial year) Appointment of key modelling and planning personnel 5.1 Tariff Report for World Cup related public transport services for 2009/ 10 financial year. 5.2 Tariff Report for 2010/ 2011 financial year services		4.1) On hold 100% 100%	Item 2.1 is being reviewed based on the latest additional resources as offered by PG: WC. COCT awaiting MOA. 4.2 Positions to be advertised. Awaiting finalization of organizational structure, job description and benchmarking Both reports in the public domain for comment.

6. Infrastructure

6.1. Design progress review

6.1.1. Professional service appointments

These appointments encompass the design of public transport bus lanes, intelligent transport system infrastructure, trunk bus stations, feeder bus stops, non-motorised-transport facilities and bus depots. The CoCT have appointed HHO Africa and Arcus Gibb as lead consultants for the design and contract supervision of IRT infrastructure.

West Coast Corridor between the CBD and Atlantis (HHO Africa)

The geographical area of the current appointment extends up the west coast to include the rapidly growing residential area in Blaauwberg, north of the Diep River, the Montague Gardens Industrial area, the Century City commercial area as well as the low-income communities of Atlantis, Mamre, Dunoon and Doornbach.

Inner City (Arcus Gibb)

The geographical extent of the 'Inner City' area incorporates the City Bowl, Woodstock, Salt River, Waterfront, Camps Bay and Hout Bay.

6.2. Design progress

The design progress of various infrastructure components of the IRT system is discussed in more detail here.

6.2.1. Trunk bus ways and bus lanes

The majority of the detailed designs and drawings for the Phase 1A trunk route bus lanes between Granger Bay Blvd and Bayside IRT Station, intersection details and parallel NMT facilities have been issued to the various contractors. Ongoing design work is progressing on the trunk route between Atlantis and Montague Gardens via Melkbosstrand (reducing infrastructure costs where feasible). For progress regarding bus way and bus lane design, see Table 6.1.

6.2.2. Trunk stations

The detailed designs for the essential 2010 IRT Trunk Stations being the Airport, Civic and Stadium, as well as the prototype at Granger Bay station, have been signed off and have been issued to the Contractors. Detail design of Thibault Square Station has commenced. Outstanding detail design aspects and statutory approvals sought include the following:

- Conceptual design of trunk stations at Melkbos, Milnerton Medi Clinic (on Racecourse Road) and Omuramba (at intersection with Racecourse, north of the Joe Slovo informal settlement)
- Threshold plates at entrances to station platforms, facilitating level boarding has been finalised and has been issued for construction
- The glazing specification and the roof design at the Civic Centre has been amended following outcomes and findings from wind assessment report, by Adam Golliger (Feb 2010). Furthermore wind protection measures are being considered at Civic Station to ensure passenger comfort.

Table 6.1: Bus way and bus lane design progress

Description	Design Stage – Concept/ Prelim/ Detail	Consultant	Appointment Date (design start date)	% complete	Anticipated completion date	Comments
Hertzog Boulevard Heerengracht, Fountain Circle and Hans Strijdom Avenue up to Bree Street	Detail	Arcus Gibb	Feb 2009	100	Sept 2009	<i>Tender validity for Trunk route along Heerengracht & Hans Strijdom Avenue 86Q has been extended for the second time until 2 August 2010.</i>
Stadium to Queens Beach	Conceptual	Arcus Gibb	Feb 2009	100	NA	<i>The need to reconstruct the road pavement to support trunk buses coupled with environmental impacts and lower than expected passenger demands, it is considered more appropriate to implement a feeder bus service along this route. Trunk bus routes originally planned to terminate at Queens Beach would be routed via the Waterfront and would serve to strengthen linkage between the airport and hotels in the CDB & improve accessibility to work opportunities at the V & A Waterfront. Following the decision to terminate the trunk route at the Waterfront and provide a feeder service along this route further design and development of a trunk service has been abandoned.</i>
Waterfront service to Victoria Wharf & Clock Tower (Roggebaai Canal Precinct)	Route Feasibility Report	Arcus Gibb	Feb 2009	70	Dependent on negotiations with V&A and Ports Authority	<i>V&A Waterfront decided not to contribute towards the development of the CoCT's IRT system at this stage because of their current financial commitments and the global economic turnaround coupled with its knock-on effect on tourism. Route feasibility & decision on whether to progress to the next design phase depends on negotiations with the Ports Authority and the V&A Waterfront.</i>
Blaauwberg/ Raats Rd - R27 - Milner St - Paarden Eiland (disused rail siding) - New N1 busway - Old Marine Dr - Civic Ave - Hertzog Blvd	Detail	HHO	Sept 2009	100	Dec 2008	<i>Design complete, currently under constructed</i>
Blaauwberg Rd: – Pentz Drive to Koeberg Rd and the R27: - Blaauwberg to Sandown Rd	Detail	HHO	Jan 2009	90	March 2010	<i>Preservation of gum trees in the median may impact the sizing of the Diep River station. Currently confirming the location of the Chevron brine pipeline – relocation of this pipeline could potentially influence the programme and possibly station locations. Consultant currently producing construction issue drawings.</i>
Potsdam Road: - between Blaauwberg Road and Doornbach	Detail	HHO	Jan 2009	75	March 2010	<i>The accommodation of gum trees along the west side of Potsdam Road in combination with narrow verge along the boundary fence and the need to provide a pedestrian footway may ultimately impact the design cross section & could potentially result in significant redesign work.</i>
Atlantis and Melkbosstrand areas (localised road widening)	Preliminary Detail	HHO HHO	Mar 2009 Dec 2009	100 25	Sept 2010	<i>Further design of this infrastructure is dependent on the available funding and subject to the finalisation of the IRT rollout for the 2010/2011 financial year</i>
Montague Gardens Industria via Racecourse Rd	Conceptual	HHO	Oct 2009			<i>Further development and design of this infrastructure is subject to an agreed IRT rollout plan for the 2010/2011 financial year</i>
Century City bus lanes and stations	Conceptual	HHO	Feb 2009	90		<i>Due to the relatively expensive link between the R27 & Century City via Bosmansdam Rd, Koeberg Rd and Boundary Road, and the budget constraints, further development of this route has been postponed</i>

- Closed feeder station design – particularly the structural resistance of the station super structure to lateral impact
- Following approval of the original building plans, a number of minor design changes have been made and hence relevant rider plans have been submitted for the generic ticket kiosks, Stadium Station undercircle, Civic Station staircase and the Bayside Station toilet facilities. All other building plans for phase 1A stations listed in Table 6.4 have been approved.
- Procedures for the handover of completed stations to the CoCT is currently being developed in combination with operating manuals and appropriate as-built drawings and technical data.

6.2.3. Feeder services and stops

The concept design was approved in July 2009 and a preliminary design report (including cost estimates) for both the sub-structure and the superstructure was submitted to the CoCT in December 2009. The preliminary design report for the Inner City feeder services included the design and costing of various open feeder station sub-structures and super-structures for typical site conditions. Verification of Inner City feeder stop locations (F01 – F08) is 90% complete and detail design has started on the Circle Route (F07).

The conceptual designs, verification of feeder stops locations and typical layouts for the Blaauwberg feeder services (F14 – F16) is complete. A book of drawings comprising conceptual layouts for each station is complete and is ready for review by CoCT officials.

Feeder routes proposed by the CoCT in Atlantis/ Pella/ Melkbosstrand areas (F08 – F13) are currently being assessed by our consultants and draft proposals for a revised route network and (preliminary) station locations is currently being developed. No detailed verification of the station locations has been undertaken to date. Further design work on feeder routes F08 – F13 has been placed on hold pending clarity on the IRT rollout plan for Phase 1A.

Ongoing design work is progressing on the following items:

- Improvements to feeder routes in Inner City and Blaauwberg areas
- Bus stops/stations on feeder routes
- Generic Feeder Station (Sub-structure and Super-structure): Conceptual and preliminary design is complete and detail design is being refined following evaluation a 1:5 scale model of the feeder station

6.2.4. Bus depots

Ongoing design work is progressing on the following items:

- Stables Depot (Potsdam) - The final tender drawings and documentation were completed in December 2009, the implementation of which is currently on hold until further funding becomes available and confirmation of the IRT roll out becomes clear.
- Inner City Depot: - A recent decision to proceed with lease agreement together with an option to purchase the Inner City Depot site off Prestwick Street from Transnet, has reverted the focus to the original plan that incorporates the limited redevelopment of the Transnet site, in combination with a temporary staging area between the Foreshore Freeways.

6.2.5. Non Motorised Transport (NMT) Integration

The detail design and tender documentation of the NMT integration links to trunk stations, between Paarden Eiland and Sunset Beach is complete, however due to budget constraints the implementation of this work is on hold. Design work and tender documentation is 95% complete on the NMT integration along Blaauwberg Road, Potsdam Road and at Woodstock Trunk Bus Station.

6.3. Land acquisitions and lease agreements

Table 6.2 lists properties acquired to date. Total acquisition costs amount to R 130,46 million, excluding VAT. This amount excludes the property required for the Inner City depot where an amount of R 89.1 million will be required to cover occupational interest/lease and acquisition costs.

Table 6.2 List of land acquisitions

Property	Amount (millions)
A. PROPERTIES ACQUIRED TO DATE	
Purchase of Immovable Property and Rights in Immovable Property from Transnet : Culemborg & Railway Spur	R 49,31
Purchase of Immovable Property and Rights in Immovable Property from Transnet : Culemborg & Railway Spur (Additional land)	R 1,61
Purchase of Immovable Property and Rights in Immovable Property - Paarl Media / Rennies	R 2,04
Acquisition of unregistered Erven 35565 (or its Components) & 35556 Milnerton from Gorrie & Findlay CC and F4UR Play Properties CC for a Bus Depot in Milnerton: Stables	R 77,50
<i>TOTAL (Excluding VAT)</i>	<i>R 130,46</i>
B: PROPERTIES TO BE ACQUIRED / LEASED	
Inner City Depot acquisition / lease	Acquisition / lease details being finalised.
Airport IRT Station- ACSA lease agreement	The development agreement concluded. Details of the lease still to be finalised. Negotiations with all affected parties in hand.

6.4. Construction progress review

Progress relating to the IRT infrastructure construction contracts is presented, below grouped into the following categories:

- Bus Ways and Bus Lanes (awarded contacts and pending contacts)
- Station Superstructures
- Bus Depots
- NMT Facilities

Table 6.3 and Table 6.4 provide the status of the major bus way infrastructure contracts underway or pending award. Table 6.4 reports the construction status of major IRT stations.

6.4.1. Bus ways and bus lanes

Table 6.3: Bus ways & bus lanes under construction

Contract	Contract No.	Scope of Works	Contractor	Anticipated final construction cost (excl. VAT & esc)	Start date	% Complete	Anticipated Completion Date
Stadium Station & Granger Bay		<ul style="list-style-type: none"> 5 No. Station substructures Station entrance, toilets, ticket kiosk 90m ramp to platforms, incl. retaining walls & balustrade 460m of CRC bus lane 	Civils 2000	Part of the Granger Bay Blvd Project	12/12/2008	97%	2010-03-26
Cape Town International Airport	NA -ACSA project	<ul style="list-style-type: none"> 1484 m² CRC concrete apron slab at station 2 No. Station substructures 2 No. Station superstructures Sheltered waiting area Ticket kiosk & info. desk Access boom 	Walltell - Civils & Group 5 - structures	R 17,134,065.07	04/09/2009	95%	2010-03-20
Heerengracht to Old Marine Drive	319Q	<ul style="list-style-type: none"> 2.3km of CRC bus lane 5 No. Station substructures 1.3km of shared ped./cycleway 	Civils 2000	R 36,815,891.00	2009-04-07	80%	2010-05-14
Culemborg: Old Marine Drive to Church St	144Q	<ul style="list-style-type: none"> 3.6km of CRC bus lane 3 No. Station platform substructures 1.8km of shared ped./cycleway 	Civils 2000	R 44,925,417.00	2009-01-23	89%	2010-04-12
Culemborg: Church Street to N1	27Q	<ul style="list-style-type: none"> 2.9km of CRC bus lane 1.4km of shared ped./cycleway 221m viaduct over railway lines 	Vusela	R 76,902,121.00	2008-10-14	82%	2010-06-24
Paarden Eiland: N1 to Milner Rd	77Q	<ul style="list-style-type: none"> 5.1km of CRC bus lane 8 No. Station substructures 2.6km of shared ped./cycleway 	Martin & East	R 91,891,438.93	2009-12-12	80%	2010-06-18
Paarden Eiland: Salt River Canal bridge	80Q	<ul style="list-style-type: none"> 65.2m Bridge over Salt River Canal 	Civils 2000	R 14,239,591.00	2009-01-19	95%	2010-03-29
R27: Milner Rd to Racecourse Rd	163Q	<ul style="list-style-type: none"> 8.0km of CRC bus lane 1.9km of heavy asphalt pavement 3 No. Station substructures 2.6km of shared 	Martin & East	R 116,185,665.00	2009-01-19	78%	2010-04-26

Contract	Contract No.	Scope of Works	Contractor	Anticipated final construction cost (excl. VAT & esc)	Start date	% Complete	Anticipated Completion Date
		ped./cycleway					
R27: Racecourse Rd to Blaauwberg Rd	139 Q	<ul style="list-style-type: none"> 11.2km of CRC bus lane 4 No. Station substructures 4.6km of shared ped./cycleway 	Baseline	R 89,266,216.00	2009-01-23	79%	2010-06-11
Kassel Kerb Supply	485G		Cape Concrete/Bekezela	R 5,275,339.00	Proceeding according to schedule		

Table 6.4: Bus way & bus lane contracts tendered but not yet awarded

Contract Description	Tender No.	Scope of Works	Tender value (R millions)	Comment
Potsdam Road between Blaauwberg Road and Doornbach	476Q/2008/09	<ul style="list-style-type: none"> 5.6km of CRC bus lane Dualing of existing single carriageway 5.0 No. Station substructures 2.8km of shared ped./cycleway 	136.9	<i>The validity of this tender has lapsed & re-tender subject to an agreed IRT rollout plan for Phase 1A</i>
Blaauwberg Rd: – Pentz Drive to Koeberg Rd and the R27: - Blaauwberg to Sandown Rd	486Q/2008/09	<ul style="list-style-type: none"> 9.1km of CRC bus lane 10 No. Station substructures 5.7km of shared ped./cycleway 	216.7	<i>The validity of this tender has lapsed & re-tender subject to an agreed IRT rollout plan for Phase 1A</i>
Atlantis bus lanes and bus station	87Q/2009/10	<ul style="list-style-type: none"> Localized widening & CRC @ stations 4 No. Station substructures 	36.5	<i>The validity of this tender has lapsed & these works will be repackaged as part of a new tender for the Atlantis to Montague Garden trunk route</i>
Heerengracht & Hans Strijdom Avenue	86Q/2009/10	<ul style="list-style-type: none"> 1.3km of CRC bus lane 2 No. Station substructures (Thibault) 	25.3	<i>Tender validity has been extended for the second time until 2 August 2010.</i>

6.4.2. Station superstructures

This project is dependant on the completion of the substructures by the bus way contractors. Late handover of substructures have affected completion dates. The finalisation of the ticket kiosk design and its fabrication has further delayed the construction of the generic stations along the R27 and that of the Granger Bay station. Delivery of the ticket kiosks is schedule to start from 19 April 2010 and has resulted in slippage of the station superstructure contract. It should be noted that Stadium, Civic and Airport stations, key to the 2010 transport plan, are unaffected by this delay since these non-standard stations do not incorporate prefabricated ticket kiosks. Anticipated final completion dates indicated in Table 6.4 are as per the Group 5 Progress Report No. 8 dated 19 March 2010.

Contract commencement date: 2009-07-16

Overall state of completion (super-structures only) 38%

The Contractor Group 5 is working on 15 stations at present, with the work progressing well. When taking into consideration the overall progress including that of sub-structures constructed under the bus way contracts, the 2010

WC stations (Stadium, Civic, Airport, Granger Bay) are 67% complete, while the remaining stations from Woodstock to Bayside are 54% complete.

Table 6.4: Trunk stations currently under construction (Contact - 390Q/2008/09)

STATION	TYPE	SITE ACCESS	PRACTICAL COMPLETION	Sub-structure % Complete (<u>not</u> part of 390Q)	Super-structure % Complete
Granger Bay	E	16 Sept 09	11 June 2010	100	54
Civic Centre	H	23 Oct 09	17 May 2010	100	42.6
Civic Centre Feeders		ON HOLD		0	0
Airport	O	11 Nov 09	23 April 2010	100	59
Stadium	K	4 Nov 09	30 April 2010	100	45
Woodstock	G	19 Oct 09	18 June 2010	100	56
Paarden Eiland	A	27 Jan 10	5 Aug 2010	100	12
Neptune	A	02 Dec 09	21 Jul 2010	100	38
Section	A	11 Dec 09	22 Jul 2010	100	38
Brooklyn	A	17 Feb 09	5 Aug 2010	100	9
Zoar Vlei	B1	18 Jan 09	29 Jul 2010	100	21
Lagoon Beach	B1	30 Nov 09	8 Jul 2010	100	40
Woodbridge	B1	09 Dec 09	15 Jul 2010	100	38
Milnerton	B1	26 Jan 10	29 Jul 2010	100	11
Racecourse	B1	09 Dec 09	15 Jul 2010	100	51
Sunset Beach	B1	24 Nov 09	5 Jul 2010	100	42
Blaauwberg	C1	03 Mar 10	14 Sept 10	35	0
Atlantis 1					
Atlantis 2		ON HOLD			
Atlantis 3					
Atlantis Town Centre					

6.4.3. Bus depots

The tender for the construction of the Inner City Depot and Staging on Foreshore has been evaluated, and the contract has been awarded to Civils 2000. As stated above, the decision has been taken to proceed with the lease and an option to purchase the Inner City Depot site from Transnet.

The contractor's scope works includes the limited redevelopment and upgrading of the existing Transnet Depot off Prestwich Street to accommodate IRT operations and those of the existing tenant, Autopax. Also included in the scope works is the construction of a temporary staging area between the Foreshore Freeways for which works commenced as of 22 February 2010 and for which completion is expected by 30 April 2010. The Prestwich Steet site was formally handed over to Civils 2000 on 23 March 2010 and works commenced 25 March 2010 and completion is scheduled for 10 May 2010.

Estimated completion dates: Prestwich Street Depot: 10 May 2010; Temporary staging area: 30 April 2010.

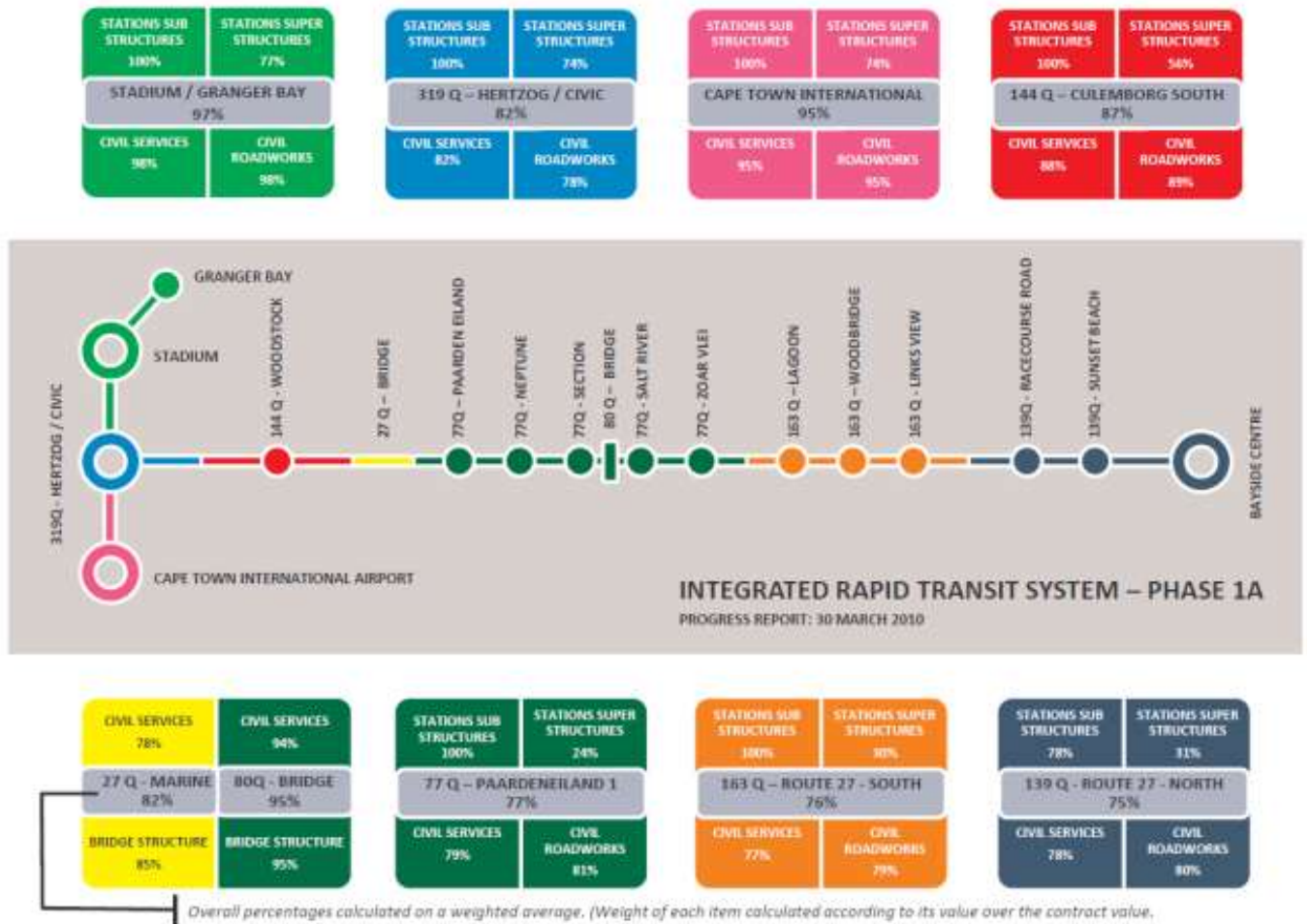


Figure 6.1: Diagrammatic representation of the construction progress on the (Pilot) Phase 1A busways and stations

6.4.4. Non-motorised transport facilities

NMT routes parallel to the trunk routes are currently being constructed as part of the bus way contracts, progress of these contracts are reported above. A significant proportion of the design and contract documentation for the construction of NMT integration at stations is complete, however due to budget constraints the implementation of this work is on hold.

7. Procurement: Major contracts & professional services appointments

7.1. Introduction

In terms of the major contacts and professional service appointments for IRT related and 2010/IRT related projects the following progress can be reported;

- Infrastructure contacts amounting to some R668 million have been awarded to date. These contacts relate primarily to the construction of bus ways and stations between the City and Table View. Tenders for approximately a further R1000 million worth of infrastructure have been advertised for which contacts have not yet awarded while tenders for a further R 790 million are still to be advertised.
- Property acquisition costs to date, amount to some R130 million.
- Both the Business Plan appointment and Operational Plan professional service appointments are progressing with 64% and 91% of the respective contacted value expended.
- A contact valued at R101.5 million has been awarded to Volvo SA (PTY) Ltd for the supply of 43 IRT trunk vehicles.

A schedule of IRT and related 2010/IRT contacts and professional service appointments is provided below in **Table 7.3**

7.2. Infrastructure & property acquisition

Progress with respect to the infrastructure planning, design and construction contacts as well as property acquisition is provided in detail in **Chapter 6**.

7.3. Business plan contacts

Progress with respect to the following operational / business contacts is provided in **Chapter 4**.

Vehicle operator contract

Fare system contract

Control centre contract

Station services contract.

The current budget of the Business Plan Joint Venture, providing overall professional services the business plan team and some other components of the IRT, is as set out in Table 7.1 below.

Table 7.1: Business plan joint venture - financial summary March 2010

	Budget	Total spent March `10	Total spent to date	Balance of Budget	% of Budget
TOTAL	R38 429 409.00	R615 222.83	R24 692 785.69	R13 736 623.31	64.00

7.4. Operational planning consultant appointment

Progress with respect to the Operational Planning contact is provided in **Chapter 5**.

This professional services appointment includes the following:

- Data Collection
- Transport Demand Modelling & operational analysis
- System structure and design
- Traffic Impact Analysis , Intersection design and signal phasing
- Non Motorised Transport impacts
- Intelligent Transport System (ITS) and Fare system plan
- Station conceptual design
- Economic Evaluations
- Strategic Environmental Assessments

Table 7.2 Business plan joint venture - financial summary Jan 2010

	Budget	Total spent to date	Balance of Budget	% of Budget
TOTAL	R12 378 142.80	R 11 556 043.92	R 822 098.88	93.4%

7.5. Bus contract awarded to Volvo R11 556 043.92

7.5.1. Introduction

The acquisition of the initial IRT truck service fleet is being procured through an award made to Volvo SA (PTY) Ltd for the supply of 43 busses (18 m articulated units and 12 m basic and special airport service units) as per the schedule below. Both the 18 m articulated vehicle and 12 m vehicle prototypes have been inspected by City officials and authority to proceed with full production has been granted. The value of the award is R101 million (ex VAT.)

7.5.2. Driver training

A component of the contact calls driver training and this is underway with the first batch of drivers completing the initial programme. A total of about 135 drivers will be trained.

The training programme caters for upgrading to heavy duty licensing and heavy vehicle refresher training, PDR, and product specific training (depending on each individual driver's skill and licensing).

Product specific driver training (class room) has commenced and the 18-meter vehicle is being used for static instruction. "On road driver training" in the 18m articulated vehicle will commence immediately once the vehicle is completed the SABS homologation process and is licenced.

7.5.3. Production scheduling

Production and delivery schedules for both the 18m articulated IRT trunk service and 12m trunk service vehicles are provided in Figures 7.1 and 7.2 below. Production is currently ahead of schedule and the early delivery of vehicles is anticipated.

7.5.4. Prototype production and delivery

The prototype 18-meter vehicle has been delivered to Cape Town but is currently not licensed. Licensing will follow once the South African Bureau of Standards (SABS) has completed homologation and NATIS numbers are issued by the NRSC.

The licensing of the prototype vehicle is on critical path in terms of the driver "product specific" training and the homologation tests which were carried out in Pretoria were delayed. (Continual rain over an extended period prevented the necessary noise tests from carried out, thus delaying the certification of the prototype vehicle.) Both vehicle supplier (Volvo Pty Ltd, the primary contactor and Marcopolo, the vehicle body builder) and the City are actively pursuing SABS to finalize the homologation process to enable the licensing of the prototype vehicle as soon as possible.

The 12-meter prototype vehicle has arrived in SA and is currently undergoing PDI and homologation. The prototype was assembled at Marcopolo's Caxias du Sol factory in Brazil and shipped to SA – although the remainder of the fleet will be assembled in South Africa.

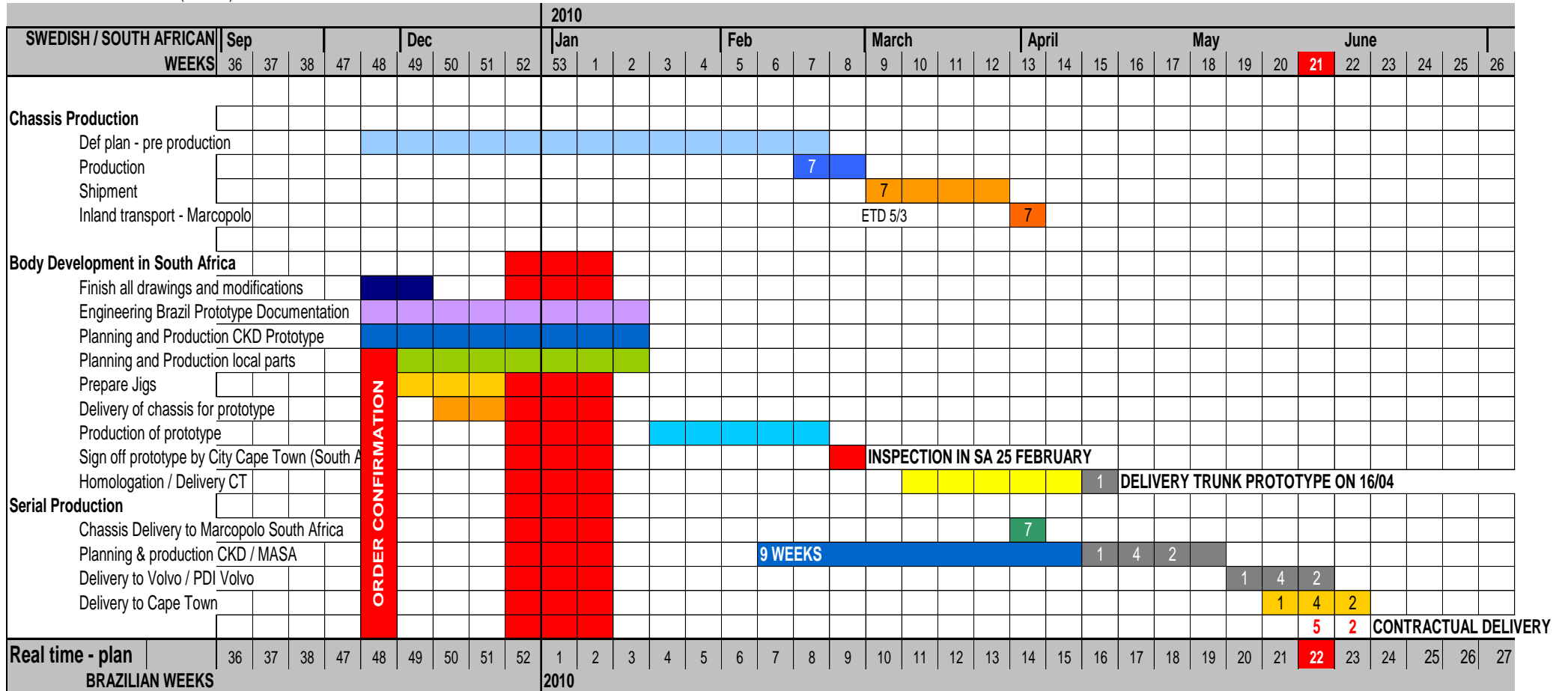
7.5.5. Vehicle livery and system branding

The IRT system branding has been finalised and final approvals for the brand design, system name and vehicle livery is being sought. Full details will be provided in the next progress report, which will be published before the launch of the IRT brand which is being scheduled for early May 2010. The two prototype vehicles are currently not branded with the City's new livery – this will be applied in due course.

Figure 7.1: Production and delivery Schedule for 18m articulated IRT trunk service vehicles

Time Plan - Cape Town

Volume scenario - 8 x units (B12MA)

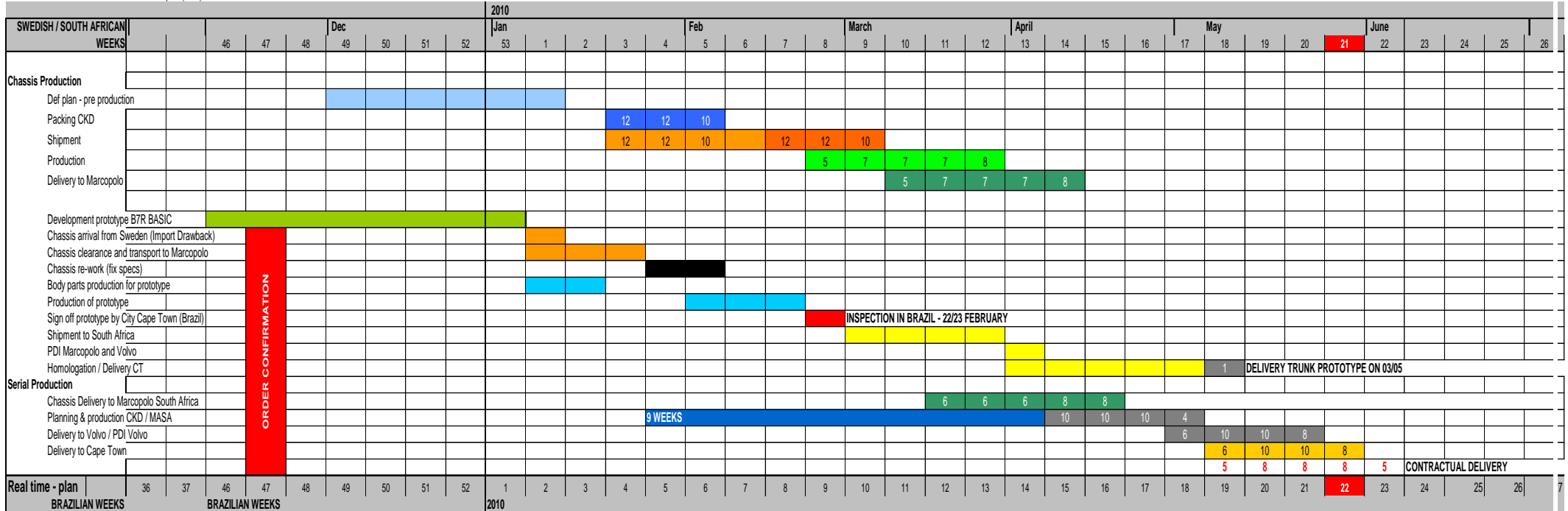


FILE UPDATED ON 08/03/2010

Figure 7.3: Production and delivery Schedule for 12 m IRT trunk service vehicles

Time Plan - Cape Town

Volume scenario - 28 units Basic + 7 units Airport (B7R)



* PROTOTYPE CHASSIS ARRIVAL AT BRAZILIAN PORT - WEEK 01 (01 JANUARY)

* PLEASE CONSIDER AT LEAST 1 TO 2 WEEKS AFTER ARRIVAL IN BRAZIL PORT FOR DRAWBACK CLEARING

FILE UPDATED ON 08/03/2010

0. Prototype vehicles BASIC and TRUNK were signed off by C.O.C - Volvo - Marcopolo;
1. Arrival of prototype unit BASIC BUS (B7R) from Brazil in Durban Port: estimate date 25/03. Unit will go for PDI's and homologation process immediately;
2. Prototype unit TRUNK ARTICULATED BUS (B12MA) is completed from Marcopolo on 09/02. Unit will go for PDI's and homologation process immediately;
3. Homologation process should be complete within 4-5 weeks from SABS start of process;
4. CKD body kits will start to arrive from 15 March and thereafter on a weekly basis. Last CKD batch to arrive in Durban port on 10 April;
5. Estimate production update as per above schedule;
6. Estimate expected delivery updated as per above schedule;

7.3 Listing of contracts awarded to date

TENDER NO.	F/YEAR	TYPE	PROJECT DESCRIPTION	CONSULTANT			CONTRACTOR		
				AWARDED TO	VALUE OF AWARD		AWARDED TO	VALUE OF AWARD	
204S/2007/08	2007/2008	Award of Tender	Provision of Professional Services : Integrated Rapid Transit System : Operational Plan	Pendulum Consulting	R 12 378 142.80	VAT Incl.	n/a	n/a	n/a
266C/2007/08	2007/2008	Award of Tender	Provision of Professional Services : Integrated Rapid Transit System : Business Plan (Project Report Stage)	Cape Town BRT Joint Venture	R 43 809 526.00	VAT Incl.	n/a	n/a	n/a
-	2007/2008	Appointment of Consultant - Single Source Selection	2010 Soccer World Cup (SWC) : Transport Management Centre (TMC), Goodwood	Astii Consortium	R 10 260 000.00	VAT Incl.	n/a	n/a	n/a
-	2008/2009	Request for Deviation or Condonation (above R200 000.00)	Transport Management Centre (2010 WC Project) : Preparatory Contract	n/a	n/a	n/a	Franki Africa (Pty) Ltd	R 3 765 420.00	VAT Incl.
-	2008/2009	Increase in Contract Sum : Professional Services over R200 000	Transport Management Centre (TMC), Goodwood - 2010 World Cup Project - Astii Consortium	Astii Consortium	R 14 592 000.00	VAT Incl.	n/a	n/a	n/a
27Q/2008/09	2008/2009	Award of Tender	Construction of Public Transport Corridor through Culemborg from Church Street to the N1 Underpass : Roadworks, Relocation of Railways, Viaduct and Appurtenant Works	n/a	n/a	n/a	Vusela Construction (Pty) Ltd	R 82 172 818.02	VAT Incl.
80Q/2008/09	2008/2009	Award of Tender	Construction of Public Transport Corridor through Paarden Eiland from the N1 Underpass to Milner Road : New Bridge Structure over Salt River Canal (World Cup 2010 Project)	n/a	n/a	n/a	Civils 2000 (Pty) Ltd	R 15 994 000.00	VAT Incl.
77Q/2008/09	2008/2009	Award of Tender	Construction of Public Transport Corridor through the Paarden Eiland Railway Spur from the N1 Underpass to Milner Road : Roadworks, Services Accommodation and Appurtenant Works	n/a	n/a	n/a	Martin & East (Pty) Ltd	R 80 395 601.57	VAT Incl.

TENDER NO.	F/YEAR	TYPE	PROJECT DESCRIPTION	CONSULTANT			CONTRACTOR		
				AWARDED TO	VALUE OF AWARD		AWARDED TO	VALUE OF AWARD	
131C/2008/09	2008/2009	Appointment of Consultant / Service Provider	Provision of Professional Services : Process Manager	BKS (Pty) Ltd	R 2 216 958.00	VAT Incl.	n/a	n/a	n/a
123C/2008/09	2008/2009	Appointment of Consultant / Service Provider	Provision of Professional Services : Road Work Engineer	BKS (Pty) Ltd	R 1 647 870.00	VAT Incl.	n/a	n/a	n/a
133C/2008/09	2008/2009	Appointment of Consultant	Provision of Professional Services : Implementation of the Integrated Rapid Transit System : Non-Motorised Transport Specialist	Khuthele Projects (Pty) Ltd	R 2 124 162.00	VAT Incl.	n/a	n/a	n/a
128C/2008/09	2008/2009	Appointment of Consultant / Service Provider	Provision of Professional Services : IRT : Business Manager	DR Bosch	R 2 250 645.00	VAT Incl.	n/a	n/a	n/a
127C/2008/09	2008/2009	Appointment of Consultant / Service Provider	Provision of Professional Services : Implementation of the Integrated Rapid Transit System : Industry Transition Specialist	Nesha's Transport / Consultancy cc	R 1 792 650.00	VAT Incl.	n/a	n/a	n/a
139Q/2008/09	2008/2009	Award of Tender	Construction of Public Transport Corridor along Route R27 from Racecourse Road to Blaauwberg Road : Roadworks, Services Accommodation and Appurtenant Works	n/a	n/a	n/a	Baseline Civil Contractors (Pty) Ltd	R 85 803 487.04	VAT Incl.
144Q/2008/09	2008/2009	Award of Tender	Construction of Public Transport Corridor through Culemborg from Old Marine Drive to Church Street : Roadworks, Relocation of Railways, Service Accommodation and Appurtenant Works	n/a	n/a	n/a	Civils 2000 (Pty) Ltd	R 49 217 542.34	VAT Incl.
163Q/2008/09	2008/2009	Award of Tender	Construction of Public Transport Corridor along Route R27 from Milner Street to Racecourse Road : Roadworks, Services Accommodation and Appurtenant Works	n/a	n/a	n/a	Martin & East (Pty) Ltd	R 130 364 214.02	VAT Incl.
178Q/2008/09	2008/2009	Award of Tender	Transport Management Centre : Construction of Multi-Storey Office Block, Goodwood (World Cup 2010 Project)	n/a	n/a	n/a	WBHO/Peter Harley Construction JV	R 98 497 000.00	VAT Incl.

TENDER NO.	F/YEAR	TYPE	PROJECT DESCRIPTION	CONSULTANT			CONTRACTOR		
				AWARDED TO	VALUE OF AWARD		AWARDED TO	VALUE OF AWARD	
135C/2008/09	2008/2009	Appointment of Consultant	Provision of Professional Services : Implementation of the Integrated Rapid Transit System : Design Specialist	Planer Waves 115 (Pty) Ltd	R 1 651 058.00	VAT Incl.	n/a	n/a	n/a
-	2008/2009	Request for Deviation (above R200 000.00)	Provision of Professional Services : Implementation of Integrated Rapid Transport System - Communications Consultant	HWB Communications (Pty) Ltd	R 2 003 105.40	VAT Incl.	n/a	n/a	n/a
319Q/2008/09	2008/2009	Award of Tender	Construction of Atlantis Integrated Rapid Transport Corridor : Old Marine Drive to Heernegracht : Roadworks, Service Accommodation and Appurtenant Works	n/a	n/a	n/a	Civils 2000 (Pty) Ltd	R 41 296 500.00	VAT Incl.
-	2008/2009	Request for Deviation	Electronic Fare Collection (EFC) Project : Provision of Professional Services 2010 World Cup Project	Techso (Pty) Ltd	R 8 918 553.00	VAT Incl.	n/a	n/a	n/a
-	2008/2009	Request for Increase In Contract Sum and or Period (above R200 000.00)	Integrated Rapid Transport / 2010 World Cup : N1 Corridor Priority Projects - Culemborg / Koeberg / R27 Corridor : Increase In Professional Fees	HHO Africa	R 184 036 621.00	VAT Incl.	n/a	n/a	n/a
390Q/2008/09	2008/2009	Award of Tender	Cape Town Integrated Rapid Transport System (Phase 1A) - Major Stations Superstructures	n/a	n/a	n/a	Group Five Construction (Pty) Ltd	R 136 800 000.00	VAT Incl.
-	2009/2010		Appointment of ACSA to Undertake Implementation of the Cape Town International Airport IRT Station Sub-Structure and Associated Road Works on Behalf of the City of Cape Town	n/a	n/a	n/a	Airports Company South Africa (ACSA)	R 4 560 000.00	VAT Incl.
563N/2008/09	2009/2010		Supply and Delivery of Kassel Kerbs for Integrated Rapid Transport Stations	n/a	n/a	n/a	Cape Concrete Works (Pty) Ltd / Bekezela Concrete cc Consortium	R 6 013 887.37	VAT Incl.
-	2009/2010	Request for Deviation	Inner City Link Infrastructure Projects (2010 World Cup & IRT) : Increase in Fees for Professional Services	Arcus Gibb	R 26 220 000.00	VAT Incl.	n/a	n/a	n/a

TENDER NO.	F/YEAR	TYPE	PROJECT DESCRIPTION	CONSULTANT			CONTRACTOR		
				AWARDED TO	VALUE OF AWARD		AWARDED TO	VALUE OF AWARD	
556N/2008/09	2009/2010	Award of Tender	Supply of Public Transport Vehicles for 2010 Trunk Services - Appointment of Volvo South Africa (Pty) Ltd	Volvo Southern Africa (Pty) Ltd	R 101 500 000.00	VAT Incl.	n/a	n/a	n/a
178Q/2008/09	2009/2010		Request for Deviation : Transport Management Centre : Construction of Multi-Storey Office Block Goodwood - 2010 World Cup / Integrated Rapid Transit (IRT) Project : Increase in Contract Sum for Construction and Professional Services	ASTII Consortium	R 4 043 922.00	VAT Incl.	WBHO/Peter Harley Construction JV	R 17 733 540.00	VAT Incl.
17Q/2009/10	2009/2010		Construction of Access Road and Upgrading of the Inner City Bus Depot in Napier Street, Cape Town (IRT Project)	n/a	n/a	n/a	Civils 2000 (Pty) Ltd	R 20 064 000.00	VAT Incl.
-	2009/2010		R031000379 - Due Diligence Exercise on the Integrated Rapid Transport System (IRT)	PriceWaterhouse Coopers	R 1 948 260.00	VAT Incl.	n/a	n/a	n/a
139Q/2008/09	2009/2010		Construction of Public Transport Corridor along Route R27 from Racecourse Road to Blaauwberg Road : Roadworks, Services Accommodation and Appurtenant Works : Increase in Contract Sum	n/a	n/a	n/a	Baseline Civils (Pty) Ltd	R 15 960 000.00	VAT Incl.
17Q/2009/10	2009/2010		Construction of Access Road and Upgrading of the Inner City Bus Depot in Napier Street, Cape Town (IRT Project)	n/a	n/a	n/a	Civils 2000 (Pty) Ltd	R 18 433 800.00	VAT Incl.
-	2009/2010		Request for Increase in Contract Sum : Contract for the Cape Town International Airport IRT Station Sub-Structure and Associated Road Works being Undertaken by Airports Company South Africa (ACSA) on behalf of the City of Cape Town	n/a	n/a	n/a	ACSA	R 4 363 995.24	VAT Incl.
-	2009/2010		2010 World Cup IRT-Related Transport Event Services : Operator Contract (Excluding Test Event 1 & 2)	n/a	n/a	n/a	Transpeninsula Investments (Pty) Ltd	R 24 979 276.00	VAT Incl.

8. Establishing the project team: staffing, organogram, office

8.1. Development of organisational structure: Reporting levels 2 to 4

An amended organisational framework for the IRT Project was approved by the City Manager on 24 February 2010 to also include the work stream "Operations".

A more detailed operational organisational structure for reporting levels two to four has been drafted for approval by the City Manager in terms of the Local Government Municipal Systems Act, Act 32 of 2000. Two main work streams are reflected in the draft organisational structure and are to be headed up by two directors respectively. The work streams will be IRT Implementation and IRT Operations. The functions considered to be covered by the two main work streams are the following:

- Director: IRT Implementation
 - System planning and modelling
 - Infrastructure and development
 - Coordination and project support
 - Finance
 - Marketing and communication
- Director: Operations
 - Business development and contracts
 - Operations Management
 - Industry transition
 - Legal support
 - Support services
 - Safety and security

The draft organisational structure has been circulated for comments to all role players before being finalised by the Executive Director: Transport Roads and Major Projects for recommendation to the City Manager.

The two directors will closely liaise with one another as well as with the Director: Transport Services.

The support services for the IRT Project will be situated within the framework of the project and will report to either one of the directors.

8.2. Filling of vacant posts

Both the posts of Director: IRT Implementation and Director: IRT Operations have been advertised externally. Shortlists for both posts of Directors: IRT Implementation and IRT Operations have been compiled. Assessment of the candidates is in process. A panel of three Executive Directors, the Recruitment and Selection Practitioner and the Human Resources Business Partner will interview the candidates on the shortlists. Psychometric assessments will be considered in instances where no such recent record of assessment is available.

It is envisaged that both posts will be filled on a fixed term contract basis unless a permanent internal candidate is the successful applicant.

In the light of the 2010 WC Project nearing its end, some of the staff might also be considered for certain positions on the IRT Organisational Structure during the next phases of filling posts on the structure.

8.3. Placement and capacity

The main work streams are at present still being managed by operational managers seconded from the departments TR&S. They are supported by consultants and certain Transport, Roads & Stormwater staff.

The unions were informed of the establishment of the IRT Project and the amalgamation of the SDI Directorate and the T,R&S Directorate to form the new TR&MP Directorate. An item was also placed on the agenda of the Bargaining Committee for further consultation with the Unions. The item was also discussed at the Local Labour Forum. It was agreed with the Unions to establish a work group where the matter will be discussed in more detail. Representatives from SAMWU, IMATU and the employer will serve on the said work group.

A replenishment report has also been approved by the Executive Management Team to enhance the staff capacity in the Transport department as a result of the secondment of Transport staff to the IRT Project.

8.4. Development of job descriptions

Job descriptions were done for both the director posts and evaluated on a T21 grading level.

The managers seconded to the IRT Project in consultation with the Human Resources Business Partner, are at present busy with the development of the job descriptions for the manager positions reporting directly to the directors. Such job descriptions can be finalised as soon as the reporting level 2 to 4 organisational structure is approved by the City Manager.

8.5. Staffing Strategy

A process is underway to develop a staffing strategy for the project as part of the business plan and subject to the Council mandate for the establishment of a Municipal Entity in this regard. The business strategy for the project will determine the strategy for populating the IRT Project Organisational Structure.

9. Communication, marketing and branding

9.1. Introduction

The communication and marketing stream of the IRT project has focused on the following in March 2010 (from 1 March – 16 April 2010):

- the refinement of the IRT's branding particularly slogan, image and vehicle livery, as well as IRT signage for the stations and the totems;
- integrating the development of the IRT brand with advertising opportunities in the system;
- focusing IRT communication around the World Cup Transport Service and the IRT service launching on 29/05/10
- communicating to the public about traffic disruptions related to IRT construction;
- ongoing communication through various instruments.

9.2. Media

9.2.1. Press Releases and media engagement

Releases issued during March/April 2010:

- Photo opportunity with Mayoral Committee member, Cllr Elizabeth Thompson and proto-type 18m bus, 14/04/10
- A day in a life of an IRT engineer, 10/4/10
- Traffic disruptions for Marine Drive & Loxton Road Intersection 8/4/10
- Travelling to the stadium? Public transport is the way to go Op ed, Cllr Elizabeth Thompson, 23/03/10
- Traffic disruptions Boundary Road and Milner Street intersections with R27 12/3/10
- Presentation to Cape Town Press Club, 10/03/10
- Warning of traffic disruptions at Boundary Road/R27 intersection, 01/03/10

9.2.2. Newspaper Adverts

- preparatory work Oswald Pirow/Hertzog Boulevard newspaper advert & media campaign from 23 – 28/04/10

9.2.3. Work in progress

9.3. Overall Communication

9.3.1. Distribution of pamphlets

This is another means of getting information about the IRT out to the public. Whenever presentations are made to public forums or meetings, pamphlets about the IRT are also distributed.

- The IRT team will distribute the April version of the e-newsletter.
- The City responded to various queries that were received after the e-newsletter was sent out, and is updating IRT FAQs as a result of these and further queries.
- A specific pamphlet has been developed for distribution to Councillors to assist them in responding to residents' enquiries about the IRT.
- Work has also commenced on maps & pamphlets for the IRT portion of the 2010 World Cup Transport Service

- Pamphlets targeting schools and drafted to draw on aspects of the curricula are being distributed to schools on the phase 1A route.

9.3.2. Website

The website www.capetown.gov.za/irt is the public face of the IRT and therefore needs to be regularly updated with the latest press releases, presentations, photographs, diagrams and information. It also provides the public with a forum to ask questions about the system. The site was regularly updated during January which includes.

- Website Weekly update of IRT articles, picture gallery, and articles on:
 - o Upgrading transport a national focus 30/03/10
 - o What if a bus breaks down 25/3/10
 - o First IRT bus drivers in training, 25/3/10
 - o IRT bike paths designed for cyclists, by cyclists 11/03/10
- Placing of IRT monthly report on the website

9.3.3. Mapwork

Developed brief and worked with map maker to produce the following work in progress and receiving feedback from IRT team:

- Transit map for World Cup service
- Detailed maps for the stations that will be operational for the world cup
- Strip maps for the World Cup Service

9.4. Progress with marketing and branding strategy

The process followed to develop the marketing and branding thus far is as follows:

- The IRT brand has been finalised and will be launched during May 2010
- Work is currently underway to finalise the signage and branding for the station complexes.
- Meeting with Webber Wentzel & ED TR&MP on registration and trade marking of IRT Branding with report drafted for submission to Transport Roads and Stormwater Portfolio Committee

9.4.1. Incorporating branding & advertising opportunities

Significant opportunities for advertising by the private sector exist within the IRT system. However, any advertising proposals must be done in such a manner as to ensure that the IRT's brand is not diminished, that the City receives maximum value from advertising opportunities, and that the advertising is within the City's existing outdoor signage and planning by-laws and policies.

Therefore the IRT branding and marketing team have been working with the appointed consultants to identify advertising opportunities and how these can be incorporated.

In addition to incorporating advertising opportunities with branding opportunities the IRT project is also identifying artwork opportunities at certain key stations. Therefore it is important that the overall station layout considers branding, advertising and artwork opportunities, in order to ensure that the overall station is well designed.

WHAT HAS BEEN ACHIEVED

- Report on advertising opportunities prepared for 2010/IRT Subcommittee meeting in May outlining opportunities and potential revenue.
- Engagement with 2010 team to align advertising opportunities for the World Cup period with the City's overall advertising strategy.

9.5. Stakeholder engagement

9.5.1. Public Participation

Presentations to a wide variety of external stakeholders provide the City with an opportunity to directly update them on the project's progress and also the overall project objectives. It also provides the public with an opportunity to make input and raise questions.

WHAT HAS BEEN ACHIEVED

- Presentation to AGM of Milnerton Proper Residents' Association 12/04/10
- Presentation to News24.com staff 25/3/10
- CURRENT SCHEDULE OF IRT EXHIBITION LOCATION
 - o The IRT exhibition is currently at the City Library and will be moved to the Civic Centre during May.

WORK IN PROGRESS

- The City is liaising with external organisations in order to do further presentations to Cape Town businesses and organisations.
- Establishment of a Stakeholder Forum
 - Meeting with Economic, Social Development & Tourism directorate to include the IRT Stakeholder Forum in the multi-year agreement between City of Cape Town and Cape Town Partnership

9.5.2. Schools engagement

Learners will be early adopters of the new public transport system, as many learners rely on public transport to go to school every day. Learners are also important multipliers of information as they share knowledge gained with parents and family. In addition, effective school management is often hampered by poor public transport. Schools are therefore an important constituency for the IRT's public engagement campaign with specific communication targeted at schools and teachers.

WORK IN PROGRESS

- A pamphlet has been developed for distribution to schools and the English version is currently being distributed to schools in the Phase 1A area.
- Discussions have occurred with Circuit Directors and Circuit Managers to better inform them of the plans for public transport in Cape Town over the next 15 – 20 years.
- Meetings have been set up with school principals to communicate this message to them, in order that they can inform teachers about how best to include the IRT pamphlet in the curriculum.

10. Related project: 2010 Transport Services

10.1. Nature of IRT based 2010 transport service

The 2010 transport services will operate for a 49 day period from Saturday 29 May 2010 to Friday 16 July 2010. Certain transport services will operate every day throughout the 49 day period (World Cup Peak Period Services) and certain services will only operate on Cape Town match days (World Cup Match Day only Services). After 16 July and until 31 October 2010 (when 2010 World Cup Stadium Operator Contract comes to an end) the continuation services will run. Table 2.1 summarises the World Cup Peak Period and Match Day Transport Services that will operate during the 2010 World Cup.

Table 2.1: Transport service summary for 2010 World Cup

Item No.	2010 Transport Services	World Cup Peak Period Services	World Cup Match Day only Services	Vehicles to be Used	Fare Management System	Operator to Provide following complementary Services	Operational Dates
A	World Cup Shuttle Service		X	City's Vehicles	Operator allows at sight of event ticket on Boarding.	Precinct Management at IRT Stations	11,14,18,21,24,29 June and 3,6 July 2010
B	Airport Service	X		City's Vehicles	City Revenue Service Sells and Collects Fare	Precinct Management at IRT Stations	29 May to 16 July 2010
C	Hout Bay Service		X	Operator's Vehicles	City Revenue Service Sells and Collects Fare	Passenger Management at Stops	11,14,18,21,24,29 June and 3,6 July 2010
D	Queens Beach Service	X		Operator's Vehicles	City Revenue Service Sells and Collects Fare	Passenger Management at Stops	29 May to 16 July 2010
E	Inner City Loop Service	X		City's Vehicles	City Revenue Service Sells and Collects Fare	Precinct Management at IRT Stations and Passenger management at stops	29 May to 16 July 2010
F	Park and Ride Service		X	Operator's Vehicles	Operator allows at sight of event ticket on Boarding.	Passenger Management at Parking areas and Portable Toilets at Parking Areas	11,14,18,21,24,29 June and 3,6 July 2010

10.2. IRT buses for the World Cup service

The prototype 18 meter buses arrived later than the scheduled date of the week ending 2 April, 2010 due to delays in the homologation process. There are also licensing delays with the Vehicle that has an affect on driver training. The 12 meter prototype bus has yet to arrive in Cape Town despite its scheduled arrival date of the week ending 18 April, 2010. Volvo has indicated that these delays have no bearing on the on time delivery of the remaining fleet. So currently there is no indication yet that the overall delivery of the complete order is in jeopardy but if the deliverable dates are further compromised it will require considerable adjustments to 2010 World Cup transport plan.

10.3. Inner city depot

The City preparation is underway and the scheduled completion date is 10 May, 2010. The above ground 23,000 litre fuel tank has been ordered and to be installed on 9 May, 2010. It is expected that the necessary construction / upgrading of the staging area on the Foreshore, and the Inner City depot in the vicinity of the Western Boulevard will be completed in time for the 2010 transport operations. This aspect is discussed further in Chapter 6.

10.4. 2010 World Cup vehicle operator

Transpeninsula has signed the contract to provide transport services for the 2010 World Cup Transport Services.

10.5. Stadium test events

The third test event Cape Town for Jesus at the Cape Town Stadium for 55000 Spectators was on March 22, 2010. The event public transport shuttle was operated by Transpeninsula. There were 12 bus loading bays post match and Transpeninsula had a higher complement of staff on hand for passenger management. They also had better forms of communication, and more informed drivers. There were 60 buses providing this service. The goal of the Shuttle is to move between 11 000 and 13 500 passengers in the peak hour post match. In reality the demand only required that we move 10,000 people total pre match and 8,000 people total post match. This was achieved with the assistance of the traffic and signalling departments. The event had a total of 41,000 spectators instead of the 55,000 projected spectators. Hence the projected number of trips and kilometres were not achieved.

The fourth test event took place on April 10, 2010. This event was an afternoon and evening double header soccer event for a minimum of 65 000 spectators and the kick off for the first game will be 16:30 and the final whistle of the second game will be at 20:30.

The event public transport shuttle was also operated by Transpeninsula. This event was designed similar to the third test event in terms of fencing for passenger management. The communication between the City and the Operator during the event was better and the number of staff that Transpeninsula was higher than during previous events, based on the expected higher number of spectators. There were 50 buses contracted to provide the shuttle service. Because of the assistance of traffic and new road markings we were able to reduce the cycle time and the number of vehicles needed. We anticipated a high number of people moving both to and from the stadium between the games. This projection was realized but not in the volume projected. The goal was to transport between 12,000 to 14,000 people in the peak hour post match. In reality the demand only required that we move 11,000 people total pre match and 9,000 people total post match. The event had a total of 41,000 spectators instead of the 65,000 projected spectators. This, together with the fact that there were two matches and spectators arrived and left between the two matches, the projected number of trips and kilometres were not achieved.

11. Related project: Bayside taxi relocation

11.1. Background

Over a number of years a taxi loading / unloading area in Blaauwberg Road, between the R27 and Raats Drive, (Table View) had grown to an extent where some 80 taxis (including a number of illegal operators) were using the road verge as an informal rank and holding area. Informal traders had also established themselves in this area. No facilities other than embayment's had been provided in support of these activities. In addition to the general concerns relating to the all day ranking activities the informal facility was also poorly located in terms of safe and efficient traffic movement along Blaauwberg Road. With the planned extension of Phase 1A of the City's IRT project along Blaauwberg Road it was imperative that the informal ranks and associated loading and unloading facility be relocated.

Although the planned relocation was discussed with representatives' of the taxi industry and while there was some acceptance of the proposal universal agreement could not be achieved. Notwithstanding this it was agreed that the relocation would need to proceed in order to effect the implementation of roadworks required for the IRT system.

The relocation was accomplished on the morning of 7 January 2010 without incident and operations at the loading /unloading area are proceeding better than initially anticipated. The deployment of rank management staff and law enforcement personal has assisted in this regard. There has been a delay in the issuing of Rank Tokens due to delays in preparing bar-coded Tokens but this has not significantly affected operations. This matter is currently being rectified.

An area of concern is however the operations related to the stacking / holding of vehicles at the Potsdam Interchange which is does not appear to be functioning as well as planned. This is attributed to the distance between Bayside Mall and Potsdam and the relatively long associated peak-period travel times between these facilities. The IRT project office is planning to review this aspect together with the City's Transport Department with a view to finding a more efficient longer term solution.

11.2. Report for Period ending March 2010

For the period ending March 2010 there is little to report other than management actions are ongoing and that that an increase in law enforcement presence was requested to address some traffic management concerns during peak retail periods. This has been attended to and enforcement levels will be reduced to pre intervention levels and traffic carefully monitored. No major incidents occurred.

12. Risk assessment: IRT and 2010

A risk management workshop was facilitated on 29 March 2010 to identify the risks associated with the long term IRT project. It is currently being reviewed by the Executive Director for further input and consideration. The risk register will be finalised upon sign-off by the Executive Director.

The current risk registers for 2010 and Phase 1A are receiving management's attention.

Annexures

Annexure A Formal reports to Council and Mayco

Item Number	Subject	Date
C 46/03/08	Development of an Integrated Rapid Transit system for the City of Cape Town	27-03-2008
C 75/08/08	Implementation of the Integrated Rapid Transit system for the City of Cape Town	27-08-2008
C 47/08/09	Implementation of the Integrated Rapid Transit system for the City of Cape Town: Phase 1A: funding allocation and progress report	26-08-2009
C 71/10/09	Integrated Rapid Transit project (IRT): project status and a financial & strategic assessment.	28-10-2009
C 80/11/09	Transfer of Integrated Rapid Transport project from Transport Roads and Stormwater (TRS) to Service Delivery Integration (SDI) and the transferring of certain functions of Service Delivery Integration (SDI) to other directorates	26-11-2009
C 100/11/09	Funding and budgetary provisions for basic transport requirements for the 2010 World Cup in accordance with Council recommendation c71/10/09 of 28 October 2009	26-11-2009
	Integrated Rapid Transit Project Status and Progress Report No 1, December 2009	January 2010
	Integrated Rapid Transit Project Status and Progress Report No 2, January 2010	February 2010
	Integrated Rapid Transit project: Update on negotiations and contracts related to Council decisions of 28 October 2009	March 2010
	Integrated Rapid Transit Project Status and Progress Report No 2, January 2010	March 2010
	Integrated Rapid Transit Progress Report No. 4, March 2010	April 2010

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