

CITY OF CAPE TOWN



Integrated Rapid Transit Project

Progress Report No 5 – April 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

New buses in their MyCiTi branding and livery docking at the Civic Station in Hertzog Boulevard Cape Town at a celebration of the progress made regarding the IRT. Date: 19 May 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. 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.

The IRT Team is pleased to report that the Due Diligence process, as outlined in previous reports, has now reached conclusion. The IRT Project Team has considered all the recommendations, many of which related to the business plan, providing comments where necessary, and a report has been submitted to the relevant Portfolio committees for submission to Council. Where considered appropriate, the IRT plans are being adjusted to accommodate the report findings and recommendations.

1.2. Communication

The IRT brand and name was launched on Thursday, 6 May 2010 at the Granger Bay Station by Alderman Ian Neilson, Executive Deputy Mayor and Chair of the 2010/IRT Mayco Subcommittee, and Cllr Elizabeth Thompson, Mayoral Committee member for Transport, Roads and Major Projects.

The new public transport system will be known as MyCiTi. The choice of the name MyCiTi was chosen because the project wants to encourage a sense of belonging and ownership when Capetonians are passengers or refer to the service. It identifies a user-friendly service which transports people safely, conveniently, reliably and helps them avoid being stuck in traffic. It aims to make users feel proud to live in a world-class city with modern facilities. MyCiTi aims to offer people greater choice and quality in their own public transport system.

The name MyCiTi is multilingual, easy to use for Capetonians and visitors alike, and unique to Cape Town with its play on the City's name. It extends to the creation of a ribbon element that is a central theme in the design and represents how the service threads through the city, linking places and people to each other and to opportunity.



The logo shape is aligned to the City's corporate identity. The red ribbon in the logo is an abstract interpretation of Devil's Peak, Table Mountain and Lion's Head and also resembles the red roads that MyCiTi buses will use as they weave through Cape Town.

The font or letter type is bold to easily identify the system while the colour palette is warm and approachable. The inspiration is drawn from the many colours of the deep blue ocean that surrounds the Cape Peninsula. The accent colour red represents red IRT roads, but is also symbolic of the connections that the system will offer to all its passengers across the City.

The slogan, 'siyajikeleza, laat wiel, going places' is obviously related to transport, but it also represents other themes central to the IRT service including a sense of achievement and of going places in one's life. The underlying promise of the slogan is that the IRT will expand as the City grows. It also extends to Cape Town itself, as a city that is ready to go and compete on the international stage.

1.3. VAT

We have previously reported that SARS has notified the City that any infrastructure purely used for the transport of fare paying passengers is to be considered as VAT exempt. The City has duly paid over amounts that it considers due and payable but, to date, has not received any assessments from SARS based on the City's submission and payment. Officials at SARS have notified the City that any infrastructure that could have or would have been done, irrespective of the bus rapid transit system, can be considered as zero-rated for VAT purposes. These zero rated developments could include landscaping, lighting, new motor vehicle lanes (NOT the red-oxide concrete lanes), road marking, any area where mixed traffic could operate, non-motorised transport ways, etc. At the request of SARS the City is trying to determine if there is any percentage of the construction that could be applied consistently for all operations to take into consideration the split between zero-rated and VAT exempt portions of contracts. If there is some consistently recurring percentage of operations that can be considered zero-rated, the City may obtain permission from SARS to apply this percentage consistently. However, until such time as there is evidence to support such a consistent percentage and the necessary approvals from SARS have been obtained, the City will continue to determine the VAT payment due on a monthly basis.

1.4. Business plan

The revision of the IRT Business Plan is close to completion. It is the intention of the team to submit the revised IRT Business Plan to the July meeting of Council.

The final results of the latest modelling information was still awaited at the time this report was compiled, and are required for the operating deficit for Phase 1A to be determined with greater levels of confidence.

Very positive meetings have been held with the Deputy Minister Cronin and officials from the national Department of Transport to discuss the key issues impacting on the business plan, the outcome of which has been very positive on all relevant issues discussed. Meetings have also been held with the Mayco 2010/IRT subcommittee to discuss these issues.

The following are the key issues discussed at these meetings impacting directly on the business plan: (a) vehicle ownership, (b) compensation, (c) operating deficit, (d) transferring the portion of the existing GABS subsidy replaced by IRT, and (e) earliest introduction of a starter service to utilize the infrastructure available.

One of the key challenges is to determine the most appropriate roll-out sequence of the Phase 1A over the next three to four years and to minimise the operating deficit without unduly compromising the quality of the service for both the roll-out and full Phase 1A.

1.5. 2010 transport services

The 2010 transport services will start shortly, on Saturday 29 May 2010, and will run for 49 days until Friday 16 July 2010. Certain transport services will operate every day throughout this period (referred to as the World Cup Peak Period Services) and certain services will only operate on Cape Town match days (referred to as 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, comprising of an airport-to-City service, and a shuttle to the stadium on match days.

As previously reported, the core transport services have been contracted to TransPeninsula, a newly formed company set up by minibus-taxi operators that will be directly affected in the Inner City by the planned IRT. This company has performed well during tests to date, and has faced challenges, such as shorter or longer delays in delivery of vehicles (affecting training), depots and stations. Transpeninsula has committed themselves to try to make the service work in the best manner possible.

1.6. Developments regarding the minibus-taxi and bus industry

Previously it was reported the City was exploring ways in which to engage the minibus-taxi industry to guarantee the provision of minibus-taxi services to and from the PVA's, 26 rail stations and the Fan Fest (CBD) during the World Cup period. The plan to guarantee the service is primarily aimed at ensuring that spectators are not stranded late at night when minibus-taxi services do not usually operate. At the time of writing the City was expected to be able to concluding an agreement with the minibus-taxi industry. The proposals are that the City provide for a total of 640 taxis per day for 13 days, on the main World Cup days, at an average rate of R300 per taxi per night. The proposed budget is for a total of R3.4 million including staff costs, and a 20% management fee – although this is subject to finalisation. In addition to this proposed provision, the fare revenue expected to be collected by the taxi operators *after* matches is estimated at between R4m to R12m, depending on the demand for the services. The contracting of two additional services are under consideration, namely shuttle services from the park & ride facility at Ratanga to the new Century City rail station, as well as the service of transporting the volunteers home at night.

Discussions with both Company A and B representatives for the operations of IRT services in Phase 1A will restart in earnest as soon as the revised IRT Business Plan is finalised.

1.7. Infrastructure

The 2010 WC stations at Airport, Stadium and Civic Centre are complete and have been handed over by the contractors to the City, and thereafter by the City to the 2010 vehicle operating company, Transpeninsula.

After considerable delay in finalising approvals within the City and negotiations with Transnet, an Inner City depot

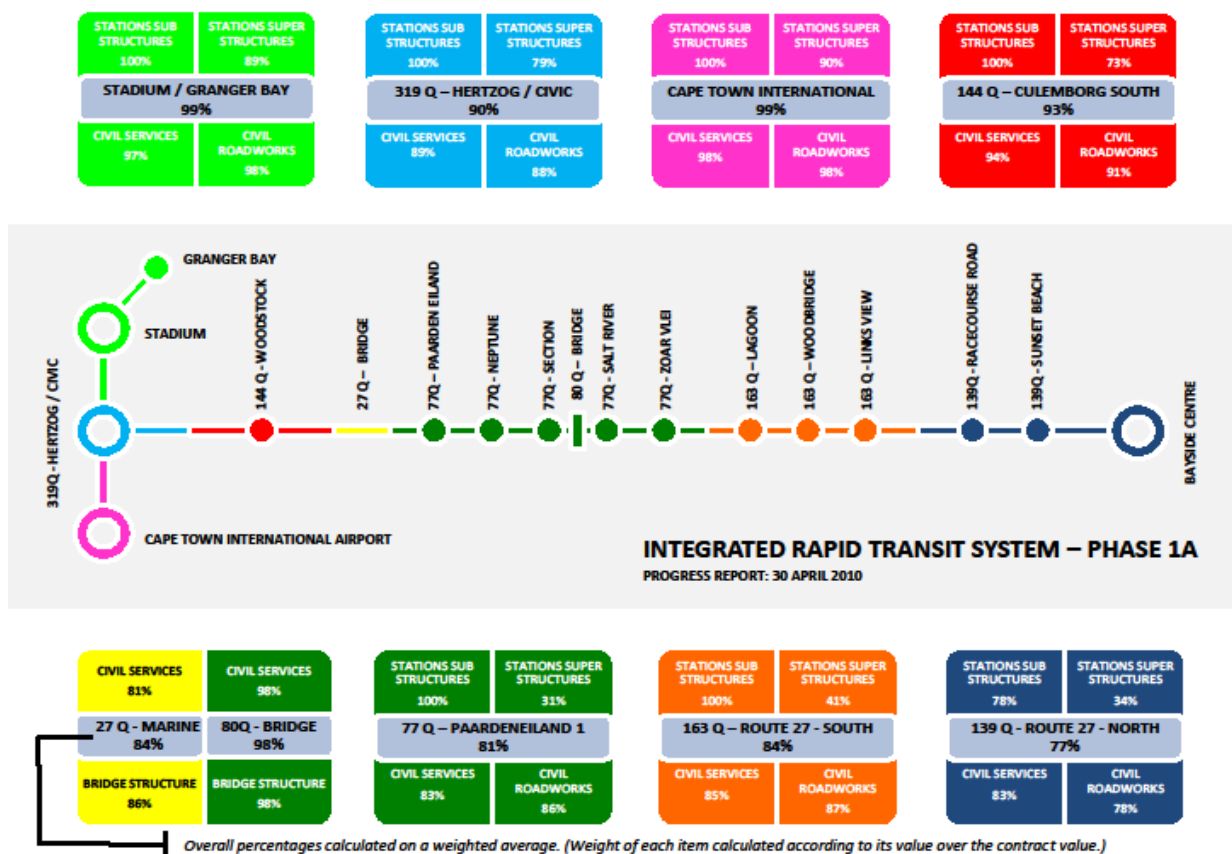


Figure 1. Progress regarding infrastructure

was secured in the existing Transnet Depot off Prestwich Street, Green Point. This was followed by limited redevelopment and upgrading of to accommodate IRT operations in record time. Partial completion and beneficial occupation of the Inner City depot by Transpeninsula was achieved 11 May 2010.

Also included in the scope works was the construction of a remote overflow staging facility between the Foreshore Freeways for which works commenced as of 22 February 2010, and for which completion is expected by late May 2010 (weather permitting).

The progress of the various contracts along the CBD-R27-Tableview corridor is presented in Figure 1.

1.8. Vehicles

The first IRT 18-meter prototype vehicle arrived in Cape Town in March and was 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 has been used for training purposes. The training and licensing of drivers is progressing well and the final phase of product specific training has commenced.

The training fleet is being augmented with additional 12 m trunk service busses that are being delivered by Volvo in terms of the City's vehicle procurement contact. These busses are being delivered in the City's IRT MyCiti branding and livery. Although vehicle production has been progressing well, vehicle delivery was slightly behind schedule and the vehicle homologation process has taken longer than anticipated, affecting the completion of the vehicle licensing process. The City and Volvo have been actively engaging with SABS to expedite this process.

1.9. Salient IRT project information: Phase 1A ¹

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

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 <i>(not escalated, not included above, and excludes reallocated bus subsidies – in the process of being remodelled)</i>	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 2010-05-11	R 825 million
Projected total expenditure to end of the 2009/10 FY	R 1 164 million
Available assured funding from City and National received to date <i>(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&S Grant when funding received)</i>	R 951 million
Estimated future expenditure for implementing Phase 1A <i>(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)</i>	R 3 466 million

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.

Total indicative PTIS funding from National in future financial years (<i>Reference Draft Division of Revenue Bill, as introduced in the National Assembly, Feb 2010</i>) <i>Refer to footnote 2.</i>	R 3 350 million ²
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Estimated total cost of implementing Phase 1A	R4 309 million
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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 still estimated at approximately R 118 million based on current modelling projections. 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.

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.

Mike Marsden

24 May 2010

Executive Director Transport Roads and Major Projects.

² The total inductive PTI&SG funding refers to the total allocation as published in the Division of Revenue Act 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 Report

The IRT Team has worked through all the recommendations made in the Due Diligence Report. Comments on these recommendations have been drafted by the IRT Team and numerous recommendations have been considered, with various options or choices made by the IRT team being documented in the Business Plan document that is being prepared. A report on the outcomes of the Due Diligence will serve before the Finance and Transport, Roads and Major Projects Portfolio Committees before going to MAYCO/Council.

2.1.2. VAT on Infrastructure

SARS has notified the City that any infrastructure purely used for the transport of fare paying passengers is to be considered as VAT exempt. This could include: stations, dedicated bus lanes, etc. The City has duly paid over amounts that it considers due and payable but, to date, has not received any assessments from SARS based on the City's submission and payment. Officials at SARS have notified the City that any infrastructure that could have or would have been done, irrespective of the bus rapid transit system, can be considered as zero-rated for VAT purposes. These zero rated developments could include landscaping, lighting, new motor vehicle lanes (NOT the red-oxide concrete lanes), road marking, any area where mixed traffic could operate, non-motorised transport ways, etc. At the request of SARS the City is trying to determine if there is any percentage of the construction that could be applied consistently for all operations to take into consideration the split between zero-rated and VAT exempt portions of contracts. If there is some consistency recurring percentage of operations that can be considered zero-rated, the City may obtain permission from SARS to apply this percentage consistently. However, until such time as there is evidence to support such a consistent percentage and the necessary approvals from SARS have been obtained, the City will continue to determine the VAT payment due on a monthly basis.

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. Once the results of the latest transport demand and system cost modelling information becomes available the current Business Plan revision will be concluded. 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

Tenders have been called for the appointment of a professional project management team to assist with the high level project management functions for the continued roll out of Phase 1A. The closing date for tender submissions is 19 June 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.

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.

The Gantt Charts provided below provide information that primarily relate to the infrastructure work streams. The charts indicate progress up to the end of April 2010.

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.

The South African Revenue Services (SARS) is busy with a fact finding mission to determine the treatment of Vat for the IRT System implemented nationally. Given these latest developments, we have adopted a conservative approach by assuming that all expenditure, past present and future, will be vatable and that the City will not be able to claim back any portion thereof. An investigation is currently underway to determine the split between exclusively IRT related infrastructure and infrastructure which are normally associated with public transport in general. This split (apportionment rate) will then be utilised to motivate that not all IRT related infrastructure are for the exclusive use of fare-paying passengers.

As a result of this approach, the role out of phase 1(A) had to be adjusted, cost estimates are currently being scrutinised and value engineering will be enforced, where possible, to drive down cost. The impact of the Vat payable on phase 1(A) will be initially absorbed within the total quantum of phase 1(A) until a tax directive on the implementation of the IRT System has been received from SARS and the apportionment rate can be applied to claim back Vat.

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.

The draft 2010/11 to 2012/13 Operating Budget will be amended to reflect the latest position reflected in the Division of Revenue Act (DoRA) as well as the latest stance adopted on the treatment of Vat within the IRT System.

3.2.2. Capital

As a result of the 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.

The draft 2010/11 to 2012/13 Capital Budget Programme have been amended to reflect the latest position reflected in the DoRA as well as the latest stance adopted on the treatment of Vat within the IRT System.

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 are prior to the latest developments surrounding Vat. As was previously mentioned in this report, the impact of the Vat will have to be absorbed, as far as possible within the total quantum of phase 1(A). The costs below also 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 system 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. Expenditure for the 2009/10 financial year is currently at 64.5%.

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

WBS	Project Description	2008/2009			2009/2010		
		Current Budget	Actual	% Spend	Current Budget	Actual	% Spend
C09.00419-F1	IRT:Granger Bay Blvd:PTIF	10 500 000	10 500 000	100.0%	-	-	
C09.00487-F1	IRT:Klipfontein Corridor:PTIF	-	-		-	-	
C09.00488-F1	IRT:Public Trsprt&Bus Upgr on Corr:PTIF	20 000 000	19 983 113	99.9%	-	-	
C09.00489-F1	IRT:IntegratedFareManagement System:PTIF	-	-		-	-	
C09.00497-F1	IRT:PropertyAcquisition:PTIF	57 800 000	57 202 138	99.0%	-	-	
C09.00498-F1	IRT:VehicleAcquisition:PTIF	-	-		76 500 000	-	0.0%
C09.00499-F1	IRT:WestCoastCorridor:PTIF	90 000 000	89 999 969	100.0%	-	-	
C09.00500-F1	IRT:AirportService:PTIF	2 000 000	2 000 000		-	-	
C09.00501-F1	IRT:PropertyAcquisition:PTIF	-	-		-	-	
C10.10320-F1	IRT:PropertyAcquisition:PTIF	-	-		17 629	17 629	100.0%
C10.10327-F1	IRT:WestCoastCorridor:PTIF	-	-		51 941 535	50 633 467	97.5%
C10.10350-F1	IRT:InnerCityService:PTIF	-	-		10 000 000	8 900 249	89.0%
C10.10542-F1	IRT:AirportService:PTIF	-	-		6 000 000	6 000 000	100.0%
C10.10581-F1	IRT:Public Trsprt&Bus Upgr on Corr:	-	-		2 000 000	1 677 149	83.9%
C10.10582-F1	IRT:IntegratedFareManagement System	-	-		13 295 117	10 434 369	78.5%
		180 300 000	179 685 220	99.7%	159 754 281	77 662 862	48.6%
C09.00313-F2	IRT:Integr Rapid Transit Syst(Ph1A)	-	-		66 682 409	48 487 046	72.7%
C09.00486-F2	IRT: Traffic Management Centre: CRR	15 000 000	14 998 601	100.0%	-	-	
C09.00497-F2	IRT:PropertyAcquisition:CRR	-	-		50 177 314	50 177 314	100.0%
C09.00498-F2	IRT:VehicleAcquisition:CRR	-	-		25 000 000	-	
C09.00499-F2	IRT:West Coast Corridor:CRR	30 000 000	28 861 715	96.2%	111 583 679	111 583 679	100.0%
C10.00093-F2	IRT: Control Centre:CRR	-	-		25 000 000	25 000 000	100.0%
C10.10337-F2	IRT:West Coast Corridor:CRR	-	-		-	-	
C10.10579-F1	IRT: Traffic Management Centre: CRR	-	-		45 001 399	30 964 694	68.8%
C10.10582-F2	IRT:IntegratedFareManagement System	-	-		7 704 883	1 677 149	21.8%
		45 000 000	43 860 316	97.5%	331 149 684	267 889 882	80.9%
C05.00951-F1	Acquisition of Land	247 529	247 529	100.0%	-	-	
C07.00002-F2	R27: Addtl lanes and intersection impr	-	-		-	-	
C09.00499-F3	IRT:WestCoastCorridor:EFF	-	-		368 405 758	207 772 276	56.4%
C10.10112-F1	IRT: Project Office	-	-		4 000 000	3 298 732	82.5%
		247 529	247 529	100.0%	372 405 758	211 071 008	56.7%
		225 547 529	223 793 065	99.2%	863 309 723	556 623 752	64.5%

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 (21.1%) 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 April 2010

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	8 909 020	94.7%
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	2 193 870	13.7%
NG DOT PTI&SG	G09.00101-F1	IRT:Prov of Prof Ser	4 500 000	1 616 594	35.9%	38 182 500	1 491 694	3.9%
Total NG DOT PTI&SG			57 130 000	21 868 342	38.3%	92 807 235	19 593 705	21.1%
			57 130 000	21 868 342	38.3%	92 807 235	19 593 705	21.1%

3.5. Future funding (DORA Allocations)

Table 3.4 reflects the possible increases in future allocations from the Department of Transport (DoT) towards the Public Transport for the City as a whole. The information in the table below has been formally gazetted in April 2010, however the payment schedule from National Treasury, indicating when these funds will be paid to the City, is still outstanding. 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.

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. That detail is not repeated here, but a summary is provided below.

The above report highlighted the status of each component and the progress to date made in terms of the implementation programme. It explained how the management of 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 minibus-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 will 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 team of the system. 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, clean stations and its precincts and provide ancillary services. 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 monthly 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 and fourth progress report** we focussed on the following key areas in the business plan where progress had been achieved since the previous progress report, among others: (a) Setting up 2010 World Cup vehicle operating company, and (b) the process regarding contracts proposed to run for more than three years in terms of section 33 of the MFMA.

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

4.2. Progress with reviewing the Business Plan

The revision of the IRT Business Plan is close to completion. It is the intention of the team to submit the revised IRT Business Plan to the July meeting of Council.

4.2.1. Overview

The final results of the latest modelling information was still awaited at the time this report was compiled, and are required for the operating deficit for Phase 1A to be determined with greater levels of confidence.

Very positive meetings have been held with the Deputy Minister Cronin and officials from the national Department of Transport to discuss the key issues impacting on the business plan, the outcome of which has been very positive on all relevant issues discussed. Meetings have also been held with the Mayco 2010/IRT subcommittee to discuss these issues.

The following are the key issues discussed at these meetings impacting directly on the business plan: (a) vehicle ownership, (b) compensation, (c) operating deficit, (d) transferring the portion of the existing GABS subsidy replaced by IRT, and (e) earliest introduction of a starter service to utilize the infrastructure available.

One of the key challenges is to determine the most appropriate roll-out sequence of the Phase 1A over the next three to four years and to minimise the operating deficit without unduly compromising the quality of the service for both the roll-out and full Phase 1A.

The operational plan for the starter services is being finalised and the preliminary costing for the starter services has been completed.

The impact of increases in fuel costs on total system financial performance has been assessed and a proposed formula for fare adjustments has been agreed to for input to the tariff report. The formula provides for a small increase in the tariff, only as and when the price of diesel increased by 33% or more.

4.2.2. Financial scenario planning

A detailed exercise of financial scenario planning, through which decisions are facilitated regarding how available funds can best be spent, is underway. This involves all work streams of the IRT.

4.2.3. Financing plan

The financing plan for the IRT, forming part of the Business Plan, was developed further. This included the following:

- Lobbying of national government to enable PTISG to be allowed to be used for transition costs, including operating subsidy
- Investigation of options on ownership of buses, drawing up of options document and initial report on financial implications
- Assistance in refinement of thinking on key elements of business plan report including roll-out options and related costs.

4.2.4. Legal work

Legal work linked to the Business Plan included the following

- Further work on the necessary tax rulings

- Ongoing advice on trademark issues
- Further work arising from due diligence report:
 - Ongoing advice on the Section 78/84 process, linked to the formation of a municipal entity to which the IRT operations can be assigned
 - Ongoing advice on vehicle disposal options including the insolvency issue and tax issues
- Advice on "contracting authority" issues in the NLTA
- Advice on applicability of section 197 of the LRA
- Advice on application of section 164 of the MFMA to an instalment sale of the vehicles (one of the possible models regarding vehicle ownership)
- Advice on corporate issues relating to the VOCs

4.3. Developments regarding the minibus-taxi and bus industry

Previously it was reported the City was exploring ways in which to engage the minibus-taxi industry to guarantee the provision of minibus-taxi services to and from the PVA's, 26 rail stations and the Fan Fest (CBD) during the World Cup period. The guaranteeing of the service was primarily aimed at ensuring that spectators are not stranded late at night when minibus-taxi services do not usually operate. At the time of writing the City was expected to be able to concluding an agreement with the minibus-taxi industry. The proposals are that the City provide for a total of 640 taxis per day for 13 days, on the main World Cup days, at an average rate of R300 per taxi per night. The proposed budget is for a total of R3.4 million including staff costs and a 20% management fee – although this is subject to finalisation. In addition to this proposed provision, the fare revenue expected to be collected by the taxi operators is estimated at between R4m to R12m, depending on the demand for the services. The contracting of two additional services are under consideration, namely shuttle services from the Park & Ride at Ratanga to the new Century City rail station, as well as the service of transporting the volunteers home at night.

Regarding industry transition related to the IRT: engagements have now taken place with the Company B associations who have previously not participated fully. Thus far the engagement focussed on explaining the project and securing support to engage at grass roots level with members. Discussion and capacity building on company formation for Company B have been held with the associations currently participating. The intention is to proceed with the formation of companies at an association level before forming the IRT vehicle operator company.

Discussions with both Company A and B representatives will restart in full steam as soon as the revised IRT Business Plan is finalised.

4.4. 2010 World Cup vehicle operating company

Previously it was reported that although the training of drivers was proceeding, full product training was dependant on the actual vehicles arriving and being licensed. At the time of writing this report, a total of 20 vehicles had arrived of which six had been licensed (temporary permits), sufficient vehicles to commence with the full product and route training of the drivers.

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. No offers were received by the deadline of 6th April 2010. It was therefore decided to invite interested parties to submit proposals by 22 April 2010. Two submissions have subsequently been received. Adjudication of the submissions resulted in two contracts being awarded, viz. the contract for the buses (inside and outside) to Provantage at a tendered price of R1.55m and a contract for the inside of the three IRT stations to Tractor Outdoor at a tendered price of R135,000 (excl VAT). These tendered amounts are subject to all

the vehicles and stations being available for the full period ending 31 October 2010. At the time of writing the advertising contracts still had to be signed.

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.

For further details regarding this item, see Chapter 8.

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 the Progress Report 4, this matter was addressed. In summary, the objectives of the technical audit and review were all achieved and the model has been amended for the current and future modelling work.

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

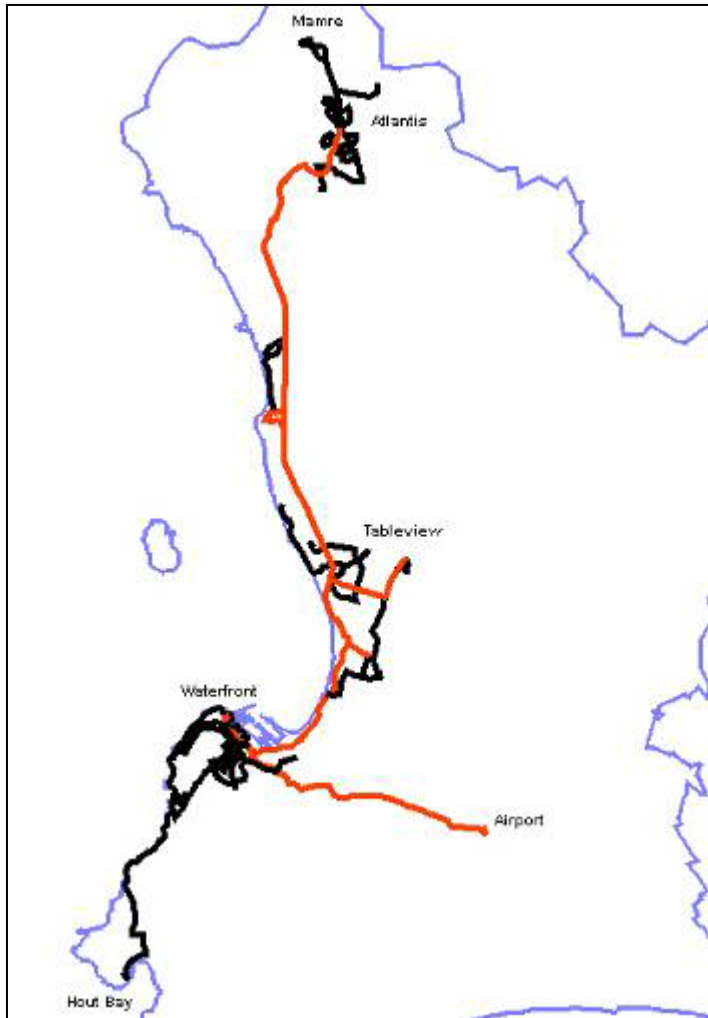
The following key objectives has been established for the review of Phase 1, namely

- Optimise balance between quality and affordability
- Maximise use of current committed infrastructure
- Optimise the use the current ordered fleet
- Minimise system operational deficit
- Maximise System coverage
- Value Engineering
- Minimise negative impact on existing service.
- Maintain IRT ideals.

The IRT technical team has produced an amended plan for Phase 1A. This plan is shown in the figure below.

The significant amendments are listed and summarised as follows:

- **New:** Trunk service into Montagu Gardens by providing a short link to the R27 via Racecourse Road
- **Amendment:** Feeder service between Du Noon, Killarney and Montagu Gardens. This feeder will also distribute from the new trunk in Montagu Gardens. The previous feeder linked Bayside to Montague Gardens.
- **New:** temporal feeder link between Du Noon to Bayside. This feeder will be replaced when the Du Noon to CBD trunk is implemented.
- **New:** Feeder Service from Century City via Bosmansdam, Koeberg and Boundary Road to the R27 trunk service.
- **Removal:** Feeder service from Montagu Gardens via Koeberg Road, Voortrekker Rd to Salt River Circle has been removed.
- **Amendment:** No trunks along Beach Road between Granger Bay and Queens Beach Circle. Relevant Phase 1a trunks to terminate in the Waterfront via Granger Bay.
- **Amendment:** Minor inner city feeder improvements in Camps Bay, Hout Bay service and Tamboerskloof.



Roll-out towards this Phase 1A plan is currently being investigated and assessed according to the following criteria:

- Cash flow
- Minimise operational deficit
- Minimise impacts on users
- Impacts on existing services
- Maximise use of committed infrastructure & vehicles.
- System efficiency (logical packages)
- System continuity
- Value Engineering

The proposed roll-out and modelling results of the revised Phase 1A is currently being finalised and will be reported in the next progress report.

5.4. Identification of additional resources to enhance capacity (Future Phases)

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 Phase 1 and more importantly the review of Phase 2 and beyond.

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) - Complete
- Finalization of the Transport Modelling report - *75% complete*
- Finalization of the Phase 1 operational report – *70% complete*
- Full phase status report – *60% complete*
- Economic Evaluation of Phase 1 – *20% complete*
- Limited additional modelling of Phase 1a is also to be undertaken - 80% complete

Approved consultant budget: R12 378 142.80

Expenditure to 30th April 2010: R11 556 043.92

Table 5.1: Progress regarding finalisation of operational plan

Consolidated Deliverables	Work packages	Resources required	Percentage complete at 30 th April 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) 100% 1.4) 100% 1.5) 100%	Completed
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 LOGIT (Need to ensure sufficient budget is available) Internal resources Within current appointment	2.1) 100% 2.2) 100% 2.3) 100% 2.4) 85% 2.5) 100% 2.6) 60% 2.7) 50% 2.8) 5% 2.9) 20%	Generally two wks behind schedule. Team currently attempting to accelerate results to meet deadline.

Consolidated Deliverables	Work packages	Resources required	Percentage complete at 30 th April 2010	Comments
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; 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 Workshop 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 Internal resources Internal resources External modelling consultants External modelling consultants External consultants External consultants Internal resources	On hold	Item 2.1 is being reviewed based on the latest additional resources as offered by PG: WC. COCT 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 Complete Complete	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.

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>

Description	Design Stage – Concept/ Prelim/ Detail	Consultant	Appointment Date (design start date)	% complete	Anticipated completion date	Comments
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	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 downturn 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.
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	Design complete, currently under constructed
Blaauwberg Rd: – Pentz Drive to Koeberg Rd and the R27: - Blaauwberg to Sandown Rd	Detail	HHO	Jan 2009	90	March 2010	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.
Potsdam Road: - between Blaauwberg Road and Doornbach	Detail	HHO	Jan 2009	75	March 2010	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.
Atlantis and Melkbosstrand areas (localised road widening)	Preliminary Detail	HHO HHO	Mar 2009 Dec 2009	100 25	Sept 2010	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
Montague Gardens Industria via Racecourse Rd	Conceptual	HHO	Oct 2009			Further development and design of this infrastructure is subject to an agreed IRT rollout plan for the 2010/2011 financial year
Century City bus lanes and stations	Conceptual	HHO	Feb 2009	90		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

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)
- 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.
- 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 under circle,

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.

- o Procedures for the handover of completed stations to the CoCT have been finalised in combination with the development of operating manuals that include 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) - Following the release of preliminary bus fleet requirements for Phase 1A, consultants have revised the site development plan for the Stables Depot. Upon confirmation of the final phase 1A rollout plan and the corresponding fleet requirements, tender drawings and documentation will be amended accordingly.
- 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 remote staging area between the Foreshore Freeways. Taking into consideration the Inner City fleet requirements for phase 1A, consultants have produced site development plans of for the complete redevelopment of the Inner City Depot site and the full development of the remote staging facility between the foreshore freeways.
- Atlantis Depot: Following the release of preliminary bus fleet sizes for IRT phase 1A, CoCT consultants have developed conceptual designs and a phased implementation plan for the Atlantis Depot. As the IRT trunk fleet and routes displaces Sibanye services, staging, refuelling, washing and driver/administration space in the existing Depot area should become spare and available to be shared on a lease basis until purchase is agreed. If and when the IRT Feeder Services displace existing taxi services in the greater Atlantis Area, additional staging, maintenance, refuelling, driver and administration facilities will be built on the remainder of erf 81-6167 as well as on the adjacent City-owned erf 81-6189 if and when required.

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 	Martin & East	Part of the Granger Bay Blvd Project	12/12/2008	98%	2010-05-07
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	98%	2010-04-30
Hertzog Boulevard: 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	89%	2010-06-03
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	93%	2010-06-28
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	84%	2010-06-30
Paarden Eiland:	77Q	<ul style="list-style-type: none"> • 5.1km of CRC bus lane 	Martin &	R 91,891,438.93	2009-12-12	85%	2010-07-13

Contract	Contract No.	Scope of Works	Contractor	Anticipated final construction cost (excl. VAT & esc)	Start date	% Complete	Anticipated Completion Date
N1 to Milner Rd		<ul style="list-style-type: none"> 8 No. Station substructures 2.6km of shared ped./cycleway 	East				
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	98%	2010-05-10
R27: Milner Rd to Racecourse Rd (incl. Blaauwberg Rd between the R27 & Pentz Drive)	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 ped./cycleway 	Martin & East	R 116,185,665.00	2009-01-19	86%	2010-07-15
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%	2010-09-07
Kassel Kerb Supply	563N		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 dependent 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. Kiosks for the two 5m platforms, Granger Bay and Woodstock have been delivered and installed. Group 5 have highlighted a number of quality issues with these kiosks, which are being addressed with the sub-contractor Merakeng. Kiosks for the 3.5m stations are on the production line, the first of which is scheduled for delivery on 5 May 2010. 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. 9 dated 23 April 2010.

Contract commencement date:	2009-07-16
Overall state of completion (super-structures only)	60%

The contractor Group 5 is working on 15 stations at present, Bayside being the only site not yet handed over by the bus way contractor. Group 5 have tabled the following completion dates for the World Cup Stations:

- Stadium - 6 May 2010 (actual completion achieved 10 May 2010)
- Civic - 17 May 2010 (actual completion achieved 17 May 2010)
- Airport - 3 May 2010 (actual completion achieved 5 May 2010)

Since the compilation of this report the 2010 WC stations at Airport, Stadium and Civic Centre are complete and have been handed over to the CoCT. It should be noted that number of common items including totems, artwork, signage, kiosk safes and temporary operator kiosks have been excluded from practical completion.

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) as of 4 May 2010	Super-structure % Complete as of 4 May 2010
Granger Bay	E	16 Sept 09	11 June 2010	100	77.1
Civic Centre	H	23 Oct 09	17 May 2010	100	72.4
Civic Centre Feeders		ON HOLD		0	0
Airport	O	11 Nov 09	3 May 2010	100	91.7
Stadium	K	4 Nov 09	6 May 2010	100	91.2
Woodstock	G	19 Oct 09	18 June 2010	100	57
Paarden Eiland	A	27 Jan 10	5 Aug 2010	100	29
Neptune	A	02 Dec 09	21 Jul 2010	100	51
Section	A	11 Dec 09	22 Jul 2010	100	45
Brooklyn	A	17 Feb 09	5 Aug 2010	100	28
Zoar Vlei	B1	18 Jan 09	29 Jul 2010	100	29.5
Lagoon Beach	B1	30 Nov 09	8 Jul 2010	100	47

STATION	TYPE	SITE ACCESS	PRACTICAL COMPLETION	Sub-structure % Complete (<u>not</u> part of 390Q) as of 4 May 2010	Super-structure % Complete as of 4 May 2010
Woodbridge	B1	09 Dec 09	15 Jul 2010	100	51
Links View	B1	26 Jan 10	29 Jul 2010	100	26
Racecourse	B1	09 Dec 09	15 Jul 2010	100	51
Sunset Beach	B1	24 Nov 09	5 Jul 2010	100	52
Bayside	C1	03 Mar 10	14 Sept 10	67	0
Atlantis 1					
Atlantis 2		ON HOLD			
Atlantis 3					
Atlantis Town Centre					

6.4.3. Bus depots

The accommodation of IRT operations for the 2010 WC and the starter service between Civic and Bayside requires the partial development of the Inner City (IC) Depot and the construction of a remote staging facility on the foreshore.

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. The Prestwich Street site was formally handed over to Civils 2000 on 23 March 2010 and works commenced 25 March. Partial completion and beneficial occupation of the IC depot by Transpeninsula (2010 bus operator) was achieved 11 May 2010, and handover of the remainder of the depot is planned for 19 May 2010.

Also included in the scope works is the construction of a remote overflow staging facility between the Foreshore Freeways for which works commenced as of 22 February 2010, and for which completion is expected by 21 May 2010 (weather permitting).

Estimated completion dates: Prestwich Street Depot: 19 May 2010; Temporary staging area: 21 May 2010.

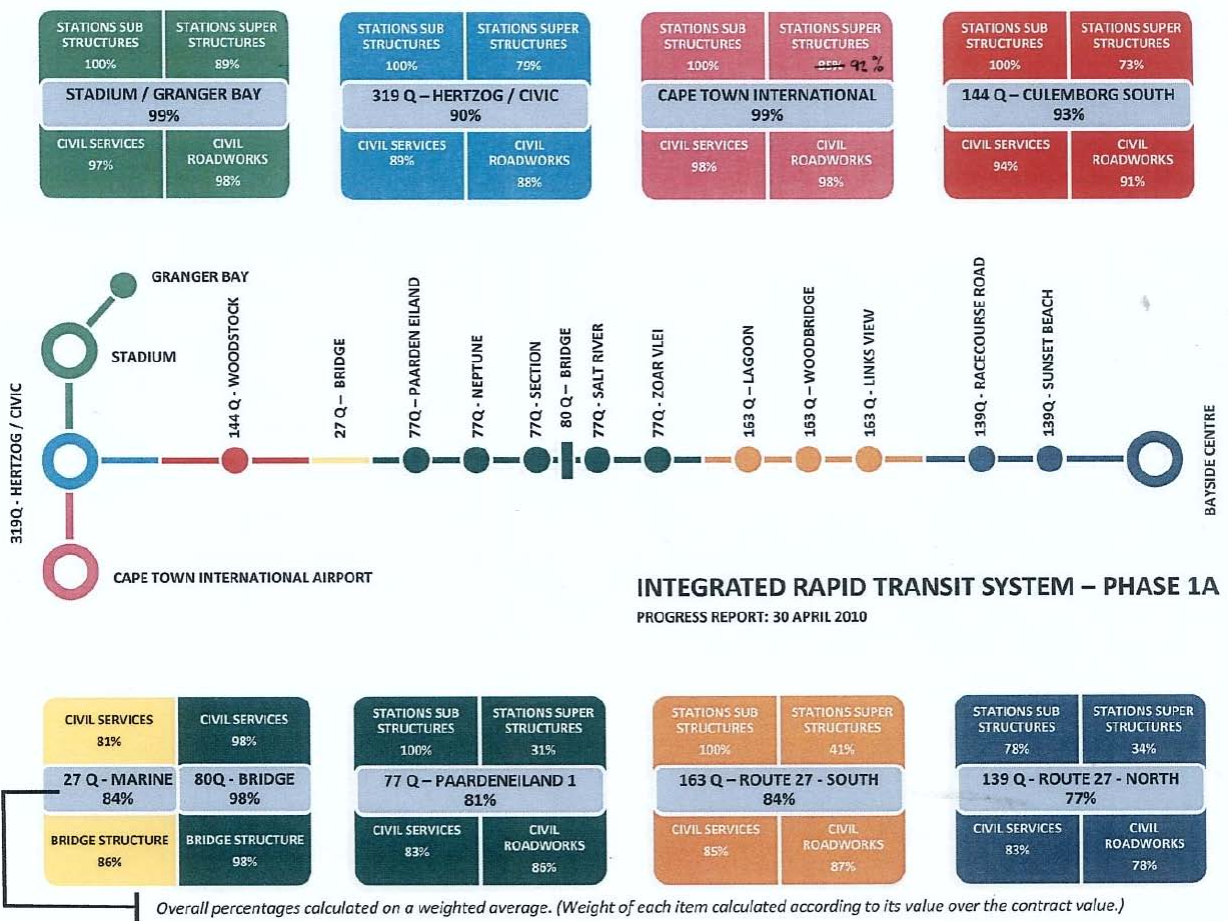


Figure 6.1: Diagrammatic representation of the construction progress on the (Pilot) Phase 1A bus ways and stations

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 April 2010

	Budget	Total spent March '10	Total spent to date	Balance of Budget	% of Budget
TOTAL	R38 429 409.00	R642 587.36	R25 335 373.05	R13 094 035.95	66.00

7.4. Operational planning consultant appointment

Progress with respect to the Operational Planning contact (now referred to as System Planning) 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 Operational plan joint venture - financial summary April 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 Procurement

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). 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).

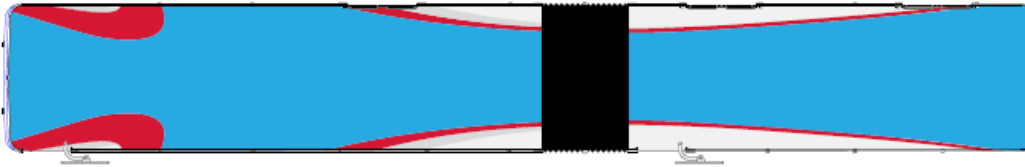
Product specific driver training has commenced and both the 18-meter vehicle and 12 meter vehicles are being used for static/class room instruction and "on road" driver training.

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 no delays in delivery are anticipated with the exception of the 12 meter prototype which is being held up as the vehicle homologation process being undertaken by SABS is taking longer than anticipated. This delay will in effect delay the licensing process but special permits have been issued (in terms of the Road Traffic act) to permit training to proceed. Both the City and Volvo are actively perusing the homologation with SABS and this will affect the commissioning of the IRT service.

7.5.4. Vehicle livery and system branding

The IRT system branding and vehicle livery has been finalised and all production vehicles will be delivered in the MyCiti livery. (See front cover) The two prototype vehicles are currently not branded with the City's new livery – this will be applied in due course. Further details relating to branding and vehicle livery are presented in **Chapter 9**.



The bus livery, as applied to the IRT 18m bus.

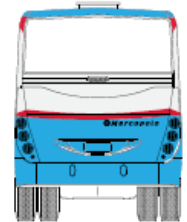
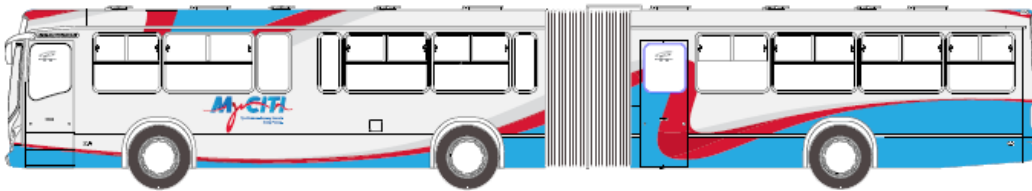
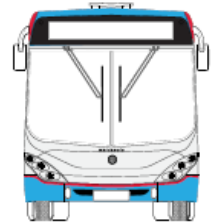
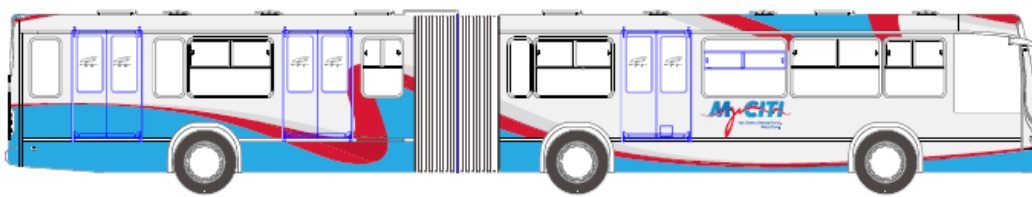
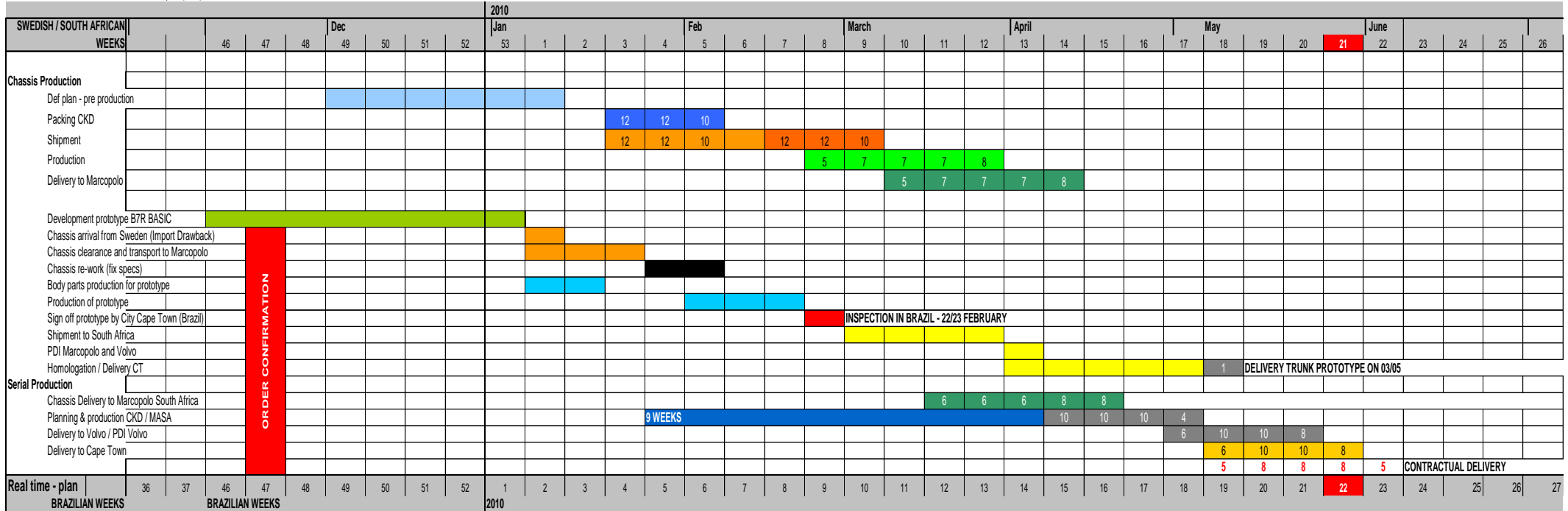


Figure 7.3: Production and delivery Schedule for 12 m IRT trunk service vehicles

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;

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

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

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. The structure will at least cover the following functions:

- 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 functions "Marketing and communication" as well as "Legal Support" could be done on the basis of creating the capacity with the departments Communication and Legal Services respectively and then to second the staff involved to the IRT Project on a full time basis. Consultation with the Heads of Department at present responsible for the said functions is in process.

8.2. Creating internal operational capacity

Following on a s78 investigation in terms of the Municipal Systems Act (MSA), Council on 3 December 2008 resolved to support a Municipal Entity (ME) as the appropriate mechanism for the provision of municipal public transport services and that the City embark on the process required in terms of s84 of the Municipal Finance Management Act before the establishment of the ME is approved.

The ME will not be established in time to oversee the implementation of the initial IRT services. For compelling operational considerations, it is imperative that the City, as an interim measure prior to the establishment of the ME create the internal capacity to manage the initial IRT services required.

In January 2010 Council approved an amalgamation process of the Directorates: Transport, Roads and Stormwater and Integrated Service Delivery and which included approval for the creation of two additional departments i.e. IRT: Implementation and IRT: Operations.

In mid-May 2010 MAYCO approved the report *Provision of municipal public transport services: establishment of interim operational capacity for IRT*, which had as purpose to obtain Council approval for the establishment of internal capacity to oversee the implementation of the initial IRT services, prior to the possible transfer of the function to a Municipal Entity.

The report contained the following recommendations to Council:

- “1. note that there is an urgent need to facilitate the provision of the initial IRT services, including by establishing further capacity within the administration;
2. approve that the City Manager may proceed with the establishment of an internal structure (as contemplated in Council's decision of January 2010) for that purpose in terms of section 66 of the Municipal Systems Act;
3. note that such appointments are consistent with the position that, while the Council has resolved in terms of section 78(4) of the Municipal Systems Act that the appropriate mechanism for delivery of public transport (including IRT) services is an external mechanism in the form of a municipal entity, it has not yet taken a decision in terms of section 84 of the Municipal Finance Management Act to establish such an entity;
4. note that, if the Council approves the recommendation in 2, and if the Council in due course resolves in terms of section 84 of the Municipal Finance Management Act to establish a municipal entity for public transport services, the provisions of section 78 of the Municipal Systems Act must be complied with prior to the possible transfer of staff to the municipal entity.”

8.3. 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 still 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. 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.

8.4. 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 TR&S Directorate to form the new TR&MP Directorate. Further consultation will be done in the Local Labour Forum. A replenishment report has 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.

8.5. Development of job descriptions

The managers seconded to the IRT Project in consultation with the Human Resources Business Partner, are still busy with the development of the job descriptions for the manager positions reporting directly to the directors.

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 April/May 2010 (from 16 April – 14 May April 2010):

- the launch 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;
- 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 April/May 2010:

- o Media Alert/Invitation, 17 May 2010 Invitation: Bus Tour of 'MyCiTi' route
- o Media Release, 12 May 2010 Traffic disruption: Racecourse Road/R27 Intersection
- o Media Release 06 May 2010 Cape Town transport gets a new name and look – MyCiTi
- o Media Release 06 May 2010 Traffic disruptions: Racecourse Road/R27 Intersection
- o Photo opportunity with Mayoral Committee member, Cllr Elizabeth Thompson and proto-type 18m bus, 14/04/10

9.2.2. Newspaper Adverts

- None placed in this time period

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. This pamphlet will be distributed with the IRT
- Work has also commenced on maps & pamphlets for the IRT portion of the 2010 World Cup Transport Service.
- An airport pamphlet service has been launched with work on other pamphlets underway
- 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. Stories produced for website in this period:

- Smart cards for the IRT
- Public art installations at the IRT stations

Development, design and layout, HTML coding and distribution of third e-newsletter to database of approximately 994, which is being continually cleaned up and added to.

Code sent to e-communication to assist in the creation of a function on the City's website to enable the general public to subscribe to the e-newsletter. This was reported in the last reporting period but does not seem to have been actioned.

Prepared project report, with summary, for publication on City website.

Picture gallery was updated and all pictures captioned.

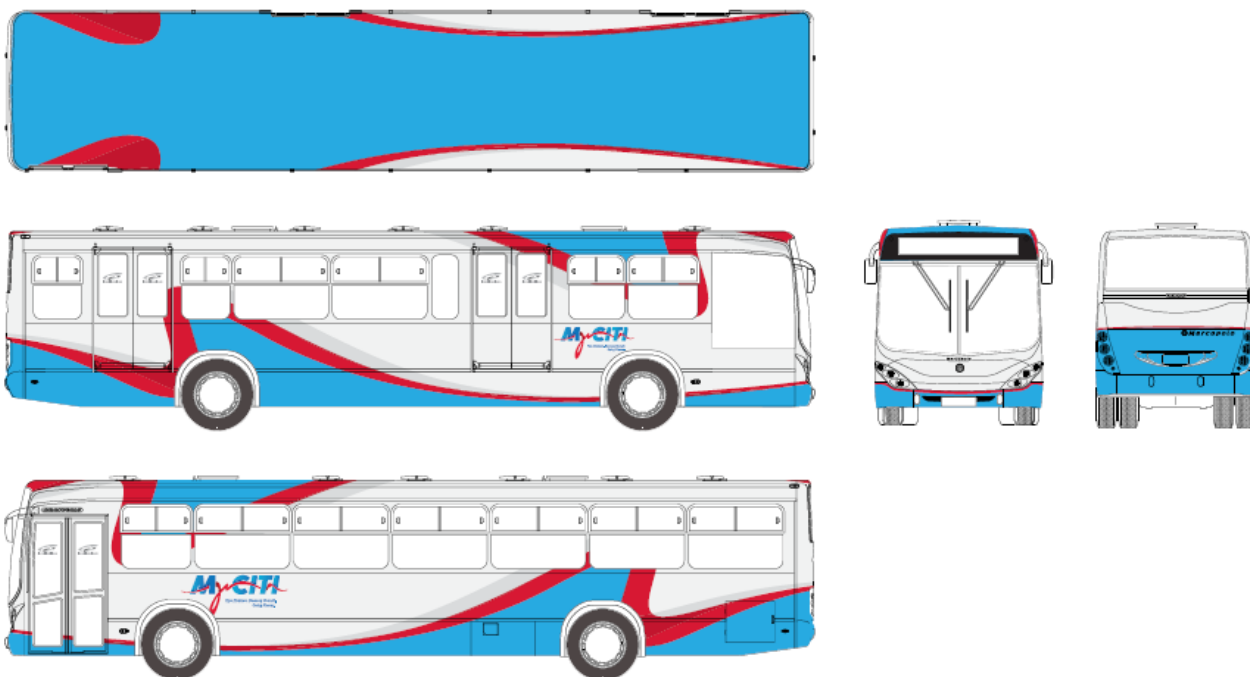
9.3.3. Mapwork

- Further iterations of World Cup feeder service maps, world cup transit map and scheduling information completed
- Further iteration of A0 Station map for Civic Station completed and printed, displayed at the brand launch function on 6 May 2010 and station launch function on 19 May 2010.
- Held meetings with Gibb (Nuran Nordien) and attended IRT/ World Cup meetings where issues concerning way finding and map work have arisen and been highlighted to the MyCITI team.

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 and name was presented to the project team on Friday, 30 April 2010
- The IRT brand and name was launched on Thursday, 6 May 2010 at the Granger Bay Station.



The bus livery of the 12m bus, using the MyCITI branding.

- The new public transport system will be known as MyCiTi. The choice of the name MyCiTi was chosen because the project wants to encourage a sense of belonging and ownership when Capetonians are passengers or refer to the service. It identifies a user-friendly service which transports people safely, conveniently, reliably and helps them avoid being stuck in traffic. It aims to make users feel proud to live in a world-class city with modern facilities. MyCiTi aims to offer people greater choice and quality in their own public transport system."

As the IRT rolls out across Cape Town in the coming years, it aims to be much more than a transport system, it aims to give citizens a sense of control, ownership, greater choice, mobility and access to opportunities.

Although the primary benefit of the IRT service will be for passengers, the wider benefit will ultimately extend to all residents and visitors as the service will unlock economic opportunities. It will make the city more accessible.

The IRT will add value to Cape Town by making it a better place to live and work in. It makes Cape Town a better place in which to invest resources, both human and financial.

The name MyCiTi is multilingual, easy to use for Capetonians and visitors alike, and unique to Cape Town with its play on the city's name. It extends to the creation of a ribbon element that is a central theme in the design and represents how the service threads through the city, linking places and people to each other and to opportunity.

The logo shape is aligned to the City's corporate identity. The red ribbon in the logo is an abstract interpretation of Devil's Peak, Table Mountain and Lion's Head and also resembles the red roads that MyCiTi buses will use as they weave through Cape Town.

The font or letter type is bold to easily identify the system while the colour palette is warm and approachable. The inspiration is drawn from the many colours of the deep blue ocean that surrounds the Cape Peninsula. The accent colour red represents red IRT roads, but is also symbolic of the connections that the system will offer to all its passengers across the city.

The slogan, 'siyajikeleza, laa't wiel, going places' is obviously related to transport, but it also represents other themes central to the IRT service including a sense of achievement and of going places in one's life. The underlying promise of the slogan is that the IRT will expand as the city grows. It also extends to Cape Town itself, as a city that is ready to go and compete on the international stage.

For the brand launch, the following was produced:

- 50 CDs which included: press release, FAQs, images of the brand and buses with branded livery and picture gallery of 40 captioned images
- Production of 5 roll up reusable banners.
- Production and display of system mapping at A1 size.

Work is currently underway to finalise the signage and branding for the station complexes. In consultation with the City, String subcontracted Switch design to develop signage design work for IRT stations.

9.4.1. Signage

This was a significant size contract and is allocated against the signage item in String's tender budget. It should be noted that the tender stated the final design of the signage would be completed through the infrastructure tender, but as this work had not been allocated to anyone String agreed to take this on. Work comprised design input and specification of all station precinct signage including:

- Primary external
- Primary internal
- Way finding
- On vehicle
- Statutory
- Retail outlets
- Ticketing machines
- Ablutions
- Service

- Consultation with signage manufacturer on prototyping

The trademarking of the system name is underway with a report drafted for noting for the Transport, Roads & Major Projects Portfolio Committee.

A report requesting approval by the Mayoral Committee for Weber Wentzel Bowens has been drafted.

A draft marketing plan for the launch of the Airport Service has been developed.

9.4.2. 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. A contract for a
- 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

- Assisting with Section 33 Public Participation Process
- Presentation to German Engineer Touring Group, 10 & 11 May 2010
- Presentation to West Coast Property Show, 9 May 2010

CURRENT SCHEDULE OF IRT EXHIBITION LOCATION

- Exhibition Cape Town CBD library to Property expo in Milnerton, and taken down again on Sunday 9 May.

WORK IN PROGRESS

- The City is liaising with external organisations in order to do further presentations to Cape Town businesses and organisations once the World Cup is over.
- 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

- 60 000 English copies printed.
- 5000 Xhosa and 5000 Afrikaans versions completed and printed.
- All have been distributed, managed by Cheryl Stevens Gammon, through the education department and directly to some schools.
- Good feedback has been received from the recipient schools.

9 Related project: 2010 Transport Services

9.2 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

9.3 IRT buses for the World Cup service

As of 18 May 2010 there were 19 x 12 meter buses and one 18 meter bus for a total of 20 buses in Cape Town. These vehicles have not yet been able to be licensed due to prolonged delays during homologation by SABS. The first few buses delivered did not have the passenger PA system installed as an oversight and these had to be retro-fitted. Currently it is possible that the final delivery date for the complete order will not be met. If the final deliverable dates are further compromised this will require considerable adjustments to 2010 World Cup transport plan.

9.4 Inner city depot

The City's preparation to complete the depot is not on schedule because of rain and it was not completed by 10 May. Beneficial occupational hand over took place on 11 May 2010 and the complete hand over is rescheduled for 19 May 2010. The Staging area was also delayed due to the rain and the scheduled completion date is 19 May, 2010. The above ground 23,000 litre fuel tank has been installed and tested on 9 May, 2010. This aspect is discussed further in Chapter 4.

9.5 2010 World Cup vehicle operator

As previously reported, the core transport services have been contracted to TransPeninsula, a newly formed company set up by minibus-taxi operators that will be directly affected in the Inner City by the planned IRT. This company has performed well during tests to date, and has faced challenges, such as shorter or longer delays in delivery of vehicles (affecting training), depots and stations. Transpeninsula has committed themselves to try to make the service work in the best manner possible.

9.6 Planned bus system test event

Previous tests were run using curbside boarding and standard Golden Arrow buses. On 27 May 2010 a bus systems test is planned for Transpeninsula to test the new Stations and buses with city employees.

This last test is hoping to encourage at least 3 000 staff members out of the Civic Centre Building to the hi-tech IRT Civic Centre Station and boarding buses at a rapid rate. As passenger they will be taken to the Stadium Station and asked to disembark and exit the station for the approximately 30 minutes. While waiting these staff members will be given a snack and a warm drink. At a prescribed time the passengers will line up to enter the station and Transpeninsula will test how quickly and efficiently they can get the passengers back to the Civic Centre station.

This will allow the City employees a chance to experience and talk about the new public transport system. This test will also benefit Transpeninsula and their staff getting an opportunity to run the new buses with fully completed stations, which should allow many more spectators to be moved within the critical one hour after World Cup matches.

10 Risk assessment: IRT and 2010

The current risk registers for 2010 and Phase 1A are receiving management's attention. The risks that have management's current and immediate attention will be those that intersect with the 2010 FIFA World Cup. The arrival of busses, training of the drivers, completion of certain infrastructure and the appointment of the operator will and has addressed some of the risks identified by management. Certain risks are beyond the City's direct control but processes have been put in place to manage these risks as well, for example engagement with the taxi industry and the co-ordination of safety and security by the SAPS.

The longer-term IRT risk register will be influenced by the longer-term objectives of the project and the risk mitigation actions will be addressed by management accordingly.

Annexures

Annexure A 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
	Provision of municipal public transport services: establishment of interim operational capacity for IRT	May 2010

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