

Close out Report

of the New Universities Project Management Team on the

Development of New Universities in
Mpumalanga and the Northern Cape

01 NOVEMBER 2011 - 31 JULY 2017



UNIVERSITY OF
MPUMALANGA



SOL PLAATJE
UNIVERSITY



WITS
UNIVERSITY



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

Chapter 15

Hand over and close out



15. Handover and Close-out

The first “Handover Plan” was developed as an annexure to the MOA’s 3rd Addendum that was signed in November 2013 shortly after establishment of the Interim Councils and just before the start of the first academic year in February 2014. This plan, and its inclusion in the formal extension of the MOA between DHET and Wits University, was an acknowledgement by both parties that the fledgling universities would soon have to take over full responsibility for their own development.

Establishment of the two universities had focused on three major components: the academic, institutional and infrastructure development and these are summarized below.

15.1. ACADEMIC AND INSTITUTIONAL DEVELOPMENT

Responsibility for the academic development was handed over when Interim Heads of both universities had been appointed and the first academic year got under way. After the start of the 2014 academic year, the NUPMT ceased to make any further input to the academic project.

Responsibility for the institutional development of the universities would continue to be supported by the NUPMT until as late as the end of 2014 and this included:

- Support to the interim councils to establish the first full councils, which were inaugurated on the 14th and 19th August 2014 (UMP and SPU respectively). These councils have operated effectively since then with all the necessary committees of Council in place.
- Appointment of the Vice Chancellors (UMP in November 2014 and SPU in April 2015) and the core executive management.
- Incorporation of the Lowveld College of Education into the University of Mpumalanga
- Disestablishment of the National Institutes of Higher Education in both Northern Cape and Mpumalanga.

In its Annual Report of March 2015, the NUPMT was able to report completion of the above processes and an effective handover of responsibility for institutional development (see Chapter 5 Academic and Institutional Development).

The handover of responsibility for infrastructure development would prove more complex.

15.2. INFRASTRUCTURE HANDOVER PLANNING

When the first handover plan was prepared in November 2013 it was believed that during 2014 the NUPMT would procure the design and construction capacity for major infrastructure and that by the start of construction towards the end of 2014, the new universities would take over responsibility for implementation.

It was recognised, however, that the handover plan would be dependent on several critical factors, including:

- a) Appointment of executive management of the University, including a senior Finance Manager, which only happened at the end of 2014;

- b) Establishment of a bank account and a university financial management system that would effectively track infrastructure expenditure
- c) Appointment of capable in-house delivery management capacity to replace the functions performed by the NU PMT.

Work had started on the recruitment of a Chief Financial Officer at each university with adverts planned for late September 2013. Preparations were also underway to commence tendering for a Project and Programme Management Service for each university. It was therefore believed that the fundamental building blocks would be in place by February or March 2014 to begin a process to hand over the infrastructure delivery management. The plan envisaged the handover of infrastructure projects together with the appointed service providers (project managers, design professions and contractors) by December 2014. The plan optimistically envisaged a three-month period of back-up support to the universities' project teams with financial close out by NUPMT on 31 March 2015.

Much of what was planned was achieved by mid-2014. This included the appointment of project managers and the appointment of full design teams for each university. By October 2014, contractors had been appointed (three at SPU and two at UMP) and construction had started in order to complete major new buildings by January 2016 in time for the 2016 academic year, a critical objective in terms of expanding student enrolment.

15.3. TOWARDS A REALISTIC HANDOVER PLAN

In the build up to the October construction start, it became obvious that the new universities did not yet have in place the capacity or the systems necessary to take over the infrastructure responsibility. DHET was concerned that premature handover would have severe repercussions in terms of construction delays and delayed enrolment growth.

The Interim Councils of both universities had reached the same conclusion and had formally requested DHET to extend the MOA with Wits in order to enable an effective first phase of construction as well as an extended period of capacity building to develop the capability of an appointed Infrastructure Director and staff. With this consensus reached, the DHET and Wits signed the 4th Addendum to the MOA^[15-1] in September 2014, undertaking to complete the first phase of major new construction by 31 March 2016 and to ensure that any infrastructure that would be completed after that date would be the responsibility of the two universities. This was ultimately achieved, except for the R10,3m Enhancement Project at SPU, which continued under NUPMT as described in Section 14.8 of the previous chapter.

The decision to embark on major construction work on remote campuses took Wits University into an area of risk it had hoped to avoid. The question was asked: *What if the new universities refuse to accept handover of the completed buildings?* This challenge was resolved by a joint Memorandum of Agreement between DHET, Wits, SPU and UMP^[15-2], which was signed in October 2014 and which formalised agreement on the implementation process, including the commitment by both universities to take over infrastructure responsibility from 31 March 2016.

In the joint MOA, UMP and SPU confirmed that:

- *“the spatial development and implementation plans developed by WITS and the DHET.... have been developed in consultation with their (UMP’s and SPU’s) authorised representatives and ... have been approved by their respective governance structures....*
- *UMP and SPU have participated in procurement processes leading to the appointment by WITS of the respective project managers, design teams and main contractors for the construction work as agreed, and that UMP and SPU herewith wish to confirm and ratify the appointment of the said managers, design teams and contractors.*
- *UMP and SPU confirm that the design and configuration of the construction projects in accordance with the spatial development and implementation plans have been developed in consultation with the Management of the UMP and SPU and approved by the respective Interim Councils.”*

These were critically important commitments because the handover would include not only finished buildings but also partially designed buildings that would have to be built by the new universities themselves. Furthermore, the commitments were important because the Wits NUPMT would be handing over the existing framework contracts for the appointed project managers, the design teams and the main contractors, who would then have to work under the leadership of the SPU and UMP infrastructure delivery managers, who were yet to be appointed.

Importantly, the joint MOA amended the original MOA between Wits and DHET, formalising representation from UMP and SPU on the Steering Committee and on the Technical Integration Committee and thus ensuring collective responsibility for oversight and monitoring of progress of the planned projects.

The handover plan was successfully implemented. A further MOA amendment (Addendum 5) extended the period of the MOA to 31 July 2017 to allow for a comprehensive close out period, including settlement of final accounts, final reconciliation, the transfer of residual funds and the completion of this close out report. But essentially, the handover of responsibility for further infrastructure development was achieved by 31 March 2016.

15.4. HANDOVER OF WITS FRAMEWORK CONTRACTS TO NEW UNIVERSITIES

A pre-requisite for the handover of the infrastructure portfolio was the appointment at each university of a competent and experienced infrastructure delivery manager. The position of Executive Director: Infrastructure was advertised and appointments were made at SPU and UMP in the second half of 2015. The NUPMT assisted with the drafting of job descriptions [15-3], newspaper adverts and with the interview processes.

It soon became apparent that the handover would require the continued input of certain key members of the existing Wits NUPMT to ensure continuity of the development. The new infrastructure directors of both universities were invited to appoint these members as specialist advisors in spatial planning, procurement, infrastructure services and ICT installation on the same terms as their existing appointments. The NUPMT’s Client Delivery Manager, Project Manager, Project Administrator and Management Accountant would

remain wholly focused on the first phase completion, the handover of infrastructure responsibility and the close out of the MOA.

The 31st March 2016 signified the formal handover of responsibility for infrastructure delivery from the DHET to the new universities. With effect from 1 April 2016, technical competencies previously reporting to the New Universities Project Management Team were successfully contracted by the new universities themselves ensuring continuity in the ongoing delivery of infrastructure.

These arrangements paved the way for the full handover of

- new buildings,
- partially designed buildings that would be constructed by SPU and UMP, and
- existing framework contracts with project managers, design professions and contractors – that would reinforce the continuity of the infrastructure delivery processes.

In its annual report of May 2016, the NUPMT was able to report completion and handover of the first phase of construction at both universities in time for the start of the 2016 academic year, all except for one building at SPU that would only be fully completed by May 2016. This delayed completion was due to a structural design failure, which is discussed in Chapter 4, Section 4.8.

The handover of framework contracts had been planned from the start of the tender processes undertaken during 2014 and 2015, during which over 32 framework contracts were entered into by Wits ^[15-4] for UMP and SPU respectively. These contracts were awarded to contractors, professional service providers and suppliers servicing each university. Each of the two universities participated in these procurement processes and the framework contracts concluded allowed Wits to hand over contractual responsibility to UMP and SPU, enabling them to place orders against the relevant contracts.

This handover of contracts was formalised by a two page addendum^[15-5] to each contract, which was signed by Wits, the university taking handover as the Employer, and the relevant service provider, in which the parties agreed on an “effective date” for the change of Employer to take place. The addendum provides for Wits to continue to hold responsibility for orders issued before the “effective date” and for the new university to issue orders after the effective date. This simple mechanism enabled the baton of contractual responsibility to pass to the fledgling universities.

15.5. NEW UNIVERSITIES START OWN CONSTRUCTION FOR 2017 ACADEMIC YEAR

In 2015, using the contractual handover mechanism described above, both Sol Plaatje University and the University of Mpumalanga commenced the construction of new buildings that needed to be completed for the start of the 2017 academic year. This work proceeded under the supervision of professional project managers appointed for each university as part of the process referred to above.

In support of the handover process and to enable each university to take over responsibility as the contractual “Employer” for the design and construction of new buildings initiated by Wits, the DHET transferred R100m to University of Mpumalanga and R83m to Sol Plaatje

University. Letters from the Director General to UMP^[15-6] and SPU^[15-7] provided detail on the projects as set out in the tables below. Thus in 2015 these funds were transferred by DHET to SPU and UMP instead of to Wits, in order to enable both universities to conclude contracts and package orders for the projects which would commence in 2015 and early in 2016.

Tables 15.1 and 15.2 below show the estimated 2015/16 expenditure by Wits on fees, the estimated 2015/16 expenditure by SPU and UMP respectively, the estimated expenditure in 2016/17 by SPU and UMP respectively and the total estimated project costs. This mechanism enabled the transfer of responsibility for projects in which the design was initiated by Wits (up to stage 6) and further design and implementation was taken over by the relevant university.

Table 15.1: SPU projects to start in 2015 and finish after 31 March 2016

	2015/16 Wits Fees (R m)	2015/16 SPU (R m)	2016/17 SPU (R m)	Total (R m)
Library (4)**	R15.0	R45.0	R97.3	R157.3
Academic Building (5)	R8.8	R17.5	R73.9	R100.2
Teacher Education (8)	R8.7	R17.5	R73.8	R100.0
Forward Planning	R0.0	R3.0	R0.0	R3.0
Total	R32.5	R83.0	R245.0	R360.5

** Library total cost = R172.3 leaving a balance of R15m to be spent in 2017/18

Table 15.2: UMP projects to start in 2015/16 & finish after 31 March 2016

	2015/16 Wits Fees (R m)	2015/16 UMP (R m)	2016/17 UMP (R m)	Total (R m)
Executive Offices	R4.0	R23.0	R10.7	R37.7
Library	R7.6	R16.4	R62.3	R86.3
IT Laboratories	R1.8	R5.6	R13.2	R20.6
Clinic and Wellness Centre	R6.2	R18.6	R46.7	R71.5
New Residence	R7.9	R19.1	R64.2	R91.2
Infrastructure Construction	R7.2	R11.8	R36.8	R55.8
Forward Planning	R0.0	R5.5	R0.0	R5.5
Total	R34.7	R100.0	R233.9	R368.6

The DHET made it clear in the above correspondence that the total 2015/16 infrastructure allocation of R83m (SPU) and R100m (UMP) would be augmented in the 2016/17 financial year with the outstanding estimated project amounts, totalling approximately R245 million (SPU) and R233,9 million (UMP) as indicated in the above tables.

The DHET allocation of R183m to both universities reduced the total allocation to Wits by the same amount and reduced the overall control budgets from R857 627 138 to R804 001 583 at SPU, and from R593 093 936 to R493 093 936 at UMP.

15.6. FIVE YEAR DEVELOPMENT PLANS – THE WAY FORWARD

An important part of the handover process included the crafting of five-year development plans [15-8], [15-9] and budgets to ensure continuity and to enable the continued funding support of the DHET. During the 2015/16 financial year, approximately two thirds of the available MTEF capex budget was allocated to the Sol Plaatje University. Because of the growth requirements at UMP, it was decided that the allocation of the MTEF capex budget for the next few years (2016/17 onwards) would be split approximately 36% to SPU and 64% to UMP. Following submissions by each university, the DHET approved their five-year plans and the corresponding 2016/17 DHET funding allocations to SPU[15-10] and to UMP[15-11], effectively confirming the handover of responsibility for infrastructure delivery.

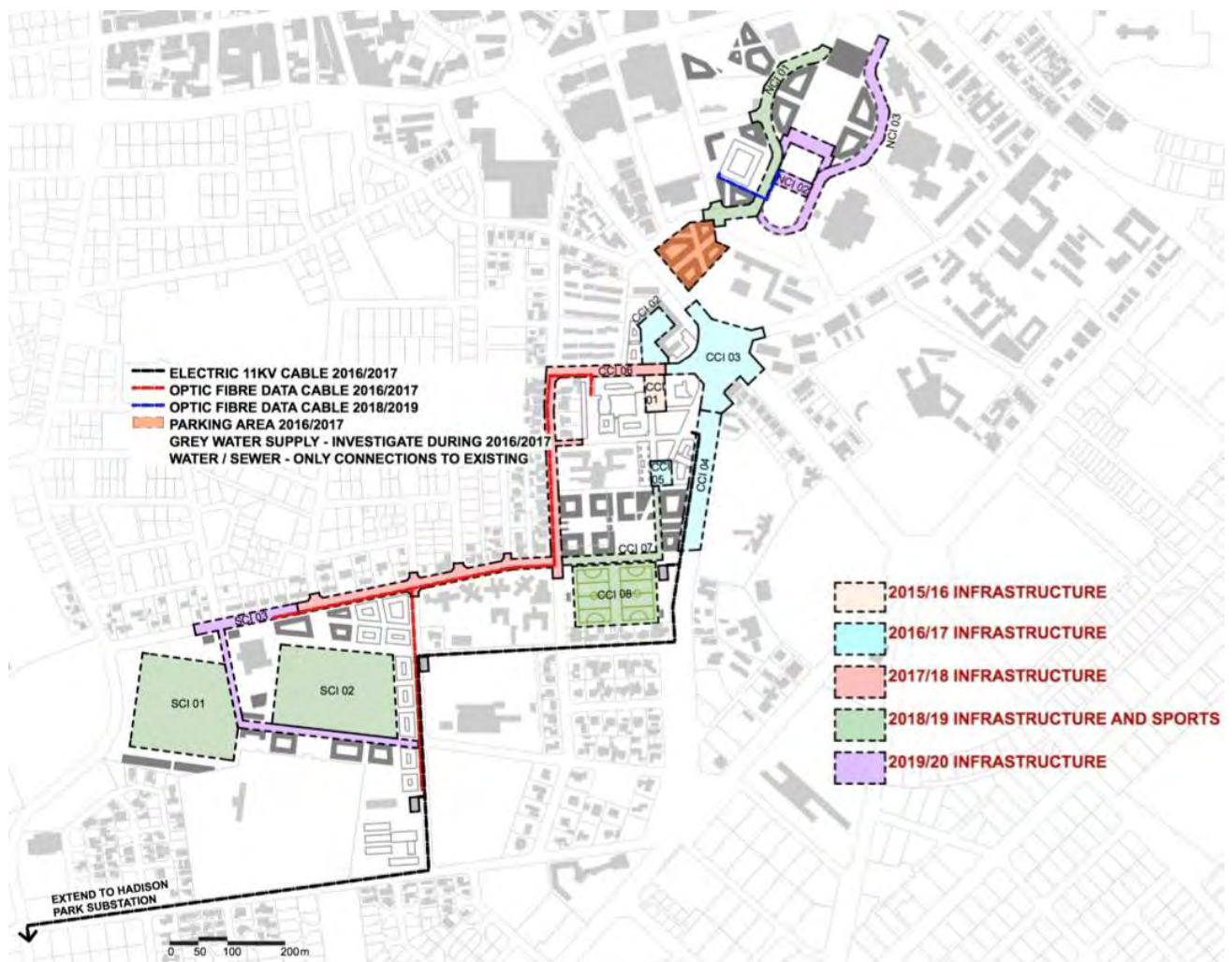


Fig 15.1 : Sol Plaatje University, Infrastructure, 2015 - 2020



Fig 15.2: Sol Plaatje University, Buildings, 2015 – 2020

Table 15.3 Sol Plaatje University, 2015 – 2020 Infrastructure Development Budget

SOL PLAATJE UNIVERSITY	Total Budget 2015/2016	Total Budget 2016/2017	Total Budget 2017/2018	Total Budget 2018/2019	Total Budget 2019/2020
CAPITAL EXPENDITURE					
General Information					
Planned Bulk sqm	33 772	17 466	15 963	16 980	14 952
Assignable sqm	23 019	10 853	11 178	11 736	10 616
Enrolment No	797	1 200	1 600	2 100	2 700
No Beds (80% requirement)	638	960	1 280	1 680	2 160
No Beds (60% planned)	383	576	768	1 008	1 296
Current and Planned Number of Beds	708		893	1 053	
			(JP HUGO)	(New Residence)	
INFRASTRUCTURE CAPITAL					
DHET BUDGET ALLOCATION R1Billion x 5,3% annual Increase	0	1 053 000 000	1 108 809 000	1 167 575 877	1 229 457 398
Less Combined NU OPEX Shortfall	0	0	138 068 000	180 796 000	0
Capital Available NU Combined	0	1 053 000 000	970 741 000	986 779 877	1 229 457 398
SPU Control Budget (36/64% split)	887 001 583	379 080 000	349 466 760	355 240 756	442 604 663
Academic Infrastructure					
Buildings	749 787 062	251 589 604	268 014 615	280 657 738	330 866 678
Alterations and Additions	0	45 000 000	0	0	12 500 000
FF&E	42 353 685	21 699 985	25 727 554	19 447 244	24 401 355
Bulk Infrastructure & Services					
Bulk Infrastructure (External)	5 893 800	17 027 480	19 000 000	19 955 700	30 000 000
ICT Platform + Fee	250 000	10 041 967	10 575 324	11 421 350	12 335 058
Erf 1	1 000 000	4 000 000	6 000 000	7 500 000	7 500 000
Site Infrastructure (On-site)	89 773 571	22 100 000	11 500 000	5 000 000	5 800 000
General Budget Allowances					
Planning and Programming	2 508 000	6 250 000	6 581 250	6 930 056	7 297 349
Insurance	874 431	373 708	344 514	350 206	436 332
Total Planned Expenditure	892 440 549	378 082 743	347 743 258	351 262 295	431 136 773
Surplus/(Deficit)	-5 438 966	997 257	1 723 502	3 978 461	11 467 890

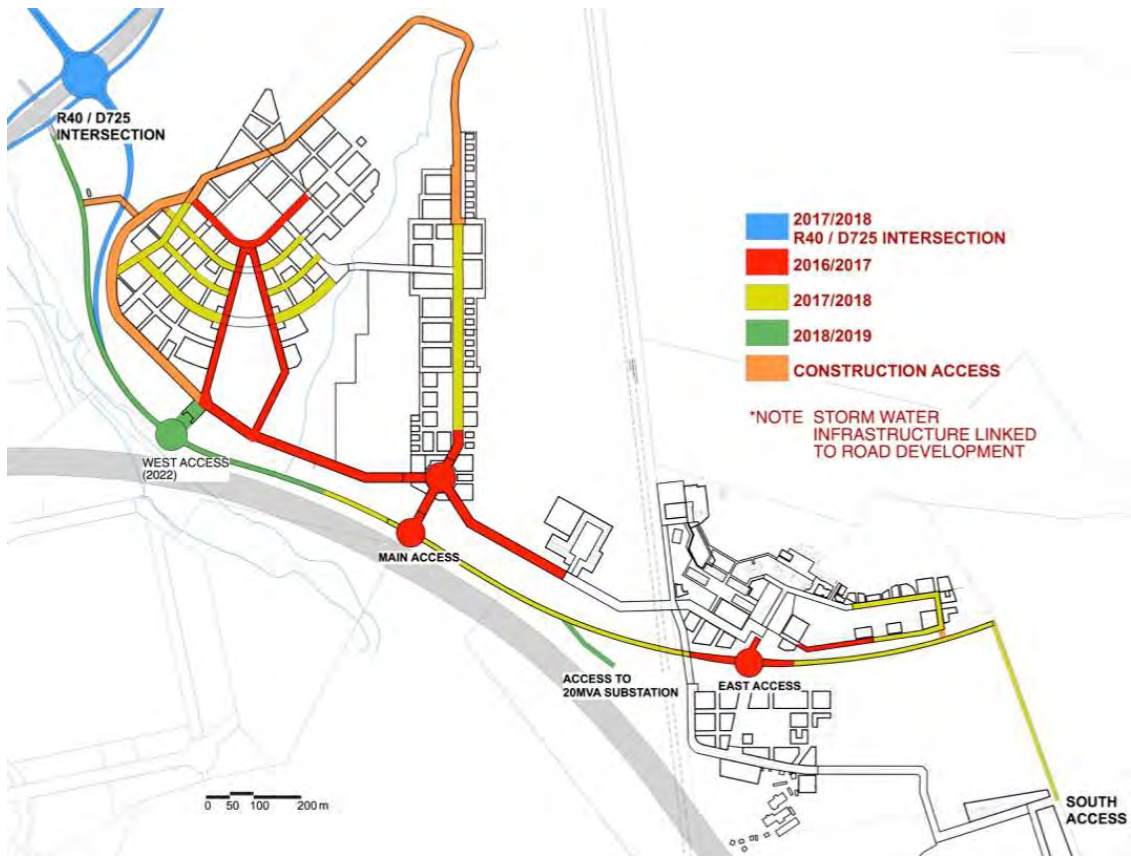


Fig 15.3: University of Mpumalanga, Infrastructure Roads, 2015 – 2020

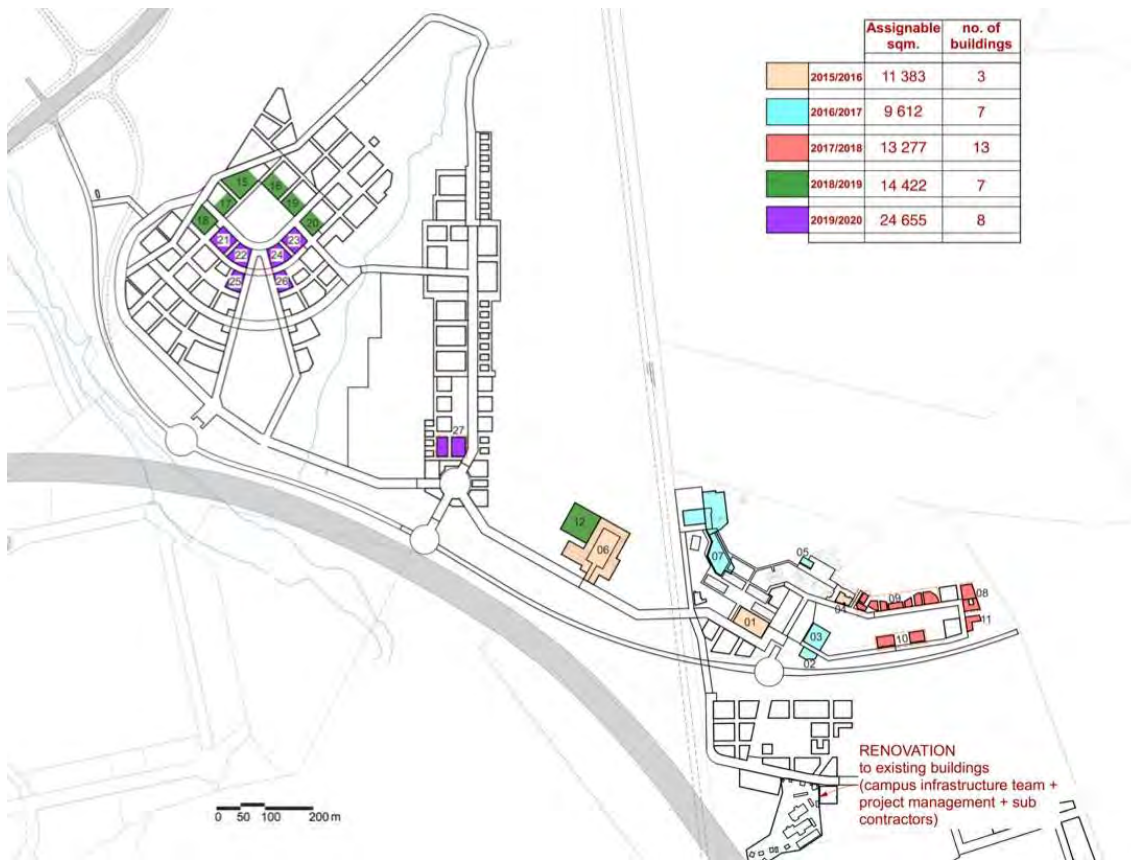


Fig 15.4: University of Mpumalanga, Buildings, 2015 – 2020

Table 15.4 University of Mpumalanga, 2015 – 2020 Infrastructure Development Budget

UNIVERSITY OF MPUMALANGA	Total Budget 2015/2016	Total Budget 2016/2017	Total Budget 2017/2018	Total Budget 2018/2019	Total Budget 2019/2020
CAPITAL EXPENDITURE					
General and Development Targets					
Planned Bulk sqm	15 026	15 566	15 237	31 188	31 336
Assignable sqm	11 383	9 612	13 277	14 422	24 655
Enrolment No (Mbombela Campus)	940	1 399	1 975	2 500	3 750
No Beds (60% requirement)	564	839	1 185	1 500	2 250
No Beds (40% planned)	376	560	790	1 000	1 500
DHET BUDGET ALLOCATION R1Billion x 5,3% annual Increase	586 037 386	1 053 000 000	1 108 809 000	1 167 575 877	1 229 457 398
Less Combined NU OPEX Shortfall		0	138 068 000	180 796 000	0
Capital Available NU Combined		1 053 000 000	970 741 000	986 779 877	1 229 457 398
UMP Control Budget (64/34% Split)	593 093 936	673 920 000	621 274 240	631 539 121	786 852 735
Academic Infrastructure					
Residential	100 117 037	0	0	0	0
Executive Offices	26 510 247	13 754 354	0	0	0
Library	23 855 617	61 664 699	0	0	0
Auditorium	47 621 235	0	0	0	0
IT Laboratories	8 004 613	28 090 960	10 000 000	0	0
Laboratories	184 023 243	0	0	0	0
Clinic	23 976 291	37 692 932	0	0	0
Residential	26 567 412	59 088 198	0	0	0
Sports/Multi Purpose Hall		32 738 492	0	0	0
Hospitality Building		27 304 022	46 490 632	0	0
Multi-purpose Academic Block		33 354 197	56 792 281	0	0
Administration Block		34 921 129	63 448 249	0	0
Staff Support and Recreation		10 377 300	19 272 128	0	0
Renovation of DARDLA Buildings		6 989 465	12 980 435	0	0
BSc Building - Research Laboratories		0	17 785 746	46 889 694	0
Academic Facilities		0	36 226 394	95 505 947	0
Student Residence		0	27 039 598	73 107 062	0
Academic Admin		0	17 540 205	47 423 517	0
Academic		0	0	66 592 130	222 938 870
Residential		0	0	67 182 076	224 913 906

Shared Facilities		0	0	15 482 549	51 832 882
2020/2021 Building Start Allocation		0	0	0	86 448 536
	3 780 000	5 000 000	0	0	0
Buildings Total	444 455 696	350 975 748	307 575 668	412 182 974	586 134 194
FF&E	27 380 921	26 395 786	23 394 738	27 113 862	48 670 681
Site Infrastructure: Lower Campus					
Civil Infrastructure	41 395 190	7 677 387	2 692 586	0	1 300 000
Urban Fabric & Landscaping	7 914 815	14 778 776	0	0	0
Electrical Site Infrastructure	27 052 369	11 396 393	7 651 901	695 627	0
Site Infrastructure: Hill Campus					
Civil Infrastructure		64 653 407	80 534 144	4 623 635	0
Urban Fabric & Landscaping		11 000 000	15 000 000	12 500 000	16 000 000
Electrical Site Infrastructure		15 000 000	75 000 000	77 801 799	35 000 000
Site Infrastructure: Services					
Bulk Infrastructure - El, Roads & Water	30 655 434	109 497 705	67 329 042	34 429 636	35 986 327
Sport Infrastructure		10 000 000	5 000 000	5 265 000	7 500 000
ICT Platform	250 000	8 607 866	9 026 495	9 748 615	10 528 504
General Budget Allowances					
Planning and Programming	6 384 000	6 722 352	7 078 637	7 453 804	7 848 856
Insurance	548 961	623 772	575 044	584 545	728 302
Siyabuswa		26 000 000	20 000 000	38 000 000	37 000 000
Renovations		10 000 000	0	0	0
Total Planned Expenditure	586 037 386	673 329 192	620 858 255	630 399 498	786 696 863
Current Surplus/Deficit	7 056 550	590 808	415 985	1 139 623	155 872

15.7. CLOSE OUT

Contractually, construction completion is achieved when the final accounts have been settled, all defects have been dealt with and the defects liability period (12 months after construction completion) has expired, enabling release of the outstanding retention fund in a final payment by the Employer to the Contractor. At UMP, the release of all retention funds was authorised by NUPMT in April 2017. At SPU, the making good of defects took somewhat longer and the final release of retention funds was authorised as late as early July 2017.

During the Close-out Phase between April 2016 and July 2017, the NUPMT undertook the following close out actions

- a construction enhancement project at SPU in an amount of R10,36 million and as described above
- administrative back-up and support to both universities so that outstanding queries could be dealt with, documents could be accessed, etc.

- support to both universities with accounting for the capitalisation of the new infrastructure on their accounting systems in accordance with International Financial Reporting Standards (IFRS)
- finalisation of outstanding contractual obligations such as payments to contractors and service providers
- handover of outstanding planning and construction-related documentation including as-built drawings, product guarantees and maintenance directions
- conclusion of defects, settlement of final accounts and release of retention funds
- financial reconciliation
- phased transfer of residual funds in accordance with the MOA
- close out report on all aspects of the MOA (this report)
- filing and archiving of all project material.

15.7.1 Building Enhancement Project at SPU

In the latter half of 2016, the PMT initiated a building enhancement project at SPU to address some shortcomings in the design and delivery of buildings C001, C002 and C003 and in the infrastructure project CX01. In October 2016, the NUPMT appointed two contractors (of the original three) to work under one of the architects to implement the Enhancement Project in a total value of R10,36 m as described in the previous chapter.

15.7.2 Revision of Norms and Standards for University Infrastructure

Recent experience, including the development of the new universities, has indicated that the latest published values of the DHET Space and Cost Norms for higher education buildings may no longer reflect the accurate Rand value of the cost unit for two reasons:

- 1) the current values represent the compounded escalated value of the 1995 base cost
- 2) changes in use, technology, teaching methods and building standards are not reflected in the Rand value of basic cost unit; in particular, information technology, security and access control and audio-visual technology are new developments that may have contributed to an increased the basic Rand value of the cost unit.

Accordingly, DHET requested the NUPMT to commission a study to recalculate/ revalidate the Rand value of the cost unit, based on an elemental analysis of proposed and existing university buildings. Task orders were issued to three of the four Quantity Surveyors appointed at SPU and UMP and additional specialists were identified to support the process.

Elemental cost analyses of the following buildings were prepared by the project team, based on the latest final, or projected, costs and quantities available:

Office buildings:

- Administration Block at the University of Mpumalanga
- Mathematical Sciences Building at the University of the Witwatersrand.

Teaching block:

- Multi-Purpose Teaching Building with offices (C003) at Sol Plaatje University.

Laboratory

- Undergraduate Science Building (C007) at Sol Plaatje University.

A basket of common rates applicable to Gauteng projects was compiled and agreed upon by the project cost consultants and these rates were utilised to price the four elemental analyses on a common basis. A location factor for each university site was developed as part of the review to enable university specific adjustments to be made on an equitable basis.

The project commenced in December 2016 and was completed in July 2017 with the delivery of a report and recommendations, which have been submitted to National Treasury for endorsement.

15.7.3 Filing and Archiving

All contract documentation has been filed and will be stored with Metrofile for a period of five years as required by law.

The NU PMT has also prepared an electronic archive of project documentation that will be handed over to DHET, SPU and UMP. It is envisaged that a copy of this record will be maintained by Wits Historical Papers Research Archive in Wits Library and will be accessible to researchers and the public on request. This report provides a guide to the project's key documents.

15.7.4 Transfer of Residual Funds

Following a consultative process with each university and DHET, the NUPMT recommended to DHET a first transfer of the residual funds from Wits to SPU and UMP in accordance with Clause 20.11 (Residual Finance) of the MOA. Accordingly, in August 2016 the DHET instructed Wits to transfer R22,8m to SPU, and R21,97m to UMP for urgent projects including just under R10m each for an ICT security platform which could not be delivered by the Wits NUPMT as originally planned.^[15-12]

In July 2017, following a similar consultation with both universities and also in accordance with Clause 20.11 of the MOA, DHET instructed Wits to transfer R37,5m each to SPU and UMP for identified priority projects. Following these transfers and the close out of all outstanding contracts, the final KPMG financial review^[15-13] confirmed the total expenditure of R1 624 500 495. The final control budget (see Chapter 4, Table 4.4) reflects the residual transfers and the total expenditure.

15.8. SOME CONCLUSIONS ON THE HANDOVER OF CLIENT RESPONSIBILITY

It is a very unusual requirement that a construction client should hand over contractual responsibility for delivery midway through a major infrastructure project. In this regard the DHET, NUPMT and the new universities had no experience or precedent to fall back on. Some aspects of the handover were planned from the outset, such as the choice of three-year framework contracts for all service providers and a contractual provision (already at tender stage) allowing for the respective new university to take over the contractual role of Employer.

It was understood that this unusual kind of contractual handover was fraught with risk, and required the full understanding and acceptance of all parties. To this end the joint Memorandum of Agreement (MOA) between DHET, Wits, UMP and SPU focused all parties on the risks involved and on a set deadline for conclusion of the handover, namely 31 March 2016. The mitigation of risk was further provided for in the MOA by a clause setting aside a substantial risk contingency fund to be utilised by Wits in the event of any unforeseen challenges. As it happened, this contingency was not required.

Planning for the handover continued to unfold throughout the first phase delivery. Most of the envisaged handover requirements were met. As the deadline approached, it became clear that it would also be necessary for some members of the NUPMT to continue their roles under management of the new universities in order to ensure continuity.

In summary, some key factors that enabled the midstream handover of client contractual responsibility were:

- Three-year framework contracts for all contractors and professional service providers, which made provision for the handover of client contractual responsibility right from the start of the tendering process;
- The appointment of a project manager responsible for each university, who would also be handed over to the respective university;
- The appointment of a financial manager and the establishment of adequate financial systems for the management of infrastructure projects at each university;
- The appointment of a competent client infrastructure delivery manager at each university;
- Careful planning for the handover of projects still in design so that these could be taken over at a specific design stage (Stage 6);
- Handover of a five-year infrastructure plan, accepted by the new universities;
- A realistic, but very definite, handover deadline that obligated the efforts of all parties;
- A documented audit trail, which ensured there was no ambiguity of responsibility;
- Support to both universities in relation to the capitalisation of the infrastructure delivered by NU PMT onto the accounting records of the new universities.

The 15 month close out period from project handover on 31 March 2017 to 31 July 2017 was important. This provided time to deal with all outstanding queries and issues which confronted the new universities as they successfully shouldered the enormous task of managing their own infrastructure delivery.

REFERENCE DOCUMENTS

- 15-1 Fourth Addendum to the Memorandum of Agreement between DHET and Wits
- 15-2 Memorandum of Agreement between DHET, University of the Witwatersrand, Johannesburg, University of Mpumalanga and Sol Plaatje University
- 15-3 Executive Director: Planning, Development and Management of Campus Infrastructure and Facilities – Draft Post Profile (SPU 2014)
- 15-4 List of Framework Contracts handed over by Wits to SPU & UMP
- 15-5 Signed example of Addendum giving effect to the Change of Employer in the Contract
- 15-6 Letter to UMP from the Director General, DHET, dated 5 October 2015
- 15-7 Letter to SPU from the Director General, DHET, dated 5 October 2015
- 15-8 SPU Strategic Infrastructure and Implementation 5-year plan - 2016 04 06
- 15-9 UMP Strategic Infrastructure and Implementation 5-year plan - 2016 04 06
- 15-10 DHET Letter to SPU approving 5-year plan and budget allocation – 2016 06 07
- 15-11 DHET Letter to UMP approving 5-year plan and budget allocation – 2016 06 07
- 15-12 Letter to Wits from the Director General, 10 August 2016
- 15-13 KPMG - Agreed upon Procedures Review - August 2017 (Final)