

PARLIAMENTARY QUESTION

B/600 **The Honourable Second Member for Belle Rose and Quatre Bornes (Dr Boolell)**

To ask the Honourable Deputy Prime Minister, Minister of Energy and Public Utilities:-

Whether, in regard to the contract for sewerage house connection works in Quatre Bornes, Bassin and Palma, he will, for the benefit of the House, obtain from the Waste Water Management Authority, information as to why same was rescinded in 2015, indicating how and when the said works will be resumed and completed and the inconveniences being caused in many places by the unfinished works be put to an end?

REPLY ON (TUESDAY 09 JULY 2019)

Madam Speaker,

I am informed by the Wastewater Management Authority that the Plaines Wilhems Sewerage project was implemented in 3 lots. The Hon Member is referring to Lot 1A, which in the initial contract covered the regions of Stanley, Palma, Hugnin, Bassin, Trefles and Victoria.

The concept, design and tender documents for the entire Plaines Wilhems Sewerage project, developed by the Consultant Montgomery Watson in 2003, consisted only of a general site survey without detailed topographical survey study and house surveys. On 19 October 2009, with the approval of the Central Procurement Board, WMA awarded the contract for Lot 1A to Joint Venture Thymian Holdings Gbr/Sotravic Ltée for MUR 2,842,498,362.59 (incl. VAT). Works, which included 102 km of street sewer, 13,000 house connections and replacement of 50 km old CWA pipes, were expected to be completed in May 2014.

In 2011, the Contractor claimed that there was an increase of lengths from 102 km to 142 km. The revised cost would be Rs 3.2 billion.

On 20 July 2012, without obtaining financial clearance, the WMA Board approved the variation bringing the contract amount from **Rs 2,842,498,362 to Rs 3,940,326,977** and the extension of the contractual date from 31 May 2014 to 10 November 2017. In August 2012, the WMA made a request for the additional funds.

In his 2012 report, the Director of Audit noted that –

"Project cost will increase by some Rs 864 million. Had detailed house to house survey and detailed topographical survey done prior to inviting tenders for the project, it could have the following effects:

- *With a well-defined scope of works, competitive prices could have been obtained from several potential bidders for each aspect of the works.*
- *Moreover in this project, **the surveys were carried out by the Contractor after award of contract. Thus the Contractor carried out survey of works to be done by himself.*** "

*The Ministry of Finance and Economic Development stated that in view of the fact that Wastewater Management Authority projects are experiencing significant cost overruns, the Parent Ministry should carry out an overall project design, implementation and management to understand **why the initial project targets have not been met and why house connections have been done where there are no street sewers.***"

Despite these observations, on 04 November 2014, the WMA instructed the Consultant to issue the Variation Order for net amount of Rs 3,920,360,438.42, exclusive of VAT. The cost overrun represented 40% of the original contract value, which was not in compliance with the Public Procurement Act. At the end of the project, only 6,800 houses instead of 13,000 had been connected to the public sewer.

Later in 2018, in the report of the Public Accounts Committee signed by Hon Perraud, the Committee noted with concern the cost increase in this project. It remarked that the officers of the WMA concurred with the committee that “the scope of the bid was open to abuse as the value of the works was based on a design that had to be prepared and finalised by the contractor after the award of contract.” It concluded “there was gross negligence both at the level of the parent Ministry and that of the WMA in assessing the scope and value of the works prior to inviting bids for the project. ”

All this occurred before I took office as Minister responsible for the Authority and at a time when the PMSD and the Labour Party were in charge of the Authority.

In March 2015, after taking note of the observations of the Director of Audit, Government recommended to WMA that the contract be closed with the completion of works initiated on the northern part of the areas, with an increase of Rs 285,120,386.40, representing a variation of 10% of the original contract price.

With regard to the second part of the question, I am informed by the WMA that it is considering the implementation of sewer works in regions of La Source, Palma, Route Bassin, Western Boundary, Seeneevassen, Mgr Leen, Rotin and Pusspass Avenue in phases. It is presently carrying out surveys at Route Bassin, Ramdane Lane and Jackson Avenue.

