

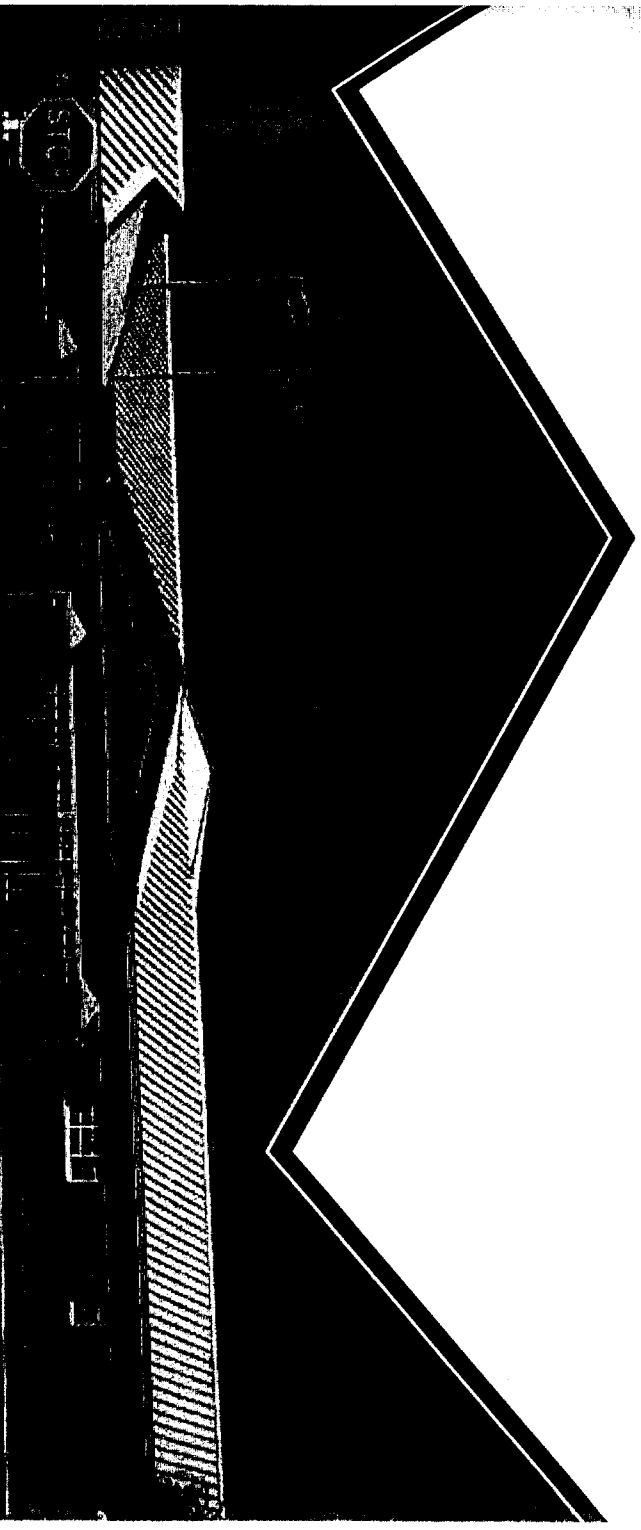
*Republic of Namibia*

MINISTRY OF WORKS AND TRANSPORT

## BUDGET

# TECHNICAL DOCUMENT

(FINANCIAL YEAR 2017/2018)



## VOTE 23: WORKS

PRESENTED BY:

HONOURABLE ALPHEUS GI NARUSEB, MP

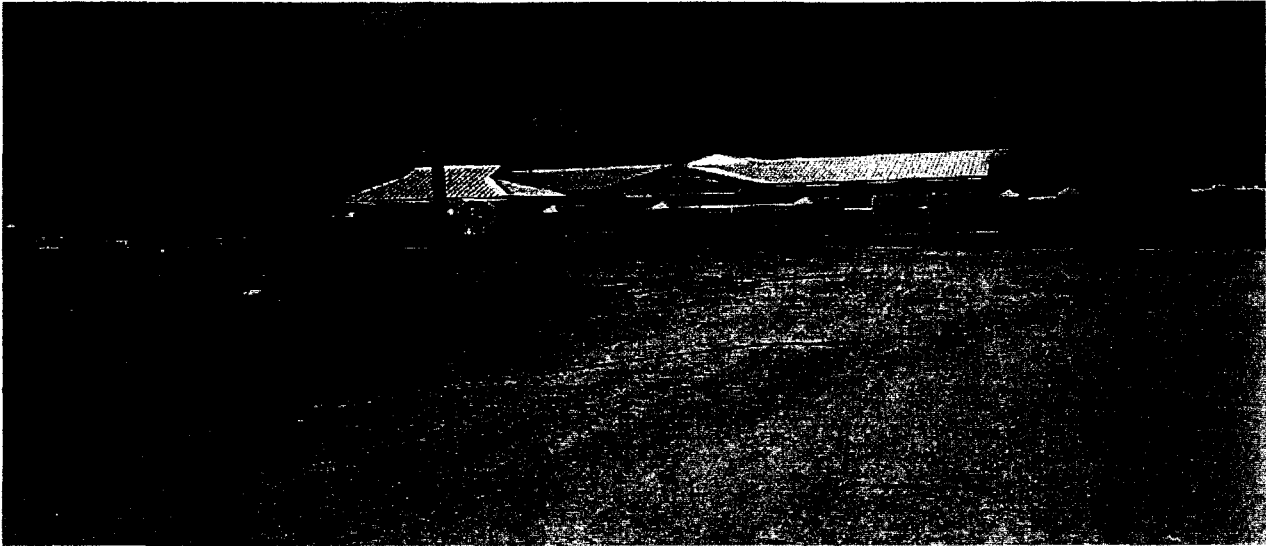
MINISTER OF WORKS AND TRANSPORT

31 March 2017



## INTRODUCTION

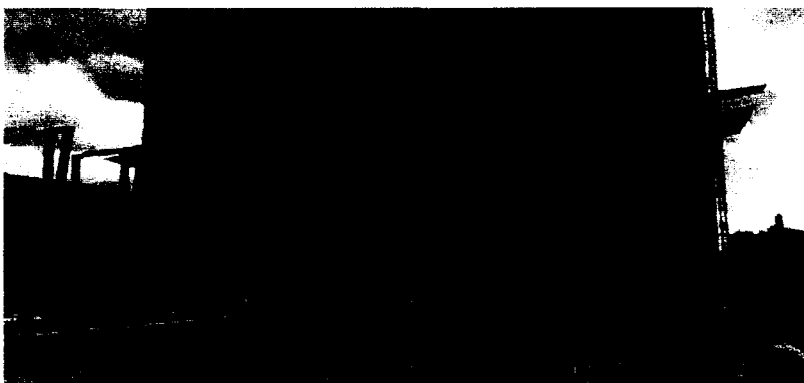
The Department of Works is responsible for the provision, management and maintenance of Government Buildings and related infrastructure. It is a services-rendering department, which fulfils the requirements of other Government Offices, Ministries and Agencies when it comes to the provision of Office Accommodation.



Omuthiya Regional Office without proper workshops for artisans

## MANDATE

The mandate of the Department of Works is to ensure the provision of building infrastructure and services as per the needs of Offices/ Ministries/ Agencies (O/M/A's). It also regulates the Architect, Quantity Surveyor and Engineering Professions Acts and administering legislation for these professions.



Ministry of Home Affairs and Immigration HQ building under construction

## HIGH LEVEL STRATEGIES

<b>NDP4 Priority</b>	<u>Logistics[1]</u>
High-level strategy	Create an enabling environment whereby Namibia by the year 2017 will be operating from high quality, well constructed and maintained functional and institutional facilities
Indicators:	Percentage enabling environment created
<b>Ministerial priority</b>	
High-level strategy	Meet the current and future construction and accommodation requirements of clients and other stakeholders in the Public Service
Indicator	Execution rate of building construction projects on the development budget increased
<b>Ministerial priority</b>	
High-level strategy	Regulate and monitor the Construction Industry in Namibia
Indicator	New Legislation implemented and/ or existing Legislation reviewed and updated.
<b>Ministerial priority</b>	
High-level strategy	Constantly Review and Improve Operational Excellence
Indicator	Percentage work done towards the restructuring of the Department of Works

## DESCRIPTION OF PROGRAMMES

### Programme 01: Provision of Horticultural Services

#### Purpose of this programme:

1. To render horticultural services at government office buildings and service centres.
2. To maintain existing landscape gardens and to create new ones where needed.
3. To promote greener environment to all existing and newly established government buildings.

#### Main activities under this programme:

1. Maintenance of landscape garden to Government buildings such as Ministerial Head Quarters, government flats, V.I.P. residences, Hospital/Clinics, Government guesthouses, Courts, Monuments, Sports fields and Public parks.
2. Removal of hazardous/ problematic trees mechanically
3. Maintenance of swimming pools and water fountains
4. Installation and maintenance of irrigation system
5. Production of plant seedlings including indigenous plants
6. Decoration of state functions
7. Recycling of vegetation
8. Provision of Garden Maintenance Services

#### Achievements to date:

Garden services within the Ministry of Works and Transport was created with the rationale of growing and cultivating plants as part of horticulture.

Since its creation, it is always the task of Garden Services to create a friendly, pleasant atmosphere by beautifying the surroundings of Government buildings, despite to which ministry the garden belongs.



## Garden services

During 2016/2017 financial year, Garden Service successfully managed to perform the activities such as

1. Pruning of shrubs,
2. Mowing of lawns and removal of problematic trees at various government institutions.
3. Continuous supply of decorative plants during state functions
4. Continuous supply of indoors and outdoors plants to line ministries, agencies and offices.

## Constraints

1. Shortage of qualified technical staff such as horticulturists and Landscape Architectures.
2. Lack of specialised horticultural equipment such as tractors and power in order to access and remove problematic big trees at Government buildings.
3. High mortality rates of plants at various garden sites/institution was recorded due to water shortage in the region.
4. Dilapidated infrastructures such as nurseries and buildings



Trees needed to be watered and pruned

## Programme 02: Provision of Stores and Printing Services

### Purpose of this programme:

1. To economize and facilitate the provision of goods and services and supplies as well as reproduction services (reproducing and producing office stationaries) through the central purchase stores and delivery services to government Ministries/Offices/Agencies (O/M/As).

### Main activities under the programme:

1. Government Stores and Reproduction Services Administration.
2. The procurement and delivery of standard stock supplies such as office furniture, equipment and materials through Government Stores to Ministries/Offices/Agencies (O/M/As).
3. Provision of reproduction services to all Government institutions and the administering of auctioneering services for Government redundant/obsolete goods/ items.



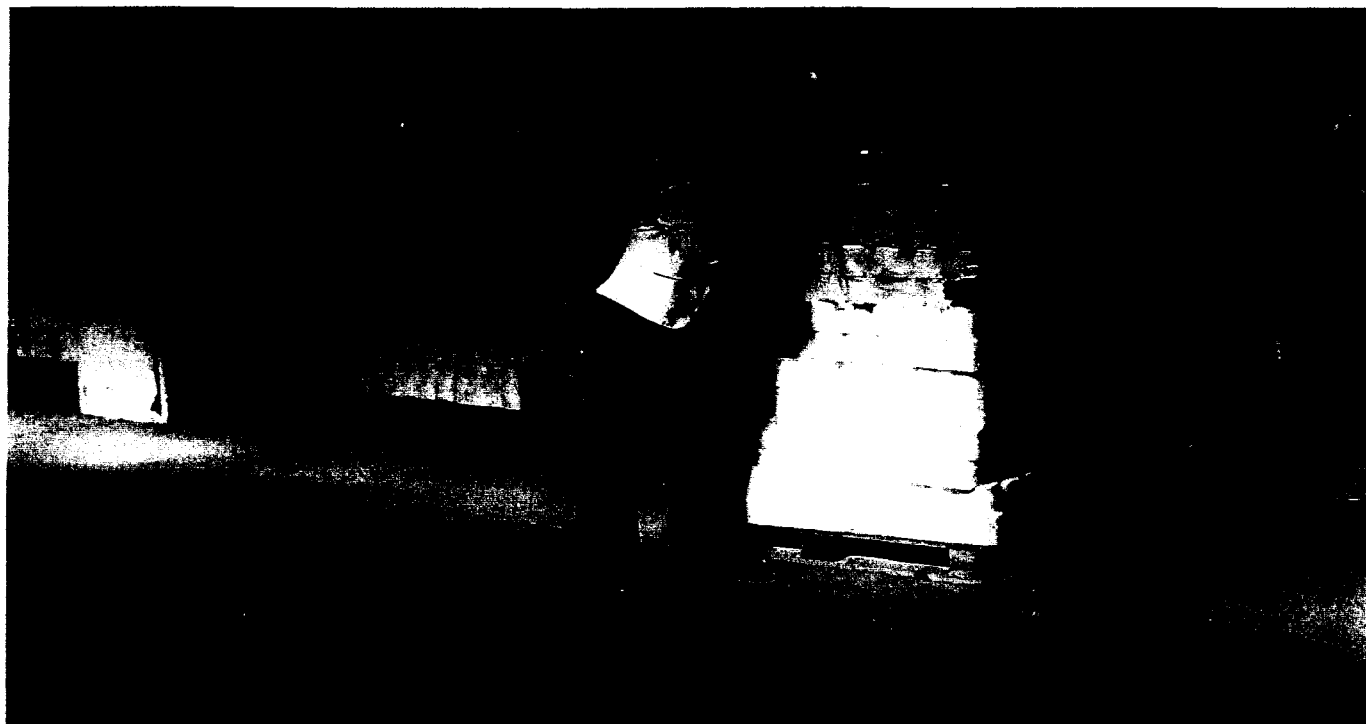
*Central Government Store – office stationaries*

### Achievements to date:

1. Government Stores and Printing served the Ministries/Offices/Agencies (O/M/As) with standard stock items. The Printing Services, under this programme, reproduce and produce stationaries on a daily basis or when required. About 20 million to 25 million

copies including budget books for 2017/2018 were reproduced for Offices/Ministries/Agencies (O/M/As) and Regional Councillors.

2. Auction services are also conducted, country wide, for redundant or obsolete goods and items for the State. The revenue generated from these auctions for 2016/2017 is N\$ 17, 369,321.20.



*Central Government Store – toiletry*



*Government Central Store – tools and items*

## Challenges:

1. The main challenge is the budget cut during the period under review and many activities were not implement. Another challenge is the recovery of money owed to Stores Trade Account by Ministries/Offices/Agencies (O/M/As).
2. The money that has been collected from the auctions is in cash and poses a huge risk for the staff working with it, as well as for the State due to the fact that the Ministry lack swipe machines.
3. There is a need of additional **N\$ 6,500,000.00** to renovate Government Stores Ondangwa which was gutted fire in 2015. Currently the staff members are operating in a small room and share one toilet, which is posed a health hazard.
4. Additional funds are required, amounting to **N\$ 8,866,000, 00**, for the payment of rental and maintenance agreements of Reproduction Services Machines country-wide for the rest of the 2017/2018 financial year. This amount is a resulted from the payment per month of **N\$ 738,809 x12 months**.
5. The amount provided in the coming financial year's budget is **N\$1,700,000.00** compare to **N\$ 8,865,708, 00** required for the financial year.
6. Government Reproduction Services renders support services to Government Offices/ Ministries/Agencies Regional Council/Local Authority through printing, binding of official documents, books (budget books) and examination question papers for Government Schools. However, these services are rendered **free of charge** to Offices/Ministries/Agencies (O/M/As), as they only provide photocopy papers. The Ministry of Works and Transport is going to introduce a tariff for copy charges.

## Programme 03: Maintenance of GRN properties

### Purpose of this programme:

1. To administer and maintain government buildings and related infrastructure to the best possible standard, to improve working conditions for staff members of Offices/Ministries/Agencies (O/M/As) of Government in order to operate more efficiently.
2. To improve living conditions in both rural and urban areas in all thirteen regions by providing sound environment management to government facilities at far off remote places where municipal services are not provided.
3. To ensure sustainable and reliable maintenance and rehabilitation of existing Government properties and related infrastructure to the best possible standard according to the availability of funds and priorities set by the Government.



### Main activities under this programme:

1. To repair and maintain government properties to the best possible standard.
2. Service specialised installations.
3. Executing Minor Capital Works



*Inside Omuthiya Regional Office Store*



*Specialisation installations such generator at Bravo Gate has to be serviced and maintained*

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*Inside Omuthiya Regional Office Store*



*Specialisation installations such generator at Bravo Gate has to be serviced and maintained*

## **Achievements to date:**

1. Alteration to Opuwo Regional office workshop in Kunene Region completed to the amount **N\$547,000.00**.
2. Fencing off the Okangwati Sub Office, in Kunene Region, completed at amount of **N\$422,000.00**.
3. Renovation to Omaruru Sub Office, in Erongo Region, Completed at amount of **N\$743,000.00**.
4. Fencing off Oxidation Pond at Ekulo Secondary School, in Oshikoto Region, Completed at amount of **N\$498,000.00**.
5. Construction of sewer line at Engela State Hospital, in Ohangwena Region, completed to the amount **N\$922,000.00**.
6. Various Government flats have been renovated, in Khomas Region, Erongo and Zambezi Region.
7. Maintenance and Technical Services also responsible for purchasing of the Tools and Equipment for the Decentralized Maintenance Functions in all 14 Regions. The department successfully purchased tools and equipment for New Sub Offices at Divundu Office in Kavango East Region at amount **N\$398,000.00** and Nkurenkuru Sub Office in Kavango West Region at amount **N\$398, 000.00**.
8. The Department of Works also purchased the cellular phones for some of staff members for amount **N\$720.000.00** to be used in case of emergencies.

## **Challenges:**

The following activities were earmarked to be finalised during the 2016/2017 financial year, but due to the budgetary constrain it did not happened:

1. The preparation for construction documents of Eenhana Regional Office in Ohangwena Region.
2. The construction of Sub-Offices in Okongo and Helao Nafidi in Ohangwena Region, Oshivelo in Oshikoto Region.
3. Construction of Okangwati in Kunene Region
4. Upgrading of existing Sub-Offices in Tsumeb and Tsumkwe
5. Renovation of Mariental Regional Office main storeroom.
6. The construction of staff accommodations at places in remote area need to be construct-

ed at Sesfontein and Okangwati Sub Office in Kunene Region ; Oshivelo Sub- Office in Oshikoto Region; Okongo in Ohangwena Region and Tsumkwe Sub office in Otjozondjupa Region.

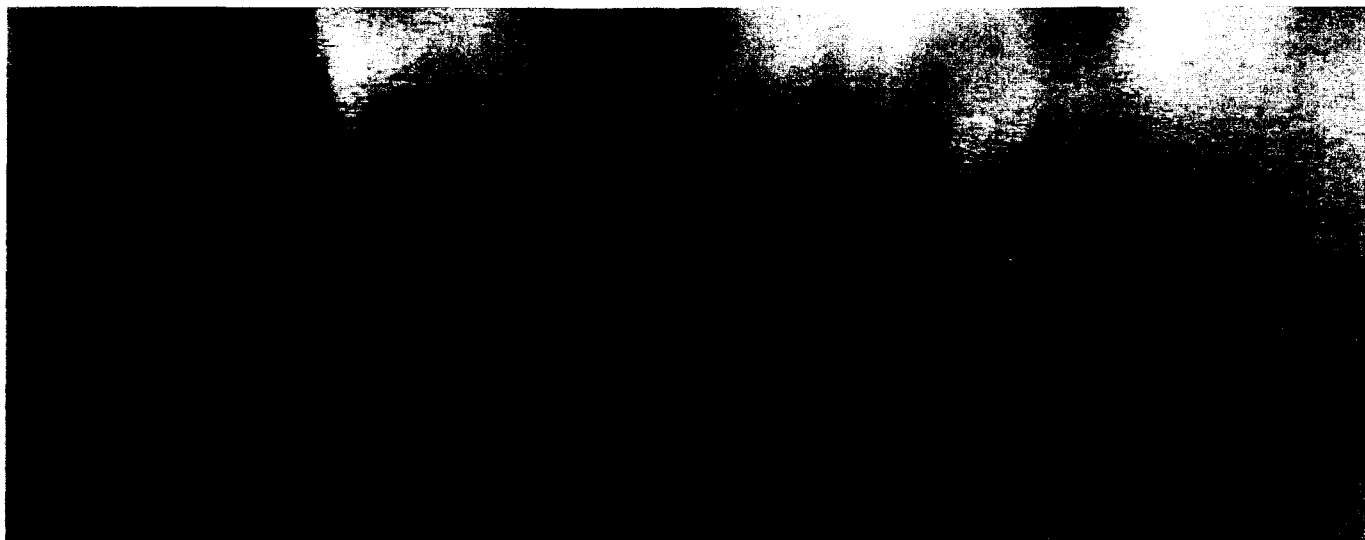
7. The new constructed offices like Opuwo Regional Office, Okahao Sub Office and Nku-renkuru Sub Offices need office furniture.
8. The Omuthiya Regional Office and Outapi Regional Office were constructed without the workshops and need urgent attention to build the workshops.



*Tsumeb Sub-office need to be upgraded to comply with standard sub-office*



*Store room for Omuthiya Regional Office inside with less space.*



*Overflowing oxidation ponds at Uukule Secondary School need upgrading*

## **Programme 04: Provision of Office Accommodation Requirements**

### **Purpose of this programme:**

1. To assess the accommodation needs of Offices/Ministries/Agencies (O/M/As); acquire suitable accommodation by means of hire or purchase, register, manage, control and dispose of all immovable assets. The division also negotiates, conclude and maintain contracts regarding the acquisition of immovable assets by means of hire or purchase.
2. To study office accommodation requirements of all line ministries.
3. To purchase or rent office buildings and land, and allocate them to the line ministries; to make rental payments, water and electricity charges and minor maintenance supplies.

### **Main activities under this programme:**

1. Main activities entail acquisition, management, control and disposal of, as well as control over the effective and optimal use of accommodation allocated to Offices/Ministries/Agencies.
2. Rendering of Asset Management services to Offices/Ministries/Agencies (O/M/As).
3. The management of fixed assets and catering for the rental costs of Government offices with the property assessment study that will assist in the management and administration of Government property portfolio worth approximately N\$ 25 billion.

## Achievements

1. Approximately 90% of government assets under the direct control and mandate of the Department of Works are captured on the Asset Register with verifications currently being done. So far 6717 properties has been captured on the in-house developed system while capturing for the rest of fixed asset information and data verification is ongoing.
2. The register is available in an electronic spreadsheet format as well as in hard copy. The Ministry is now busy to reconcile the electronic format and the hard copy information. The services providers, it is Silnam and Oracles, were consulted for their input to address any shortfall encountered. It remains an ongoing process as new assets are added annually from projects completed on the development budget. As directed by the Minister there is a need to have government assets on farmland as well as assets of Parastatals to be reflected on the Asset Register. This exercise can only start when funds are available.
3. The completion for the development of the Fixed Asset Management database by SILNAM Namibia could not materialize, hence a decision to develop it in-house and avoid avoidable cost and delays. Development of the first three modules (Procurement, Property and tenant modules) was completed internally by the MWT IT staff. Development of the other modules is ongoing. The Permanent Secretary appointed a committee to spearhead the entire project, from system development, data capturing and data verification process and to ensure that data capturing is completed within a planned timeframe.
4. The sale of non-assigned government houses is maintaining its momentum and since the implementation of the scheme in 1998 a total of **1222** houses were sold countrywide with an amount of **N\$ 208 420 288-00** generated. During the financial year 2016/17 an amount of **N\$ 1 100 132-00** was generated until 31 January 2017 from the sale of **80** houses
5. An engagement of the service of a Consultant, Terms of Reference are drafted by OPM to call for an expression of interest to outsource the management of government flats.
6. In-house consultations at management level are still ongoing regarding the maintenance of assigned houses.
7. The condition of government flat complexes in Windhoek was assessed and prioritised, Cabinet approved the usage of funds from the alienation of Government pool houses for the renovation of four (4) flat complexes in Windhoek; and the Department is at the final stage.

## **Challenges:**

1. It was noted that some properties' records, within the available data, do not have identification numbers such as BM for Houses or flats and K numbers for functional or institutional buildings. This is especially true for newly constructed and procured properties.
2. Due to the lack of proper documentation of BM or K numbers, IT staffs are finding it difficult to employ validation checks to avoid duplication of assets in the system or perform automatic data migration from the existing spreadsheets to the new system. It is therefore essential that records on electronic spreadsheets are verified with manual files before their migration to the new system.
3. The subdivision lease and letting in the Ministry is experiencing a severe shortfall on funds available to honor contractual agreements with regard to the leasing of office accommodation on behalf of Offices/ Ministries/ Agencies (O/M/As). An amount of approximately **NS\$ 100,000,000.00** is needed to clear the backlog for 2016/2017 financial year. The financial year 2017/2018 budget was cut to an extent where only **NS\$4,000,000.00** reserved. This will leave the Ministry of Works and Transport with deficit of **NS\$289,000,000.00** contractual agreements in place will not be paid which will result in lawsuits.
4. Illegal occupation of Government flats still remains a big challenge, issue despite the fact that Messengers of Court issued eviction court orders December 2016, which resulted in only few people have moved out. Slow execution of illegal occupant by Attorney General, encourages illegal occupation.

## **- Programme 05: GRN Construction Building Regulation, Coordination and Supervision**

### **Purpose of this programme:**

1. The programme is responsible for the effective and efficient planning, monitoring, control, coordination and overall supervision of construction of new capital projects. It also ensure proper renovation and upgrading of Government buildings; as well as timeous hand-over of completed facilities to line Ministries. This includes the proper maintenance of electrical and mechanical systems in buildings.
2. The Programme ensures that all the new and ongoing projects averaging 300 in number, comply with set building quality regulations and technical standards.

3. The Programme administers and regulates the Namibia Council of Architects and Quantity Surveyors Act, and Engineering Council of Namibia Act. These are the professional bodies involved in the construction industry (i.e., Architects, Quantity Surveyors and Engineers) and supervise and monitor the construction work by contractors on Government projects.

#### **Main activities under this programme:**

1. To supervise the design work for Government buildings including approving drawings and specifications.
2. To monitor consulting firms on Construction work.
3. To coordinate, monitor and evaluate the actual construction on site.

#### **Achievements to date:**

1. The Department, on behalf of the Government of Namibia, entered into a Memorandum of Understanding with the Public Works Department of the Government of Zimbabwe in seconding ninety seven (97) professionals to Namibia to assist the Department in the implementation and monitoring of capital construction projects on the Development Budget. Thus far seventy nine (79) professionals have been recruited on a five (5) year contract to assist and at the same time train Namibian professionals as understudies. The Department is in the process of deploying professionals to the four remaining Regions to assist Offices/ Ministries/ Agencies with professional and technical advice, and to co-ordinate and monitor the implementation of construction projects in the Regions.
2. Through the development and implementation of timeframes stipulated in a capital project cycle document, that was widely consulted and distributed to Offices/ Ministries/ Agencies (O/M/As) of the Government, the Department managed an average implementation rate of 77% on construction projects under its mandate on the Development Budget during the last three years. The Department revived its in-house design office where the planning and design of some projects will be dealt with by in-house thereby reducing the cost of outsourcing consultancy services.
3. The targeted implementation rate of 92% in the 3<sup>rd</sup> quarter of 2016/17 financial year has been met. The figures for the fourth quarter for 2016/17 financial year are not yet available. The Budget Review towards the end of 2016 may negatively/adversely affect the performance targets of the programme.
4. In order for the exchange programme between the two governments to be deemed a success, the Ministry has employed thirty six (36) Namibian Graduates additional to the

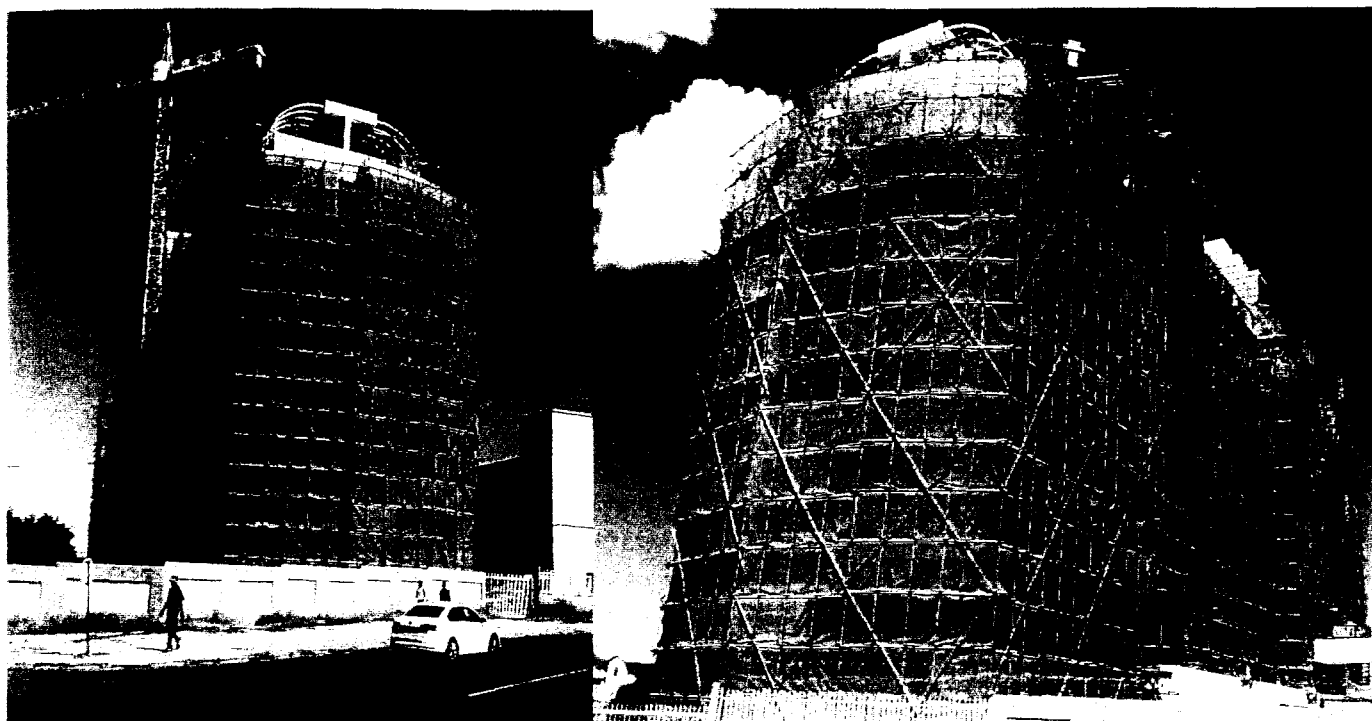


staff establishment for a period of 12 months while awaiting the approval of the revised staff establishment submitted to the Office of the Prime Minister for consideration.

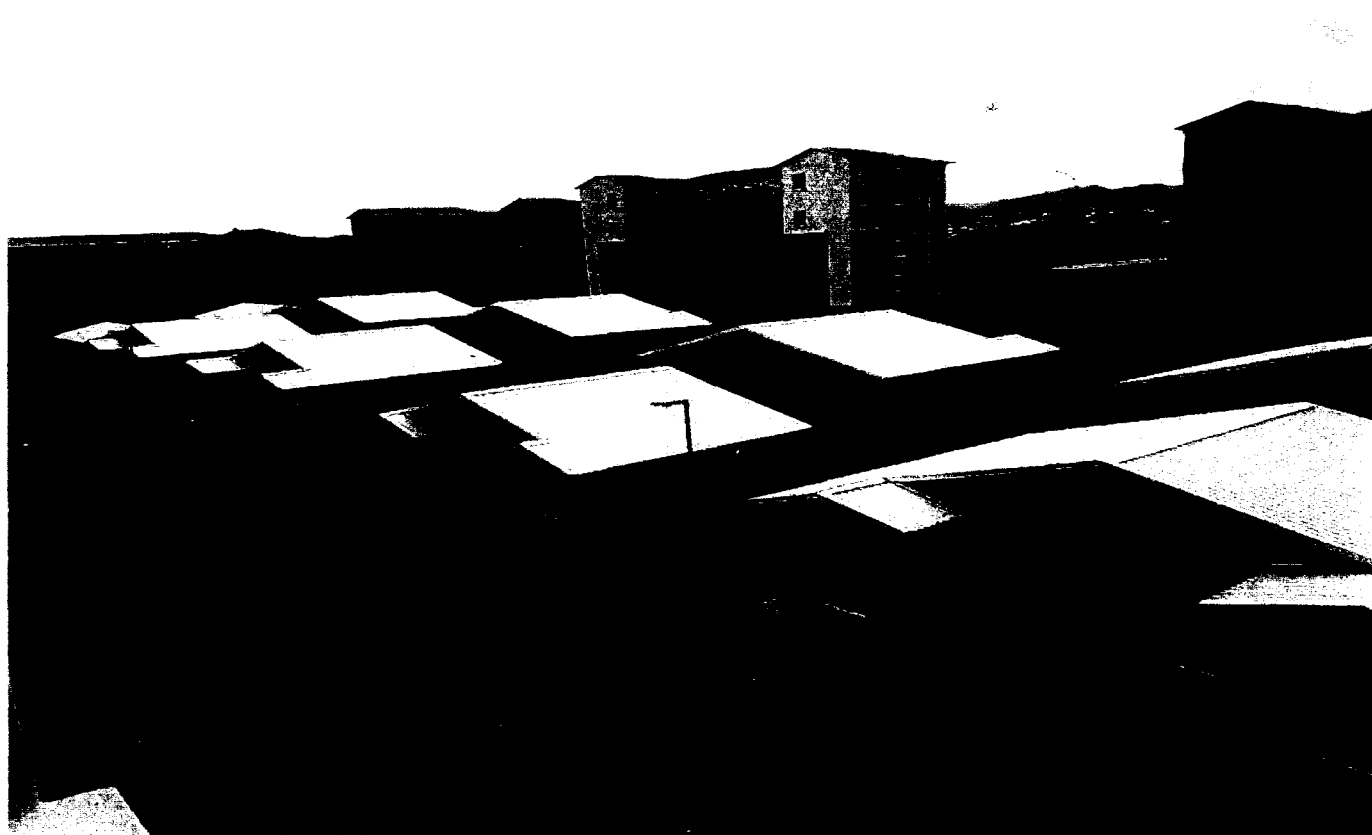
5. The Ministry has developed a document for an understudy programme to be finalized in consultation with professional statutory bodies for approval by the Permanent Secretary. The aim of this programme is to ensure that every foreign expatriate employed by the Ministry is understudied by a Namibian.
6. The Ministry has initiated a training programme for SME Contractors which started 2015/2016 financial year. One Hundred and Thirty One (131) SME construction companies were trained in two-week intensive training sessions in tendering, project management and contract administration in Windhoek.
7. A cumulative number of One Hundred and Sixty Eight (168) construction companies were trained in Oshakati, Swakopmund and Otjiwarongo. It is planned that more training sessions will be conducted in Katima Mulilo, Rundu and Keetmanshoop in this financial year.
8. The programme is very useful and many more SME contractors in different regions are expected to benefit from it. This is an ongoing training programme in addition to the day-to-day advice the Ministry provides to the SME contractors. The Ministry would welcome any advice on how best to improve the programme.
9. The technical intervention by the Ministry of Works and Transport in the National Mass Housing Programme exposed the shortcomings associated with the exercise. This led to the identification of design deficiencies, poor workmanship and subsequent demolition of sub-standard houses. Irregularities in project financial management were also highlighted and rectified.



*SME Contractors Training in Otjiwarongo, October 2016*



*New Nampol Headquarter under construction*



*National Housing Enterprise (NHE) at Otjomuise, Khomas Region*



*Completed Katima Mulilo Meteorological Services*



*National Housing Enterprise (NHE) at Katima Mulilo, Zambezi Region*

## Challenges:

1. Recruiting and retaining Namibian professionals remains a challenge because the public service remuneration packages are very low compared to the State Owned Enterprises and private sector.
2. There is no provision in Public Service for subsistence allowance for internship while on practical training. Therefore those doing internship in government institutions are office bound missing out on field practical training.
3. Some user ministries give unilateral technical instructions. In most cases the Ministry of Works and Transport is only made aware when there are challenges resulting from the said instructions.
4. Reluctance by some ministries to re-priorities their capital projects in line with the new budgetary requirements.
5. Non-payment or delayed payments by user OMAs for services rendered by consultants and contractors.
6. Poor performance by SME contractors has resulted in the abandonment or delayed completion of projects. This is hampering the government's empowerment drive.



*Demolitions of National Housing Enterprise (NHE) in Swakopmund, Erongo Region*

## **Challenges**

1. The Department is faced with backlog of connecting the entire Ministry's office network countrywide due shortage of funds and staff. There are also problem such as lack stakeholder participation, prolonged budget release, training needs and delays in awarding tenders.
2. The Division Finance continues to face challenges with regard to clear policies and directives on financial management of State Resources, and need to improve technical skills in the fields of Accounting and Auditing.
3. The Division Human Resources still experiences delays in the short listing of candidates for advertised positions by line departments resulting in the postponement of interviews.

## **Programme 06: Supervision and Support Services**

### **Purpose of this programme:**

### **Purpose of this programme:**

1. To direct, coordinate and supervise the activities of the Ministry including the Parastatals enterprises.
2. To be accountable for the administration of the Ministry of Works and Transport.
3. To render Management and Support Services.
4. Provide reliable and sustainable System Administration, System Development and
5. Technical Support Services

### **Main activities under this programme:**

1. Policy supervision
2. Coordination and support services in auxiliary, finance and personnel affairs
3. Acquisition and Maintenance of ICT hardware and software and Installation of IT
4. Infrastructures

## **Achievements to date:**

1. During the financial year 2016/2017 the Ministry expenditure was 100% of its total allocation.
2. Stock taking and inspections at 105 stock taking points were successfully conducted.
3. Six (6) labour related cases were successfully processed.
4. One hundred and seventy positions were suitably filled on the establishment of the Ministry Works and Transport.
5. Wellness ambassadors were trained across the country.
6. Networks connections were also established for all regional Government Garages and Government Stores. Computer equipment were also purchased and distributed to different regions and head office.

## **Challenges:**

1. Qualified audit reports
2. Ministerial Budget cuts- unable to complete projects and execution of responsibilities and duties
3. Training on treasury regulations
4. Trade account deficit
5. Human capital management system not yet fully operational.
6. Stakeholder delays and financial constraints.



*IT Staff busy repairing computers to be used for capturing information on Fixed Asset Register*

<b>vote 23 - Budget execution by Programme for 2016/17</b>					
<b>Programme</b>	<b>P-Code</b>	<b>Budget allocation</b>	<b>Revised Allocation</b>	<b>Actual</b>	<b>% execution rate</b>
Provision of Horticultural Services to GRN Offices and services centres	1	12 150 000.00	13 308 534.51	11 887 416.49	97.84
Provision of Stores and Printing Services	2	28 678 000.00	30 508 303.45	30 537 919.14	106.49
Maintenance of GRN properties	3	289 175 000.00	266 749 505.00	287 885 577.24	99.55
Provision of Office Administration	4	119 010 000.00	145 621 767.84	145 592 055.42	122.34
GRN Construction Building Regulation, Coordination and Supervision	5	87 644 000.00	84 936 297.35	88 057 680.36	100.47
Supervision and Support Services - O/Minister	6-o1	9 387 000.00	9 909 611.58	9 559 287.80	101.84
Administration	6-o2	87 078 000.00	70 329 682.46	71 562 633.42	82.18
ICT	6-o3	10 990 000.00	8 128 789.64	8 018 086.79	72.96
<b>TOTALS</b>		<b>644 112 000.00</b>	<b>629 492 491.83</b>	<b>653 100 656.66</b>	<b>101.40</b>

**The Ministry is looking forward for this August House to support our budget for 2017/2018 financial year.**