

CITY OF BULAWAYO SERVICE DELIVERY UPDATE BY HIS WORSHIP THE MAYOR S MGUNI, ON WEDNESDAY, 3RD JULY 2019 AT 15.00 HOURS IN THE COUNCIL CHAMBER

It is an honour to stand before you at the City of Bulawayo midyear service delivery update. This is an honour especially as the City this year celebrated its 125th Anniversary since the declaration of Bulawayo as a town. To this end, we would like to thank the Bulawayo community for its unwavering support and partnership which made the 125th celebrations a success.

The City of Bulawayo recognises the importance of stakeholder engagement and sharing of information to the residents and citizens of Bulawayo for continued development. It is my hope that this address will give the residents an insight into the various activities that have been done to date, challenges faced and achievements that have been made.

Finance

The harsh economic climate continues to have an impact on the financial operations and state of the City. The cash flow challenges and high inflationary environment have had an impact on the cash flows of the City of Bulawayo. Regrettably, some consumers continue to not prioritise the payment of critical life supporting services such as water, sewerage, and refuse removal, while unemployment and poverty have further impacted on consumers ability to pay Council.

The growth of Council debt continues at a time when the transitional state of the economy puts the City's operations at risk and impacts on service delivery. Debtors as at May 2019 were one hundred and eighty nine million dollars (\$189, 297,693) with the domestic consumers owing a large chunk of the money at one hundred and eleven million dollars (\$111,132,763), while industry owed seventy one million dollars (\$71.310.633), parastatals, three million dollars (\$3,868, 246) and Government owing \$2,986,051. Efforts continue to be made to collect the outstanding funds through various collection strategies which include bills, notices to remind consumers of owed amounts, intensive disconnection programmes, sector wide debt collection programmes and intensifying collections through legal channels.

The constant changes in the economic environment such as the Statutory Instrument 142 of 2019 of the 24th of June 2019 have had an impact on the financial performance of the local authority. Some of the notable impacts of the proclamation include the interest of overnight accommodation of banks by Reserve Bank of Zimbabwe being set at 50% per annum. It is noted that this is likely to push interest to above 50% per annum affecting interests for BCC loans charges. It is noted that if the interest rates are increased in line with the inflation trends we will have monthly loan repayment installments doubling up and these costs will exceed the budget. The repayment will also crowd out the cash flow requirements for service provision. To try and sustain this, Council will need to increase the interest rates for the amounts its owed. Council however does not have the latitude to increase the interest rate to above 1% of the government lending rate of 5%. This calls on the municipality to lobby government for the review of interest rates to track the rate of inflation to ensure sustainability. The Statutory Instrument also has a notable impact on a number of programmes that were being implemented by the local authority with particular focus to the payment of various ongoing projects and contracts.

In the year 2015, the City of Bulawayo introduced the ward retention fund which awards the retention of 3% of the payments to projects identified by residents in the wards. The total amount that has been collected in all 29 wards to date is \$5,152,866 while the total expenditure has been \$710.957 in 22 wards. There have been a number of challenges faced in the implementation of ward retention project which include delays in processing project requests, procurement guideline changes, projects not supported by Council budgets and inability to access foreign currency.

Procurement

The procurement function has a huge influence on service delivery. Unfortunately the prevailing Procurement Environment makes it difficult for the function to support service delivery. It is volatile, characterised by high inflation rates and shortages of foreign currency which is needed especially for the procurement of capital items which are rarely manufactured locally.

At the time of crafting the City of Bulawayo 2019 budget, it was denominated in US\$. Unfortunately the introduction Statutory Instrument 33 of 2019 meant that the budget was

converted to ZWL\$ at a rate 1:1. Regrettably, from that time our budgets started falling behind as far as matching procurement requirements was concerned.

While the introduction of the interbank rates when effecting contract payments brought relief to some suppliers, it had an adverse effect on the council budget since it remained pegged at a rate of 1:1. On the other hand some suppliers refused to accept the interbank rate payment arrangements citing that it was difficult to access foreign currency through banks. This resulted in the stalling of more contracts.

Water

This Service delivery update, is being held at a time when the City of Bulawayo's residential suburbs are under a 96 hour water shedding regime, which commenced on Tuesday 2nd July and will run up to Saturday 6th July 2019.

The lengthy water shedding exercise is to enable major rehabilitation works to be done at the Criterion Water Treatment Plant.

The works involve replacement of valves, pumps and all associated civil works. The size and location of the valves as well the design of the plant has necessitated the current shutdown so as to allow for installation of inlet gate valves, main distribution board, backwash pump and fittings among other major works.

The rehabilitation works are being implemented under the Bulawayo Water and Sewerage Services Improvement Project (BWSSIP) supported by the African Development Bank whose objective is to improve municipal water supply and sanitation services contributing to the improvement of the health and social wellbeing of the population of Bulawayo.

The main objective of the water supply component is to ensure improved access to Municipal water supply in the identified project areas by improving the efficiency of raw water pumping, treatment and distribution networks in areas supplied by the Magwegwe and Criterion Reservoirs.

The project scope for the Criterion Water Treatment Works is mainly of electro-mechanical in nature with limited civil works and consists of the following rehabilitation and modifications:

- Rehabilitation of the chemical dosing systems by;
- Replacing of the polyelectrolyte pumps.
- Replacement and improvement of the Lime and carbon dosing systems.
- Modifications and fixations for the Alum system.
- Install new instrumentation devices and equipment.
- New Chlorination and ammonia system.
- Rehabilitation of the Pulsating system.
- Improvement of the Clarifier tanks.
- Replacement of the malfunctioned actuator valves.
- Replacement of the backwashing system.
- New installation of the filtration control system.
- Other recommendations and required works to improve the treatment procedures.

Other works being currently carried out under the African Development Bank funded project BWSSIP in a number of areas include:

- ◆ Installation of a set 3 New Pumps & Motors at: Ncema & Fernhill stations were USD 7,466,204.54
- ◆ Supply and installation of actuator valves and electromagnetic flow meters were USD 935,050.00
- ◆ Supply, installation and commissioning of bypass breakers and isolators were USD 1,796,473.00
- ◆ Refurbishment of Criterion Water Treatment Plant already mentioned at a cost of USD 1,151,157

- a) Supply & Installation of Bulk Meters and PRVs.
- b) Renewal of 43km of Water Mains Bulk-lines. The initial scope had been to do 142km of water main bulk lines but due to budget constraints it was brought down to 43km.
- c) Supply & Installation of 17,645 Domestic & Institutional flow water meters.

- d) Upgrading of Mains pipes. 4.6km
- e) Public awareness campaigns on Water conservation and Asset management by Residents.

At the Nyamandlovu Aquifer, work is underway to enhance augmentation of water.

Water Statistics Update

- The amount of water in the dams is currently 47.85 %.
- Upper Ncema is decommissioned, level at 3.83%.
- Umzingwane at 21.03 % and will be Decommissioned in November 2019.

Water Supply Challenges

Recently, the City has been facing various water supply challenges which include erratic power supply that has resulted in surges, which have burnt pump motors and other equipment at our treatment plants.

The transformer replacement at Inyankuni Dam booster station has also affected water supply. Some tenders have also had to be cancelled as contractors failed to secure foreign currency to import requisite materials.

Illegal gold panning in the Dam catchments and along the bulk pipelines has resulted in frequent pipe bursts that disrupt normal water supply to the City.

Inspite of these challenges, Council has put in place various water supply interventions which include

- ◆ Umzingwane / Mtshabezi by-pass which was fabricated and installed in March 2019.

Installation of a new transformer and a better Control Panel at Umzingwane and replacement of the burnt out SULZER Raw water motor at Ncema Water Treatment Plant is under way and is to be commissioned by end of the week.

Sewer

In spite of the prevailing economic challenges Council has completed the following sewer projects to improve sanitation.

- ◆ Rehabilitation of Marvel/ Mahatshula Outfall Sewer.
- ◆ Rehabilitation of Pumula South Phase 3 overhead collapse, Pumula riser mains between Pump 7 - Pump 6 underground collapse and Luveve Outfall Sewer.
- ◆ Rehabilitation of Cowdray Park Waste Stabilisation Ponds.
- ◆ Supply, Installation and Commissioning of Flow meters for Wastewater Treatment Works.
- ◆ Rehabilitation of plant at Aiselby 3 Wastewater Treatment Works.

Ongoing sewer projects include:

- ◆ Rehabilitation of Sauerstown Deep Section and Charlotte Crescent Outfall Sewers.
- ◆ Rehabilitation of SAST Wastewater Treatment Works –AFDB Funded valued at USD 2,194,049.14
- ◆ Construction of new 14km of Cowdray Park Outfall Sewers – AFDB valued at USD 3,194,623.62
- ◆ Rehabilitation of plant at Aiselby 1 & 2 Wastewater Treatment Works.
- ◆ Rehabilitation of Outfall sewers and Hotspots in the SAST Catchment Area. USD 2,392,487.14
- ◆ Clearing and dredging of sewers by a private contractor, in the following areas: Makokoba, Luveve, Mzilikazi, Njube, Emakhandeni, Gwabalanda, Entumbane and Thorngrove.

Roads

Various challenges affect road rehabilitation and maintenance programmes such as funding which is below maintenance requirements, erratic supply of bitumen due to foreign currency

challenges, erratic fuel shortages, bureaucratic requirements under the new Procurement Act and contract price escalations. In addition, vandalism of road furniture such traffic signs and traffic lights remain a concern. Furthermore, contractors now require advance payment for mobilisation and procurement of materials.

Under the prevailing economic environment, Council is focusing on maintaining the existing road network and has minimised construction of new roads. Roads in good condition are being preserved through reseals and overlays. Priority is given to the following roads on the basis of a ranking obtained from 2016 Road Condition Survey-arterials, collectors, Central Business District roads and public transport routes.

Servicing Of Stands

The project covers the following areas:

- ◆ High density stands, 360 in Emganwini & 47 in Tshabalala - Water & Sewer 100%, Surfacing yet to be done.
- ◆ 144 Low density stands in Woodville - Roads 44%, Water 77% complete
- ◆ 502 Emhlangeni Phase II, medium density stands - Sewer 0%, Water 25%, Roads 2.5% complete
- ◆ 217 Highmount, Low density stands - Sewer 99%, Water 97%, Roads 64% complete
- ◆ 390 Magwegwe West stands - Sewer 70%, Water 100%, Roads 30% complete
- ◆ Cowdray Park Hlalani Kuhle, 100% water reticulation, Sewerage at 24%.
- ◆ 77 Selborne Park - Tender for sewer and water materials advertised Roads are 20% complete and eestimated cost of outstanding works is RTGSS\$73,920,587.

Way forward

Council will consider clearing outstanding debtors by applying prevailing inter-bank exchange rate and translate balances as at 21 February 2019. It will also exempt beneficiaries who paid in full and re-engage relevant contractors on the way forward.

Egodini Progress Report

Demolitions have been done on site and civil works are in progress.

5 Platforms have been done while fabrications of requisite structures will be carried out in the factory. Works are still within the programme timeline.

Cemeteries

The City is currently using Luveve and Athlone West cemeteries. At the current rate of burials Athlone West is fast running out and is projected to be in use for one year only. There is therefore need for completion of works at Marvel Cemetery where Council is still to construct offices and ablution facilities, while construction of a level crossing is also pending.

Protection of Lands

Illegal gold mining at the City's dams catchment areas has been a major nuisance in recent weeks and environmental policing has been enhanced to deal with the problem.

Over 2000 people raided the catchment area. The "gold rush" saw people from all over Zimbabwe flocking to the dams. Council swiftly mobilised support from the Environmental Management Authority and Zimbabwe Republic Police for joint operations and 17 people were arrested. These were done for three consecutive days and we continue to monitor the situation.

The illegal gold panning activities have resulted in environmental degradation with trees being cut and dangerous pits dug all over risking people and animal lives. Pollution and siltation of the dams is also of great concern.

Staffing challenges also affect protection of the environment as we only have 8 Rangers are to police the area. The current staff establishment is 78 for the whole City but only 35 are employed. A huge variance of 43.

Informal Trading

It is noted that currently wholesale fruits and vegetable markets are mainly located in the Central Business District, thereby attracting hordes of vendors in the City every morning. To decentralise

such activities, there is need to establish markets in selected neighbourhoods. This will improve access to the goods by traders, remove transport costs and reduce traffic congestion on our roads.

Already a vegetable wholesale market has been established at Old Pumula to strategically serve areas of Pumula South, Old Pumula, Pumula North, Robert Sinyoka and Mazwi Village. In addition a vegetable market is proposed at Magwegwe North Shopping centre for a wholesale market. This one will serve people from Magwegwe, Luveve, and Gwabalanda.

The City has put in place measures to decongest informal trading in the Central Business District. Additional vending sites were created in the suburban shopping centres to expand the areas where vendors can formally trade in the city. Furthermore, Egodini mall is set to accommodate over 1000 vendors after its completion. The project will provide modern vending stalls with ablution facilities, storage units. This should greatly ease congestion currently experienced at Lobengula mall.

Monthly stakeholder engagement meetings are ongoing to ensure that trading is in compliance with municipal by-laws and that both formal and informal business is protected and that there is effective management of a clean, safe, secure thriving city where all stakeholders can conduct business in a fair manner.

Council is also cognisant of the need to improve vending infrastructure, however this can only be achieved if the industry is properly regulated and abiding to policy and bringing sufficient revenues that can be ploughed back to improve the operating trading environment.

Illegal Vendors will be removed from undesignated sites and be relocated to properly designated trading zones in compliance with municipal Bylaws and policies and to facilitate occupation of designated bays by those who have been allocated the sites by Council.

Emergency Services

Emergency services have been adversely affected by manpower challenges. If no recruitment is made in the next two months, Northend Fire Station may face closure. Nkulumane Fire Station has already closed due to manpower shortages. Council will be engaging the Minister of Local Government Public Works and National Housing Honourable July Moyo on recruitment of staff for emergency services and for the sustenance and improvement of overall service delivery.

Human Capital Department

The current economic situation has impacted negatively on staff welfare as transport and taxi fares have gone up affecting staff movement to and from work. Council has made the necessary adjustments to allow staff to report for duty.

In reality, salaries have been devalued by 2.5 over and above the 42% inflation. In addition month to month cost of living continues to increase.

Regrettably, if the economic situation continues to decline, Council may see a repeat of what happened a few years that preceded the dollarisation of the economy that is continued erosion of salaries, failure to match the demand for salary increments due to limited revenues, strained employer/ employee relations and serious skills flight as well as demolarisation and demotivation of remaining staff. In addition, worker morale, absenteeism and increase cases of injury at work will result in low productivity, subsequently leading to poor service delivery.

Council will continue engaging workers as much as possible and where possible, improve the conditions of service.

Since 2010, Council has not filled vacant posts as per the demand by the situation because of the restrictions on the filling of vacant positions. As a result, staff levels are low and affect service delivery negatively. While Council Resolution of May 2010-restricting filling of vacant positions and Central Government Directive of September 2010, restricting Employment in Local Authorities have constrained Council's ability to employ, we are in engagement with Minister of Local Government Public Works and National Housing Honourable July Moyo to fill close to 500 positions and the application is being considered by the Minister.

Conclusion

We are aware of the huge mandate that rests on the City of Bulawayo to continue to provide services and we assure consumers of our commitment to make Bulawayo a smart and transformative City inspite of these challenges. We are calling our stakeholders to continue to honour their obligations to the Municipality. The City of Bulawayo remains committed to

improving dialogue with stakeholders whilst improving efficiency and accountability in our services.