

EXODUS & COMPANY

building communities

Client Update No. 30

18 November 2014

Update on Electricity Reticulation at Madokero Estate.

1. Through our Client Update No. 17, released on 3 March 2014, we sought your permission to engage a private contractor for the reticulation of electricity to your homes instead of waiting for ZESA. With ZESA, we would have had to wait for them to do it at their own pace. The increasing rate of occupation of homes in the estate requires some action to be taken regarding provision of electricity. Given that alternative sources of energy and lighting would be more expensive for most families, we have decided to pursue the aforementioned action. The mere fact that ZESA presently has inadequate capacity to do the project, as they already have a huge backlog, led us to believe an alternative arrangement would best serve your interest.
2. As part of our community building efforts, the developer resolved to volunteer administrative and technical resources to the electrification project to ensure the overall success of the entire Madokero Estate project. Although every effort will be made to adhere to the set industry standards, the developer is absolved from any liability that may accrue from its role in this initiative.
3. We are glad to report back that out of the 1,305 clients who participated 1,298 (99.46%) supported the proposal, while 7, representing 0.54% were against it. The outcome of the feedback is as tabulated below.

Table 1: Outcome of the Feedback on Electricity Reticulation

	Number Supporting	Number not Supporting	Total
Engage Private Contractor	1,298	7	1,305
Percentage	99.46%	0.54%	100%

4. The above result showed an overwhelming support for the engagement of a private contractor to reticulate electricity to your homes and, on this basis; we will proceed to engage the private contractor to do the work.

For any inquiries, please phone or email us using details below;

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5. ZESA approved Exodus and Company, as the land developers, to be the private contractor. Our core business is land development not electricity reticulation hence we have engaged a sub-contractor whose area of specialty is electricity reticulation. In line with best practice in procurement, we have secured quotations from various interested contractors, and their quotations are available for inspection at our Borrowdale Office. On the basis of our established supplier selection criteria, we have chosen **CHAJOKA ELECTRICALS & SUPPLIES (PRIVATE) LIMITED** to do the work. The fundamental principles underpinning our selection criteria, and the outcome of our evaluation of the contractors is also available for inspection at our office.
6. It is also important to let you know that ZESA has approved the engagement of this sub-contractor, and has subsequently vetted and approved the sub-contractor we have chosen. The sub-contractor shall be guided by the reticulation designs done by ZESA engineers in the execution of the project while ZESA will supervise the project to ensure proper implementation.
7. Exodus and Company will do this project on a cost recovery basis, that is, no mark-up will be charged on the actual cost of reticulation.

After rigorous cost containment review of the electricity reticulation project, the implementation cost per stand was reduced from the previously advised \$800.00 to \$702.00 as computed below:

$$\frac{\text{Total estimated project cost}}{\text{Total number of stands}} = \frac{\$1\,162\,502.68}{1\,655} = \$702.00$$

The payments will be spread over equal installments of \$117.00 per month per stand for the next 6 months to make a total contribution of \$702.00 per stand for the project. This period was considered reasonable as spreading the installments over a longer period of time would prolong project implementation, a situation that could result in increased project costs.

8. Given the above progress, we would like to advise that your payments towards the project must commence next month (December 2014). We have opened a separate bank account for this project in the name of Madokero Estate Owners Association, and the bank details are as follows:

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**Madokero Estate Owners Association
Stanbic Bank of Zimbabwe Limited
Borrowdale Branch
Account number 02400 9502 4501**

9. As part of the measures to ensure separation of these funds, we will use a separate receipt book when you make your payments. We will also ensure that the funds are deposited in the above-mentioned bank account. In order to enable implementation of the project, we have mandated three officials from our company to sign on the account. However, all the transaction records will be available for inspection and shall be subjected to an audit at the instigation of the Madokero Estate Owners Association.
10. The Developer will also pay for the stands not yet sold, at the same rate as everyone else.
11. As we were getting your feedback, some of you sought clarification on the proposal or some aspects of it, while others provided suggestions to improve the execution of this project. We have responded to all the questions, and have taken on board all suggestions that are good for the majority. Our comments to the questions raised are contained in an annexure attached to this communiqué.
12. Finally, we would like to thank all those who participated in the survey, which informed this decision and would like to promise that you will get value from this decision.

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