###### National Assembly

###### Question Number: 3544

**3544. Mr A M Figlan (DA) to ask the Minister of Transport:**

With regard to the issuing of tenders by his department and the entities reporting to him in the past three financial years, (a) which tenders were issued without following normal tender processes, (b) what were the reasons for the deviation in each case, (c) what was the monetary value of each tender, (d) how were the tenders issued and (e) who authorised the issuing of each tender? NW3972E

**Reply**

Department and entities (Refer to the Annexures) of Parliamentary Question 3544

1. CBRT
2. RAF
3. RTIA
4. RTMC
5. SANRAL
6. ACSA
7. ATNS
8. SACCA
9. SAMSA
10. PRSA
11. RSR
12. PRASA

| **PROJECT DESCRIPTION** | **REASON FOR DEVIATION** | **CONTRACT AMOUNT** | **TYPE OF BID** | **AUTHORISING AUTHORITY** |
| --- | --- | --- | --- | --- |
| **(a)** | **(b)** | **(c)** | **(d)** | **(e)** |
| Establishment of the Single Source Transport Economic Regulator through Developing Policy, Legislation and Implementation Plan | During the Policy development, additional stakeholder engagement was required and work-shopping of various amendments | 1 500 240.00 | Natural Continuation | Accounting Officer |
| Cooperative Model for Public Transport | During the Project critical items that were not part of the TOR were identified as crucial to the success of the project, which amended the scope | 1 129 536.20 | Natural Continuation | Accounting Officer |
| RE-APPOINTMENT: Review Road based subsidized transport service | To complete the initial Project. Contract period lapsed before completion and as a result of unforeseen outside factors, at no additional cost | 691 347.30 | Re-Appointment | Accounting Officer |
| RE-APPOINTMENT :Support to Regulating Committee on Fees and Charges by ACSA and ATNS - Cost Extension | To complete the initial Project. Contract period lapsed before completion and as a result of unforeseen outside factors at, no additional cost | 402 101.00 | Re-Appointment | Accounting Officer |
| RE-APPOINTMENT :Support to Regulating Committee on Fees and Charges by ACSA and ATNS - Cost Extension | 2nd re-appointment was to assist the Regulating Committee with an ongoing Court Case relating to the Fees | 916 106.00 | Re-Appointment | National Treasury |
| Forensic Analysis of Putco Sandfontein Contract | Urgent request to intervene as an emergency due to threats of violence. National Treasury notified during entire process | 2 259 266.08 | Closed Bid | Accounting Officer |
| NATURAL CONTINUATION: Forensic Analysis of Putco Sandfontein Contract | For the project to be completed successfully a census had to be conducted, which was not part of initial scope | 2 338 960.80 | Natural Continuation | Accounting Officer |
| RE-APPOINTMENT: NATMAP 2050 Review and Update | To complete the initial Project. Contract period lapsed before completion and as a result of unforeseen outside factors, at no additional cost | 680 000.00 | Re-Appointment | Accounting Officer |
| CLOSED BID: Finalize the Draft White Paper on NCAP | Open tender process was followed with no bids received that were responsive. Request to approach experts in the specific field on closed bid was approved for second attempt. Successful | 983 424.00 | Closed Bid | Accounting Officer |
| Determining the criteria for certifying Auditors and training requirements. | SAATCO is the sole provider of this service | 731 300.00 | Single Source | Bid Adjudication Committee |
| EXPANSION: Review of the National Safety Regulator Act | Additional Provincial Consultation and the development of a Money Bill had to be added to initial scope to finalise project successfully | 798 000.00 | Expansion | National Treasury |
| Develop a National Railway Safety Strategy | Open tender process was followed with no bids received that were responsive. Request to approach 5 experts in the specific field on closed bid was approved for second attempt. Successful | 2 730 120.00 | Closed Bid | Accounting Officer |
| Develop a Salvage Strategy | A quotation process was followed. No bids were received. Approval to restart as closed bid by approaching experts in the field, was approved. | 782 952.00 | Closed Bid | Accounting Officer |
| Road Tariff determination framework | A quotation process was followed. All qualifying bids received were over the threshold value of R500 000. Approval to restart as closed bid by approaching all 14 suppliers who attended the first briefing session, was approved. | 639 526.00 | Closed Bid | Accounting Officer |
| PARTICIPATION: Participate in SANRAL tender for Media buying for 6 months | Request to participate in SANRAL tender for only 6 months approved while DOT finalised own tender process | N/A | Participation | Accounting Officer |
| PARTICIPATION: Participate in SANRAL tender for Events Management and related Services for 6 months | Request to participate in SANRAL tender for only 6 months approved while DOT finalised own tender process | N/A | Participation | Accounting Officer |

**Cross-Border Road Transport Agency**

Cross-Border Road Transport Agency (C-BRTA) tenders issued in the past three financial years:

| **YEAR** | 1. Tenders issued without normal tender process | **(b)** Reasons for deviation | **( c)** Monetary Value | **(d)** How were the tenders issued | **(e)** Who authorisedthe issuing of the tender |
| --- | --- | --- | --- | --- | --- |
| **2014/15** | None | N/A | N/A | N/A | N/A |
| **2015/16** | Appointment of a transactional advisor to provide transactional advisory services on the development New Permit System | The initial cost estimation was below R500 000 and a Request for Proposal was issued to eight service providers. Only one bidder responded with three different options and the option that met the Agency’s specifications was above R500 000. | R651 715.20 | Tender was issued through a ‘Request for Proposals’ | Chief Executive Officer |
| **2016/17** | Appointment of a service provider to provide multi-functional printers on a rental basis for a period of twenty months | The printers were originally procured through a normal tender process. This appointment was to continue using the current printers for an additional 20 months based on the following reasons:   1. The printers in use still had the capacity to service the needs of the Agency and the rentals were maintained as per the original contract as opposed to new machines at high prices. The printers would have been returned to the service provider while they could still service the needs of the Agency. 2. There was also a pending move of the Agency’s law enforcement unit to the RTMC and getting into a three year contract for new printing machines would have led to fruitless expenditure. 3. The contract for office accommodation was ending later in the financial year and a determination was still to be made of the new office location and layout. As such the number of printers required could not be ascertained. | R617 6516.00 | Through continuation of the current service provider | Chief Executive Officer |
| Extension Office Accommodation lease of a period of 36 months | The following are the reasons for deviations:   1. The Agency was faced with a financial instability arising from the court outcome to refund operators. The market research was conducted and demonstrated that it is more cost effective to remain in the current premises. The current rental is as per the original contract while other services provider quotations were way above the current rentals. | R25 241 519.16 | Through continuation of the current service provider and after market research confirmed cost effectiveness | National Treasury approved deviation as recommended by Procurement Committee of the Board. |

**Road Accident Fund**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| (a) The Road Accident Fund (RAF), in the past three financial years issued the following tenders without following normal tender processes, | (b) the reasons for the deviation in each case were, | (c) the monetary value of each tender was, | (d) the tenders were issued in the following manner, | (e) the issuing of the tender was authorised by the, |
| **2014-2015 FY** | | | | |
| storage facilities - M&T Development | the service provider is the only available service provider that owns storage facilities within the proximity of not more than a one kilometer radius to the RAF head office | R3,931,829.81  (fixed price) | single source | CEO |
| Microsoft premier support services – Microsoft | renewal of Microsoft premier support services | R 632,240.00  (fixed price) | sole source | CEO |
| HP data protector support- HP South Africa | renewal of HP data protector support contract - original equipment manufacturer (OEM) | R 781,514.88  (fixed price) | single source | CEO |
| HP hardware maintenance - HP South Africa | renewal of HP hardware maintenance contract - (OEM) | R 9,889,578.24  (fixed price) | single source | CEO |
| Lucidview maintenance and support - Lucidview Pty (Ltd) | renewal of licensing, maintenance and support of Lucidview solution. - (OEM) | R 1,973,588.52  (fixed price) | single source | CEO |
| bulk media buying- Government Communications Information Systems (GCIS) | as per the National Treasury Regulations | R 117,617,400.00  (fixed price) | National Treasury transversal contract | Board |
| Nashua SLA Gold Option - Nashua Communications | support and maintenance of the Openscape Voice telephone system | R 9,777,401.77  (fixed price) | single source | CEO |
| employee wellbeing services – ICAS | contract extension | R 700 000.00  (fixed price) | single source - extension | CEO |
| security services - Imvula Security | variation- additional scope to add security | original tender/contract value –  R 4, 897, 865.07  value of the extension - R 236, 034.78  (extended for five months at R90, 052.82 per month) | single source - extension | CEO |
| cleaning services Bontle ke Botho | variation- extension of scope as an additional cleaner was added | original tender/contract value -  R 3, 800, 422.86  value of the extension - R 282 651.60 | single source - variation extension of scope | CEO |
| auditing services - panel | extension- while the tender process was underway to appoint a new panel | expenditure as and when required subject to annual budgeted  amount of  R 3, 740, 983.73 | single source - extension | Board |
| **2015-2016 FY** | | | | |
| SAP mobile platform and SAP data services - SAP South Africa | supply of SAP mobile platform and SAP data services – (OEM) | R 5,600,000.00  (fixed price) | sole source | CEO |
| Telephony - Nashua Mobile | service provider to provide Openscape Voice telephone system | R 9,431,126.84  (fixed price) | single source | CEO |
| new office space (Nelspruit) - FGK Capital | acquiring of office space in Nelspruit due to limited building space available for lease, as per the RAF specifications | R 2,600,000.00  (fixed price) | single source | CEO |
| supply chain management turnaround strategy- Astute Advisory | as per the National Treasury Regulations | R 8,000,000.00  (fixed price) | National Treasury transversal contract | CEO |
| Employee Awareness Programme (EAP) - Metropolitan Wellness | as per the National Treasury Regulations | R 1,166,666.67  (fixed price) | National Treasury transversal contract | CEO |
| Pro-Active 24 hardware maintenance and support - HP South Africa | renewal of the Pro-active 24 hardware maintenance and support contract- (OEM) | R 9, 889, 578.24  (fixed price) | single source | CEO |
| premier data protector - HP South Africa | service provider to provide premier data support- (OEM) | R 390, 757.44  (fixed price) | single source | CEO |
| renewal of Lucidview licenses, maintenance and support – Lucidview Pty (Ltd) | renewal of Lucidview licenses, maintenance and support- (OEM) | R 1, 891, 508.52  (fixed price) | single source | CEO |
| APN upgrade, Spend Manager Plus and Data Messenger- Vodacom | contract scope extension | R 21, 901, 888.08  (fixed price) | single source | Board |
| supply chain management turnaround strategy - Astute Advisory | variation - extension of the scope of work | R 11 260. 000.00  (fixed price) | single source - variation extension of scope | Board |
| Menlyn parking, increase of parking space - Interpark | no alternative parking space could be sourced within the near vicinity | R 4 524. 998.72  (fixed price) | single source - variation extension of scope | CEO |
| banking services - Standard Bank | banking services - extension while the tender process was underway | transactional expenditure subject to annual budgeted amount of  R 1,300,000.00 | single source - extension | Board |
| security services - Venus Securities | extension while the tender process was underway | original tender/contract value -  R 1, 130, 726.88  value of the extension - R254, 821.65  (extended for five months at R 50, 964.33 per month) | single source - extension | CEO |
| security services - Fidelity Security | extension while the tender process was underway | original tender/contract value -  R 3, 615, 743.98  value of the extension – R 162, 205.85  (extended for five months at R 32, 441.17 per month) | single source - extension | CEO |
| security services - Securitas | extension while the tender process was underway | original tender/contract value -  R 938, 448.00  value of the extension – R 153, 375.60  (extended for five months at R 30, 675.12 per month) | single source - extension | CEO |
| **2016-2017 FY** | | | | |
| panel of recruitment agencies | as per the National Treasury Regulation 16A.6.6 | R 3,000,000.00  (fixed price) | participation agreement (South African Civil Aviation Authority) | CEO |

**Road Traffic Infringement Agency**

(a) The RTIA has not in the past three years issued any tender without following the normal tender processes.

(b) – N/A. See answer in (a) above.

(c) – N/A. See answer in (a) above.

(d) – N/A. See answer in (a) above.

(e) – N/A. See answer in (a) above.

**Road Traffic Management Corporation**

(a) The RTMC has not in the past three years issued any tender without following the normal tender processes.

(b) – N/A. See answer in (a) above.

(c) – N/A. See answer in (a) above.

(d) – N/A. See answer in (a) above.

(e) – N/A. See answer in (a) above.

**South African National Roads Agency Limited**

1. (b) (c) (d) and (e) Please see attached

**Airports Company of South Africa (ACSA**)

Please see attached 2016 and 2017 annexures, and 2015 not yet completed.

**Air Traffic and Navigation Services SOC Limited (ATNS)**

* ATNS satisfy its requirements through competitive tender process unless there are justifiable reasons to the contrary. Below is a list of tender issued without following normal tender process.

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| --- | --- | --- | --- | --- |
| a) Tender Description | b) Reasons for Deviation | c) Monetary Value | d) method of tender | e) Authorising Authority |
| Componentization of assets, verification and barcoding | Urgent audit request | R 4,000,000 | Closed Tender | CEO |

**South African Civil Aviation Authority (SACAA)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Seq** | **Description** | **Supplier** | | | |
| (a) | Which tenders were issued without following normal tender processes | Microsoft | SAFRAM | AFGEN (Pty) Ltd | Avdex |
| (b) | What were the reasons for the deviation in each case | Sole Supplier | Sole Supplier | Sole Supplier | Sole Supplier |
| (c) | What was the monetary value of each tender | R7, 461, 805.00 | R5, 532, 258.00 | R1, 276.80 | R114, 000.00 |
| (d) | How were the tenders issued | Negotiations with international supplier. | Negotiations with international supplier. Annual Software technical Assistance for the Flight inspection equipment. | Negotiations with International Supplier. PAPI light calibration Instrument. | Aircraft Registry System – Contract extension for 12 months |
| (e) | Who authorised the issuing of each tender | DCA, SACAA Board, and National Treasury | DCA, SACAA Board, and National Treasury | DCA, SACAA Board, and National Treasury | DCA, SACAA Board, and National Treasury |

**South African Maritime Safety Authority ( SAMSA)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **BID DESCRIPTION** | **REASONS FOR DEVIATION** | **VALUE OF THE CONTRACT** | **PROCESS FOLLOWED** | **AUTHORISED BY** |
| Upgrade of Great Plains | Adhering to National Treasury Circular No 10 of 2016/2017 not to engaged on long term contract agreement for ICT product, software and services. | R 1 672 722.00 | Current service requested to upgrade the financial system while waiting for National Treasury to finalize the tender process for an integrated financial system. | ACEO |
| VMWare Software | Adhering to National Treasury Circular No 10 of 2016/2017 not to engaged on long term contract agreement for ICT product, software and services. | R 2 259 238.85 | A quotation process was followed. Quotes were sourced from VMWare local partners. Permission to deviate from the tender process was supported by National Treasury. | Approval granted by National Treasury |
| Design,implement and support the MPLS Infrastructure | Contract over 15% National Treasury threshold | R2 904 559.04 (vat excl) | SAMSA requested contract extension from National Treasury for over 15% threshold. | Approval granted by National Treasury |
| Security Services | Tender still pending evaluated and contract award | R 801 436.00 | Current supplier requested to extend the contract on a month to month | Approved by SAMSA board |
| Forensic Audit | Closed Tender | R 556 981.20 | The company was appointed through the Company Secretary to ensure that staff members affected by the audit do not have influence on the awarding process. | Approved by the ACEO |

**Ports Regulator of South Africa**

1. The Ports Regulator has not issued any tenders in the past three financial years without following the normal tender processes.
2. N/A
3. N/A
4. N/A
5. N/A

**Railway Safety Regular of South Africa (RSR)**

**2014/15 Financial Year**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No | Question a | Question b | Question c | Question d | Question e |
|  | Supply information security solution and system | Selected service provider- services of special nature | R800 000.00 | Deviation from a normal procurement process:  The solution requested is only provided by only supplier in Southern Africa. The service provider was approached by the organization for the security solution based on the security breaches that had transpired in the year in question. | Accounting Officer |

2015/16 Financial Year

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No | Question a | Question b | Question c | Question d | Question e |
|  | Consultant to conduct a culture alignment intervention in the RSR | Selected service provider- natural continuation | R741 000.00 | Deviation from a normal procurement process:  The service provider initially conducted Culture Climate Survey on the employees of the Organization via normal procurement process, therefore this deviation was on the basis of natural continuation of the project. | Accounting Officer |
|  | Appointment of contractors to evaluate the condition of the current signalling and equipment installed on the Gauteng Region of PRASA | Urgency- safety of Rail Passengers following the train collision due to faulty signals | R742 539.80 | Deviation from a normal procurement process:  An independent signalling systems investigation in the Gauteng South region of Metrorail focusing on the safety, technical and operational readiness of the signalling installations employed in the Gauteng Region | Accounting Officer |
|  | Appointment of contractors to evaluate the condition of the current signalling and equipment installed on the Gauteng Region of PRASA | Urgency- safety of Rail Passengers following the train collision due to faulty signals | R536 800.00 | Deviation from a normal procurement process:  An independent signalling systems investigation in the Gauteng North region of Metrorail focusing on the safety, technical and operational readiness of the signalling installations employed in the Gauteng Region | Accounting Officer |
|  | An independent consultant to assess and investigate the suitability of the Afro 4000 Locomotives for use in South Africa | Urgency- safety of Rail Passengers following procurement of oversized Train Locomotives by the operator | R745 000.00 | Deviation from a normal procurement process- Mechanical and Rolling Stock expertise was required urgently for the Afro 4000 to conduct an independent report. | Accounting Officer |

2016/17 Financial Year

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No | Question a | Question b | Question c | Question d | Question e |
|  | Service provider to provide strategic legal advice to the RSR on legal issues raised by operators which might have an impact on the organization | Selected service provider- expertise and experience | R2 000 000.00 | Deviation from a normal procurement process:  The organisation approached the service provider on the basis of similar work which had been conducted by them before and because of their Regulatory Framework expertise as well as in order not to compromise the organisation if and when other legal issues of the same nature occur from operators as they would have a view of the history. | Accounting Officer |

**Passenger Rail Agency of South Africa (PRASA)**

1. The tenders issued without following normal tender processes during the period 2014 – 2017 across the PRASA spectrum amount to 243. See attached **Annexure A, Column “C”.**
2. The reasons for deviation for tenders issued during the period of 2014 – 2017, see attached **Annexure B, Column “D”**.
3. The monetary value of tenders issued during the period of 2014 – 2017, see attached **Annexure C, Column “E”**.
4. The method of how tenders were issued during the period of 2014 – 2017, see attached **Annexure D, Column “F”**.
5. Tenders were authorized by officials with different levels of responsibilities. Refer to **Annexure E, Column “G”**.