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**NATIONAL ASSEMBLY**

**QUESTION FOR ORAL REPLY**

**QUESTION NUMBER: 146**

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**146. Ms B S Masango (DA) to ask the Minister of Social Development:**

(1) Whether her department is planning to introduce an alternative for the cash pay-points for the approximately 200 000 beneficiaries of SA Social Security grants who are still paid cash at pay-points; if so, (a) what are the alternatives and (b) on what date will they be introduced;

(2) what (a) are the names of all the cash-in-transit companies that SA Post Office (i) has used and (ii) is currently using to deliver cash for social grants at cash pay-points and (b) process was followed to procure the services of each of these companies? NW167E

**REPLY:**

1(a) SASSA, working together with SAPO, is still exploring possible alternatives to the cash pay points. No final decision has been made yet and no date has been set for implementation.

(b) All parties involved in the grant payment process agree that it is important that we move away from cash payments due to the security issues and the high cost of delivering cash to pay points. The only viable alternative that is been seriously considered is exploring the move to existing and future cashless payment platforms such as more use of cards at ATMs, Point of Sale platforms and Mobile solutions. No alternative payment channel will be introduced until it has been tested and confirmed that it is fit for purpose.

2(a) (i) and (ii) SAPO uses Fidelity Security Service (Pty) Ltd to pay beneficiaries at Cash Pay Points.

(b) Two Requests for Proposals (RFPs) were issued to appoint a service provider for the provision of cash at pay points:

**Interim Solution**

RFP/26/18/19/ Cash Conveyance and Handling/RA – this RFP was issued as an interim measure (using cash bags) whilst the long -time process (using cash dispensers) was in the process.

A close RFP was issued on 16 August 2018 to five companies. The close bid process was approved by National Treasury. Four of the five companies that were invited indicated that they will not participate in the RFP process some indicating that they did not have the capacity to provide the service.

Fidelity Security Services (Pty) Ltd was the only bidder that responded and the tender was awarded to them. The contract was for a period of six months commencing from 1 October 2018 up until 31 March 2019 to allow for the long-term solution to be finalised.

**Long-Term Solution**

RFP/18/19/36 Cash Conveyance and Handling Processing and Dispensing Service for SASSA Grant Payouts/KN .

An open tender process was advertised on the National Treasury e-Tender portal on 13 August 2018. Only two bidders submitted proposals (G4S Cash Management Solutions (Pty) Ltd and Fidelity Security Services (Pty) Ltd).

G4S Cash Management Solutions (Pty) Ltd was disqualified due to not complying fully with the tender requirements. The tender was awarded to Fidelity Security Services (Pty) Ltd for the period of two years commencing on 1 May 2019 up until 30 April 2021.

3. (a) All tenders above R10m falls within the delegation of the Board of Directors for approval. However on the 10 November 2017 the Board of Directors resolved that The GCEO (Mr Mark Barnes) and the GCOO (Ms Lindiwe Kwele) were duly authorised to engage, negotiate, take decisions and sign any documents relating to the provision of payment services and systems for social assistance without referring back to the Board of Directors for guidance. The appointment of the CIT Company for both Interim and Long term solutions was therefore duly approved by the two delegated officials.

3. (b) The contracts for both RFP/26/18/19/ Cash Conveyance and Handling/RA and RFP/18/19/36 Cash Conveyance and Handling Processing and Dispensing Service for SASSA Grant Payouts/KN are attached.