

**MINISTRY OF ENERGY**

REPUBLIC OF SOUTH AFRICA

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 **Memorandum from the Parliamentary Office**

**National Assembly Question: 1848**

**1848. Mr M M Dlamini (EFF) to ask the Minister of Energy:**

Whether, with reference to the reply to question 1363 on 23 May 2018, the (a) directors and/or (b) shareholders of the specified companies who are serving in more than one company have declared their involvement in multiple companies; if not, why not; if so, what steps did his department take to deal with conflict of interest and collusion, particularly with regard to bid price and the fact that equivalent annual tariffs were used to determine price scoring in the awarding of contracts? NW2007E

**Reply:**

The Bid Submission for REIPPP Projects in Bid Window 4 was on 18 August 2014, a total number of 77 bids were received and evaluated based on stringent qualification and evaluation criteria. Accordingly these four projects were selected as preferred bidders based on the outcome of the evaluation. The shareholding of each project company was disclosed at bid submission as bid criteria include South African Entity and Black ownership requirements. Bidders are not precluded from submitting more than one project for evaluation. All bidders are bound by rules against collusion which may result in disqualification. As the four specified project companies have the same shareholding structure collusion with another bidding group or developer is not relevant. The individual bids by the four project companies competed with multiple other bids in respect of the unique offering of each underlying project, in terms of a combination of factors that inform their pricing, for example location, size of plant and technology.