## DPE Stationery:DPE logo.jpg INFORMATION MEMORANDUM

**TO : Mogokare Richard Seleke**

**DIRECTOR-GENERAL**

 **FROM : Justin De Allende**

 **PLO**

**RE :** **PARLIAMENTARY QUESTION NO 2024**

**DATE : 15 SEPTEMBER 2017**

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To provide the Minister with a response to Parliamentary Question Number 2024

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| **COVER MEMO AND THE PACKAGING OF PQ BY:****Department of Public Enterprises**  |
| **……………………………….****Act. Deputy Director-General: TE** **Date:** | **COMMENTS:****………………………………………..** |
| **…………………………………**Mogokare Richard Seleke**Director-General****Date:** | **APPROVED/DECLINED/COMMENTS****…………………………………………..****…………………………………………..****………………………………………….** |



**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: 2024**

**DATE OF PUBLICATION: 30 JUNE 2017**

**2024. Ms N W A Mazzone (DA) to ask the Minister of Public Enterprises:**

(1)      Whether Transnet entered into any contracts with certain companies (names furnished); if so, what (i) were the costs involved and (ii) are the further relevant details;

(2)      Whether the report on the irregularities between certain companies (names furnished) will be made available; if not, why not; if so, on what date will it be made available?  NW2239E

**Reply:**

1(a) Transnet has not entered into any contracts nor paid any amounts to Homix Enterprises.

1(b) Transnet entered into a contract with Cutting Edge Commerce for the provision of a solution for a systems analytical tool and capability to report on key procurement metrics and analysis.

1(b)(i) Whilst Transnet is committed to providing as transparent an account of the information requested, Transnet is bound by contractual obligations it owes to these suppliers and the disclosure of the values would be in breach of the confidentiality clauses of the contracts Transnet has with these suppliers and the disclosure of the financial information regarding these contracts would prejudice the commercial interests and rights of these suppliers. Such unauthorized disclosure may expose Transnet to legal proceedings and its directors and officers to charges of failing to comply with their fudiciary duties to the company.

1(b)(ii) None.

2 TMST took Transnet to Court after Transnet cancelled the Contract between the parties. Transnet won the case at both the Durban High Court as well as the Supreme Court of Appeal.

TMST requested the Group Chief Executive and Chairperson of Transnet to test various allegations pursuant to the failure of their Court Case. Transnet engaged an external service provider to investigate same and the findings were communicated to TMST.

TMST then instituted arbitration proceedings against Transnet which are still underway. In view of the proceedings being incomplete, Transnet is not in a position to furnish the report because the matter is subjudice. Once the proceedings are completed, Transnet will have no objection to release such a report, provided it will be treated as confidential or discussed in a closed session.

**Mogokare Richard Seleke Lynne Brown, MP**

**Director-General Minister of Public Enterprises**

**Date: Date:**