**National Assembky**

**Question No: 2035**

**2035. Mr C H H Hunsinger (DA) to ask the Minister of Transport:**

(1) Whether, with reference to the reply to question 898 on 20 April 2018, operating costs stated, only include the limited kerbside services; if not, what is the position in this regard; if so, how is the huge cost of limited kerbside services justified;

(2) whether the operational costs include payments of consultants; if not, what is the position in this regard; if so, (a) what amount is to be paid to consultants in each year, (b) on what date will the consultants contracts come to an end and (c) what is the purpose of employing consultants in each case?

NW2272E

**REPLY:**

1. The operational costs were for kerbside services of up to 22 buses by 2019/2020. During 2020/2021, the services expanded to 40 buses. It is envisaged that trunk stations will be operational in 2021/2022.

Due to delays in procuring buses and concluding minibus negotiations, the earlier projection of R258 million in operating costs for 2018/19 did not materialise and the City projects R214 million for 2021/2022.

The DoT has expressed concern at these costly interim operating costs and interim compensation and has requested that the City attempt to minimise costs and maximise revenues even prior to full trunk station operations commencing.

The City is currently exploring how it can reduce any contractual costs without jeopardising minibus operator negotiations.

2. The operations costs exclude consultants and are direct payments to the bus operating company.

(a), (b), and

(c) Consulting costs fall under the Project Management line item and are estimated at R57 million for 2021/2022. This covers professional services related to stakeholder consultation, contract monitoring and optimisation, system planning, minibus negotiations, universal access for people with disabilities, etc.

The DoT has informed all cities repeatedly over the past three years, that consulting costs via general purpose project management procurements is to be minimised and ultimately avoided and that specific specialised consulting services should be procured directly on a needs basis without costly Intermediary sub-contracting arrangements.

# RECOMMENDATION

3. It is recommended that the EA approves the reply, should he concur with its content.

**MS KHIBI MANANA**

**ACTING DEPUTY DIRECTOR GENERAL: PUBLIC TRANSPORT**

**DATE:**

**MR M.E. MOEMI**

**DIRECTOR-GENERAL**

**DATE:**

# DECISION

Reply approved/amended.

**MINISTER F.A. MBALULA, MP**

**MINISTER OF TRANSPORT**

**DATE:**



Date: 15/02/2018

###### Private Bag X 193, 159 Cnr. Struben and Bosman, Forum building, Pretoria, 0001, Tel; 012 309 3172, Fax: 012 328 5926

# PARLIAMENTARY QUESTION FOR THE MINISTER

**QUESTION 2035 (QUESTION PAPER NO 19, 27 AUGUST 2021) FOR WRITTEN REPLY IN THE NATIONAL ASSEMBLY**

**2035. Mr C H H Hunsinger (DA) to ask the Minister of Transport:**

(1) Whether, with reference to the reply to question 898 on 20 April 2018, operating costs stated, only include the limited kerbside services; if not, what is the position in this regard; if so, how is the huge cost of limited kerbside services justified;

(2) whether the operational costs include payments of consultants; if not, what is the position in this regard; if so, (a) what amount is to be paid to consultants in each year, (b) on what date will the consultants contracts come to an end and (c) what is the purpose of employing consultants in each case?

NW2272E

**REPLY:**

. The operational costs were for kerbside services of up to 22 buses by 2019/2020. During 2020/2021, the services expanded to 40 buses. It is envisaged that trunk stations will be operational in 2021/2022.

Due to delays in procuring buses and concluding minibus negotiations, the earlier projection of R258 million in operating costs for 2018/19 did not materialise and the City projects R214 million for 2021/2022.

The DoT has expressed concern at these costly interim operating costs and interim compensation and has requested that the City attempt to minimise costs and maximise revenues even prior to full trunk station operations commencing.

The City is currently exploring how it can reduce any contractual costs without jeopardising minibus operator negotiations.

2. The operations costs exclude consultants and are direct payments to the bus operating company.

(a), (b), and

(c) Consulting costs fall under the Project Management line item and are estimated at R57 million for 2021/2022. This covers professional services related to stakeholder consultation, contract monitoring and optimisation, system planning, minibus negotiations, universal access for people with disabilities, etc.

The DoT has informed all cities repeatedly over the past three years, that consulting costs via general purpose project management procurements is to be minimised and ultimately avoided and that specific specialised consulting services should be procured directly on a needs basis without costly Intermediary sub-contracting arrangements.

**MINISTER F.A. MBALULA, MP**

**MINISTER OF TRANSPORT**

**DATE:**