**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: 2499**

**DATE OF PUBLICATION IN INTERNAL QUESTION PAPER: 15 JUNE 2023**

**INTERNAL QUESTION PAPER NUMBER: 24 – 2023**

**2499. Ms L H Arries (EFF) to ask the Minister of Social Development:**

(1) What are the details of the processes that were followed in the awarding a three‑year security contract worth R61m to three companies by her department in Limpopo;

(2) Whether there were any declarations made of matrimonially connected directors; if not, what is the position in this regard; if so, what the relevant details;

(3) Whether any conflict of interest was declared; if not, why not; if so, what are the relevant details?

 NW2843E

**REPLY:**

1. The department advertised bid for provision of physical security services at various facilities of the Department of Social Development in five (5) districts for a period of thirty-six (36) months. The bid was advertised in the Government tender bulletin, Departmental website and National Treasury on the **16th of September 2022** and closed on the **14 October 2022**.

One hundred and ninety-eight (198) Bid documents were received from the Supply Chain Management.

**The following process were undertaken as per Terms of Reference used to advertise the bid:**

**Phase 1:**

* One Hundred and ninety-eight (198) documents were evaluated pre-qualification criteria as stated in the terms of reference.
* Eight (08) bidders were disqualified.
* One Hundred and ninety (190) bidders qualified for second phase.

**Phase 2:**

* Ninety-eight (98) bid documents were disqualified on Administrative Compliance
* Ninety-two (92) bid documents qualified for third phase of evaluation being Functionality.

**Phase 3:**

* Thirty-four (34) bidders were disqualified on functionality for not scoring a minimum of sixty (60) points.
* Fifty-eight (58) bidders qualified for fourth phase being site inspection.

**Phase 4.**

* Fifty-eight (58) bidders were inspected, and Twelve (12) bidders were disqualified.
* Forty-six (46) bidders qualified for the next phase being vetting by State Security Agency

**Phase 5:**

* Forty-six (46) bidders were submitted to State Security Agency and two (2) service providers were disqualified based on the vetting report.

**Phase 6:**

* Twenty (20) companies were disqualified based on the non-declaration of interest as per Standard Bidding Document 4 and under quoting based Psira Illustrative pricing Schedule.

**Phase 7**

* Twenty-four (24) companies were considered compliant in all evaluations stages and were further evaluated on price and BBB-EE.
* The Bid Adjudication recommended the highest point scorer with **100.00** points on all sites, to be appointed based on the proven capacity including available patrol vehicles and valid firearms.
* The BAC further recommended that department negotiate with other high point scorers as per their ranking, for allocation of the remaining sites which the highest point scorer would not be able to manage.
* The department negotiated and finalized appointment of eleven (11) service providers to provide security services in all the departmental offices across the province.
* The following are the names of all appointed companies:
* Gija Security Services
* Tubatse Security Services
* Leledu Security Services
* MC Tee Holdings
* Papa Mike Protection Services
* Ompwa Trading Enterprise
* Bravospan 90cc
* Petkay Trading Enterprise
* Vhutaka General Trading
* Nkari Security and Projects
* Marebole Security Solutions

(2) The department can confirm that all the bidders did declare their interest as per requirement in the Standard Bidding Document 4 section 2.3 which asks *“Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract?”*

The service providers further provided details of the companies they declared interest in. These declarations were noted by both the Bid Evaluation and Bid Adjudication committees. None of the companies indicated their matrimonial connection during the bidding process.

**(3)** The Bid Evaluation and Bid Adjudication Committee members did not declare any conflict of interest at any point during the evaluation and adjudication of the bid.

The service providers made the following declarations in their Standard Bidding Document 4, section 3 which reads as follows:

*I, the undersigned, (name)…………………………. in submitting the accompanying bid, do hereby make the following statements that I certify to be true and complete in every respect:*

*I have read and I understand the contents of this disclosure;*

*I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;*

*The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium[[1]](#footnote-1) will not be construed as collusive bidding.*

*In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.*

*The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.*

*There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.*

*I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.*

 *I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT. I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.*

The department took note of the declarations made by the companies and recorded them as such in the report. All These companies were evaluated and adjudicated as separate entities which conducts their business as such. Site inspections were conducted in their listed addresses and their capacity (vehicles, firearms, tools etc) individually assessed. The department did not have the basis to disqualify them from the bidding process.

1. [↑](#footnote-ref-1)