Official reply: 04 September 2015

**NATIONAL ASSEMBLY**

**QUESTION 2725/2015**

**FOR WRITTEN REPLY**

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**2725. Ms P T van Damme (DA) to ask the Minister of Social Development:**

Whether, with reference to her reply to question 1660 on 26 May 2015, the (a) tender document stated that all the beneficiaries including children and procurators must be registered and (b) figure of 9 082 251 in terms of the Request for Proposals was the number of grant recipients for the 2011 – 12 financial year; if so, in each case, why was it not clear to the SA Social Security Agency and any successful bidder that registering all grant beneficiaries as well as their care givers would be more than the 9 082 251 beneficiaries and that claiming for any additional amount would be in transgression of the contract? NW3156E

**Reply:**

1. The RFP was not specific on the anticipated number of beneficiaries to be enrolled. However, the costing template which was attached as an Annexure stipulated the number of 9 082 251, and it was on this basis that the bidders costed the service. During the finalization of the bid, SASSA confirmed with the service provider that there was no charge for the enrolment of 9 082 251 beneficiaries. When the contract was implemented, it was realized that enrolment of all beneficiaries, procurators and children would require more time than initially expected. The enrolment had initially been planned for all grant collecting adults (the 9 082 251 quoted) but the decision was made to include the re-registration of all children and procurators since SASSA and the service provider would have face-to-face contact with each person collecting a grant. It would have created serious hardship for social grant beneficiaries had we completed the enrolment of the 9 082 251 beneficiaries, and then still expect the same beneficiaries to return at a later date to re-register their children and procurators. The extension and the inclusion of the children and procurators at the same time that enrolment was taking place was agreed to in a management meeting held in June 2012.

It would have not made any business sense for the Agency to appoint another service provider to render this service, as this would have resulted in SASSA having disparate databases, something which the re-registration and enrolment process sought to eliminate at the first place. It should also be noted that in the original RFP, consideration had always been given to paying a separate fee for the enrolment and re-registration of beneficiaries – it was not originally expected to be included within the capped fee of R16, 50 per transaction. However, the service provider, who had budgeted to absorb the cost of bulk enrolment within the service fee quoted, indicated that, with the extension of both time and numbers, there would be a cost for the service. This cost was to cover his direct costs related to the payment of staff, overtime, transport, leasing of re-registration venues and hiring of tents in areas where there was a need to do so.

1. Given the foregoing, the payment in question cannot be regarded as a transgression of the contract. The re-registration of all beneficiaries, children and procurators was part and parcel of the long term plan. However, the ability to implement this within the set time frame and within budget was found to exceed the practical limits which had been set, and approval was therefore given for the extension of time and resources to complete the project, with as little disruption and inconvenience to social grant beneficiaries as possible. Yes, the implementation of this exercise came at a cost but in terms of the long term benefits and safeguarding the integrity of the social grant payment system, this exercise will provide the benefits will far outweigh the initial costs, as the Agency managed to accrue savings of R3.2 billion in the 2013/14 financial year for Government.