# NATIONAL ASSEMBLY

**FOR WRITTEN REPLY**

**QUESTION NO. 2778**

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**(INTERNAL QUESTION PAPER NO. 49)**

**Mr P A van Staden (FF Plus) to ask the Minister of Health:**

(1) Whether, given that the procurement of goods and services related to COVID-19 outside the normal procurement procedures according to section 27(2)(l) of the Disaster Management Act, Act 57 of 2002, has led to various expenditures that are under investigation and suspicion, and with reference to 14 March 2014 when his department sent the first group of repatriates from Wuhan, China, to a five-star hotel in Limpopo at a cost of R11 million for 112 people for 14 days, he has found that his department has set a poor example regarding doing business in this kind of manner; if not, why not; if so,

(2) whether he is willing to take responsibility for the COVID-19 corruption that happened in his department throughout each province; if not, why not; if so, what are the relevant details?

###### NW3599E

**REPLY:**

1. The National Department of Health followed an established acquisition method for emergency state of affairs. Paragraph 8.1 and 8.2 of the National Treasury’s SCM Instruction Note 03 of 2016/17 on Prevention and Combating Abuse in the Supply Chain Management Systems states the following:

*“8.1 The Accounting Officer/Accounting Authority must only deviate from inviting competitive bids in cases of* ***emergency*** *and sole supplier status. 8.2. An emergency may occur when there is a serious and unexpected situation that poses an* ***immediate risk to the health, life****, property and environment which calls an agency to action and there is insufficient time to invite competitive bids.”*

The Covid-19 is a worldwide pandemic, hence the declaration of National State of Disaster earlier this year. Various activities had to be conducted by the country to curb the spread of the virus, which amongst others, included the repatriation of South Africans from different countries. Due to the City of Wuhan being declared as the epicentre of the virus, the South African Government prioritised the repatriation of its citizens that were either studying, working or had travelled to China for various reasons. A process was followed by the Department in conjunction with the South African National Defence Force to identify the most appropriate site for quarantine of the repatriates from Wuhan, China. The repatriation followed immediately after the closure of most businesses. Based on limited knowledge of the virus at the time, not all businesses (in this case accommodation facilities) were willing to take the risk of accommodating people whose status was unknown as well as the consequences that their business would have suffered thereafter. Eighty-four (84) facilities were considered for quarantine of which six (6) were inspected across the country and two (2), namely The Ranch Hotel and Black Mountain Resorts, were deemed suitable due to weather conditions, which was amongst other considerations.

Both facilities were found willing to take the risk associated with Covid-19 and to accommodate SA Citizens who were repatriated. The quotation received from Black Mountain Resorts was however considered exorbitant and The Ranch Hotel was a preferred supplier. The National Department of Health therefore followed the emergency acquisition method in procuring services to accommodate repatriated SA Citizens from Wuhan as indicated in the extract of Instruction Note 3 of 2016/17 quoted above. This was an urgent situation with serious pressures arising Wuhan with our South African citizens in Wuhan regarding food, physical and mental health as well as great deal of stress and anguish by the parents back home. We then entered into negotiations with the owners of the Ranch for emergency procurement as our repatriates were returning within the same week.

It must further be noted that the main objective of the Minister and the Department at the time was to prioritise the lives of South Africans who were distressed and facing a highly infectious virus in China, hence the followed procurement method in securing proper accommodation for them while waiting for their Covid-19 test results.

Based on the above clarification, the Minister we have not found that the National Department of Health has set a poor example by doing business in this kind of manner as the Department followed an approved method as per prescripts in procuring services of this nature.

1. Provincial Departments of Health either as provinces are classified as autonomous levels of government according to the Constitution of the Republic of South Africa. Provinces have their own MECs, accounting Officers and Supply Chain Management Systems which are guided by Provincial Treasuries and National Treasury. Provincial Departments therefore run their own procurement processes independently from the National Department of Health. If there are any alleged non-compliance issues from Provinces, it is expected that Provincial Accounting Officers will conduct an investigation and take appropriate actions where necessary. These investigations will also involve the use of various Law Enforcement Agencies and the National Department of Health will be updated of any progress by the Provincial Departments.

END.