

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: PQ 3875**

**QUESTION:**



**3875. Dr P J Groenewald (FF Plus) to ask the Minister of Public Enterprises:**

1. Considering that before December 2021 three companies, namely Actom, Steinmuller Africa and Babcock Ntuthuko Engineering, were all contracted to perform specialist engineering services at different Eskom power stations, how does Eskom now justify eliminating a key original equipment manufacturer, Babcock Ntuthuko Engineering, from a tender process when the specified company was servicing the power stations and performing well;
2. given the skills shortage and/or loss on the Eskom side, how does Eskom justify losing years of experience and expertise from a key original equipment manufacturer that has maintained the units, both from a construction and engineering aspect;
3. what is the reason that Eskom did not accept the tender from Babcock Ntuthuko Engineering, specifically in light of the critical urgency to ensure proper and skilled maintenance on the power plants?

**REPLY:**

**According to information received from Eskom:**

1. The process to procure the boiler maintenance services went through the competitive open tender process and the successful bidders’ contracts started in January 2022. Babcock Ntuthuko was disqualified technically. The two service providers awarded the contract have proven that they have the capacity and capability to render the required scope of work.
2. The procurement of goods by Eskom is done and should always be done in a manner that is equitable, fair, transparent, cost-effective and competitive. It was not a requirement to award the tender to Original Equipment Manufacturers (OEMs), however, Actom and Steinmuller are in fact the OEMs on certain power stations. However, that did not influence the tender evaluation outcome or award.
3. Babcock Ntuthuko’s tender was not accepted due to its failure to meet one of the mandatory technical requirements. The supplier failed to submit the mandatory technical requirements. The supplier failed to submit the mandatory certification of ISO 3834 which was required and mandatory for technical evaluation.

It should be further noted that Eskom is committed to utilising experienced skills when it comes to working on the units, but where bidders in a procurement process do not meet the mandatory requirements, Eskom cannot accept those bids.

**Remarks: Approved / Not Approved**

**Jacky Molisane Pravin Gordhan, MP**

**Acting Director-General Minister**

**Date: Date:**