

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: 587**

**587.     Mr R N Komane (EFF) to ask the Minister of Public Enterprises:**

Whether his department or any of the entities reporting to him ever contracted the services of a certain company since February 2018; if so, (a) what was the value of each contract, (b) on what date was it awarded, (c) for what services was it awarded and (d) who approved the contracting of the services? NW1584E

**REPLY:**

**Department of Public Enterprises:**

The Department has not contracted services of Werksmans Attorneys.

**According to the information received from Alexkor SOC LTD**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Company name (furnished) | (a) what was the value of each contract | (b) on what date was it awarded | (c) for what services was it warded | (d) who approved the contracting of the services? |
| Werksman Attorneys | Not applicable | Not applicable | Not applicable | Not applicable |

Alexkor SOC did not contract the services of Werksmans Attorneys since February 2018.

**According to the information received from Denel SOC LTD**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Company name (furnished) | (a) what was the value of each contract | (b) on what date was it awarded | (c) for what services was it warded | (d) who approved the contracting of the services? |
| Werksman Attorneys | Not applicable | Not applicable | Not applicable | Not applicable |

Denel SOC did not contract the services of Werksmans Attorneys since February 2018.

**According to the information received from Eskom SOC LTD**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Company name (furnished) | (a) what was the value of each contract | (b) on what date was it awarded | (c) for what services was it warded | (d) who approved the contracting of the services? |
| Werksman Attorneys | Not applicable | Not applicable | Not applicable | Not applicable |

Eskom has not contracted services of Werksmans Attorneys since February 2018.

**According to the information received from SAA SOC LTD**

(a) Werksman rendered a variety of legal services to SAA as fully set out in Table A hereunder.

Table A Werksmans rendered and were paid for the following services for the period 2008 to 2019.

**TABLE A**

|  |  |  |  |
| --- | --- | --- | --- |
| **SAA Paid Werksman the following amounts for the period 2008 to 2019** | | |  |
| **Financial Year** | **Vendor Name** | **Services Rendered** | **Total Spend** |
| 2008 | Werksman Attorneys | Litigation | R 788,773.92 |
| 2009 | Werksman Attorneys | Litigation | R 1,547,889.36 |
| 2010 | Werksman Attorneys | Litigation (Equity Aviation) | R 545,592.08 |
| 2011 | Werksman Attorneys | Labour | R 3,867.45 |
| 2012 | Werksman Attorneys | Litigation (Equity Aviation) | R 110,502.48 |
| 2013 | Werksman Attorneys | Labour Matter | R 175,165.09 |
| 2014 | Werksman Attorneys | Labour Matter | R 252,550.78 |
| 2015 | Werksman Attorneys | Aircraft Leasing | R 1,199,031.66 |
| 2016 | Werksman Attorneys | Labour Matter | R 524,399.20 |
| 2017 | Werksman Attorneys | Labour Matter | R 14,801.88 |
| 2018 | Werksman Attorneys | Intellectual Property (Release of Mortgage) | R 93,678.28 |
| 2019 | Werksman Attorneys | Labour Matter Steven Poprawa | R 865,004.93 |
|  |  |  |  |
|  |  |  | R6,121,257.11 |

SAA is not aware of any Werksmans affiliated companies that were paid for the rendering of the above mentioned companies. All invoices received from Werksmans were paid directly to them.

This level of information is normally not kept by the legal department. The duration of each contract is always dependent the type of matter and any complexities presented. Litigation matters would normally last longer compared to corporate advisory and transactional work. We will commence collation of this information for future reporting.

(d) The procurement of the services followed a supply chain process and were sourced either through the panel of service providers or the RFQ process and were signed off by procurement as the custodian of the procurement process. Each contract entered into with Werksmans was or is in line with the PFMA and relevant departmental regulations.

**According to the information received from SAFCOL SOC LTD**

Werksman Attorneys February 2018 – August 2019

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Reference | Description | Service Provider | Date Awarded | Contract Approved | Contract Period | Bid Amount |
| 1. | Legal Services | Werksmans Attorneys | None | None | None | R119 752,31 |

1. The contract value is not known as there was no contract between SAFCOL and Werksmans Attorneys. However, expenses incurred from February 2018 to August 2019 amounted to R119 752, 31.
2. The exact date during which the contract was awarded to Werksmans Attorneys is not known. However, the instruction to request Werksmans Attorneys to carry out work for SAFCOL was around August 2015.
3. Werksman Attorneys scope of work was to initiate and preside over disciplinary hearings for certain employees.
4. The instruction to Werksmans Attorneys was approved by Ms Nomkhita Mona (former CEO), Ms Zoliswa Mashinini (former CFO) and Francois de Villiers (former COO).

**According to the information received from SAX SOC LTD**

|  |  |
| --- | --- |
| **Name of Company** | **Werksmans Attorneys** |
| **Value of contracts** | Fixed once off contract (R1 196 305.26) |
| **When was it awarded?** | February 2019 |
| **Type of services** | Werksmans Attorneys was requested to perform the following duties:  To assist with the review of commercial terms relating to particular contracts and SAX rights as some had been flagged as irregular from a compliance perspective – MGC Matekane; Africa Charter; FlyFofa; Namane Capital; Ziegler |
| **Who approved the contracting of services** | The appointment followed the normal internal procurement processes. |

**According to the information received from TRANSNET SOC LTD**

From February 2018 Transnet has not contracted Werksmans attorneys to render any services. However, in June 2017 they were hired by the then Transnet Board to conduct a forensic investigation into allegations of procurement irregularities in the acquisition of the 1064 locomotives. Those services were rendered from June 2017 to March 2018 and for which they were paid fees in the amount of R12 562 506.83 including VAT and disbursements.

Legal firms should be retained on the basis of their specific expertise and the particular needs of the entity. Any forensic report produced by any legal or other firm must be acted upon to recover funds improperly expended and where appropriate charges will be laid with the relevant law enforcement authorities.