

**MINISTRY**

**HUMAN SETTLEMENTS**

 **REPUBLIC OF SOUTH AFRICA**

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**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: PQ 732 (NW754E)**

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**732. Mrs M R Mohlala (EFF) to ask the Minister of Human Settlements:**

(1) Whether her Department has held accountable any officials who were involved in the awarding of the tender for 40 temporary tin shelters in Talana outside Tzaneen in Limpopo, if not, why not, if so, what are the relevant details? NW754E

**REPLY:**

In August 2010, Limpopo Department of Co-operative Governance, Human Settlements and Traditional Affairs partnered with the Housing Development Agency (HDA) to, assist the Department with among other things, to ensure accelerated delivery of Sustainable Human Settlements in the Province.

In May/ June 2021, the Limpopo Department of Human Settlements appointed Housing Development Agency (HDA) as the implementing agent for the the construction of Transitional Residential Units (TRUs) following an assessment of the residential situation at Talana Hostel, Tzaneen, where it was evident that the settlement was highly congested and posed a risk of spreading the cvid-19 virus.

The Agency, in turn, appointed the contractor, Aventino Group CC through its procurement processes to carry out the actual work of construction of Transitional Residential Units (TRUs) at a total cost of **R15 750 000** for supply and installation of basic engineering services for 142 Transitional Residential Units (TRUs). To date the Agency paid a total amount of **R2 577 640 00** after the completion of forty (40) out of 142 TRUs. The money was paid in two (2) tranches) of **R1 095 497** on 22 July and **R1 482 143** on 24 July as reflected in the bank records of Aventino. The cost per unit, according to the appointment letter, amounted to **R64 441 00.** Specification for the construction of the TRUs were set out in the scope of work (Terms of Reference). A written contract was entered into between the Housing Development Agency and Aventino.

After the media uproar and public outcry following the official handover of the Transitional Residential Units (TRUs) by the Premier, the Department of Human Settlements requested the National Home Builders Registration Council (NHBRC) to conduct an investigation into the TRUs. The findings of the investigation revealed the following,

1. The defects found in the TRUs are major structural and non-structural defects
2. The TRUs are not safe and pose a public health and safety hazard to inhabitants and other persons in their vicinity, and
3. The workmanship is generally poor and doesn’t meet the level of accuracy required in building construction.

Based on the findings of NHBRC investigation, the Housing Development Agency appointed a law firm (ENS) to assist with the internal investigations into allegations against its employees. Subsequently, three (3) officials were placed on precautionary leave and subject to disciplinary process. One of the officials has since resigned from the organization and the other two were issued with final written warnings as part of consequence management.

Furthermore the Directorate for Priority Crime Investigation (the Hawks) conducted an investigation with regard to this contract/ tender. To date, the Director of Aventino as well as the Housing Development Agency (HDA) Manager who was involved in the awarding of tender were arrested.

Based on the investigation conducted by the hawks and the public protector office, it is confirmed that there were no officials from the Department who were involved in the awarding of tender for 142 temporary Transitional Residential Units (TRUs). The contractor was appointed and paid by the Housing Development Agency. It must be noted that, the Department of Co-operative Governance, Human Settlements and Traditional Affairs had not transferred any funds to Agency for this contract.