

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: PQ 841**

**QUESTION:**



**841. Mrs M O Clarke (DA) to ask the Minister of Public Enterprises:**

(1) With reference to Eskom’s De Wilge Residential Development Project in respect of which the costs ballooned from R160 million to R840 million, what

(a) Are names of the service providers who were contracted to build the flats and

(b) Is the breakdown of the amount that was paid to each of them;

(2) Whether anyone has been held accountable for the wasteful expenditure; if not, why not; if so,

(a) Who and

(b) What action was taken against them? NW1002E

**REPLY:**

**According to the information received from Eskom:**

1. **(a) and (b)**

The Wilge Residential Development contract was awarded at R 260.46 million for the completion of 336 unit-flats by December2013. Liviero Wilge Joint Venture (LWJV) was contracted to build the flats.

The cost incurred to date is R 632.64 million on the development of the flats paid to Liviero Wilge Joint Venture (LWJV) and an additional R 209.23 million on common infrastructure and related work paid to other service providers as set out in Table 1 below. The total amount that was paid to service providers was R 841.87 million.

Table 1: Other service providers for services and supporting infrastructure work

|  |  |  |
| --- | --- | --- |
| Service provider (a) | Contracted service | Total value (b) |
| BKS-PALACE CONSORTIUM | Engineering services | R   55 968 777.66 |
| Emalahleni Planning | Municipality planning | R          28 377.72 |
| ENSafrica | Legal services | R 7 248 484.67 |
| Eskom Rotek Industries (ERI) | Kitchen and electrical network | R 16 935 475.64 |
| Fabricated Steel Manufacturing Company | Kitchen building | R     4 525 945.94 |
| Huntrex 116 | Security | R     2 434 485.77 |
| Liviero Wilge Accommodation | Accommodation during construction | R   40 632 852.63 |

|  |  |  |
| --- | --- | --- |
| Service Provider (a) | Contracted Service | Total Value (b) |
| Mbanga Trading Enterprise | Kitchen equipment | R     3 558 621.64 |
| Moremantsa | Furniture | R 17 224 340.00 |
| MRMS | Pump station and water/sewer pipelines | R 15 530 657.37 |
| PricewaterhouseCoopers | Background checks | R 30 168.00 |
| Sphilasethu Security Services | Security | R     1 719 999.60 |
| Thabelo Personnel | Labour broker resources | R 3 826 293.96 |
| Themba Consultants | Engineering services and labour broker resources | R   24 781 473.44 |
| Thusanang Cast | Kitchen | R   11 572 419.18 |
| Ukwazi | Electrical repairs to 22kV supply | R          58 495.29 |
| Unyokane Trading Enterprise | Security | R     2 342 900.00 |
| Zitholele Consulting | Water use licence for pipelines | R 808 042.80 |
| **Total** |  | **R 209 227 811.31** |

1. **(a) and (b)**

In 2019, Eskom instituted disciplinary action against the General Manager of Facilities of which the Wilge Project is part. The disciplinary process was concluded in January 2020 and the General Manager was found guilty and subsequently, Eskom terminated his employment.

Eskom has initiated a legal process recovering moneys from the General Manager concerned.

Eskom is currently concluding disciplinary process on an additional implicated employee, this process is at an advance stage