

**SMARTCARD ID REPORT:
HOME AFFAIRS PORTFOLIO COMMITTEE**

21 August 2012



SITA

state information technology agency

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Background

- On 12 May 2008 the Department of Home Affairs (DHA) instructed SITA to prepare a tender. This tender was classified RFB 643: Supply, Installation and Maintenance of Smart Cards, Raw materials, Card Personalisation and Card production facility for the Department of Home Affairs.
- Sequence of events:
 - The tender was initiated and advertised during May 2008.
 - A compulsory briefing was held on 23 May 2008.
 - The closing date was formally extended from the original date (13 June 2008) to 11h00 on 27 June 2008.



Background

- On 8 September 2008 an anonymous letter was received by Zodwa Manase (former Chairperson of SITA Board) alleging improprieties relating to the evaluation of the tender.
- Pursuant to the receipt of the complaint, the Board prohibited RC from further deliberations on the Tender until the report of the Auditor-General was finalised and reviewed.



Key Findings

- General non-compliance with SITA tender procedures and SITA Regulations, as follows:
 - Failure by the DHA to submit a Business case which is peremptory in terms of the SITA Act. SITA failed to enforce upon the DHA the submission of the Business Case;
 - Publication of the Tender together with the Evaluation. The allocation of the preference points, which is part of the evaluation criteria was submitted to SITA by the DHA after publication of the Tender;
 - Obligation upon the DHA to prepare and submit the evaluation criteria and SITA to ensure that the Tender is not published with a complete evaluation criteria;



Key Findings

- General non-compliance with SITA tender procedures and SITA Regulations, as follows:
 - The published Bid was not approved by the DHA and DHA only approved the a week later, post publication;
 - Failure by SITA to open the Bids in public as required by the SITA Regulations;
 - Bid Evaluation Committee members were appointed post publication (appointment by DHA) of the Bid which is contrary to the prescripts of the SITA Regulations;

Key Findings

- General non-compliance with SITA tender procedures and SITA Regulations, as follows:
 - Not all the scoring by members of the BEC was taken into account on the basis that such members resigned, whilst there was no evidence to support their resignation and/or withdrawal;
 - Discrepancies in the finalisation and consolidation of the individual scoring of the BEC members



Key Findings

- Failure by one SITA employee to make a complete disclosure as he failed to:
 - Excuse himself from some of the deliberations;
 - Where there was disclosure, he did not disclose the nature of the interest and failed to disclose the name of the bidder involved with the alleged job offer.

Recommendations

- The improvement of controls pertaining to procurement processes to ensure compliance with the SITA Act, Regulations, SITA Procurement Policies and other applicable supply chain legislation;
- Contravention by DHA and SITA employees and/or failed to comply with the provisions SITA Act, Regulations, SITA Procurement Policies and other applicable supply chain legislation;
- The job offer made to one of SITA employees by a bidder was irregular taking into account that it was done whilst the bid was under adjudication;
- SITA should consider blacklisting the bidder for its irregular conduct.



Thank You



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