



water & sanitation

Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA

Enquiries: F Moatshe
Telephone: 081 035 1059
Reference: 6/2/2/6

NATIONAL COUNCIL OF PROVINCES

FOR ORAL REPLY

QUESTION NO 223

DATE OF PUBLICATION IN INTERNAL QUESTION PAPER: 11 OCTOBER 2023
(INTERNAL QUESTION PAPER NO. 15)

★ 223. Mr N M Hadebe (KwaZulu-Natal: IFP) to ask the Minister of Water and Sanitation:

Whether his department has incurred any (a) irregular and/or (b) fruitless and wasteful expenditure since 1 January 2023 up to the latest specified date for which information is available; if so, what are the relevant details? CO827E

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MINISTER OF WATER AND SANITATION

(a) The Department incurred irregular expenditure on the Water Trading Entity Account.

The Department's Water Trading Entity has incurred irregular expenditure due to awarding of a three-year term contract in relation to which service providers were appointed for mechanical and major plant and machinery installation, maintenance, repairs and upgrade refurbishment. The department incurred irregular expenditure due to inconsistencies in the evaluation processes.

Irregularities identified were, amongst others, awarding of contracts to bidders who did not score the highest points in the evaluation process. The approved specification and evaluation criteria were not followed by the Bid Evaluation Committee. This resulted in the irregular appointments as indicated below:

Table A

Irregular Bids	Irregular Service Providers	Irregular Expenditure from 01 January 2023-date
DWS02-0621WTE	Korone Engineers	R366 191.46
	Isiphethu	R7 850 558.80
DWS03-0621WTE	Blessed Engineering	R36 072 351.51
	CMS Water Engineering cc	R852 679.02
	Belta Consulting	R1 984 094.44

Irregular Bids	Irregular Service Providers	Irregular Expenditure from 01 January 2023-date
	Mulbert Pump Repairs	R68 644 929.99
	Kelotlhoko/Xintsabyana JV	R2 997 562.60
	Entsika Consulting	R7 280 141.56
DWS04-0621WTE	Zana Manzi	R4 111 995.89
Total		R131 160 505.27

The deviation procurement approved for plant hiring for the Giyani project was also considered irregular due to non-adherence to the evaluation criteria. Below is a list of irregular expenditure values and the services providers.

Table B


Irregular Bids	Irregular Service Providers	Irregular Expenditure from 01 January 2023-date
DEV 02/2022	Gulas Business Solutions (PTY) LTD	R 13 249 223,10
	Mavone Skills Investment (PTY)LTD	R 7 532 155,00
	Remoshomong Trading Enterprise 24C	R 13 527 100,00
	Rise-Mates Trading Enterprise CC	R 12 155 010,00
Total		R46 463 488.10

There are ongoing forensic investigations instituted by the Department in relation to the abovementioned tenders.

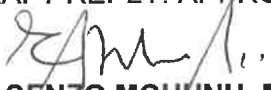
- (b) No fruitless and wasteful expenditure was incurred by the Department for the specified period.

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DRAFT REPLY: RECOMMENDED/ NOT RECOMMENDED/ AMENDED


DR SEAN PHILLIPS
DIRECTOR GENERAL
 DATE: 05/10/23

DRAFT REPLY: APPROVED/ NOT APPROVED/ AMENDED


MR SENZO MCHUNU, MP
MINISTER OF WATER AND SANITATION
 DATE: 10/10/23