

‘Crumbs for little guys’ as big firm ‘ignores’ procurement law

By THABO MOKONE

● The public works department is threatening to take legal action against a company that is apparently refusing to share a R357m, five-year contract with small contractors – instead dishing out the bulk of the work to established big companies.

This comes after 15 subcontractors reported the company to the department, claiming it had given them “crumbs”, instead of millions as per agreement with the government.

Department spokesperson Reggie Ngcobo said the small contractors had received just R767,435 since the contract came into effect in 2015, instead of an agreed R26m.

In their memo sent to minister Thulas Nxesi, the 15 small, micro and medium-sized enterprises (SMMEs) claim that facilities management firm AFMS was in breach of a contract.

The contract was awarded to repaint and renovate buildings and maintain gardens and other facilities within the parliamentary precinct, including at Tuynhuys, President Cyril Ramaphosa’s Cape Town office.

Company ‘took advantage of old law’

Another contract document seen by the Sunday Times shows that the “crumbs” the SMMEs refer to include installation of electrical fittings and lighting in parliament to the tune of R170,390, refurbishing the gardeners’ cottage and deck area at Tuynhuys at a cost of R24,000 and waterproofing fountains at the Tuynhuys Formal Gardens for R7,855.

The SMMEs have also been subcontracted to supply, install, repair and repaint suspended ceilings for R45,000 and other repainting jobs within the parliamentary complex for R159,000.

AFMS also procured the services of an on-site plumbing team to respond to calls logged at a fee of R1,400 a day for 21 days, or R29,400.

Ngcobo said they were “not at all” satisfied with how AFMS was dealing with the 15 contractors.

He said the department was now seeking legal advice as AFMS was refusing to comply with the Preferential Public Procurement Finance Act, which was not yet in force when the contract was signed in 2015.



Fifteen small companies have complained that they are not getting promised contracts for building and maintenance work in the parliamentary precinct. Picture: Ruvan Boshoff

“AFMS took advantage of the fact that the small businesses’ involvement did not form part of the original award. They are refusing to comply with the agreement signed with the department so the department is seeking legal advice on how to invoke the terms of agreement,” said Ngcobo.

“After numerous engagements, AFMS was supposed to submit a new proposal to try to accommodate the 15 SMMEs on August 7. The detailed plan has not yet been submitted by AFMS.”

Ngcobo said the department had now instructed AFMS to give each of the 15 small businesses annual contracts worth at least R494,000.

The SMMEs claimed AFMS was allocating jobs due to them to established companies that had been operating within the parliamentary precinct for the past 18 years.

They claimed that on top of being “marginalised, abused and subjugated” by AFMS, the public works service provider often took as long as 60 days to pay some of the SMMEs as little as R1,000.

“We have been given only crumbs of work projects by AFMS and as if that wasn’t bad enough, one of the 15 contractors at some point had to wait for 60 days to be paid a mere R1,000,” reads the memo.

Ngcobo has slammed the late payments.

“With regards late payment, public works condemns this in strongest terms as it is not acceptable,” he said.

Parliament’s spokesperson, Moloto Mthapo, said public works was responsible for procurement issues related to the maintenance of the national legislature.

AFMS did not respond to calls and messages seeking comment.