

NORTHERN CAPE’S ‘PET PROJECTS’ EXHAUSTED THE HEALTH FUNDS

Department faces **a lawsuit** and its service providers have downed tools because they have not been paid

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The Northern Cape health department is in financial trouble, on the brink of more lawsuits and its service providers have downed tools in key projects - including building work on a new community healthcare centre - because of non-payment.

The department said it was merely “reprioritising projects to manage cash flow and service providers are paid accordingly”. But whistle-blowers disagreed, saying the budget was depleted.

Insiders accused the acting chief director in the department, Dr Lesetja Mabona, of allegedly prioritising the funds for the conditions-based maintenance programmes, which insiders called his “pet projects”.

Dmitri Klaassen of contractor GVK-Siya Zama told City Press the Port Nolloth Community Health Centre project had been halted “due to non-payment”.

The work included construction of student accommodation in a nursing college in Kimberley, two other new clinics in Boegoeberg and Bankhara Bodulong, as well as a pharmacy and a new mortuary in Springbok Hospital. The combined value of these projects exceeded R232 million, according to the appointment letters.

Klaassen’s company, which signed the contract with the department in 2016 through the Independent Development Trust (IDT), sent a letter of demand through its lawyers earlier in August, seeking a payment of up to R20 million.

In a reply to the IDT, the head of the health department, Steven Jonkers, said it was experiencing delays in processing payments.

“The department acknowledges the delays in paying service providers affect performance on active projects,” Jonkers said, adding that efforts were being made to remedy the situation.

However, by mid-September, the issue was still not resolved. GVK-Siya Zama sent another letter demanding more outstanding money.

The company reserved its rights to “claim and institute legal proceedings” against the department.

Mabona implemented the conditions-based maintenance projects in June last year, stating in an internal memo that the public works department’s assessment of several clinics in the province revealed the need for “immediate attention”.

He said the cost of repairs and refurbishment of these clinics would amount to R113 million. His plan was to take unused funds in other budgeted projects to fund the maintenance projects.

A month later public works, as the implementing agent, appointed at least two companies to work on the projects Mabona had highlighted. Sources said the contracts were not put out for tender.

By July this year one of the appointed companies, an engineering consulting firm, had been paid R48 million, R10 million more than the overall project budget plan of R38 million for work on facilities in Kimberley’s Frances Baard region and Kuruman’s John Taolo Gaetsewe region.

Another document showed multiple variation orders in at least 28 sites. Whistle-blowers said the work done on these projects did not match the amount of money the department had spent.

Documents in City Press’ possession show the department repeatedly spent more than it budgeted. In another project to refurbish a portion of the nursing college in Gordonia into a lecture room, the architects were appointed with a contract of R3.3 million in March 2015 but by July 2016 the department had already spent more than

R8.5m

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double the amount, paying a total of R6.7 million.

The consulting engineers in the same project had an appointment budget of R1.2 million but in May 2015 R8.5 million had already been paid. Quantity surveyors received a R1.5 million contract but in September 2016 more than R2.8 million had been spent on their work.

A whistle-blower’s report blamed “deviations and manipulation of scope to inflate claims”.

Departmental spokesperson Lulu Mxekezo said “anybody who has knowledge of any illegal activities should provide that info to the department so the allegations can be investigated”.

MABONA’S LAWSUIT

In a separate issue Mabona threatened to sue a colleague, Mawabo Ntolosi, also director of infrastructure planning, for naming him as the person involved in another set of mysterious payment requests from service providers totalling R3.8 million. The project manager had refused to approve the payments because the work claimed could not be verified.

The matter was of concern for those in the provincial health department’s James Exum building in Kimberley because the allegations had not been tested internally but lawyers were already involved.

Mabona served a lawyer’s letter on Ntolosi in April this year demanding evidence of wrongdoing against him as contained in an internal memo, written by Ntolosi in August last year and discussing the unexplained payments.

In the memo Ntolosi wanted project managers to provide reasons for their refusal to sign off payments. The response he received was that they knew nothing about the contracts and therefore would not get involved. One of the two project managers, Sithembile Mankahla, told Ntolosi that his life had been “endangered” since the affected service providers had acquired his cellphone numbers and called him every day demanding that he process their payments.

“I feel that giving out my cellphone numbers to service providers and misinforming them about my role in their payments has endangered my life,” he said. “I am concerned about where they got my cellphone numbers and wondering who informed them that I was the one not signing their payments.”

In his version Ntolosi fingered Mabona as the official responsible for the mess.

“Even with these payment certificates of the consultants in question, it is [Mabona] who knows about them. I find it strange that [Mabona] is involved in the planning stage and so on but [he] is not involved in approving payments.

“When the payments need to [be] authorised it is the responsibility of the planning unit that I head to approve the payments initiated by [Mabona] with these consultants,” said Ntolosi.

He said he was unable to act against the project managers “for the work ... they were never involved in” and that Mabona “should handle the situation as he knows about it from the start”.

Despite repeated requests, Mabona did not comment on the allegations against him.