

R434m tender for 'unqualified company'

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2018-12-24 01:00

A tender worth R434 million was awarded to Mokgolokwane Civils

The Gauteng human settlements department has awarded a multimillion-rand tender to a company that allegedly did not meet basic qualifying standards.

In October, Mokgolokwane Civils was awarded a housing contract by the department to build 4 000 units in Palm Ridge in Ekurhuleni worth more than R434 million.

However, the company's Construction Industry Development Board (CIDB) grading meant it qualified only for a contract worth less than half that amount.

The CIDB is part of the public works department. Its mission is to "drive enhanced delivery management, capacity improvement and contractor development in the construction industry".

The contract was awarded through a selection process.

Contracts were supposed to be allocated according to set criteria, including their respective CIDB grading capability and track record.

Once chosen they had to undergo a bid adjudication process.

CIDB spokesperson Rami Moorosi said Mokgolokwane Civils' grading was an eight, meaning it could qualify only for a contract worth up to a maximum of R130 million and, at most, 20% more than that.

"The maximum tender value for grade eight is R130 million, but the regulation allows for the client to reasonably exceed the maximum value tender range by about 20%," Moorosi said.

The human settlements department now faces the possibility of being dragged to court after one of the companies that was part of the same panel of contractors, A-Z Building Services, raised the issue of the alleged irregularity.

Lawyers representing A-Z Building Services wrote to department head Matilda Gasela requesting records relating to the contract awarded to Mokgolokwane.

The letter, dated November 30 and seen by City Press, highlights the alleged irregular award as the basis for the request and states that it is for the "purposes of a potential judicial review".

The lawyer who wrote the letter, Ntiyiso Mathebula, confirmed sending it but did not want to give details.

Mokgolokwane Civils director Puleng Madisha confirmed the company had a CIDB general building (GB) "potentially emerging" (PE) contractor grading of eight, but said that allowed it to do work of unlimited value.

"We are a grade eight GB PE in terms of the CIDB. PE means potentially emerging and qualifies us as one level higher, meaning we qualify for grade nine CIDB work, which is unlimited in value," he said.

However, the CIDB's Moorosi said in an email that Mokgolokwane Civils did not have a PE contractor grading and therefore did not qualify for anything more than a grade eight rating.

Madisha referred the matter to the human settlements department to respond to a list of questions.

Department spokesperson Keith Khoza did not respond to the questions sent to him despite undertaking to do so.