

■ POWER

# Contract issues trip Emfuleni's lights

## MANYANE MANYANE

THE cash-strapped Emfuleni Municipality is the reason the BXC smart meter provider terminated its contract after more than six years of service to the community, the DA has said in a report wherein it also highlighted the fact that the company never received any payment for its services.

Some parts of Emfuleni were plunged into darkness after residents' electricity was switched off due to the termination of the contract.

Dineo Mokoena, a resident of Sonlandpark, said she was shocked when her meter went off last week, adding that she had no idea what was happening.

The 34-year-old said there was still no electricity this week.

"We have to refill gas to cook and use candles for light. This is sad because sometimes we don't press our clothes and are forced to use cold water in the morning to prepare for work," she said.

André Coetzie, said he was happy with the smart meters until they went offline.

"It was tough because I couldn't load money to get units. This was

bad because we have to refill gas to cook and to boil water. Emfuleni said they want to start from scratch, that's why they stopped smart meters," said Coetzie.

The party's caucus chairperson, Edward von Bodenstein, said since the beginning of the project in 2013, BXC had never received any payments and as a result it terminated its contract with Emfuleni this year.

"It is important to note that Emfuleni did not have the necessary funding for this kind of project. And as such, BXC undertook to fund the entire project in return for a profit split of 80% and 20% to Emfuleni.

"Under normal supply chain regulations, a contract would run for a period of three years. However, BXC made submissions to treasury to have the contract run for 10 years in order to make more profit, which was granted," said Von Bodenstein.

Von Bodenstein said in 2017 former mayor Jacob Khawe called for the cancellation of the project, which resulted in BXC demanding R30 million payment for invoices.

Emfuleni failed to pay and BXC took legal action.

"In 2018, BXC filed for an

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Emfuleni did not have the necessary funding for this kind of project.

Edward von Bodenstein  
DA CAUCUS CHAIRPERSON

application forcing Emfuleni to honour performance as well as payment of invoices. But, instead, Emfuleni issued a tender for electrical meter replacement," added Von Bodenstein.

Emfuleni spokesperson Stanley Gaba said BXC was told of the concerns about the agreement after the auditor-general raised a flag regarding processes followed in awarding the tender.

"The smart meters were procured by Emfuleni from BXC in terms of a public-private partnership agreement (PPPA) that was signed on December 2, 2013. Subsequent to the conclusion of the PPPA and early on in its implementation, concerns

were raised by the auditor-general regarding the process followed by Emfuleni to procure BXC and the conclusion of the PPPA between BXC and Emfuleni.

"Furthermore, the issues raised by the AG signalled a warning of irregular expenditure on the part of Emfuleni, should they spend money on the PPPA," said Gaba.

Gaba said BXC's decision to terminate the agreement resulted in a need for transitional arrangements to be concluded between the two parties, adding that the efforts to reach an agreement did not "yield the desired outcome", largely due to the price BXC wanted to be paid.

The termination resulted in some parts of Emfuleni being plunged into darkness for the past week.

Stranded residents from different parts of Emfuleni, such as Three Rivers, Sonlandpark and Vanderbijlpark, gathered at the NG church in Falconridge, where MMC for public works Bhekumuzi Ntsele was expected to address them.

Ntsele said BXC terminated the contract with its equipment and that the smart meters would be replaced with prepaid meters in the next two weeks.