

BEITBRIDGE



THE construction of the fence at the Beitbridge border post has caused controversy. The Department of Public Works and Infrastructure has given two companies involved in the building of the fence 14 days to give reasons why they should not be restricted from doing business with the state. | African News Agency (ANA)

Public Works acts against firms that built fence

MAYIBONGWE MAQHINA
mayibongwe.maqhina@inl.co.za

THE Department of Public Works and Infrastructure is pushing ahead with the blacklisting of two companies involved in the construction of the controversial Beitbridge border post fence.

The department has given the companies 14 days to give reasons why they should not be restricted from doing business with the state.

This was revealed by Minister Patricia de Lille when she was responding to parliamentary questions from DA MP Benedicta van Minnen.

Van Minnen asked about progress made on recommendations by the standing committee on public accounts to blacklist the principal contractor and the main contractor from doing business with the state.

She also asked why there were still a number of contracts in place with the two companies.

In March last year, De Lille issued a directive to the department to use an emergency procurement process

to appoint a service provider to erect the border fence at the Beitbridge border post. However, an investigation found that the fence cost R40.4 million, which consisted of a R37.1m payment to the contractor and R3.25m to a professional agent.

It was found to be overpriced by R14m, and the price may have been exceeded by R17m.

The investigation also revealed a series of procurement and other irregularities, including a R21.8m upfront payment to the contractor and R1.8m to the principal agent when construction had not started.

The department was found to have failed to test the market to determine reasonable pricing.

A report from the investigation recommended that the department lay criminal charges against the contractor and principal agent and identified officials regarding misrepresentation to justify payments.

In her written response, De Lille said the blacklisting of the two companies was brought to the department's restriction committee and authority

(RCAA) last August. Detailed evidence contained in the investigation report was also sought by the committee, she said. "The department was compelled to delay the release of this information and to reconstitute the composition of the RCAA, recognising that the chairperson of the RCAA was one of the officials cited in the investigation report and subject to disciplinary action," she said.

"Another reason for delaying the release of the report to the RCAA was to allow the department to initiate and advance disciplinary processes before releasing the investigation report to third parties to protect the confidentiality of the information contained in the report."

De Lille said the department approved the final charges against the officials, and on February 11 reconstituted the RCAA to exclude from membership of the committee any person who may have had a conflict of interest.

She added that all the relevant reports and supporting evidence were provided to the committee to enable it

to conclude its work early this month.

"The committee has considered and studied the relevant investigation reports and issued letters to the contractor and consultant on February 26, 2021, requesting reasons why the department should not recommend to national Treasury their restriction from doing business with the state.

"The RCAA has indicated that it will afford the respective service providers a period of 14 days to provide their written representations."

De Lille said the RCAA expected the process to be finalised by mid-March.

She said the department had not identified any justifiable grounds to terminate existing contracts with the two companies. "However, the department is in the process of reviewing these contracts though its internal audit unit. The department is further seeking legal advice as to whether the conduct of the respective companies in relation to the Beitbridge contract constitutes sufficient grounds to seek termination of their remaining contracts with the department. The matter is currently under legal review."