

## BEITBRIDGE FENCE PROBE

# Contractors may be barred from government work

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PUBLIC Works and Infrastructure Minister Patricia de Lille has revealed that her department was reviewing the contracts of the companies involved in the erection of the Beitbridge border fence.

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

De Lille was responding to Parliamentary questions by DA MP Benedicta van Minnen on progress made on the Standing Committee on Public Accounts (Scopa) recommendations to blacklist the principal contractor and main contractor from doing business with the state. She also asked why several contracts were still in place with the two companies.

In March 2020, De Lille issued a directive to the department to appoint a service provider, to use an emergency procurement process, to erect the border fence on Beitbridge border post.

But an investigation found the fence cost R40.4 million – a R37.1m payment to the contractor and R3.25m to a professional agent.

It was overpriced by R14m.

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

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

The report had recommended the department lay criminal charges against the contractor and principal agent, and identified officials for misrepresentation to justify payments.

De Lille said her department had not identified any justifiable grounds to terminate existing contracts with the two companies, as they were duly awarded.

“However, the department is reviewing these contracts via its internal audit unit. The department is seeking legal advice as to whether the conduct of the companies, in relation to the Beitbridge contract, constitutes sufficient grounds to seek termination of their remaining contracts with the department.”

Blacklisting of the two companies was brought to the department’s Restriction Committee and Authority (RCAA) last August, she said. Detailed evidence contained in the investigation report was also sought by the committee.

“The department was compelled to delay the release of this information and to reconstitute the RCAA, recognising that the RCAA chairperson was one of the officials cited in the investigation report and subject to disciplinary action.

“Another reason for the delay was to allow the department to initiate and advance disciplinary processes ... the department has now approved the final charges against the officials.”