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'The contract was terminated due to poor performance'

By **Lindile Sifile**

ANC benefactor Edwin Sodi's company has had yet another tender terminated for poor performance, but he had already pocketed R130m on the incomplete project.

The department of public works yesterday confirmed that it had dumped Sodi's company NJR Projects which was awarded a R282m contract to upgrade and extend the 65-bed Parys Correctional Services in the Free State to a 240-bed facility.

The Development Bank of Southern Africa (DBSA), as the implementing agent, awarded the contract to upgrade the prison facility in 2018. The department confirmed the deal was terminated in February with only 40% of the work done.

Sodi's NJR Projects re-branded to G-5 Group in 2021.

"The contract was terminated due to poor performance. There was no visible prospects of the company improving in the foreseeable future and hence we got to a decision to terminate the service of this company," said department spokesperson Thamsanqa Mchunu yesterday.

Sodi did not respond to Sowetan messages and calls.

The cancellation comes on the back of another failed project linked to Sodi's companies in Tshwane for the upgrade of Rooiwal wastewater treatment plant in 2019, which was also terminated for poor performance last year. The failed Rooiwal project has possible links to the cholera outbreak in Hammanskraal, which has claimed the lives of more than 20 people.

The extension of Rooiwal's capacity would have improved the quality of drinking water in the cholera-hit Hammanskraal area.

Last year, the state capture commission found that the

Sodi pockets more millions from another failed project



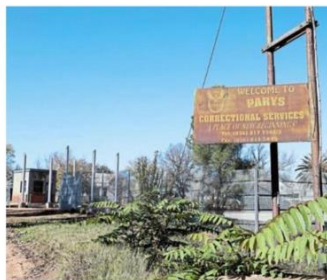
Edwin Sodi's company was supposed to upgrade this 65-bed correctional services facility to a 240-bed prison. /PHOTOS/ THULANI MBELE

state did not get value for money from the R255m project awarded to a joint venture between another of Sodi's companies, Blackhead Consulting and Diamond Hill Trading, who were hired to eradicate asbestos from homes in Free State. The matter is still before courts.

According to records seen by Sowetan on the upgrade of Parys Correctional Services, the construction at the prison started in February 2019 with the planned completion initially set for May last year. However, this date was revised to May 3 2023 after delays allegedly caused by Sodi's company's cashflow issues, wage disputes by his 138 workers on site and strikes.

Logan Maistry, spokesperson for the department of correctional service, said the proposed date to complete work on the facility was now set for March 2025.

Sowetan has established that Sodi's company submitted 38 invoices amounting to about R120m between March 2019 and December 2021. The department said it hoped to re-



The unfinished project at Parys Correctional Services.

cover the money from the deal it made with Sodi.

However, DBSA infrastructure delivery division group executive Chuene Ramphela said there was no money lost due to insurances and construction guarantees the successful bidder provides as part of the requirements.

"The DBSA has called on these guarantees and insurance provisions for the benefit of the project," said Ramphela.

Asked how the vetting was done to award the contract, Mchunu said the project was

awarded through a competitive bid process. "The process included functional evaluation which included confirming the experience of the resources, previous projects completed by the company and financial capacity. The second aspect was the price offering which is included in the BEE, and based on the two ... the company was the best-rated bidder," said Mchunu.

One of the four sub-contractors on the project told Sowetan that they (sub contractors) were paid and did the work but progress on site was slow.

"They [NJR Projects] didn't have money to buy simple building material [and] that affected progress and they couldn't pay their staff salaries, which resulted in numerous protests which delayed the project," said the builder who wanted to stay anonymous.

Maistry said government was looking at ways to get new funding to finish the project.

"The process of appointing a new contractor is underway ... All the buildings for the new facility are up. However, they are not finished as yet. Finish-

ing the existing building will be the job of the new contractor. The new construction costs are currently under review and determination is to be made," said Maistry.

Residents who live next to the prison described how in January trucks were seen driving out of the facility a month before the tender was terminated.

Organisaton Undoing Tax Abuse CEO Wayne Duvenage said for companies who have a track record of poor performance, it would take government departments to put them on the list of restricted supply database with Treasury.

"Until they do it these people and companies will keep getting away with it and getting tenders," he said.

Duvenage said his organisation had tried to get a number of companies blacklisted before but "what happens is that they change the company name, so they just set up new companies, same directors or they get their friends and family listed". - Additional reporting by Thulani Mbele and Jeanette Chabalala