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Failure to perform on prison contract haunts businessman

By **Jeanette Chabalala**

The department of public works has become the second government entity to take legal steps to ban one of Edwin Sodi's companies from doing business with the state.

The City of Tshwane last week wrote to the National Treasury to restrict Sodi and his companies NJR Projects and Blackhead Consulting which were part of a joint venture to upgrade the Rooival wastewater treatment plant. The request for ban was due to poor performance.

Tshwane said it wanted the companies and their directors to be blacklisted for 10 years.

Spokesperson for the department of public works, Lennox Mabasa, said they were now moving to ban several companies including G5-Group from doing business with the state.

He said department lawyers were in communication with lawyers representing the companies. "We have moved to the process of restriction and communicated our intentions to restrict," said Mabasa.

"As a department, we are moving in further stages of restricting the companies so that we can get recourse on the injustices we have suffered from these companies. As expected, the companies are also exercising their rights within the laws of our country but as a department we are not relenting."

Last year, the department dumped Sodi's G-5 Group, which was awarded a R282m contract to upgrade and extend the 65-bed Parys prison in the Free State to a 240-bed facility. The company abandoned the project before it was completed.

Public works minister Sihle Zikalala warned construction companies and developers who abandon construction that they would be barred from doing business with the government.



Public works takes steps to ban Sodi from state tenders

Edwin Sodi's G-5 Group, which was awarded a R282m contract to upgrade and extend the 65-bed Parys prison in the Free State to a 240-bed facility, abandoned the project before it was completed. /THULANI MBELE

Zikalala's warning came during his tour of the incomplete Parys correctional facility as well as Park Road police station in Bloemfontein.

Mabasa said the department had already recommended seven service providers to the Treasury for blacklisting for 10 years.

The companies are Magwa Construction, Profteam Consultants, Daywood, Precy Construction and Cleaning, Prezy 011 and Mekan Engineering Services. Treasury has since restricted Magwa, Profteam, Daywood, Precy, Prezy and Mekan.

"Some of the affected service providers appealed to National Treasury, who then lifted the restrictions. National Treasury then referred these cases back to the department, stating that the restriction must be made in terms of the general conditions of contract," said Mabasa.

"The department has a restriction committee and au-



Edwin Sodi /GALLO IMAGES/PAPI MORAKE

thority [RCAA]. Its role is to consider all cases that are presented to it to restrict service providers who have abused the supply chain system or failed to perform on contracts.

"The departmental procedure requires that branches who experience challenges with the performance of appointed contractors or consultants submit a motivation for restriction to the committee, who then considers the merits of the matter.

"The committee also ensures that Treasury regulations are complied with, to the extent that the contractor or consultant must be allowed to make representations as to why they should not be restricted," Mabasa said.

Treasury's restricted supplier and tender defaulter report shows that 177 companies, including individuals, have been blacklisted. Some have been blacklisted for periods between five and 10 years.

"Some companies are disputing and challenging the termination of the projects and our intentions is to restrict them," Mabasa said.

"The department is willing to go to whatever length to ensure we are able to protect the taxpayer and to get value for money, services to community and ensure there is consequence management for poor workmanship.

"The department will not relent, and we will pursue the restriction and ensure that those who short-changed governments are barred from doing work with the government. We will pursue that with our legal instruments," he said.

Mabasa said there were still a number of unfinished cases that were being dealt with by the restriction committee.

Sodi's lawyer Ian Levitt said his client does not want to comment about the possible ban.

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