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Key health department unit in darkness after bill not paid

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The troubled Eastern Cape health department's supply chain unit is without functioning office premises after the Buffalo City Metro cut its electricity supply due to nonpayment.

Adding to the department's woes, about 200 of its service providers — compelled to silence by non-disclosure agreements — are complaining about nonpayment.

The service providers spoke anonymously, saying they feared victimisation and losing work if they were identified.

One long-term contractor said: "There are about 190 of us [contractors]. We have service level agreements but, unfortunately, the department last paid us in May."

"They told everybody they don't have money and they said they had to prioritise staff."

The service provider said contractors had to lay off workers due to nonpayment.

"We have businesses owed more than R20m and another East London-based business having to lay off more than 20 people."

"We can't share this information because we were forced to sign non-disclosure agreements."

One business owner said: "They said they are still waiting for the National Treasury to assist. I let go two guys because I can't continue with monthly obligations."

Another said: "You become used to it... we've been working with the department for two years and [there] are almost always stories."

Yet another service provider said its payment queries had been shut down in recent weeks due to the department's supply chain unit having had its electricity supply cut off by BCM.

Staff told the Dispatch that services at the Global 1 Life building in Bhisho had been affected for three weeks due to BCM's disconnection policy.

The city, which has embarked on an aggressive revenue collection campaign against defaulters, cut power to the offices.

The Global 1 Life building accommodates the provincial health department's supply chain management unit, as well as the regional Government Employees Pension Fund (GEPF), the province's department of agriculture's special programmes division and the provincial treasury department.

According to the provincial public works department's director of communications, Vuyani Nkasiyi, each department housed in the building has its own meter.

The building is owned by property tycoon Danie Halgryn, who owns various properties in the Eastern Cape and Cape Town.

The principal tenant of the building is the department of public works, which rents the property on behalf of the provincial departments.

The amount owed has not been disclosed.

When the Dispatch arrived on site, only the health department's lights were seen to

be off, while the GEPF offices were operational.

Although staff were seen in both the department of agriculture's special programmes division and provincial treasury department, the Dispatch team was unable to verify if they had power.

The team was turned away by four security guards who said the department of health's offices were temporarily closed due to the lack of electricity.

The supply chain unit processes tender bids from the premises.

According to Nkasiyi, it was, in fact, the building's landlord who owed BCM money.

He said the department was in talks with the landlord to urgently resolve the issue.

"We are responsible for paying for the provincial tenants, hence you found GEPF working. We have previously paid on behalf of the landlord but that process has become expensive."

He said the department had an agreement with the landlord to pay the electricity bill and then deduct the amount from the monthly rental.

"It must be noted that the department could not process any utility payments post April 2024, as the landlord has not submitted any utility invoices to the department since April 2024."

The department has requested the landlord on numerous occasions to submit the utility invoices so that they could be processed and paid.

"It is not for the first time that [BCM] has threatened to cut or cut services in the building as the landlord would not honour payments to the municipality a number of times and the department would pay and deduct from rentals due to the landlord."

"The department is liaising with the landlord to resolve this issue as a matter of urgency."

Nkasiyi said the public works department was two months in arrears in its rent payments but the arrears were in the process of being paid.

Halgryn's legal representative did not respond to the Dispatch's questions.

Health spokesperson Mkhululi Ndumase said the supply chain management unit was partially functioning.

"The unit uses offices in other buildings and also works remotely where practical."

He said payment of service providers had not been affected as payments were processed by the department's finance office.

"The payment function is with the payments section in finance and is based at the Indwe Building. There is no purchase order creation affected by the situation."

"The inconvenience, however, does affect optimal productivity even as it makes providing a healthy and safe environment for employees challenging."

"The public works department is responsible for leasing processes for buildings."

GEPF provincial spokesperson Mack Lewele confirmed its services were operational.

"We are working as normal, there's power. Maybe they cut power from those who owe. I don't know, but we have power, our bills are in order," he said.