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Questions over tender after security guards left unpaid

Calls to terminate public works contract with company linked to alleged fraudster

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Questions have been raised about how the provincial public works department awarded a R47m security tender to a company linked to alleged scammer Chris Zamani Ngwenya, who had been on the run from the Hawks since 2021.

This came to light after 56 security guards contracted to Peekay Trading CC, trading as Eagle Eye Security and of which Ngwenya is director, were left dangling after their December and January salaries were not paid.

Some had not been paid since April 2024.

Ngwenya, 49, is out on R60,000 bail after being arrested at Retail Park, Beacon Bay, in August 2024 in connection with missing investments totalling more than R10m made by unsuspecting pensioners and Road Accident Fund recipients.

The investments were into a company called Future Millionaires, of which Ngwenya is listed as director.

Ngwenya's arrest came after a three-year investigation by the Hawks.

Eagle Eye Security was awarded a three-year contract in March 2024 to render security services to a cluster of government department offices at the Joe Qgabi district municipality.

The company won the tender after it had presented a combined R130m bid for security services for a cluster of departments in the Joe Qgabi, Alfred Nzo and OR Tambo district municipalities.

The company employed 56 security guards including supervisors and night shift guards at the Themba Kojana Building in Maletswai, the public works training centre in Steynsburg, the ex-CPA Building, and social department's Paul Kruger building offices, also in Maletswai.

However, the company failed to pay its workers within the first months of taking on the job.

This is revealed in a report, seen by the Dispatch, signed by public works chief director for facilities and security management, Noloyiso Ntwana.

The report said the department acknowledged there had been a breach of contract by Eagle Eye Security.

The report comes after a stakeholder consultation meeting on February 7 over the guards' nonpayment.

The report said Ntwana would engage with the public works CFO to determine whether to pay the security guards directly for their outstanding payments.

But the company made a commitment to pay worker's December salaries on February 10, despite the fact the department had paid Eagle Eye Security for its December services on January 22.

Nehawu branch chair Thozamile Babane said the guards reported they had not been paid on February 10.

However on Wednesday last week, Babane confirmed the company had paid the November and December salaries.

An internal review over contractual breaches is set to be finalised by February 28 to allow the security service to continue. During the process, Ngwenya is barred from entering public works premises.

Babane said Cosatu, Nehawu and Sanco had raised questions over the company's appointment.

"It was only when we saw the director's name we searched about him. I don't know how the department was dribbled into this and how he managed to get these contracts. The last one came in January and even those guards were not paid. The vetting process is questionable."

Babane said the unions also discovered the security guards were not being paid as per Private Security Industry Providers (PSIRA) rates.

"The guards are paid R5,700 a

month but the company claims to public works it is paying each guard R14,000. We vow to protect and fight the exploitation of workers by government or private security."

Sanco regional chair Misani Zuzani said the company claimed a loan it took from the Eastern Cape Development Corporation was the result of nonpayment.

Darwin Zinzile Nkonki, the ECDC's executive manager for enterprise, finance and business support, confirmed a bridging finance loan for Peekay Trading cc was granted on May 28 2024. The loan was worth R3.8m, and Nkonki said it had since been settled.

Zuzani said they wanted the department to terminate the contract. "We fail to understand how this company obtained a tender of this magnitude."

"We discovered the company did not follow any of the Labour Relations Act regulations for its workers, which constitute the basic conditions of employment."

"These workers are not paid their night rate nor other basic allowances, which tells you that this [man] is an [alleged] crook."

"We want the department to appoint a new contractor as of March 1, because this has been dragging on for too long."

Zuzani said they had been asking public works MEC Siphokazi Lusithi for an intervention since June 2024.

"This company had issues within the first quarter because they were paying a loan to ECDC."

"The MEC must intervene in this. It is questionable how he was given another tender by the department after this one."

On Thursday last week, provincial public works spokesperson Siya Mdodi promised to answer questions, but had failed to do so by the time of publication.

Meanwhile, Eagle Eye co-director Nthabiseng Mako said she was "too busy" to comment, and ignored questions sent.

Ngwenya could not be reached for comment.