

Publication: Business Day - Main

Title: Probe into tender recommends disciplinary action for trust CEO

Publish date: 30 Jul 2025

Page: 3

Reach: 13167

AVE: R 31239.47

Author: TAMAR KAHN

Probe into tender recommends disciplinary action for trust CEO

By **TAMAR KAHN**

A forensic investigation into a controversial oxygen plant tender awarded by the Independent Development Trust (IDT) has confirmed media reports of extensive procedural irregularities, and recommended disciplinary action be taken against its CEO and senior officials, public works & infrastructure minister Dean Macpherson announced on Tuesday.

He commissioned the investigation from PwC in January, after reports by Daily Maverick and amaBhungane that an obscure company without the requisite accreditation had been awarded the lion's share of the work.

The health department was awarded a grant by the Global Fund to fight HIV/Aids, tuberculosis and malaria to install 60 oxygen plants at public hospitals, and turned to the IDT for implementation. The total value of the project was R836m, of which R528m was allocated to the IDT.

On Tuesday, Macpherson briefed the media on the PwC investigation's findings, but did not release its final report. The probe found procedural failings, regulatory breaches and inadequate oversight from IDT CEO Tebogo Malaka, he said.

The findings represented "a monumental failure in governance" that undermined the integrity of public procurement and threatened donor funds," said Macpherson.

The investigation found the IDT had appointed eight service providers to a panel for the rollout of the oxygen plants without confirming that any of them met the requirements of the SA Health Products Regulatory Authority (Sahpra), thus rendering the tender process irregular, he said.

It found the IDT had awarded Bulkeng, an obscure company without a credible address, a

contract worth R428m – more than double the R200m threshold corresponding to its Construction Industry Development Board grading.

Bulkeng had used a Sahpra licence awarded to Atlas Copco without authorisation, and failed to disclose that it intended to subcontract more than 25% of its responsibilities to Brutes Air Solutions, thus breaching preferential procurement regulations, said Macpherson. "This was a clear misrepresentation. It was fraud," he said.

The investigation found the records of the meetings held during the entire tender process were inadequate. "Meeting minutes were missing or incomplete, which is shocking but not surprising. Committee appointments were not properly constituted [and] bid scores were not properly documented," said Macpherson.

Malaka was found to have relied entirely on assurances from internal supply chain management that proper procurement protocols were followed, but she did not verify any information or act on red flags raised by the health department, said Macpherson.

The report did not identify any links between the IDT or health department officials and the companies that were awarded tenders for the oxygen plants, he said. But he drew attention to the investigation's finding that health director-general Sandile Buthelezi had overridden concerns expressed by the department's head of health facilities and infrastructure management about the cost of the project, which ballooned from an initial estimate of R217m to R593m.

The probe found Buthelezi's view that the department was at risk of losing Global Fund money if the project was delayed was insufficient reason to proceed with an irregular supply chain management process, said Macpherson.