



NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER: 1394 [NW1536E]

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1394. Mr D J Maynier (DA) to ask the Minister of Finance:

- (1) What is the purpose of the National Treasury's review of coal contracts entered into between a certain company (name furnished) and Eskom;

Response: The National Treasury reviewed coal contracts to establish if Eskom complied with the SCM norms and standards when appointing the service provider.

- (2) whether any consultants have been employed to conduct the review; if not, what is the position in this regard; if so, in each case, what is the (a) name of the consultant, (b) nature of work conducted by the consultant and (c) (i) total cost and (ii) detailed breakdown of such costs;

REPLY:

(1) The National Treasury reviewed coal contracts to established if Eskom complied with the SCM norms and standards when appointing the service provider.

(2) Yes.

(a) (1) Falcon Research and Consulting Services (Pty) Ltd and

(2) Israel Monnapula Dikgwatlhe.

(b) Both were appointed to assist the National Treasury to review and analyse the quality of coal delivered to Eskom by Tegeta Exploration and Resources.

(c) The total cost for Falcon Research and Consulting Services (Pty) Ltd

R 184 500.00,

The following is the breakdown of the cost for Falcon

Analysis of test coal results	R 13 500-00
Analysis of the Environmental Analysis report	R 4 500-00
Analysis of the technical aspects of the coal supply agreement	R 9 000-00
Analysis of the technical aspects in the draft report	R 18 000-00
Analysis of technical aspects in the minutes of the meetings	R 9 000-00
Extended reviews of documents.....	R103 500-00
Compilation of a technical report	R 27 000-00
TOTAL.....	R184 500.00

The following is the breakdown for Israel Monnapula Dikgwatlhe

Analysis of test coal results	R 24 800-00
Analysis of the Environmental Analysis report	R 18 600-00
Analysis of the technical aspects of the coal supply agreement	R 18600.00
Analysis of the technical aspects in the draft report	R 18 600-00
Analysis of technical aspects in the minutes of the meetings	R 9 920-00
Request additional data analysis.....	R12 400-00
Compilation of a technical report	R 49 600-00
Comparison of the quality of coal expected.....	R5 425.00
Clear comparison of what was delivered.....	R4 650.00
Clear comparison of results for Sibonisiwe and SABS in compliance of Brakfontein mine with requirements for mining coal	R4 030.00
NT findings with the response from Eskom.....	R5 425.00

TOTAL..... R178 250.00

- (3) whether any draft and/or final report(s) on the review has/have been produced; if not, (a) why not and (b) by what date is a report expected; if so, (i) what is the title of each report and (ii) on what date was the report completed;

Response: A final draft report was sent to Eskom on 05 April 2017.

- (4) whether the final report on the review will be made public; if not, why not; if so, by what date is it expected?

Response: Yes, as soon as the report is finalised.