

**NATIONAL ASSEMBLY  
QUESTION FOR WRITTEN REPLY  
QUESTION NUMBER: 3282 [NW3715E]  
DATE OF PUBLICATION: 2 NOVEMBER 2018**

**3282. Mr N F Shivambu (EFF) to ask the Minister of Finance:**

Whether (a) the National Treasury and/or (b) entities reporting to him awarded any contracts and/or tenders to certain companies (details furnished) from 1 January 2009 up to the latest specified date for which information is available; if so, in each case, (i) what service was provided, (ii) what was the (aa) value and (bb) length of the tender and/or contract, (iii) who approved the tender and/or contract and (iv) was the tender and/or contract in line with all National Treasury and departmental procurement guidelines?

NW3715E

**REPLY**

**NATIONAL TREASURY**

None of the companies listed, were awarded any contracts and/or tenders.

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**ASB**

The Accounting Standards Board did not award any contracts and/or tenders to the companies listed above.

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**CBDA**

No tender was awarded by the Co-operative Banks Development Agency to the companies listed above.

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## **DBSA**

(b) DBSA only awarded contracts to Vox Telecommunications.

(i) Services contracted were for Least Cost Routing.

(ii) (aa) Contract awarded in December 2009 was for R7,025,899-42. Contract awarded in July 2014 was for R 2,437,983-43. The total value paid for both contracts was R9, 463,882-85.

(bb) Contract awarded in December 2009 was initially for a period of 24 months and further extended for 21 months.

Contract awarded in July 2014 was for a period of 36 months.

(iii) Contract awarded in December 2009 was approved by the Divisional Executive ICT which was initially for an amount of R931, 822-75, the subsequent variations were signed off by the Group Executive, in line with the DBSA Internal Policies and Procedures.

Contract awarded in 2014 was approved by the Supply Chain Management Committee and the subsequent variations were approved by the Supply Chain Committee.

(iv) Yes

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## **FAIS OMBUD**

Inspection of the available databases from the various departments with the organization has provided no evidence that any of the above mentioned entities have been contracted to provide any goods or services to the FAIS Ombud for the period 2009 to 2018

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## **FIC**

(b) The Financial Intelligence Centre has during the period, 1 January 2009 up to 09 November 2018 awarded contracts to Vox Telecommunications.

(i) The services were for the provision of "Open text fax server connector, license renewal and standard support" and the move of the system to the new offices.

(aa) The value of the contracts for the award, installation, support and renewal of the support agreements for the Right Fax amounted to R249 276.96 and the cost of the move to the new building was R51 521.16.

(bb) The period during which the contracts were awarded was from 2010 to 2015.

- (iii) The awards were approved in terms of the normal operational delegation of authority, effective at that stage.
  - (iv) The awards followed normal procurement procedures and were fully compliant with National Treasury guidelines on procurement.
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## **FSCA**

(b) Of the companies mentioned, the Financial Sector Conduct Authority (then the Financial Services Board) has only appointed Vox Telecommunications [Vox Telecommunications (Pty) Ltd (Registration Number: 2011/00077/07)] through a public bidding processes.

- i. For supply and installation of Audio Visual Equipment

- ii. (aa) R564 106.18

(bb) Once off procurement (during 2017/18).

- iii. The Bid Adjudication Committee of the FSCA

- iv. Yes, the tender met all the required public procurement prescripts.

In addition, the FSCA during 2015/16 has awarded a bid (with respect to quotation, i.e. procurement below R500 000) to Vox Telecommunications amounting to R140 128.80 during the period under request. The quotation was approved by the Procurement Manager in terms of the applicable Delegations of Authority and it was a once off purchase as well for supply, installation, configuration and testing of SIP telephone handsets.

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## **GEPF**

The GEPF had a contract with Orion Telecom (now Vox Telecoms) prior to 2009 (in 2004) for the provision of telephone voice managed services. The subscription service covered Orion's three least cost routing services, being cellular, international and national calls.

The subscription service provided for monthly telephone usage recovered from the GEPF by Orion Telecom, the cost of which fluctuated depending on usage. The initial contract was for 18 months with a provision for renewal for further twenty-four month periods and continued rolling over periods of twenty-four months. The agreement is still in place for continuity of voice managed services.

The agreement was approved by the then Deputy Director-General at National Treasury responsible for GEPF. Based on the documentation available, the procurement policies in place were followed at the time.

**GPAA**

**Vox Telecommunication Services** is the only service provider to which Government Pensions Administration Agency awarded a contract.

(i) **what service was provided :**

Procurement of bandwidth data and extended warranty for 11 vehicles used as mobile vans for client outreach programs.

Mercedes Benz was appointed as the supplier/ service provider to provide customized vehicles (vans) to the GPAA for outreach programs. The subcontractor utilized by Mercedes Benz to customize the vehicles was Vox Telecommunication.

Description	Once of Cost	Unit Charge	Total cost
1. Extended Satellite – Service Level Agreement Standard	5yrs	R 369,600.00	R 1 848 000.00
2. Extended Warranty	5yrs	R 171,468.00	R 857 340.00
<b>Total cost (excl. vat)</b>			<b>R 2 705 340.00</b>
<b>VAT</b>			<b>R 378 747.60</b>
<b>Total cost (incl. vat)</b>			<b>R 3 084 087.60</b>

Description	Once of Cost	Unit Charge	Total cost
1. BettaSat 3072kbps Voice: Additional bandwidth	5yrs	R 139,800.00	R 699,000.00
<b>Total cost (excl. vat)</b>			<b>R 699,000.00</b>
<b>VAT</b>			<b>R 97,860.00</b>
<b>Total cost (incl. vat)</b>			<b>R 796,860.00</b>

(ii) ) **what was the value**

(aa) R3 084 087 .60 and R796 860.00

**Length of the tender and/or contract**

(bb) 5 year contract

(iii) **Who approved the tender and/or contract:**

The Bid Adjudication Committee recommended the award to the accounting officer for approval and the procurement was reported to the National Treasury as a deviation, as prescribed at the time.

(iv) **Was the tender and/or contract in line with all National Treasury and departmental procurement guidelines?**

It was aligned to the deviation process prescribed by National Treasury.

These contracts were concluded. All contractual commitments have been met and the PO's have been depleted.

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**IRBA**

The IRBA hereby declares that no contracts or tenders were awarded to the abovementioned companies.

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## **LAND BANK**

The Land Bank has not awarded any contracts and/or tenders to any of the listed companies from 1 January 2009 to date.

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## **PFA**

The Office of the Pension Funds Adjudicator has not awarded contracts and/or tenders to the companies listed above from 01 January 2009 to date.

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## **PIC**

The Public Investment Corporation (PIC) reviewed their records and accordingly; **they have never allocated nor appointed any of the companies listed in Annexure A to do any work on Assets under Management and Corporate.** They can however confirm that PIC was approached by Naledi Forge to acquire DCD Group. They received approval from the Portfolio Management Committee to proceed to Due Diligence, but the Sponsor never got back to them, with next steps.

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## **SARS**

SARS has viewed the vendor database and found that there were no tenders/contracts awarded to the above mentioned companies from 1 January 2009 to date.

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## **SASRIA**

Whilst we took care, and exercised the necessary diligence in preparing the requested information, it is pertinent that we highlight the fact that we completely relied on the stated service providers' company names as stated above. Therefore, in cases where the service provider's registered name differs with the trading name, there exists a slight possibility that the service provider may have not been picked up, depending on what had been recorded on our database at transaction stage.

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Please refer below, at Table 1 for information as requested.

**Table 1 - Summary of payments made to specified service providers**

<b>Service Provider</b>	<b>Service provided</b>	<b>Rand Value</b>	<b>Length of contract / tender</b>	<b>Approved by:</b>	<b>Tender in line with Procurement Guidelines</b>
DCD Group	None	Rnil	N/A	N/A	N/A
Afrit	Claims (Note 1)	R 567 487	N/A	N/A	N/A
Elgin	None	Rnil	N/A	N/A	N/A
Brown and Hammer	None	Rnil	N/A	N/A	N/A
Hulisani Consortium	None	Rnil	N/A	N/A	N/A
Elgin Dock	None	Rnil	N/A	N/A	N/A
Diesel & Turbo Service	None	Rnil	N/A	N/A	N/A
Vox Telecommunications	None	Rnil	N/A	N/A	N/A
Interpair Services	None	Rnil	N/A	N/A	N/A
Simiglo	None	Rnil	N/A	N/A	N/A
Cancerian Investments	None	Rnil	N/A	N/A	N/A
Phuma Finance	Claims (Note 2)	R 654 863	N/A	N/A	N/A

**Notes**

Sasria paid various claims to Afrit, and these are in the ordinary course of our business. Therefore, the said payments are not contracts or tenders as the question seeks to enquire.

Phuma Finance was also paid for claims lodged with Sasria. These claims payments were in the ordinary course of our business, and do not form part of any contract or tender awarded.

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**TAX OMBUD**

The Office of the Tax Ombud did not conduct any business or award any tender to any of the aforementioned entities from 1 January 2009 to date.

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