

Number: 4.1
Date: 03.08.2010

GAUTENG PROVINCIAL LEGISLATURE

DEPARTMENT OF ROADS AND TRANSPORT

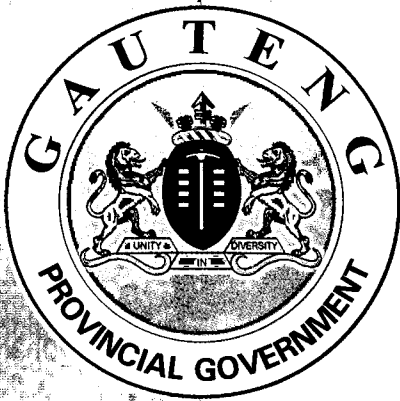
REPLY

SUBJECT: REPLY TO A QUESTION FOR ORAL REPLY

From: The MEC FOR ROADS & TRANSPORT

To: ALL MEMBERS OF THE LEGISLATURE (MPLS)

Reference: QUESTION 4.TR001



**OFFICE OF THE MEC / IHHOVISI LIKA MEC
KANTOOR VAN DIE LUR / KANTORO YA MEC**

**DEPARTMENT OF ROADS AND TRANSPORT
EZEMIGWAQO NEZOKUTHUTHA
VAN PAAIE EN VERVOER
LEFAPHA LA DITSELA LE DIPALANGWA**

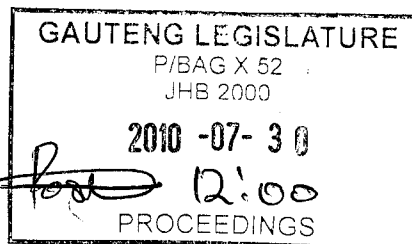
Enquiry / Navrae

Head (Office of MEC)

Ref / Verw:

TR001

**The Provincial Secretary
Gauteng Provincial Legislature
Private Bag X52
Johannesburg
2000**



Dear Sir

QUESTION 5. TR 001 POSED BY THE LEGISLATURE

Your request dated 19 February 2010 has reference. Further to the contract that was awarded to GNS Risk Advisory Services (New name Abalozi Security) in October 2007, will the MEC please indicate the following:

Question 4 TR 001

With regards to GNS Risk Advisory Services (Pty) Ltd, will the MEC please indicate

- (i) Whether this contract has been reviewed?
- (ii) If so, what is the assessment made in terms of legality and value for money
- (iii) Why has this contract not been cancelled?
- (iv) How much has been paid out in total on this contract to date:
- (v) Whether any disciplinary or other corrective action will be taken arising from the award of this contract without tender.

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Reply

- (i) Yes it has been reviewed by the Legal Department of Roads and Transport.
- (ii) Process followed in engaging GNS was not in accordance with the constitution and the prescribed procurement processes. We can safely say no. GNS rendered services to the department however we discovered that there are companies who could do the same service at a much lower rate.
- (iii) DRT can safely say the contract has been cancelled on the 16 March 2010.
- (iv) The value of the contract in respect of the Department and its entities in general was not in all instances of services required from GNS, determined in advance and fixed for the period in which the services were rendered. The expenditure to date in R R70, 962,058.50
- (v) No, the Department has not instituted disciplinary actions or corrective action against the person who did not follow the procurement processes in appointing GNS.

Yours faithfully



**Mr. B. Nkosi MEC
Roads and Transport
Date:**