



Department of Higher Education and Training

Investigation into possible abuse of power and authority
at the Construction Education and Training
Authority (CETA)

This report contains 82 pages

Final Report

17 May 2019



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Addressee

Copies

1. **Mr Maliviwe Lumka**
Chief Director: SETA Coordination
Department: Higher Education and Training

(3 Copies)



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17 May 2019

Dear Mr Lumka

Investigation into possible abuse of power and authority at the Construction Education and Training Authority (CETA)

Attached please find three (3) copies of our Final Report in respect of the above matter, as well as three (3) copies of Exhibits 1 to 44.

This report has been prepared solely for the purposes of your information and should not be used or disclosed for any other purpose without our prior written consent.

Please do not hesitate to contact us should you require any further information.

Yours sincerely

Deon Wilson
Associate Divisional Director
Gobodo Forensic and Investigative Accounting (Pty) Ltd

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Abbreviations used in the report

1. Entities

■	AG	Auditor- General of South Africa
■	CETA	Construction Education and Training Authority
■	CIPC	Companies and Intellectual Properties Commission
■	DHET	Department of Higher Education and Training
■	GFLA	Gobodo Forensic and Investigative Accounting (Pty) Ltd
■	Grayston Reed	Muroba Group Holding (Pty) Ltd, a company registered with the CIPC with registration number 2012/000070/07 , Trading as Grayson Reed Consulting
■	I-View	Brainwave Projects T/A I-View Integrated Systems (Pty) Ltd, a company registered with the CIPC with registration number 2014/087460/07
■	Lusisizwe	Lusisizwe Trading Enterprise (Pty) Ltd, a company registered with the CIPC with registration number 2018/024272/07
■	Muteo	Muteo Consulting CC, a Close Corporation registered with the CIPC with registration number 2003/056655/23
■	SSETA	Services SETA
■	Ukuza	Ukuza Consulting (Pty) Ltd, a company registered with the CIPC with registration number 2011/127386/07

2. Names

■	Cele	Mr Raymond Cele, Chairman CETA Board
■	Govender	Ms Michelle Govender, Secretary to the Board of CETA and BAC member in respect of tender 013-2017/2018
■	Govender C	Mr Chris Govender, director of Ukuza
■	Jiyane	Mr Jabulane Jiyane, Executive and Chairperson of the BEC in respect of tenders 026 and 022-2017/2018 and also BEC member in respect of tender 013-2017/2018, CETA
■	Kistiah	Mr Inbinathan Kistiah, sole director I-View



Contents (continued)

Abbreviations used in the report

2. Names (continued)

■	Kuzana	Mr Lungisile Kuzana, former Manager SCM and now Acting Manager HR and also BEC SCM advisor in respect of tenders 026-2017/2018, 022-2017/2018 and 013-2017/2018
■	Madibeng	Mr T Madibeng, BAC member in respect of tender 013-2017/2018
■	Magashule	Mr Ace Magashule, Secretary General of the African National Congress
■	Majola	Ms Mbali Majola, representative of Lusisizwe Trading
■	Makwarela	Mr Hangwani Emmanuel Makwarela, director of Muteo
■	Masombuka	Mr Sipho Masombuka, BEC member in respect of tender 026-2017/2018
■	Matsapola	Ms Constance Matsapola, SCM advisor at the BAC in respect of tender 013-2017/2018
■	Mkhize	Prof Hlengiwe Mkhize, former Minister of Higher Education
■	Mpandeli	Ms Khomotso Mpandeli, Acting Core Business Executive and BAC member in respect of tender 026-2017/2016 and 022-2017/2018 and also BEC member in respect of tender 013-2017/2018
■	Mphuthi	Ms Tumiso Mphuthi, Senior Manager, Supply Chain Management and SCM advisor associated to tender 026-2017/201/ and 022-2017/2018
■	Msomi	Ms Daisy Cecelia Msomi sole director of Lusisizwe Trading
■	Namane	Mr Vincent Namane, BEC member in respect of tender 026-2017/2018 and 022-2017/2018
■	Ndlovu	Ms Velile Ndlovu, CFO, CETA and BAC Chairperson
■	Ngenzi	Mr Innocent Ngenzi, BEC member in respect of tender 026-2017/2018 and 013-2017/2018
■	Phuti	Ms Annikie Joyce Phuti, BEC member in respect of tender 026-2017/2018 and 022-2017/2018
■	Pilusa	Ms Sonja Pilusa, former CEO of CETA



Contents (continued)

Abbreviations used in the report

2. Names (continued)

- **Semenya** Mr Robert Semenza, Acting CEO of CETA and Chairman of the
BEC in relation to Bid 013-2017/2015
- **Shabangu** Mr Sabello Shabangu, BAC member in respect of tender 026-
2017/2016 and 022-2017/2018

3. Other

- **AA** Accounting Authority
- **ACEO** Acting CEO
- **ANC** African National Congress
- **BAC** Bid Adjudication Committee
- **BEC** Bid Evaluation Committee
- **BSC** Bid Specification Committee
- **CEO** Chief Executive Office
- **CFO** Chief Financial Officer
- **CSD** Central Supplier Data Base
- **GCC** General Conditions of Contracting
- **NEC** National Executive Committee
- **SCM** Supply Chain Management



1. Background

- 1.1 The Department of Higher Education and Training (**the Department**) received a complaint by the Chief Executive Officer (**CEO**) of the Construction Education and Training Authority (**CETA**), alleging that the CETA Chairperson abused his powers in compelling the CEO to unduly influence a tender process.
- 1.2 Emanating from the above, the Department elected to initiate an investigation to ascertain and determine the validity and / or veracity of the allegation(s) raised by means of a forensic investigation.
- 1.3 Gobodo Forensic and Investigative Accounting (Pty) Ltd (**GFLA**) as a participant of National Treasury tender NT022/2016, were accordingly requested to submit a proposal in respect of the anticipated forensic investigation and subsequently appointed.
- 1.4 In this regard, we understand that on 7 June 2018 and before tendering her resignation later in June 2018 Ms Sonja Pilusa ("**Pilusa**") the then CEO of CETA addressed a letter to the Executive Authority of the CETA under the heading "*Formal report on attempts by the CETA Chairperson, Mr Raymond Cele to unduly influence the tenders for the Biometric System for learner administration and the learner tablets*".



2. Purpose and objectives of the investigation and the report

2.1 The purpose of this report is to inform the DHET regarding:

- The background to the investigation;
- Our approach to the investigation and the procedures performed;
- Any assumptions made and estimates applied;
- Our factual findings in respect of the investigation; and
- Our conclusions and recommendations based upon our factual findings.

2.2 Our factual findings will, *inter alia*, aim at identifying specific matters, pertaining to our mandate, where there is sufficient proof to initiate criminal prosecution and / or disciplinary action against perpetrators of potential illegal and / or unlawful acts or acts which are in contravention of prescribed legislation and / or the policies and procedures applicable within DHET / CETA.

2.3 The primary objectives of our investigation were as follows:

- (i) To review the procurement process that was followed in procuring a biometric system for learner administration and the supply of learner tablets to determine if such processes were in accordance with the approved policy and procedures of the CETA;
- (ii) To verify and validate the authenticity of all documents relevant to this bid process;
- (iii) To conduct interviews/meetings/discussions with relevant parties involved in the bid process, including the claimant and the accused;
- (iv) To investigate requests and instructions by the chairperson to the CEO;
- (v) To establish the unfolding and sequence of events and if the chairperson indeed provided a list of possible bidders by name of Lusizwe Trading, Muteo Consulting, I-View Integrated Systems, or Ukuza Project Management to the CEO;
- (vi) To establish and determine the role and responsibilities of parties involved in the bid process including that of the claimant and the accused with specific focus if any party subjected



him/herself to abuse of powers, insubordination, misconduct, non-compliance, irregularities, fraudulent activities, unduly influenced the bid process, etc.;

- (vii) Any other matter that would shed light in respect of the matter under investigation;
- (viii) To report on our factual findings and to substantiate these with full exhibits and documentary evidence;
- (ix) To recommend in respect of possible criminal, civil and / or disciplinary action, if any;
- (x) To provide litigation support in respect of any such actions, if required; and
- (xi) To testify as expert witnesses, if required.



3. Scope of our investigation and period under review

- 3.1 The scope of our investigation was determined by the purpose and objectives of our mandate, as recorded in paragraph 2.3 *supra*.
- 3.2 Despite a diligent effort on our part to obtain all information and documentation relevant to the investigation, we cannot guarantee that such has been obtained. Therefore, our opinions and conclusions may change should further documentation or information be obtained or made available to us that materially impacts on this investigation.
- 3.3 We were not required to, nor did we, undertake as part of this investigation, a statutory audit. The scope of our investigation was limited to an analysis of documentation, information and data made available to ourselves.
- 3.4 It should further be noted that this report does not limit the overall scope of this investigation and that DHET may extend the scope of this investigation in the event of further areas of concern and / or irregularities being identified.
- 3.5 The period under review related primarily from January 2018 until June 2018, being the period during which the then CEO was allegedly approached by the Chairperson of the Board up until the CEO's resignation. Events after June 2018 were considered relevant have also been considered, particularly in so far as such may relate to the tenders in question.



4. Approach and procedures performed

4.1 The procedures performed, as detailed below, are based only on the information and documentation made available to us during the course of the investigation.

4.2 GFIA has not verified the validity or authenticity of the documentation subjected to analysis by ourselves. These documents were accepted at face value unless stated to the contrary.

4.3 Should further documentation and / or information exist, which was not divulged to us for whatever reason, our opinions and interpretations may change and an amended report may be issued if considered necessary.

4.4 Any assumptions and / or estimates made by us are clearly described in the body of this report. To the extent possible, we have tested our assumptions and / or estimates made in order to determine the reasonableness thereof.

4.5 The procedures performed, as detailed below, were based on facts and assumptions, which are supported by documents made available to ourselves during the course of the investigation. Such procedures included *inter alia*:

- Conducting interviews with the following officials / individuals:

- Ms Sonja Pilusa, former CEO, CETA;
- Mr Webster Mfebe, Board member CETA;
- Mr Robert Semanya, Acting CEO, CETA;
- Mr Raymond Cele, Chairperson of the CETA Board
- Mr Jabulani Jiyane, BEC Chairman
- Ms Tumiso Mphuthi, Senior Manager, SCM, CETA
- Mr Lungisile Kuzana, former Manger SCM, CETA now acting as HR Manager
- Mr Innocent Ngenzi, Executive and member of the BEC CETA
- Ms Velile Ndlovu, CFO CETA and BAC Chairperson



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- Obtaining and reviewing of the following documentation:
 - CETA's Supply Chain Management policy and procedures manual;
 - CETA's Code of Conduct / Ethic policy;
 - CETA's Conflict of Interest policy;
 - CETA's disciplinary code / policy;
 - CETA's Delegation of Authority;
 - Personnel file of the former CEO;
 - Disclosures made by the Chairperson of the Board;
 - SCM Files relating to the tenders in question, being:
 - Biometric System for Learners, (Bid no 013-2017/2018);
 - Learner Tablets (Bid no 026-2017/2018); and
 - Project Management of CETA office (Bid no 022-2017/2018);
 - Tenders submitted by the actual bidders who responded to the above tenders; and
 - Registration of the implicated entities as suppliers to CETA and consideration of payments effected by CETA in favour of the said suppliers.
 - Profiling of the implicated entities and the conducting of companies and directorship searches with a view to determining links between the said entities and the Chairperson of the Board and / or for that matter any other CETA employees (involved in the evaluation / award of tenders in question).



5. Detailed Findings

5.1 Background

5.1.1 Letter addressed by the former CEO of CETA to the Executive Authority of CETA

On 7 June 2018 Ms Sonja Pilusa (“**Pilusa**”) the former Chief Executive Officer (“**CEO**”) of the Construction Education and Training Authority (“**CETA**”) addressed a letter¹ to the Executive Authority of the CETA under the heading “*Formal report on attempts by the CETA Chairperson, Mr Raymond Cele to unduly influence the tenders for the Biometric System for learner administration and the learner tablets*”. The letter consisted of seven (7) pages, marked “*Strictly Confidential*” and was supported by three attachments. The letter was duly signed by Pilusa wherein she alleged the following:

- 5.1.1.1 That, on 24 January 2018 she received a WhatsApp message from the Chairperson of the CETA Raymond Cele (“**Cele**”) requesting a meeting with her the following day (incorrectly recorded as 25 March 2018 as opposed to 25 January 2018) at 13h00 at the Michael Angelo Hotel and Towers.
- 5.1.1.2 That, she called Cele to confirm the meeting and also to request the reason for the meeting in order for her to prepare adequately, to which Cele responded stating that it was the beginning of the calendar year and that they need review the work for the year to ensure adequate planning.
- 5.1.1.3 That, as requested she met Cele the next day at the Michael Angelo Hotel. That towards the end of the meeting Cele indicated that he knows that there were some tenders already out or soon to be advertised with two of them relating to “*the Biometric System for learner administration*” and “*the learner tablets*”.
- 5.1.1.4 That, Cele proceeded to inform her that he had a meeting with some politicians the previous weekend in KwaZulu – Natal, mentioning the former Minister of Higher Education, Prof Hlengiwe Mkhize (“**Mkhize**”) and Ace Magashule (“**Magashule**”). That emanating from the said meeting he (Cele) was requested to assist with some funding for some political party activities and would need her assistance in this regard. To prove his point, he (Cele) showed her a text message on his phone from the former Minister of Higher Education, Prof Hlengiwe Mkhize, which read along the lines

¹ Letter to Executive authority of the CETA written by Sonja Pilusa, dated 28 June 2018



“please call Zanele and meet with her”. To this end Cele had explained to her that Zanele was the Executive Mayor of eThekweni Municipality.

5.1.1.5 That, upon asking Cele how she is involved in such matters, given that she is not in politics nor does she know the people he was referring to, Cele informed her that she must please ensure that the tenders for the Biometric register for learners and the tablets for learners go to entities of which he would provide the names to her at a later stage.

5.1.1.6 That, she (Pilusa) immediately informed Cele that she will not and cannot do such things as it was unlawful and illegal. She further stated that she informed him that she would prefer if they never speak about the matter again.

5.1.1.7 That, subsequent to the above meeting, Cele requested another meeting with her on 31 January 2018 at the same place being Michael Angelo Hotel at 12h00. During this meeting where they discussed general CETA matters Cele requested her to write down four names which he (Cele) retrieved from his phone. These four names where the following:

- Lusizwe Trading;
- Muteo Consulting;
- I-View Integrated Systems; and
- Ukuza Project Management.

5.1.1.8 That, she then enquired from Cele who these entities were to which he informed her that the first three names should be considered for the Biometrics System tender and the last name for the Project Management of the building of the CETA offices. At this point she then advised Cele that she will not do so and if he (Cele) does not stop with this behaviour she will be left with no choice but to report the matter to the Executive Authority and the rest of the CETA Board.

5.1.1.9 That, upon realising her unease at his suggestions, Cele quickly got up and indicated that he was running late for another meeting.

5.1.1.10 That, subsequent to the above, the Supply Chain Management (“SCM”) processes continued uninterrupted by Cele.



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- 5.1.1.11 That, during the period 8 to 25 May 2018 she (Pilusa) took leave. Upon her return, she was presented with the BAC and BEC reports for the recommendation of an entity for the appointment of the Biometric Systems for Learners.
- 5.1.1.12 That, upon checking if all processes were followed, she signed off the recommendation (on ostensibly 28 May 2018), recommending to the Accounting Authority (“AA”) the appointment of the entity Maroba Group Holdings t/a Grayson Reed Consulting (PTY) Ltd.
- 5.1.1.13 That, the file was then presented to Michelle Govender (“Govender”) (the Board Secretary) for onward processing through the AA.
- 5.1.1.14 That, Govender then reported back to her that the Chairperson immediately indicated to Govender that this was the same service provider who was at the Services SETA (“SSETA”) and that the Chairperson (Cele) was refusing to sign off the recommendation before a reference report was obtained from SSETA.
- 5.1.1.15 That, according to the feedback provided by Govender, Cele was of the view that the requested report should be signed off preferably by the CEO and Chairperson of the Services SETA.
- 5.1.1.16 That, she (Pilusa) then informed Govender to provide feedback to the SCM Manager as well as the CFO for further guidance on the matter.
- 5.1.1.17 That, the CFO (ostensibly after being advised thereof) took the view that what the Chairperson was requesting was irregular and would lead to procurement challenges for the organisation.
- 5.1.1.18 That, she then requested the CFO (Velile Ndlovu) to put her concerns in writing rather than raising such verbally, which she did in the form of an email addressed to the Chairperson dated 31 May 2018.²
- 5.1.1.19 That, in replying to the CFO’s e-mail, Cele wrote to Govender essentially instructing Govender to ignore the concerns of the CFO and to proceed with the instruction he gave of writing to the Chairperson of SSETA.³
- 5.1.1.20 That, upon seeing the response by Cele she (Pilusa) then wrote an e-mail to Cele clarifying the CFO’s role in the organisation.⁴

² CFO’s e-mail to Cele, dated 31 May 2018, in respect of his instructions

³ E-mail from Cele to Govender, dated 1 June 2019, in respect of requesting a reference from SSETA



5.1.1.21 That, as a result of the above, and given the strain in the working relationship between the Chairperson and herself she had taken the difficult decision of formally reporting the matter, concluding that she harbours a reasonable apprehension that she might face occupational detriment as a result of her stance and requesting the Minister's intervention in resolving the impasse between her as CEO and Cele as the Chairperson of the Board.

5.1.2 Interview with the former CEO of CETA

On 25 October 2018 and on 20 March 2019 (in following up with Pilusa) we interviewed Pilusa who whilst confirming her contentions per her letter addressed to the Executive Authority of CETA advised as follows:

Per our meeting of 25 October 2018

- 5.1.2.1 That, she had at a stage raised her concerns regarding the Chairpersons approach at the Michael Angelo Hotel (being his request to assist in ensuring that the entities who's names he had allegedly given her were considered for the award of the tenders), with Director – General Gwebinkundla (Gwebs) Qonde (“**Qonde**”) of DHET and had even shown him the “Whatsapp” messages requesting her to attend the meetings.
- 5.1.2.2 That, she had also at a stage raised her concerns with the Minister, who had requested her to submit such in the form of a report, which she duly did as evidenced by her letter of 7 June 2018.
- 5.1.2.3 That, it was her understanding that all the entities which the Chairperson gave her for consideration of award of tenders were KwaZulu-Natal based.
- 5.1.2.4 That, the Chairperson himself resides in Hillcrest in KwaZulu-Natal and was involved in the engineering business and had in his private capacity rendered services to the Department of Water Affairs and Sanitation.
- 5.1.2.5 That, after she had tendered her resignation, the composition of the Bid Evaluation Committee (“**BEC**”) and the Bid Adjudication Committee (“**BAC**”) were changed, although this was not unusual, being standard practice at the end of a financial year to appoint new members.

⁴ Pilusa's e-mail to Cele, dated 5 June 2019, clarifying CFO's role



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- 5.1.2.6 That, the cellular phone and tablet used by the Chairperson was his own and not the property of CETA, similarly the e-mail address used by the Chairperson and through which he communicated with the organisation was his own “private” email.

Per our meeting of 20 March 2019

- 5.1.2.7 That, her reference in her letter to the Chairperson having meet with *inter alia* Magashule and Mkhize the “previous” weekend was not a reference to the weekend of 20/21 January 2018 but in fact to the weekend of 13/14 January 2018.
- 5.1.2.8 That, in addition, the Chairperson had advised her that the meeting had taken place at the Oyster Box Hotel in Durban and had in fact been a difficult encounter as the former Minister of Higher Education Mr Blade Nzimande was also at the said hotel that day.
- 5.1.2.9 That, in response to our request as to whether she had written down the names of the entities allegedly provided to her by the Chairperson as claimed in her letter dated 7 June 2018, Pilusa confirmed that she had, stating that she will attempt to retrieve the notes she maintained during her meeting with the Chairperson. We however record that despite numerous attempts by ourselves to obtain such notes from Pilusa, such has not been forthcoming.
- 5.1.2.10 That she was surprised by some of the restructuring and promotions made at the CETA after her resignation, which she has come to hear of. In this respect she informed us as follows:
- That Khomotso Mpandeli (“**Mpandeli**”) was placed on a Performance Managing Programme by herself as she did not fully understand how the CETA operates, yet has subsequently been appointed as Acting Executive Core Business, which based on her having been placed under performance review did not in her view make sense.
 - That the appointment of Annemie Phuti to the BEC also did not make sense to her as she (Phuti) was appointed as a data processor, and as far as Pilusa understands never received any training to sit in a BEC.
- 5.1.2.11 That when she left, it was in good spirits, to the extent that she congratulated Semenya in his appointment as acting CEO and requested the senior management to support Semenya.



5.1.3 Interview with the Chairperson of CETA

5.1.3.1 On 26 March 2019 we interviewed Cele who was accompanied by his attorney (Mr Jason Goodison).

5.1.3.2 During our interview with Cele he denied Pilusa's allegation that he had provided her with names of entities to be considered for award. To the extent that he also denied knowing the said entities and / or their respective directors / members.

Further that he denied having advised Pilusa that he had meet with Magashule and Mkhize.

It was also the contention of Cele that his request regarding further information relating the proposed award of the tender for Biometrics to Grayson Reed was based on him exercising his fiduciary duties and should not be construed as an attempt by him to interfere with normal SCM processes.

In concluding and upon being advised that Pilusa claimed to have notes of the meeting which show that she wrote down the names of the entities as allegedly provided by himself, although we were still awaiting such, the Chairperson stated that this was not the first time that Pilusa had made claims to have documentation to support her version of events but that such was never forthcoming, citing the CCMA matter between CETA and Pilusa as an example of such.

Minutes of our meeting with Cele were submitted to him via his attorney for confirmation and we have received their confirmation back accepting the minutes as correct and true⁵.

⁵ Minutes of meeting with the Chairperson, Raymond Cele



5.2 Verification of certain events / fact per Pilusa's letter

In an attempt to verify the veracity of the concerns raised by Pilusa in her letter we undertook the following investigative procedures and record as follows:

5.2.1 In relation to the contention of Pilusa that she meet with Cele on 25 January 2018 and again on 31 January 2018 at the Michael Angelo Hotel and Towers.

5.2.2 We requested Govender as the Secretary to the Board and who we understand to be responsible for travel arrangements for the Chairperson (who resides in KwaZulu-Natal) to confirm the movement of Cele during January 2018 with particular reference to determining whether Cele was in Gauteng on 25 January 2018 and 31 January 2018, being the dates Pilusa claims to have meet with Cele at the Michael Angelo Hotel.

5.2.3 Govender confirmed that on 18 and 19 January 2018 a project planning session was held with the Board which took place at Univenda and that on 30 January 2018 there was an EXCO meeting which were both attended by the Chairperson. In this respect we requested her to provide us with CETA's records with regard to the flight information they had in respect of the Chairpersons flights. Govender supplied us with the following two receipts:

- A receipt from SAA reflecting a departure time and date of 07h00 at Durban's King Shaka airport on 30 January 2018 to OR Tambo in Johannesburg.⁶ The same receipt also indicates a return flight leaving on the same day from OR Tambo at 16h55 to King Shaka.
- The second receipt provided by Govender was a Kulula.Com receipt indicating that the Chairperson departed from OR Tambo on 31 January 2018 at 17h35 to King Shaka.⁷ There was no receipt indicating any flight from King Shaka to OR Tambo on the morning of 31 January 2018.
- It therefore appears that the Chairperson missed his flight on 30 January 2018 and flew back the next day after a possible meeting with Pilusa.
- CETA did not provide any evidence that the Chairperson was in Gauteng on 25 January 2018 on any of CETA's business. He therefore had to be in Gauteng on his own personal business.

⁶ SAA receipt reflecting departure date of 30 January 2018 from KZN to Gauteng

⁷ Kulula.Com receipt reflecting a flight from Gauteng to KZN on 31 January 2018



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- 5.2.4 Govender further confirmed that the Chairperson prefers to stay at the Michael Angelo Hotel. However given that the rates which CETA are allowed to pay for accommodation, the Chairperson does not make his hotel / accommodation bookings through CETA, stating that he makes his own bookings and claims re-imbursement back from CETA.
- 5.2.5 Pilusa confirmed in a following up meeting on 20 March 2019 that the Chairperson sometimes, not always, stays at hotels that exceed the rate CETA policies are paying. The Chairperson will then claim the amount payable by CETA and pay the balance from his personal account.
- 5.2.6 Pilusa also stated that The Chairperson was not on CETA business in Gauteng on 25 January 2018 as CETA would only have paid for accommodation from a night before and a night after a CETA event was held where the presence of the Chairperson was required. Pilusa stated further that it was possible that he was in Gauteng on CETA business on 31 January 2018 as the CETA EXCO was held on 30 January 2018.
- 5.2.7 Pilusa is further of the opinion that the Chairperson did not reside at the Michael Angelo Hotel, but that he pretended to stay there. Pilusa attributed her opinion to the fact that she was early for their appointment and saw him coming in from outside the hotel.
- 5.2.8 In this regard, the Chairperson when interviewed on 26 March 2019 stated that he had met Pilusa on a few occasions at the Michael Angelo Hotel. However he cannot state with absolute certainty if it was on the 25 and 31st January 2019.
- 5.2.9 **In relation to the contention of Pilusa that Cele claimed to have meet with Prof Hlengiwe Mkhize and Ace Magashule in KZN the previous weekend (20/21 January 2018)**
- 5.2.10 We conducted a web search and established that during the weekend of 20/21 January 2018, the African National Congress (“ANC”) held its annual January National Executive Committee (“NEC”) Lekgotla from the 20th to the 21st January 2018 at St Georges Hotel, Irene in Gauteng. This Lekgotla was preceded by a normal NEC meeting held over two days, on the 18th and 19th January 2018.
- 5.2.11 Accordingly and given the fact that Magashule held the position of Secretary General of the ANC at the time and Prof Hlengiwe Mkhize the position of Minister of Higher Education and Training and both being NEC members of the ANC we are of the view that it is highly improbable that such a meeting occurred in KwaZulu-Natal on the weekend of 20/21 January 2018 with in all probability
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(although not yet confirmed) both Magashule and Mkhize having attended the above stated Lekgotla.

5.2.12 We clarified this with Pilusa on 20 March 2018 and she informed us that in referencing to the previous weekend she meant the weekend of 13/14 January 2018 and not 20/21 January 2018. She informed us that the chairperson told her that he was to attend the 106th anniversary of the ANC that was held in East London on 8 January 2018. He was however unable to attend because he waited too late to procure an airline ticket.

5.2.13 Pilusa further informed us that she remember that he then informed her that he met the said “politicians” the next weekend at the Oyster Hotel in Durban. She remembers him informing her that the meeting was awkward as Dr Blade Ntzipande was also in the hotel and he was just replaced as minister by Mkhize.

5.2.14 In this regard, the Chairperson informed us that he has never met Ace Magashule and certainly not in respect of raising money for a political party. He further informed us that he has met with Prof Mkhize on a few occasions. These meetings were however in his capacity as the Chairperson of the Board and Prof Mkhize as Minister of Higher Education.

5.2.15 In relation to the contention of Pilusa that Cele showed her a WhatsApp referencing to Zanele

5.2.16 The Chairperson denied that he ever received such a WhatsApp and therefore denies that he could have shown such to Pilusa as it did not exist.

5.2.17 In relation to the contention of Pilusa that Cele requested her to write down the names of 4 entities

5.2.18 We requested Pilusa to provide us with the document evidencing that she had written down the 4 names as alleged. She informed us in our meeting of 20 March 2019 that she indeed noted down the four names in a notebook. She undertook to provide us with the notebook. To date we have not received the notebook from Pilusa.

5.2.19 In this regard, the Chairperson denies that he requested her to write down four names to be considered for any of the tenders. The chairperson further denies that he knows any of the entities and denies knowing any of the directors of the entities. In this regard the following names of entities and directors was put to the chairperson:



■	Lusizwe Trading	–	Daisy Msomi and Mbali Majola;
■	Muteo Consulting	–	Emmanuel Makwarela;
■	I-View Integrated Systems	–	Inbinathan Kistiah; and
■	Ukuza Project Management	–	Chris Govender.

5.2.20 That, a review of the three tenders referred to by Pilusa, being the tenders for Learner Tablets, the Biometrix System and Project Management associated to the construction of CETA offices revealed that only three (3) of the four (4) entities had submitted tenders to CETA, with all three relating to the Biometrix System. This observation is discussed in more detail *infra*.

5.2.21 That, a review of CETA's payment system and supplier database revealed that one of the entities is a registered supplier to CETA. Muteo Consulting with supplier number L570752677 is a supplier since 2013. They have received grant payments from 31 December 2013 to 28 December 2018 to the value of R149 919.95. These payments are made on a quarterly basis and do not seem untoward.

5.2.22 This contention as stated *supra*, has been denied by the Chairperson in totality to the extent that the Chairperson claims to not know the said entities and / or the directors / members thereof.

5.2.23 In relation to the contention of Pilusa that Cele "interfered" in the procurement process associated the appointment of a service provider pertaining to the Biometric System

5.2.24 It is not disputed that the Chairperson requested that a reference letter be obtained from SSETA regarding the recommended bidder.

5.2.25 The context of this request however needs to be seen against the background of the Chairperson having allegedly been made aware of problems SSETA were experiencing with the recommended bidder in relation to the supply of the same "system" (Biometrics) at SSETA and given the fiduciary duties expected of the AA.

5.2.26 In addition, scrutiny of the request by the Chairperson as evidenced in the email correspondence provided by Pilusa indicates that whilst the Chairperson had requested the said reference letter, such we submit, should not be construed as the Chairperson being totally against the appointment of the recommended bidder and / or an attempt by the Chairperson to ensure that another bidder is appointed. This observation we submit is based on the Chairpersons inclusion in his request for the said reference letter to also establishing if it was not possible to 'Piggy back' off SSETA's existing contract with the recommended bidders.



- 5.2.27 It is also apparent from our investigation and as discussed in more detail *infra*, that the email sent by Velile Ndlovu (“Ndlovu”) in her capacity as CFO to the Chairperson was undertaken based on a request from the CEO (Pilusa) who together with Govender was with the chairperson at an EXCO in the East Rand on 31 May 2018. In this regard Ndlovu stated that she only drafted the said email as Pilusa had asked her to, stating that whilst she (Ndlovu) did not know why the chairperson requested the reference letter, it was Pilusa who was upset. However Pilusa denied in our meeting on 20 March 2019 that he was upset when talking to Ndlovu.
- 5.2.28 Further and despite the opposing views regarding the need for the said reference letter, on 4 June 2018 a request was sent to SSETA wherein SSETA were requested to provide a report on the service provider’s performance as well as enquiring about the possibility of piggybacking on the current contract that SSETA has with the recommended service provider.⁸ On 13 June 2018, SSETA responded to the above request, stating that as the request related to an operational matter within SSETA such was presented to the Board of SSETA and that SSETA may neither involve itself nor be involved by CETA in matters pertaining to CETA’s procurement of goods, and that further they could not consider allowing CETA to piggyback off their existing contract, being of the view that as CETA had already followed a tender process such would be precluded by law.⁹
- 5.2.29 That, upon receiving SSETA’s response and on the same day, being 13 June 2018, the Chairperson approved the appointment of Grayson Reed.
- 5.2.30 In this regard, the Chairperson informed us that he and the other SETA’s Chairpersons were invited to the Ministers budget’s speech. Whilst attending the budget speech he was introduced to the new SSETA’s Chairperson Dr Maria Madiope. The Chairperson informed us that during their conversation Dr Madiope alluded to problems their SETA was experiencing with their implementation of a biometric system. According to the Chairperson, Dr Madiope, mentioned the name of the service provider as Grayson Reed. The Chairperson informed us that he advised her to talk to her board in respect of the problems as they would have the necessary experience to advise her how to proceed with the matter.
- 5.2.31 The Chairperson further informed us that when he received the BAC report at the EXCO meeting in Boksburg, he immediately recognised the name of Grayson Reed and the problems experience with them by Dr Madiope of the SSETA. Because of this he wanted a report from the SSETA to prevent possible problems with the implementation of the biometric system at CETA.

⁸ Letter from CETA to Services SETA dated 4 June 2018

⁹ Services SETA reply to CETA letter, dated 13 June 2018



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- 5.2.32 Based on the above, he (The Chairperson) requested that a letter be written to SSETA requesting a report on their performance at SSETA. His request was met with some resistance by the CFO (Ndlovu) who sent him an e-mail on the same day he requested the letter to SSETA, being 31 May 2018 (*see Exhibit 2 supra*). The Chairperson also informed us that he took notice of the fact that there was a SSETA reference letter in the submission of Grayson Reed, but he was requesting a performance report not a reference letter.
- 5.2.33 The letter was drafted and sent to the SSETA on 4 June 2018. He received an answer on 13 June 2018. The answer was not what the Chairperson expected. The answer in his opinion was strange as it came through as a lecture and not the response he wanted. In short, the response was that SSETA will not submit such a report. After the Chairperson received the letter, he duly signed the BAC's recommendation as approved.
- 5.2.34 In concluding, the Chairperson alluded to the fact that they, the board and senior management, had just returned from a course in procurement given to them by Adams and Adams. Being freshly from the course a person tends to be more vigilant than normal and he thought it was the correct thing to do because of the problems experienced by SSETA and that he was merely exercising his fiduciary responsibilities.



5.3 Key role player and entities

5.3.1 Sonja Pilusa, the former CEO CETA

Publicly available information and web searches pertaining to Sonja Pilusa (“**Pilusa**”) revealed that Pilusa holds or held an interest in the following entities as tabulated below:

Entity	Registration No	Pilusa's Status	Co-Directors
Dinoko Executive Place	2008/060011/23	Active	Sole
Entity	Registration No	Pilusa's Status	Co-Directors
TTT Consultancy	2002/079782/23	Active	Freddy Pilusa (A)
Entity	Registration No	Pilusa's Status	Co-Directors
Makoti Consulting	2010/124654/23	Active	Sole
Entity	Registration No	Pilusa's Status	Co-Directors
Sol-Ant Travel and Tours	2002/089474/23	Resigned	Ohentse Toto (R) Koboti Cwaile (A)

- That in 2016 Pilusa was accused of conducting a witch hunt against an alleged whistle blower in which it was further alleged that Cele sided with her;
- That the above matter was reported to the Public Protector for investigation; and
- Her linkedIn account reflects that she is the owner of Makoti Consulting.

5.3.2 Raymond Nhlanhla Cele, the Chairperson of CETA

Publicly available information pertaining to Raymond Nhlanhla Cele (“**Cele**”) revealed that the Chairperson of the CETA Board holds or held an interest in the 27 entities tabulated below:

Entity	Registration No	Cele's Status	Co-Directors and Status
Magaya Property Group	2017/193742/07	Active	Nokuthula Cele (A) Ntando Cele (A)
Wiseway Trading	2016/346520/07	Active	Thamindran Naidu (A) Hugo Blignaut (R)
Bistow Trading	2016/243514/07	Resign	Teiaran Naidu (A) Hugo Blignaut (R) Thamindran Naidu (R)



Entity	Registration No	Cele's Status	Co-Directors and Status
Upsize Trading	2016/035143/07	Active	Hugo Blignaut (R)
Zonia Trade and Invest	2016/010954/07	Active	Hugo Blignaut (R)
Simunye Rail Engineering	2014/021083/07	Active	Innocentia Motau (A) Jabulile Zwane (A)
MCS Rail Systems	2013/162191/07	Active	Mazwi Mbele (A) Brain Sithole (A)
Bravoplex 494	2011/102030/23	Active	Nokuthula Cele (R) Jayandaran Moodley (R) Sahen Reddy (R)
Cpol Coatings	2006/009523/07	Active	Selwyn Bean (A) Johan Juseluis (A) Cornelius Meyer (A)
SIK Engineering Consulting	2005/172127/23	Active	Mazwi Mbele (A) Brain Sithole (A)
Nehemiah Trading	2005/020718/07	Active	David Bekwa (A) Sakhike Dlamini (A) Busisiwe Hlatswayo (A) Sylvia Kweyama (A) Templeton Motsemme (A) Brain Sithole (A)
Infrasoft Technologies	2005/012753/07	Resign	Cindy-Lou Von Pannier (A) Marie Lionnet (A) Busiswe Mkhize (R) Ravindran Moodley (R)
Proeng Rail Systems	2003/001008/07	Active	Thabani Bengani (A) Bongani Gebashe (A) Harvey Buthelezi (R) Errol Senekal (R)
Itlusi WSP Investment	2002/025333/07	Resign	Penwell Kamanga (A) Nigel King (A) Alexander MacLennan (A) Thomas Makamo (A) Benedict Potgieter (A) Jairaj Ramchander (A) Dennis Bishop (R) Harvey Buthelezi (R) Adrian Lloyd (R) Zinsizwa Malinga (R) Andrew Mather (R) Boitelo Molapo (R) Nkosinathi Msimang (R) Lusanda Qupe (R)



Entity	Registration No	Cele's Status	Co-Directors and Status
Uku Consulting Services	2002/024118/07	Resign	Moses Marole (A) Monica Rampai (A) Bongiwe Siwisa (A) Irwin January (R) Lufuno Marageni (R) Faith Modise (R) Calvin Nengovhela (R) Catherina Schmidt (R)
Ithusi Trade and Investment	2002/022515/07	Active	Harvey Buthelezi (A) Penwell Kamanga (A) Zinsizwa Malinga (A) Isidore Mkhize (A) Nkosinathi Msimang (R)
Rolux Engineering	2002/013711/07	Active	Moses Marole (A) Sikhumbuzo Mkize (A) Matsiliso Ramorobi-Msikinya (A)
Tecnicom Networks	2002/013336/07	Active	Harvey Buthelezi (A) Nkosinathi Msimang (A) Dayalan Naidoo (R) Harrikkrisna Narismulu (R) Hendrik van Loggenberg (R) John Ross (R)
Tecnicom Tegnology Solutions	2002/011255/07	Active	Harvey Buthelezi (A) Phumelele Gumede (A)
TQ Engineering	2001/013631/07	Active	Harvey Buthelezi (A) Carel Pienaar (A) Michael Wragg (A) Louise le Roux (R) Kessie Pillay (R) Pierre van Schalkwyk (R)
Triact Enterprise Asset Management	2001/013631/07	Active	Harvey Buthelezi (A) Nkosinathi Msimang (R)
Black Pepper Events and Media Corporation	2001/002266/07	Resign	Zakhele Gama (A) Samuel September (A) Harvey Buthelezi (R) Mlungisi Manci (R) George Stainton (R) Zenzele Thabede (R)
Proeng Investments	2000/027938/07	Active	David Bekwa (A) Tshindjiba Mudlay (A) Matsiliso Ramorobi-Msikinya (A) Dennis Bishop (R) Harvey Buthelezi (R) Nkosinathi Msimang (R)



Entity	Registration No	Cele's Status	Co-Directors and Status
Triact Holdings	2000/018532/07	Active	Harvey Buthelezi (A) Nkosinathi Msimang (R)
YP Engineering Services	1999/028336/23	Active	Blessing Luthuli (A) Malusi Mabaso (A) Phillip Ngubane (A)
Ongoti Community Services	1998/014295/23	Active	Mazwi Mbele (A) Brain Sithole (A)
BVI Consulting Engineers	1989/007429/07	Resign	Stefan De Meillon (A) Deon Govender (A) David Leukes (A) Hendrik Maas (A) Moses Marole (A) Leon Pienaar (A) Monica Rampai (A) Premela Singh (A) Bongiwe Siwisa (A) Christiaan Lourens (A) Lulama Mayedwa (A)

A web search revealed the following in relation to Cele:

- That in 2016 Cele was accused of siding with Pilusa in a witch hunt against an alleged whistle blower;
- That the above matter was reported to the Public Protector for investigation; and
- That Cele is recorded (per his LinkedIn profile) as the Managing Director of Sika Engineering (ostensibly a reference to Sik Engineering).

5.3.3 The 4 entities allegedly given to Pilusa by the Chairperson of CETA for consideration of the award of tenders with a view to securing funding for political party activities

Publicly available information and web searches pertaining to the four entities Pilusa alleges the chairperson wanted to be considered for appointment revealed as follows.

5.3.3.1 Lusisizwe Trading ("Lusisizwe")

- 5.3.3.1.1 In considering the tenders issued by CETA which Pilusa alleged the Chairperson of CETA had provided her with names for consideration of award, we established that the entity "*Lusisizwe*



Trading Enterprise” with registration number 2018/024272/07 had submitted a tender to CETA in response to bid number 013/2017/2018 for the “*Appointment of a Service Provider for the Rollout and Management of a Biometric Learner Attendance Monitoring System*”.

5.3.3.1.2 In this regard we record as follows:

Lusisizwe Trading Enterprise (PTY) Ltd	
Registration Number	2018/024272/07
Registration date	2018-01-17
Directors	Daisy Cecelia Msomi ID (431207 0340 083)
Appointment date	2018-01-17
Residential address of director	10 Palm Street, West Acres, Nelspruit

5.3.3.1.3 Whilst we note that the entity is recorded to have only registered with the Companies and Intellectual Properties Commission (“CIPC”) on 17 January 2018, being just one month before bid 013/2017/2018 was advertised, we record that the entity had prior to this date and since 2010 traded as a Close Corporation (registration number 2010/126078/23) before converting to a PTY.

5.3.3.1.4 The registered address of Lusisizwe and its sole director is recorded as West Acres, Nelspruit.

5.3.3.1.5 We however note that in tendering for the tender in question, the entity provided its physical address as office 81, Sonpark Shopping Centre, Corner Madiba Drive and Piet Retief Street, Nelspruit.

5.3.3.1.6 The recorded director of Lusisizwe, Daisy Cecelia Msomi (“**Msomi**”) is not recorded to hold any other business interests.

5.3.3.1.7 Although Msomi is recorded as the director of Lusisizwe, it is apparent from a review of the tender submitted by the entity that Msomi had little or nothing to do with the submission of the tender in question. In this regard, we record that a letter of authority was found in the tender authorising the CEO (of Lusisizwe) Mbali Majola (“**Majola**”) with identity number 900205 0230 082 to sign any document relating to the entity / tender.

5.3.3.1.8 We further note that the certifying of the documents as true copies of the originals was done in the office of the Provincial Head, Criminal and Crime Scene Management Kwa-Zulu Natal. In this regard, we submit that the tender in question was in all probability completed / put together in KwaZulu-Natal despite the entity and its recorded director emanating from Nelspruit.

5.3.3.1.9 A web search revealed no further information regarding Lusisizwe.



5.3.3.1.10 A company search in respect of Majola revealed Majola to hold an interest in the following companies:

- Umlindo Consulting, registration number 2016/014686/07;
- Adroit Consulting, registration number 2016/334271/07; and
- Kingdom Wealth Projects, registration number 2016/493882/07.

5.3.3.1.11 A web search in respect of the above mentioned entities revealed as follows:

Umlindo Consulting

- That Majola is the recorded Managing Director of the entity;
- That the entity is Durban based specialising in Monitoring and Evaluation practitioner, performance management, policy and strategy development, research, organisational development, Change Management; and
- A company search conducted revealed she is the only director in this entity which was registered in 2016. The registered address of this entity is K2070, Kwa-Mashu, Newlands Heights, Durban.

Entity	Registration No	Status	Co-Directors
Umlindo Consulting	2016/014686/07	Active	Sole -director

Adroit Consulting

- No information could be found regarding Adriot Consulting.
- A company search conducted revealed the following directors and their statuses:

Entity	Registration No	Status	Co-Directors
Adroit Consulting	2016/334271/07	Active	Zakhele Madida (A) Lawrence Ndimane (A) Mbali Majola (A)

- All directors are still active directors of the company.



Kingdom Wealth Projects

- That according to LinkedIn, the entity is ostensibly a Durban North Based Company.
- A company search conducted revealed the following directors and their statuses:

Entity	Registration No	Status	Co-Directors
Kingdom Wealth Projects	2016/493882/07	Active	Solwazi Mbambo (A) Thandiwe Mzimele (A) Mlungisi Ngubane (A) Thamsanqa Sibeko (A) Mbali Majola (A)

- All directors are still active directors of the company.

5.3.3.1.12 No direct or indirect link could be established between Lusisizwe / Msomi and / or for that matter Majola and the Chairperson of CETA.

5.3.3.1.13 We further record that the Chairperson of CETA denies knowing any of the above entities of which Mbali Majola and Ceceila Msomi are directors and or members. All the names of the entities were read to him in response to which he denied recognising any of the names.

5.3.3.2 Muteo Consulting (“Muteo”)

5.3.3.2.1 In considering the tenders issued by CETA which Pilusa alleged the Chairperson of CETA had provided her with names for consideration of award, we established that the entity “*Muteo Consulting*” with registration number 2003/056655/23 had submitted a tender to CETA in response to bid number 013/2017/2018 for the “*Appointment of a Service Provider for the Rollout and Management of a Biometric Learner Attendance Monitoring System*”.

5.3.3.2.2 In this regard we record as follows:

Muteo Consulting	
Registration Number	2003/056655/23
Registration date	2003-07-09
Directors	Hangwani Emmanuel Makwarela ID (691229 5976 088)
Appointment date	2003-07-09
Residential address of director	Crest View, Beacon Bay, East London



5.3.3.2.3 The registered address of Muteo Consulting is recorded as 17 Terminus Street, First Floor, Adrey House, East London, whilst its sole director is recorded to reside in Beacon Bay, East London.

5.3.3.2.4 The recorded director of Muteo Consulting, Hangwani Emmanuel Makwarela (“**Makwarela**”) is recorded to hold the following other business interest:

- Kwindia Built Systems, registration number 2015/416845/07;
- Northern Sparks Trading 58, registration number 2005/016165/07; and
- Karridene 191, registration number 2006/213719/23.

A web search in respect of Muteo Consulting and the other entities owned by Makwarela revealed as follows:

Muteo Consulting

- The entity was established in 2003 under the leadership of Makwarela;
- Makwarela is a highly qualified individual holding the following qualifications and / or to have served in the following positions:
 - Makwarela is a mechanical engineer (University of the Witwatersrand, Johannesburg) who is registered as a professional engineer with the Engineering Council of South Africa (ECSA, reg. no. 20000252).
 - He has over 25 years of post-graduate experience, which spans a variety of industries in companies that comprise SCAW Metals, Crown Cork, Hillside Aluminium (now BHP-Billiton), Eskom Generation, Umgeni Water and Amatola Water.
 - Makwarela to hold a Government Certificate of Competency (GCC) – Plant Engineering and Occupational Health and Safety; as well as a Masters degree in Business Administration.
 - Makwarela to have previously served as a member of Council and as member of the Professional Advisory Committee (Mechanical) at the Engineering Council of South Africa (ECSA). He continues to serve at ECSA, mainly as a team member or leader on university programmes’ accreditation visits.



- Makwarela to hold the current Deputy Chairperson position of the South African Black Technical and Allied Careers Organisation (SABTACO) in Limpopo.
- The entity to have undertaken numerous projects.

Kwinda Built Systems

- The entity is Polokwane based and specialises in air-conditioning installations.
- A company search conducted revealed the following directors and their statuses:

Entity	Registration No	Status	Co-Directors
Kwinda Built Systems	2015/416845/07	Active	Londani Makwarela (A) Midalo Makwarela (A) Hangwani Makwarela (A)

- All directors are still active directors of the company.

Northern Sparks Trading 58

- No information could be found regarding Northern Sparks Trading 58.
- A company search conducted revealed the following directors and their statuses:

Entity	Registration No	Status	Co-Directors
Northern Spark Trading 58	2005/016165/07	Active	Azwimbavhi Hangwani (A) Greson Motabatsindi (A) Anna Tshikosi (A) Hangwani Makwarela (A)

- All directors are still active directors in the company.

Karridene 191

- No information could be found regarding Northern Sparks Trading 58.
- A company search conducted revealed the following directors and their statuses:

Entity	Registration No	Status	Co-Directors
Karridene 191	2006/213719/23	Active	Vhutshilo Makwarela (A) Wanda du Plessis (R) Hangwani Makwarela (A)



- The only director who resigned from this entity was a Wanda du Plessis. Makwarela is still an active director of this entity.

5.3.3.2.5 A review of the tender submitted by Muteo Consulting revealed as follows:

- Muteo Consulting to have provided the address of the entity as being 119 Gerhard Street, Centurion and their contact numbers as 012 664 6577 / 082 497 1861 but to have listed also having offices in Polokwane, Mpumalanga, Thohoyandou and Pietermaritzburg;
- Makwarela to have been recorded as the contact person whilst B Sikhosana (ostensibly the office manager) was recorded as being the bidders authorised signatory;
- Muteo to have submitted a comprehensive response to the tender in question, providing great detail in terms of the company structure, staff compliment and qualifications, past work experience; and
- Muteo to have tendered for the required services in the amount of R39 392 700.00.

5.3.3.2.6 The bidder whilst having met the requirements for consideration of award was eliminated based on price and preference, being ranked as the 2nd highest scoring bidder.

5.3.3.2.7 A web search revealed Muteo Consulting to be a well-established entity with a long history in providing “Consulting” services.

5.3.3.2.8 No direct or indirect link could be established between Muteo Consulting / Makwarela and the Chairperson of CETA.

5.3.3.2.9 We further record that the Chairperson of CETA denies knowing any of the above entities of which Makwarela is a director and or member. All the names of the entities were read to him in response to which he denied recognising any of the names.

5.3.3.3 I-View Integrated Systems (“I-View”)

5.3.3.3.1 In considering the tenders issued by CETA which Pilusa alleged the Chairperson of CETA had provided her with names for consideration of award, we established that the entity “Brainwave Projects 1323 trading as I-View Integrated Systems” with registration number 2005/1258301/23 had submitted a tender to CETA in response to bid number 013/2017/2018 for the *“Appointment of a*



Service Provider for the Rollout and Management of a Biometric Learner Attendance Monitoring System”.

5.3.3.3.2 In this regard we record as follows:

Brainwave Projects 1323	
Registration Number	2005/125830/23
Registration date	2005-09-06
Directors	Inbinathan Kistiah ID (800222 5147 089)
Appointment date	2014-05-05
Residential address of director	11 Roundside Road, Phoenix, Kwa-Zulu Natal

5.3.3.3.3 The registered address of Brainwave Projects is recorded as 346 Stamfordhill Road, Greyville, Durban.

5.3.3.3.4 The sole member of Brainwave Projects trading as I-View Integrated Systems is Inbinathan Kistiah (“**Kistiah**”). Kistiah is recorded to hold / have held an interest in the following other entities:

- Palesa Tech, registration number 2004/005682/07;
- Global Tech Innovations, registration number 2014/087460/07;
- Africa Ballistic Technologies, registration number 2016/536503/07;
- Integrated Intelligence Solutions, registration number 2018/597395/07;
- Speed Secretarial Service, registration number 2014/053950/07 (resigned);
- Banyan Holdings, registration number 2014/056720/07 (resigned);
- 3 K Distributors, registration number 2014/068576/07 (resigned);
- Platinum Shield Investments Holdings, registration number 2016/002047/07 (resigned);
- Shield Platinum Holdings, registration number 2016/002052/07 (resigned);
- LTS Translogistics, registration number 2012/170468/07;
- Masebe Technologies, registration number 2006/214770/23;
- I View Trading Enterprise, registration number 2008/240512/23; and



- Ameva Solutions Trading, registration number 2005/020480/07.

5.3.3.3.5 We note, that the entity Global Tech Innovations was previously registered with CIPC as “I View Integrated Systems” before undergoing a name change in December 2018.

5.3.3.3.6 A web search conducted in respect of the entities in which Kistiah is recorded to hold or have held an interest revealed as follows:

Brainwave Projects 1323 trading as “I-View Integrated Systems”

- That the entity has offices in Durban, Johannesburg (Randburg) and Cape Town, whilst also maintaining a “base” in Limpopo, Richards Bay and the Eastern Cape;
- That the entity has previously been suspected of being involved in “ANC Vote buying”, with a recent article published in January 2019 linking the company to the alleged attempt by the SAPS “to illegally procure an eavesdropping device, commonly known as a “grabber”, at the inflated price of R45 million in order to launder money to a faction in the ruling party who would attend the ANC’s Nasrec conference. The grabber usually sells for R7 million”.
- That a number of cases were enrolled in the Durban High Court against Brainwave Projects 1323 for summary judgment;
- That in March 2018 the company's director Kistiah wrote to the Divisional Commissioner of crime intelligence Major General King Ngcobo to warn him that the Daedalus Encryption Service which they supply will automatically be switched off at the end of the month unless police pay R5.7m for the renewal of the user license; and
- That the company is ostensibly under investigation by IPID for the supply of bullet proof vest to SAPS at an allegedly inflated price.
- A company search conducted revealed the following directors and their statuses:

Entity	Registration No	Status	Co-Directors
Brainwave Projects	2005/125830/23	Active	Audrey Kistiah (R) Kubenthran Kistiah (R) Vanessa Kistiah (R) Mthokozisi Ntombela (R) Monica Ripepi (R)



- We note that all the co-directors resigned and that Kistiah is now the only director of the company. We further note that the last co- director resigned in 2009.

Palesa Tech

- That the entity which was established in 2004, is based in Polokwane with office at 69 Church Street, and specialises in office machinery and supplies (ostensibly including to schools);
- That the recorded contact person for the entity is Ms Lynette Els.
- A company search conducted revealed the following directors and their statuses:

Entity	Registration No	Status	Co-Directors
Palesa Tech	2004/005682/07	Active	Simone Aronje (R) Silumko Boya (R) Bruno Cigana (R) Gerhard du Toit (R) Lynette Els (R) Nicolene Grobler (R) Kwena Mehale (R) Mokgadi Sehlapelo (R) Wonderboy Shongwe (R) Majika Sumango (R) Monica Zhanje (R)

- We note that Kistiah became a director on 5 June 2016. On that day Palesa Tech had six directors, but four resigned on the same day. The two other directors resigned on 25 October 2016. Since 25 October 2016 Kistiah became the sole director of Palesa Tech.

Global Tech Innovations

- No information could be found regarding Global Tech Innovations.
- A company search conducted revealed the following directors and their statuses:

Africa Ballistic Technologies

- No information could be found regarding Africa Ballistic Technologies.
- A company search conducted revealed the following directors and their statuses:



Entity	Registration No	Status	Co-Directors
Africa Ballistic Technologies	2016/536503/07	Active	Xolani Mzobe (A) Dirovin Kistiah (R)

Integrated Intelligence Solutions

- No information could be found regarding Integrated Intelligence Solutions.
- A company search conducted revealed the following directors and their statuses:

Entity	Registration No	Status	Co-Directors
Integrated Intelligence Solutions	2018/597395/07	Active	Etienne Basson (A) Bart Denil (R)

Speed Secretarial Service (resigned)

- No information could be found regarding Speed Secretarial Service;
- A company search conducted revealed the following directors and their statuses:

Entity	Registration No	Status	Co-Directors
Speed Secretarial Services	2014/053950/07	Resign	Victoria Mnguni (A) Kavitha Annamalai (R) Greame Duncan (R) Madhubala Patel (R)

Banyan Holdings (resigned)

- Banyan Holding is an investment company with offices in Sandton, Umhlanga and Florida, USA. We note that Kistiah was only a director from 18 March 2014 to 1 September 2014.
- A company search conducted revealed the following directors and their statuses:

Entity	Registration No	Status	Co-Directors
Banyan Holdings	2014/056720/07	Resign	Greame Duncan (A)

3 K Distributors (resigned)

- No information could be found regarding 3 K Distributors.
- A company search conducted revealed the following directors and their statuses:



Entity	Registration No	Status	Co-Directors
3 K Distribution	2014/068576/07	Resign	Helen Quayle (A)

Platinum Shield Investments Holdings (resigned)

- No information could be found regarding Platinum Shield Investment Holdings.
- A company search conducted revealed the following directors and their statuses:

Entity	Registration No	Status	Co-Directors
Platinum Shield Investments Holdings	2016/002047/07	Resign	Nithesh Deonannan (A) Dirovin Kistiah (A) Nolan Naidoo (A) Jordan Padayachee (A) Sagaryn Padayachee (A)

Shield Platinum Holdings (resigned)

- According to WEB searches are they a Durban North based company specialization in CCTV, Access Control, Intruder Detection, Networking, Building Maintenance Systems.
- A company search conducted revealed the following directors and their statuses:

Entity	Registration No	Status	Co-Directors
Shield Platinum Holdings	2016/002052/07	Resign	Dirovin Kistiah (A)

LTS Translogistics

- No information could be found regarding LTS Translogistics.
- A search of his co-director revealed an entry that was made on the web site of Transhub Transport Directory stating the following: *"Beware of Gary Milroy from Phumalela Projects and Logistics, he previously owned a company called LTS Logistics in Durban, he is a transport broker, hiring trucks from transport companies and doesn't pay them. He just closed LTS and opened another company and started all over again. Owes many transport companies money from all over the country."*
- A company search conducted revealed the following directors and their statuses:



Entity	Registration No	Status	Co-Directors
LTS Translogistics	2012/170468/07	Active	Gary Milroy (A)

Masebe Technologies

- No information could be found regarding Masebe Technologies.
- A company search conducted revealed the following directors and their statuses:

Entity	Registration No	Status	Co-Directors
Masebe Technologies	2006/214770/23	Active	Bheki Gina (A) Vanessa Kistiah (A)

I View Trading Enterprise

- No information could be found regarding I View Trading Enterprise.
- A company search conducted revealed the following directors and their statuses:

Entity	Registration No	Status	Co-Directors
I View Trading Enterprise	2008/240512/23	Active	Sole Director

Ameva Solutions Trading

- The company is recorded to maintain facilities at 26 Primrose Drive, Victory Park, Johannesburg.
- A company search conducted revealed the following directors and their statuses:

Entity	Registration No	Status	Co-Directors
Ameva Solutions Trading	2005/020480/07	Active	Barry Baetu (A) Kenneth Mathu (R) Mandla Mtsweni (R)

5.3.3.3.7 No direct or indirect link could be established between Brainwave Projects 1323 trading as I View Integrated Systems and the Chairperson of CETA.



5.3.3.3.8 The bidder whilst having met the mandatory requirements for evaluation in terms of functionality was eliminated from further consideration for award for failing to attain the requisite minimum score of 70% for functionality.

5.3.3.3.9 In this regard, the Chairperson denies knowing any of the above entities of which Kistiah is a director and / or member. All the names of the entities were read to him to which he denies recognising any of the names.

5.3.3.4 Ukuza Project Management (“Ukuza”)

5.3.3.4.1 No evidence exists to indicate that an entity styled “*Ukuza Project Management*” submitted any tender to CETA in relation to the tenders mentioned by Pilusa.

5.3.3.4.2 A company search conducted on Windeed, revealed the following:

Ukuza Consulting	
Registration Number	2011/127386/07
Registration date	2011-10-25
Directors	Chris Wolaganathan Govender
Appointment date	2011-10-25
Residential address of director	Beverley Drive, Pinetown Durban

5.3.3.4.3 Web searches conducted reflect that Ukuza has its own website and that Ukuza is a Project Management and Quantity Surveying company. They are situated at 15 The Boulevard, Westway Office Park, Durban. They also have offices in Nelspruit.

5.3.3.4.4 Windeed searches conducted revealed that Chris Govender also holds / held an interest in the following two companies:

- LCG Enterprises; and
- Yagotech Gateway.

5.3.3.4.5 Further searches conducted revealed the following co-directors in the three entities in which Chris Govender have/hold an interest:

Entity	Registration No	Status	Co-Directors
Ukuza Consulting	2011/127386/07	Active	Sole Director



Entity	Registration No	Status	Co-Directors
Ukuza Investments	2017/497275/07	Active	Lokesh Moodley (R)
LCG Enterprises	2001/023974/23	Resign	Louise Christine Govender (A) Tevin Thomas (A) Seenivasan Moodley (R)
Yagotech Gateway	2000/066991/23	Active	Roy Gopaul (R) Naved Hasan (R)

5.3.3.4.6 Although Ukuza did not submit any bids in relation of any of the three tenders, we note that they are a project management and quantity surveyor company of whom a person could expect submitting a bid for the *“project manager for the procurement of land and or a building, design plans and construction and or renovations of the CETA head office”* tender.

5.3.3.4.7 In this regard, the Chairperson denies having knowledge of an entity called Ukuza Consulting and further denies that he knows Chris Govender. The chairperson also denies having knowledge of the other two entities in which Govender has interest in, being LCG Enterprises and Yagotech Gateway.



5.4 Bid number 026-2017/2018: The procurement of Tablets for CETA Funded Learners

5.4.1 Review of SCM process

5.4.1.1 On 16 February 2018 a Bid Specification Committee (“BSC”) meeting was held wherein the procurement of tablets for funded learners was discussed. During the meeting the terms of reference was finalised and the evaluation criteria was formulated.

5.4.1.2 The mandatory criteria decided upon was the following:

- Proof of registration with National Treasury Central Supplier Database (CSD);
- Proof of certification as a product reseller; and
- Completed and signed SBD Forms and General Conditions of Contract (GCC).

5.4.1.3 Bidders who met the mandatory criteria would then be further evaluated on functionality. A minimum threshold of 70 points out of 100 points was stipulated. Bidders that obtained the minimum of 70 points would then be further evaluated on price and preference points.

5.4.1.4 We received a copy of the bid document which indicated that functionality would be scored as follows:¹⁰

- Submission of three or more written testimonials demonstrating provable experience relating to service – 15 points;
- Methodology and Approach: Supply of required equipment as per spec – 30 points;
- Methodology and Approach: Turn-around time to deliver – 25points;
- Methodology and Approach: Detailed insurance cover – 15 points; and
- Methodology and Approach: Detailed warranty cover – 15 points.

5.4.1.5 The terms of reference was to provide a Lenovo 3.7 inch essential or equivalent tablet with the following features:

¹⁰ Bid document for tender 026-2017/2018



- Wi-Fi;
- Cellular;
- 16GB Internal;
- 1GB Ram;
- 7 inch screen; and
- Android Operating System; and up to 9 hours battery power.

5.4.1.6 The tender was advertised on 23 February 2018 with a closing date of 2 March 2018. It was advertised on the CETA's website, Government tender bulletin on 23 February 2018 and ostensibly the Sunday Times newspaper dated 25 February 2018. We note with concern that the tender was only advertised for a period of approximately one week. In this regard, we record that CETA's SCM policy states under clause 9.4.2 "*Bids must be advertised for at least 21 days before closing time, except in urgent cases*". We further submit that no evidence has been presented indicating that the procurement of the tablets was urgent. We further note that in addition to this tender a further eight (8) tenders were also advertised on 23 February 2018, with a closing date of 2 March 2018. The failure of CETA to advertise the said tenders for the stipulated period of at least 21 days would constitute any award in relation thereto as being irregular.

5.4.1.7 The tender closed on 2 March 2018 at 11h00 and it was recorded that 33 entities / potential suppliers had submitted bids. We were supplied with a copy of the opening register as compiled by CETA.¹¹ The entities / potential suppliers recorded to have submitted bids were as follows:

No	Bidder	Price (R)
1	Tech Team Solutions	1 598,18
2	Technochange Solutions	7 385,36
3	Databox Technologies	2 012,10
4	Soyamba Trading Enterprise	2 907,00
5	Remo Holdings T/a Kathabo	1 571,89
6	AKM Roadway Distribution	2 324,23
7	SNG Investment	1 876,00
8	Thenjiwe Global Solutions	1 650,00

¹¹ Opening register of the Tablet tender



No	Bidder	Price (R)
9	Ditlou Media	3 175,00
10	Ring a Tech	2 750,00
11	Systematic IT and Services	4 560 418,00
12	Redefine IT Solutions	1 826,26
13	Esizwe Group	1 670,10
14	Maletsatsi Home	4 210,00
15	Khanyisakanye Trading	1 567,50
16	Cost Plus Office Supply	1 910,00
17	Vukona P Projects	4 163,87
18	Len Africa	3 050,00
19	AE Soft T/a AE Solutions	1 561,80
20	Futgenx Technologies	2 118,00
21	Mangolelwa	2 713,70
22	Ibism Trading	3 335,00
23	Khauleza IT Solutions	1 935,14
24	Ikando T/a IT Master	1 651,60
25	Virtualize	1 571,49
26	Excubed Consulting	2 280,39
27	Babetli Investments	2 470,26
28	Finch Nest	3 186,25
29	Matrix Warehouse	1 799,00
30	K2016271747 T/A Accelerators IT	2 030,00
31	Thusaditlou	2 720,04
32	Dataproof Communications	5 261,10
33	Khubz	2 328,00

5.4.1.8 On 29 June 2018 the Bid Evaluation Committee evaluated the tenders.¹² The BEC consisted of the following persons:

■	Mr Jabulani Jiyane	BEC Chairman
■	Mr Vincent Namane	BEC Member
■	Ms Annikie Phuti	BEC Member
■	Mr Lungisile Kuzana	SCM Advisor
■	Ms Constance Matsapola	Secretary

¹² Minutes of BEC meeting held on 29 June 2018



- 5.4.1.9 We note that the opening register reflected that 33 bids were received but the BEC minutes state that 34 bids were received. After comparing the two registers we found that the entity **Preray Investment** was not reflected in the opening register. No explanation has been provided regarding the omission of the entity Preray from the opening of tenders register and / or as to why the said bid was included for evaluation.
- 5.4.1.10 We further note that BEC members Sipho Masombuka and Innocent Ngenzi were recorded as having submitted apologies for not attending the BEC meeting of 29 June 2018, but had based on our review of the score sheets been involved in the scoring of bidders.
- 5.4.1.11 The BEC minutes indicates that 15 bids were disqualified based on not meeting the mandatory requirements, which evaluation we are advised was undertaken by SCM and not the BEC *per se*. We note that the entity Preray Investments were one of the bids disqualified during the evaluation of mandatory requirements. This effectively left 19 bids for evaluation in terms of functionality. The BEC evaluated the bids and found that none of the bidders attained the stipulated minimum threshold of 70 points. It therefore meant that this was a non-award.
- 5.4.1.12 We obtained the bid evaluation report as compiled by the BEC¹³ recording the above. The said BEC report we record is signed by Jiyane, Namane and Phuti but not by Ngenzi and Masombuka. Included in the bid evaluation report were the scores allocated by the BEC members to each of the 19 bidders. We tabulated the scores of the BEC members as follows:

No	Bidder	Mr Jiyane	Mr Ngenzi	Ms Phuti	Mr Namane	Mr Masombuka	Total Average	Difference
1	Tech Team Solutions	45	43	46	41	50	45,00	9
2	Remo Holdings T/A Kathabo Technologies	60	55	60	60	56	58,20	5
3	SNG Investments	59	55	62	60	55	58,20	7
4	Thenjiwe Global Solutions	15	15	15	15	15	15,00	0
5	Systematic IT and Services	37	36	35	45	35	37,60	10
6	Redefine IT Solutions	47	44	48	45	40	44,80	8
7	Esizwe Group	45	43	45	40	40	42,60	5
8	Khanyisakanye Trading	65	55	67	60	50	59,40	17
9	Cost Plus Office Supplies	69	38	68	65	45	57,00	31
10	Vukona P Projects	20	19	5	25	5	14,80	20
11	AE Soft T/A AE Solutions	61	61	62	55	55	58,80	7
12	Futgenx Technology	67	55	68	69	50	61,80	9

¹³ BEC Evaluation Report



No	Bidder	Mr Jiyane	Mr Ngenzi	Ms Phuti	Mr Namane	Mr Masombuka	Total Average	Difference
13	Khauleza IT Solutions	61	53	46	65	60	57,00	19
14	Ikando (PTY) T/A IT Master	69	50	68	65	50	60,40	19
15	Virtualize	57	56	61	47	50	54,20	14
16	Excubed Consulting	10	34	15	30	30	23,80	24
17	Babetli Investments	89	57	85	62	50	68,60	39
18	Matrix Warehouse Emelo	64	53	68	57	55	59,40	15
19	Khubz Telecoms	30	28	30	30	30	29,60	2

5.4.1.13 It is clear from the above table that none of the bidders attained the threshold of 70 points. We however questioned the inability of bidders to having attained the minimum threshold, given that the tender related to simply supplying a Lenovo Tablet (or equivalent), being an “off the shelf” commodity. Of further concerns, was that this was the second time that CETA had advertised the tender.

5.4.1.14 A review of the points by the BEC members revealed vast differences between the scores allocated by the members. In this respect we found scores that differed with 39, 31 and 24 points.

5.4.1.15 As example of the above, we note that in respect of the scores allocated to Babetli Investments, two of the members gave them 89 and 85 respectively whilst the remaining three members scored them 57, 60 and 50 respectively. A difference of 39 points between the highest and the lowest. The same was scenario took place with the allocation of scores in respect of Cost Plus Office Supplies where the difference between the highest and the lowest was 31 points.

5.4.1.16 The BEC stated in their recommendation to the BAC that there was no recommended supplier. We interviewed Jiyane, the chairperson of the BEC, who informed us that there was nothing untoward with the evaluation. He informed us that the problem was the fact that the bidders waited until a day or two before the closing date and then inundated CETA with queries. He confirmed that no bidder achieved the 70 point functional criteria.

5.4.1.17 The BEC report was submitted to the BAC on the same day being 29 June 2018 for consideration. The BAC consisted of the following persons:

- Ms Velile Ndlovu - BAC Chairperson
- Ms Khomotso Mpandeli - BAC Member



■	Mr Sabello Shabangu	-	BAC Member
■	Mr Jabulani Jiyane	-	BEC Chairperson
■	Ms Tumiso Mphuthi	-	SCM
■	Ms Constance Matsapola	-	Secretary

5.4.1.18 We received the minutes of the BAC meeting held and perused such¹⁴. We note that the BAC stated that they had scrutinized the score sheets of every BEC member and the evaluation criteria, recording as follows:

- *"It was identified as a concern that potential bidders have started to make queries few days or a day before the closing date and it was noted as a trend to all tenders that relate to procurement of goods in any form. The potential suppliers normally regard these tenders as request for quotation (RFQ) process".*
- *"The BAC members have ascertained that that the evaluation process was in line with preferential procurement regulation act as evaluation criteria was clear. BEC members have scored independent and there were no discrepancies in terms of the awarded scores."*

5.4.1.19 The BAC then referred the ToR back to the BSC and recommended that there should be a clause in the ToR that stipulates that all queries should be submitted at least five days before closing of the bid. The BAC also recommended that the threshold of 70 points should be lowered as the tender was for the procurement of goods.

5.4.2 Consideration of the allegations made by the CEO in relation to this tender

5.4.2.1 We record that none of the four entities allegedly given to the CEO by the Chairperson submitted bids for the Learner Tablets.

5.4.2.2 We however note that this tender was a non-award meaning that it will go out on tender again, despite this being already the second time that the tender had been advertised.

¹⁴ Minutes of BAC Meeting held on 29 June 2018



5.4.3 Noted discrepancies / concerns

5.4.3.1 Given our concerns regarding the recorded inability of bidders to have attained the stipulated minimum threshold of 70 points, we reviewed the allocation of points by the BEC. In this regard, we record that 12 of the 19 entities (who were recorded to have meet the mandatory requirements) received a full complement of 15 points for written testimonials. Therefore they needed only 55 points for methodology and approach to qualify for further evaluation.

5.4.3.2 We looked at the criteria as set out in the ToR and record as follows:

Supply of required equipment as per spec – 30 points

- 15 of the 19 bidders in our view offered tablets as per the specifications
- 9 of the 12 who received 15 points for testimonials offered tablets as per specification, and should in our view have attained a score of 30. Thus in order to attain the threshold of 70 points the said entities only needed to get 25 points from the 55 outstanding points still to be allocated.

Turn-around time to deliver – 25 points

- We interviewed Jiyane the Chairperson of the BEC who informed us that they as BEC decided before the evaluation on how they were going to allocate points. In this regard a shorter period will receive a higher point and a longer period a lower point. This however constitutes a change in the ToR as the bidders were not informed about the sub-classification of points. In our opinion if a turnaround time were given the bidder, the bidder should have received a point of 25. Jiyane conceded that their process needs to be adjusted.

Detailed insurance cover – 15 points

- The allocation of points by the BEC was also made subjectively and there was no consistency. We are of the opinion that if the bidder submitted an insurance cover they should have received the 15 points. If they did not submit any cover or insufficient cover, they should have received 0 points. The BEC however allocated scores of 11, 8 or 2 as example.



Detailed warranty cover – 15 points

- The allocation was once again done subjectively by the BEC. The same principal applies. If there is a warranty they must receive 15 points and if there was none they should receive 0 points. If the BEC wanted to score differently the point scoring system should have been indicated clearly in the ToR.

5.4.3.3 In the course of our investigation we were provided with an unsigned bid evaluation report purportedly for the same tender being the procurement of tablets for CETA funded learners.¹⁵ According to the unsigned BEC report such recorded that certain bidders had attained the 70 point threshold and had been evaluated on price and preference points.

5.4.3.4 A comparison of this BEC report with the signed report supplied to us revealed that it was for the same tender, with all the same bidders but that the points allocated differed in the two BEC reports. The unsigned BEC report recorded that that two bidders being Fulgenx Technology and Ikando T/A IT Master had passed the functionality evaluation, scoring more than the 70 point threshold, and that the said entities were further evaluated in terms of price and preference points.

5.4.3.5 Their scores and result was as follows:

Name of Bidder	Price Offered (R)	Price Points	BBBEE Status Points	Total
Ikando T/A Master IT	1 651 60	90	10	100
Futgenx Technology	2 118.00	64.58	10	74.58

5.4.3.6 The above table reflects that the highest scoring bidder was Ikando T/A Master IT. The report went so far as to list the director's names of Ikando T/A Master IT, being:

- Leah Matlala 670606 0389 083
- Ina Venter 551231 0085 088
- Emmanuel Pillay 810728 5049 081

5.4.3.7 Given the discrepancy between the two (2) BEC reports, it is apparent that the evaluation of bids was re-undertaken and / or the outcome of the unsigned BEC report regarded as unacceptable.

¹⁵ Original BEC Report for procurement of tablets



5.4.3.8 In light of the noted discrepancies between the two BEC reports, we interviewed the senior manager SCM, Ms Tumiso Mphuthi (“**Mphuthi**”) who informed us that the normal process followed when evaluating a tender was as follows:

- SCM is responsible for locking the tender box on the closing date of the tender and at the time of the closing.
- Registers of all bids and prices were applicable are kept by SCM.
- The tenders are kept in the SCM offices. We are however advised that in instances the actual tenders are kept in the office of the CFO, who generally serves as the Chairperson of the BAC. If this assertion is true, we record that such may be in contravention of best practice in that members of the BAC should not have insight into tenders submitted before the presentation of the report by the BEC.
- SCM will then undertake an evaluation of bids to establish whether all mandatory documents were submitted. Bids are disqualified by SCM if mandatory documents are not submitted.
- The rest of the bids are then forwarded to the BEC on the days that they sit to evaluate.
- The BEC members score the bids on functionality and when they are finished they give their score sheets (individual score sheets) to the SCM member who formed part of the BEC meeting.
- The SCM member is then responsible for populating the scores in a excel worksheet in order to calculate the scores and to verify if a bidder attained the stipulated points threshold. The SCM member then generates a BEC report with all the information of the tender and the scoring. The BEC report is then taken to the BEC members for signature.

5.4.3.9 In respect of the tender in question, Mphuthi informed us that she understands that the BEC members were requested to re-evaluate the tender, but she is not sure who gave this instruction.

5.4.3.10 A comparison of the allocated scores as recorded on the unsigned BEC report and signed BEC report revealed that the allocated points of ten (10) of the nineteen (19) bids had been changed, as tabulated below:



Bidder	Unsigned BEC report	Signed BEC report	Difference
Tech Team Solutions	54,80	45,00	-9,80
Remo Holdings T/A Kathabo Technologies	55,00	58,20	3,20
SNG Investments	57,40	58,20	0,80
Khanyisakanye Trading	66,20	59,40	-6,80
Cost Plus Office Supplies	57,60	57,00	-0,60
Vukona P Projects	10,80	14,80	4,00
AE Soft T/A AE Solutions	60,40	58,80	-1,60
Futgenx Technology	75,00	61,80	-13,20
Khauleza IT Solutions	69,60	57,00	-12,60
Ikando (PTY) T/A IT Master	73,00	60,40	-12,60

5.4.3.11 We note that the two original bidders that exceeded the 70 point threshold had their scores dramatically reduced during the “re-evaluation” of the bids. The other bidder whose score was dramatically reduced was Khauleza IT Solutions, who scored 69.60 in the original scoring. The other scoring changes did not, in our view, have a material impact.

5.4.3.12 A comparison of the summary of the evaluation scores as included in the BEC reports revealed the members of the BEC to have changed their scores as follows:

Bidder	Mr Jiyane		Mr Ngenzi		Ms Phuti		Mr Namane		Mr Masombuka	
Tech Team Solutions	52,00	30,00	28,00	28,00	58,00	31,00	26,00	26,00	35,00	35,00
Remo Holdings T/A Kathabo Technologies	55,00	55,00	50,00	50,00	55,00	55,00	55,00	55,00	35,00	51,00
SNG Investments	75,00	59,00	35,00	55,00	62,00	62,00	60,00	60,00	55,00	55,00
Khanyisakanye Trading	71,00	50,00	40,00	40,00	65,00	52,00	45,00	45,00	35,00	35,00
Cost Plus Office Supplies	69,00	69,00	38,00	38,00	71,00	68,00	65,00	65,00	45,00	45,00
Vukona P Projects	0,00	20,00	19,00	19,00	5,00	5,00	25,00	25,00	5,00	5,00
AE Soft T/A AE Solutions	51,00	51,00	51,00	51,00	60,00	52,00	45,00	45,00	45,00	45,00
Futgenx Technology	85,00	52,00	40,00	40,00	85,00	53,00	55,00	54,00	35,00	35,00
Khauleza IT Solutions	70,00	46,00	38,00	38,00	70,00	31,00	50,00	50,00	45,00	45,00
Ikando (PTY) T/A IT Master	85,00	54,00	35,00	35,00	85,00	53,00	50,00	50,00	35,00	35,00

5.4.3.13 It is apparent that predominantly the scores as initially allocated by Jiyane and Phuti were changed. These changes we submit were instrumental in the eventual outcome of no bidder qualifying for award. We note with concern that both Jiyane and Phuti awarded IT Master and Futgenx 85 points (full marks) the first time around but the second time only awarded them points in the low 50's.



Because of these changes IT Master and Futgenx did not qualify anymore and a non-award was declared.

5.4.3.14 Jiyane when interviewed on 15 March 2019 and requested to explain how they as BEC scored, informed us that when they met as the BEC they discussed the criteria as set out in the ToR to make sure that every member was on the same page. The bids were then evaluated individually by every member. In this regard, we note that in allocating points the BEC applied a points scoring system different to that stipulated in the ToR.

5.4.3.15 The above, we submit constitutes to the BEC having changed the evaluation criteria. As example of the above, in terms of the ToR issued a total of 30 points was allocated for the submission of a tablet according to spec. No provision is made in the ToR to the allocation of any other score, i.e. if a bidder proposed a tablet that was within the specifications per the ToR the bidder should have received 30 points, if the proposed tablet did not meet the specifications per the ToR a score of 0 should have been allocated. A review of the recorded BEC members allocation of points in terms of this criteria (and as an example of the improper allocation of points / score) revealed as follows:

Bidder	Tablet Model	Jiyane	Phuti	Ngenzi	Namane	Masombuka
Virtualize	LenTB3-710	30	30	16	30	15
Excubed Consulting	LenTB3-710	0	5	11	20	20
Matrix Warehouse Ermelo	LenTB3-710	30	30	18	25	20

5.4.3.16 The same methodology was used by the BEC in evaluating the other criteria, being the turnaround time, the detailed insurance cover and the detailed warranty cover.

5.4.3.17 During our interview with Jiyane we questioned him regarding noted changes to his allocated score and the manner in which the individual scoresheets had been completed associated to the scoring per the two BEC reports. In this regard, we noted during our review of Jiyane's score sheets that in respect of bidders where his scores had not been amended, he had completed and scored the said bidder per category¹⁶ whilst in respect of bidders where his scored had been amended such was not completed / scored per category but only reflected a total figure.¹⁷

5.4.3.18 Jiyane in response to our approach regarding the noted changes conceded that the scores were changed in order to make it a non- reward. This according to Jiyane was done on request of the BAC

¹⁶ Score sheet completed by Jiyane which was not changed

¹⁷ Score sheet completed by Jiyane which was changed



chairman, Ndlovu, who had allegedly stated in the BAC meeting when the “original” BEC report was presented that CETA does not have money to award the tender and therefore such must be amended in order that such be regarded as a non-award. According to Jiyane, the score sheets were then returned to SCM who changed the scores on some of the score sheets in order that the tender would be regarded as a non-award. Jiyane further conceded that after the scoresheets were changed by SCM he attached his signature thereto. In this regard, we attach an e-mail from Jiyane confirming the above.¹⁸

- 5.4.3.19 In light of Jiyane’s explanation, we interviewed Lungisile Kuzana (“**Kuzana**”), SCM manager who admitted that he changed the score sheet, conceding that it was his handwriting (per the recorded total score) on the changed score sheets. Kuzana further informed us that he did such on the basis of an instruction to do so. Kuzana was very nervous and scared when interviewed and did not want to say who gave him the instruction.
- 5.4.3.20 It is clear that after the original evaluation process that there was a bid(s) that met all the requirements of the tender and who should have been considered for awarded of the tender. In this regard we refer to IT Master and Futgenx.
- 5.4.3.21 We further note that the BEC members, Kunzana (from SCM) and Ndlovu (as Chairperson of the BAC) colluded in order to change the scores so that the tender became a non-award. Most of the scorecards that were changed were the score cards completed by Jiyane and Phuti. The other three BEC members only had one scorecard changed, however this was also done in the same manner as Jiyane and Phuti’s scorecards were changed.
- 5.4.3.22 It is clear that the BAC and / or at least the Chairperson of the BAC intervened in the scoring to change the outcome of the scoring to a non-award. This tender was not done in accordance with national treasury regulations and not in accordance with CETA’s SCM Policy.

¹⁸ E-mail from Jiyane confirming the changing of the scorecards



5.5 Bid Number 022-2017/2018: Appointment of a Project Manager for the Procurement of Land, Design Plans and Construction of CETA's Head Office

5.5.1 Review of SCM process

5.5.1.1 On 19 February 2018 a Bid Specification Committee meeting was held wherein the appointment of a project manager for the procurement of land and / or a building, design plans and construction and / or renovations of the CETA head office was discussed.¹⁹ During the meeting the terms of reference was finalised and the evaluation criteria formulated.

5.5.1.2 The mandatory criteria decided upon was the following:

- Proof of registration with National Treasury Central Supplier Database (CSD);
- Provide and attach a copy of valid and current Fidelity Fund Certificate issued by EAAB;
- Professional indemnity of not less than R10 000 000.00; and
- Completed and signed SBD Forms and General Conditions of Contract ("GCC").

5.5.1.3 Bidders who met the mandatory criteria would then be further evaluated on functionality. Functionality was stipulated as 70 out of 100 points. Bidders that obtained the minimum threshold of 70 points would then be further evaluated on price and preference points.

5.5.1.4 We received a copy of the bid document which indicated that functionality would be scored as follows:²⁰

- Submission of three or more written testimonials demonstrating provable experience relating to service – 5 points;
- Methodology and Approach: Ability to source suitable office accommodation nationally in line with the analysis of the CETA stakeholder based in the respective areas – 10 points;
- Methodology and Approach: Understanding of the accessibility requirements of the potential offices to general public, whilst balancing that with security considerations – 10 points;

¹⁹ Minutes of BSC meeting held on 19 February 2018 iro new Head Office

²⁰ Bid document for tender 026-2017/2018



-
- Methodology and Approach: Proposal to demonstrate leading times in sourcing space to be acquired given the 30 November 2019 deadline – 10 points;
 - Methodology and Approach: Demonstrate expertise in property acquisition advise and the ability to work with the CETA to achieving the desired objectives of acquiring suitable property – 5 points;
 - Methodology and Approach: Proposal to demonstrate the ability to source temporary accommodation – 10 points;
 - Qualifications and Skills of Human Resources – 20 points; and
 - Transformation - 30 points.

5.5.1.5 The terms of reference stipulated the minimum requirements as follows:

- Office space of between 3 000 m² and 4 000 m² , to accommodate at least 233 posts at Head Office and 80 provinces;
- Must have ample parking space, including a server room, a safe storage room etc.;
- Location in Central business district or within a 10 km radius of the CBD on major public transport routes; and
- The premises must be easily accessible to and within walking distances of public transport.

5.5.1.6 The tender was advertised on 23 February 2018 with a closing date of 2 March 2018. It was advertised on the CETA's website, Government tender bulletin on 23 February 2018 and ostensibly the Sunday Times newspaper dated 25 February 2018. As stated *supra*, CETA's SCM policy states under clause 9.4.2 "*Bids must be advertised for at least 21 days before closing time, except in urgent cases*". Accordingly and in the absence of documentary evidence indicating that the required services were regarded as urgent, the failure of CETA to advertise the said tenders for the stipulated period of at least 21 days would constitute any award in relation thereto as being irregular.



- 5.5.1.7 The tender closed on 2 March 2018 at 11h00 and it was recorded that 5 entities / potential suppliers had submitted bids. We were supplied with a copy of the opening register as compiled by CETA.²¹ The bidders recorded to have submitted bids were the following:

No	Bidder
1	ADI Investments
2	Badat Developments
3	LDM Consulting
4	Lejweng Design Group
5	Mashabane Rose and Associates

- 5.5.1.8 On 29 June 2018 the Bid Evaluation Committee evaluated the tender.²² The BEC consisted of the following persons:

■	Mr Jabulani Jiyane	BEC Chairman
■	Mr Vincent Namane	BEC Member
■	Ms Annikie Phuti	BEC Member
■	Me Lungisile Kuzana	SCM Advisor
■	Ms Constance Matsapola	Secretary

- 5.5.1.9 We note that the opening register reflected that 5 bids were received but the BEC minutes record that 6 bids were received. After comparing the two registers we found that the entity **Mabangu Solutions** was not reflected in the opening register. No explanation has been provided regarding the omission of the entity Mabangu Solutions from the opening of tenders register and / or as to why the said bid was included in the BEC report whilst not having been reflected in the bid opening register.

- 5.5.1.10 The BEC minutes indicates that 4 bids were disqualified because they did not meet the mandatory requirements. We note that **Mabangu Solutions** was one of the bids disqualified because of non-compliance with the mandatory requirements. This meant that 2 bids had to be evaluated for functionality. The BEC evaluated the bids and found that none of the bidders attained the threshold of 70 points. It therefore meant that this tender was regarded as a non-award.

²¹ Opening register of the New Office Tender

²² Minutes of BEC meeting held on 29 June 2018



5.5.1.11 We obtained the bid evaluation report as compiled by the BEC.²³ Attached to the bid evaluation report were the scores the BEC members allocated to the 2 qualifying bidders. We tabulated the scores the BEC members as follows:

Bidder - ADI Investments	Mr Jiyane	Mr Ngenzi	Ms Phuti	Mr Namane	Mr Masombuka	Total	Average
Capacity and Competencies -5	5,00	5,00	5,00	5,00	5,00	25,00	5,00
Methodology and Project Approach -45	21,00	15,00	32,00	19,00	22,00	109,00	21,80
Qualifications and Skills -20	15,00	15,00	15,00	15,00	15,00	75,00	15,00
Transformation -30	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total	41,00	35,00	52,00	39,00	42,00	209,00	41,80
Bidder - LDM Consulting							
Capacity and Competencies -5	5,00	5,00	5,00	5,00	5,00	25,00	5,00
Methodology and Project Approach -45	18,00	13,00	18,00	7,00	11,00	67,00	13,40
Qualifications and Skills -20	16,00	16,00	10,00	16,00	16,00	74,00	14,80
Transformation -30	30,00	30,00	30,00	30,00	30,00	150,00	30,00
Total	69,00	64,00	63,00	58,00	62,00	316,00	63,20

5.5.1.12 It is evident from the above table that none of the bidders attained the minimum threshold of 70 points, we however note that in allocating scores, the BEC applied a different scoring system to that advertised per the tender / terms of reference.

5.5.1.13 Again we note that whilst Mr Ngenzi and Masombuka were recorded to have apologised / been absent from the BEC meeting of 29 June 2018, they are recorded to have evaluated bidders.

5.5.1.14 The entity ADI Investments had to score full marks for Transformation in order to meet the threshold of 70 points. It however received zero points for transformation. We have reviewed the bid from ADI Investment and confirm that they submitted a BBBEE certificate reflecting their status as a level 4 and Black ownership as 0%. This certificate was however issued to an entity called Bullion Properties (PTY) Ltd. They also submitted letter from Empowerdex stating that they were busy rating ADI Investment.

5.5.1.15 ADI Investment also submitted a share certificate reflecting that 100 shares were issued to Khoza Ka-Mabona Trust from White River with a copy of RBM Khoza's identity document.

5.5.1.16 LDM received 30 points for transformation but did not fare well in the methodology and project approach category as well as qualifications and skills category.

²³ BEC Evaluation Report in respect of the new office tender



- 5.5.1.17 The BEC stated in their recommendations that there was no recommended supplier.
- 5.5.1.18 The tender was then submitted to the BAC on the same day being 29 June 2018 for consideration. The BAC consisted of the following persons:
- | | | |
|--------------------------|---|-----------------|
| ■ Ms Velile Ndlovu | - | BAC Chairperson |
| ■ Ms Khomotso Mpandeli | - | BAC Member |
| ■ Mr Sabello Shabangu | - | BAC Member |
| ■ Mr Jabulani Jiyane | - | BEC Chairperson |
| ■ Ms Tumiso Mphuthi | - | SCM |
| ■ Ms Constance Matsapola | - | Secretary |
- 5.5.1.19 We received the minutes of the BAC meeting held and perused such²⁴. We note that the BAC stated that they had scrutinised the score sheets of every BEC member and the evaluation criteria and that they then made the following conclusions as to why there was no award made:
- *"ADI Investment did not get points on transformation criteria which constitute 30 points, the overall score for ADI Investment is 41.80 points."*
 - *"LDM Consulting did not score maximum points on methodology and project approach which constitute 45 points, they scored 14.60 points. The overall score for LDN Consulting is 65.60%."*
- 5.5.1.20 The BAC then referred the ToR back to the BSC and recommended that they should lower the minimum threshold of functionality. They further recommended that the BSC should re-look the mandatory requirements in consultation with an expert.
- 5.5.2 Consideration of the allegations made by the CEO in relation to this tender**
- 5.5.2.1 We record that none of the four entities names allegedly given to the CEO by the chairperson submitted bids in relation to the appointment of a project manager for the procurement of land and or a building, design plans and construction and or renovations of the CETA head office.

²⁴ Minutes of BAC Meeting held on 29 June 2018



5.5.2.2 We however note that this tender was a non-award meaning that it will go out on tender again. It also needs to be mentioned that this was already the second time that the said tender had been advertised.

5.5.3 Noted discrepancies

- 5.5.3.1 The tender was not advertised for the stipulated period per CETA's SCM policy.
- 5.5.3.2 The evaluation of bids / allocation of scores was undertaken by the BEC in a manner inconsistent with the terms of reference / tender issued.
- 5.5.3.3 The entity Mabangu Solutions whilst recorded per the BEC report to have submitted a bid was not reflected on the opening register of bids to have submitted a bid.



5.6 Bid Number 013/2017/2018: Appointment of a Service Provider for the Rollout and Management of a Biometric Learner Attendance Monitoring System

5.6.1 Review of SCM process

5.6.1.1 On 21 February 2018 a Bid Specification Committee meeting was held wherein the appointment of a service provider for the roll-out and management of biometric learner attendance monitoring system.²⁵ During the meeting the terms of reference was finalised and the evaluation criteria was formulated.

5.6.1.2 The mandatory criteria decided upon was the following:

- Proof of registration with National Treasury Central Supplier Database (CSD); and
- Completed and signed SBD Forms and General Conditions of Contract (GCC).

5.6.1.3 Bidders who met the mandatory criteria would then be further evaluated on functionality. Functionality is worth 100 points and the threshold is 70 points to avoid disqualification. Bidders that attained the minimum threshold of 70 points would then be further evaluated on price and preference points.

5.6.1.4 We also received a copy of the bid document which indicated that functionality would be scored as follows:²⁶

- Past relevant experience in similar services rendered – 15 points;
- Methodology and Approach: Detailed implementation plan covering the timeframes for delivery– 5 points;
- Methodology and Approach: Demonstrate the ability of the proposed system in terms of providing a credible and detailed learner attendance monitoring report – 15 points;
- Methodology and Approach: Ability to implement a national roll-out of the biometric system – 30 points;

²⁵ Minutes of BSC meeting held on 19 February 2018 iro the Biometric System

²⁶ Bid document for tender 026-2017/2018



- Methodology and Approach: Compatibility and integration of the system with the relevant CETA ICT systems – 10 points;
- Methodology and Approach: Availability of technical system support and training plan to the CETA ICT systems – 15 points; and
- Methodology and Approach: Ability of the biometric device to connect to the internet and transmit attendance logging in real time – 10 points.

5.6.1.5 The terms of reference stipulated the minimum requirements, which were quite comprehensive and that the supplier must have the procurement, administrative, technical knowledge and implementation capacities that would be required to undertake end to end monitoring systems roll-out, management and support.

5.6.1.6 In this regard, the supplier was required to be able to:

- Provide credible and detailed learner weekly / monthly attendance monitoring reports;
- National roll-out of biometric system compatible with the relevant CETA IC systems;
- Supply of biometric devices compatible with the relevant CETA IC systems;
- Systems Support; and
- Monthly reporting of the service levels.

5.6.1.7 The tender was advertised on 23 February 2018 with a closing date of 2 March 2018. It was advertised on the CETA's website, Government tender bulletin on 23 February 2018 and ostensibly the Sunday Times newspaper dated 25 February 2018. As stated *supra*, the period of advertisement was not in accordance with SETA's SCM policy and procedure and therefore the eventual award should be regarded as irregular.

5.6.1.8 The tender closed on 2 March 2018 at 11h00 in terms of which it was recorded that 11 entities / potential suppliers had submitted bids. We have not been supplied with a copy of the opening register as compiled by CETA, but record that according to the BEC report, the following bids were received:

No	Bidder	Price (R)	Outcome
1	Preduce Projects	3 414 906,31	DQ Functionality



No	Bidder	Price (R)	Outcome
2	Engineered System Solutions	2 607 823,25	DQ Functionality
3	The Eton Group	37 273 022,00	DQ Functionality
4	Muroba Group Holdings T/A Grayson Reed Consulting	24 900 000,00	Awarded
5	Brainwave Projects T/A I-View Integrated Systems	*37015,80	DQ Functionality
6	Omega Fire and Security	*30478,99	DQ Functionality
7	Katlego International Trade Service	2 175 177,00	DQ Functionality
8	Amanzi (PTY) Ltd	4 360 956,00	DQ Functionality
9	Page Automation	17 489 271,56	DQ Functionality
10	Muteo Consulting	39 392 700,00	DQ Price and BBBEE
11	Lusisizwe Trading Enterprise	48 400 238,86	DQ Price and BBBEE

5.6.1.9 We note that I-view Integrated Systems and Omega Fire and Security quoted per unit. All the bidders made it past the mandatory evaluations and therefore were all evaluated by the BEC in terms of functionality.

5.6.1.10 On 8 May 2018 the Bid Evaluation Committee evaluated the tender.²⁷ The BEC consisted of the following persons:

■	Mr Robert Semanya	BEC Chairman
■	Mr Jabulane Jiyane	BEC Member
■	Mr Innocent Ngenzi	BEC Member
■	Ms Kgomotso Mpandeli	BEC Member
■	Me Lungisile Kuzana	SCM Advisor
■	Ms Constance Matsapola	Secretary

5.6.1.11 We obtained the bid evaluation report as compiled by the BEC.²⁸ Included in the bid evaluation report were the scores the BEC members allocated to each of the 11 bidders. We tabulated the scores of the BEC members as follows:

²⁷ Minutes of BEC meeting held on 29 June 2018

²⁸ BEC Evaluation Report



No	Bidder	Mr Semenya	Mr Jiyane	Mr Ngenzi	Ms Mpandeli	Ms Tslpa	Average Score
1	Preduce Projects	44	41	38	39	40	40,4
2	Engineered System Solutions	59	56	53	54	55	55,4
3	The Eton Group	30	31	38	32	20	30,2
4	Grayston Reed Consulting	76	74	84	89	84	81,4
5	I-View Integrated Systems	62	60	54	51	70	59,4
6	Omega Fire and Security	31	45	38	52	68	46,8
7	Katlego International Trade Service	47	35	44	37	54	43,4
8	Amanzi (PTY) Ltd	38	35	35	44	57	41,8
9	Page Automation	52	65	63	59	65	60,8
10	Muteo Consulting	71	75	63	71	71	70,2
11	Lusisizwe Trading Enterprise	76	81	71	72	74	74,8

5.6.1.12 Considering the above scoring allocated by the BEC and the actual individual score sheets, it is apparent considering the evaluation criteria s issued per the ToR / tender that the BEC have again applied a scoring system inconsistent with that advertised. This we submit evidenced by the allocation of scores such as 44, 41, 38, 39 etc. whilst such could only be 5, 10, 15, 20 etc.

5.6.1.13 Three of the bidders were recorded by the BEC to have attained the threshold of 70 %. They were Grayston Reed, Muteo Consulting and Lusisizwe Trading Enterprise. These bidders were then subjected to the next stage of evaluation, being the allocation of points in terms of price and BBBEE. The results were as follows:

Name of Bidder	Price Offered (R)	Price Points	BBBEE Status		Total
			Level	Points	
Muroba Group t/a Grayson Reed Consulting	24 900 000,00	80,00	0	0	80
Muteo Consulting	39 392 700,00	34,44	1	20	53,4
Lusisizwe Trading Enterprise	48 400 238,86	4,50	1	20	24,5

5.6.1.14 Muroba Group T/A Grayson Reed Consulting scored the most points being 80 out of a possible 100.

5.6.1.15 The BEC recommended Muroba Group T/A Grayson Reed Consulting for appointment at a cost of R24 900 00.00. The members of the BEC signed the BEC report on 8 May 2018 and submitted their



report to the BAC on the same day being 8 May 2018. The BAC consisted of the following persons²⁹:

■	Ms Velile Ndlovu	-	BAC Chairperson
■	Ms M Govender	-	BAC Member
■	Mr T Madibeng	-	BAC Member
■	Mr Jabulani Jiyane	-	BEC Chairperson
■	Ms Constance Matsapola	-	SCM –Secretary
■	Ms Tumiso Mphuti	-	SCM

5.6.1.16 The BAC recommended the appointment of Grayson Reed on 8 May 2018 for the amount of R24 900 000.00. The BAC report was signed by Ndlovu in her capacity as the Chairperson, by Govender and Madibeng in their capacity as members of the BAC³⁰.

5.6.1.17 In accordance with CETA policies the award was then placed before the CEO for her recommendation. Pilusa signed the BAC report on 28 May 2018 also recommending the appointment of Grayson Reed.

5.6.1.18 As the tender did not exceed R50 000 000.00 it only needed approval of the chairperson of the board and not the approval of the entire Board. Govender informed us that she e-mailed the pact to the chairperson and also took the originals to him at the EXCO CETA meeting held on the East Rand. Upon being presented with the recommendation, the chairperson informed Govender that he wanted a reference letter from Services SETA because he had heard that Grayson Reed was also appointed there and that the SSETA was not satisfied with the work done by Grayson Reed.

5.6.1.19 We were informed that Pilusa was not happy with the chairperson's view and that she phoned Ndlovu the CFO from the East Rand enquiring from Ndlovu if the chairperson can make such a decision. According to Pilusa the CFO was not happy and wrote an e-mail to the chairperson requesting a reason for the letter as there was already a reference letter in the bid from SSETA. However according to Ndlovu it was Pilusa that was not satisfied and instructed her to write an e-mail to the chairperson requesting a reason for his decision.

²⁹ BAC minutes of meeting held on 8 May 2018

³⁰ Bid Adjudication report Bid No;013-2017/2018



5.6.1.20 Govender informed us that she drafted a letter to Services SETA on 4 June 2018 requesting a report on Grayson Reed's performances and if any challenges had been experienced. A response was received from Services SETA on 13 June 2018 informing CETA that they will not get involved in another entity's procurement of goods or services. Upon receipt of the letter from SSETA, the chairperson approved the appointment of Grayson Reed on the same day, being 13 June 2018.

5.6.2 Consideration of the allegations made by the CEO in relation to this tender

5.6.2.1 Three of the entities names allegedly given to Pulisa by the Chairperson submitted bids for this tender. None of the three were however successful. In this regard, we record as follows:

- The entity I-View Integrated Systems did not attain the stipulated threshold for functionality.
- The entities Muteo Consulting and Lusingizwe Trading Enterprise attained the required threshold for functionality and were further evaluated in terms of price and preference together with Grayson Reed Consulting, with Grayson Reeds Consulting being regarded as having scored the highest points and therefore recommended for award. Muteo Consulting and Lusingizwe Trading Enterprise were ranked as the second and third highest scoring bidders respectively.

5.6.2.2 The primary difference between the bids submitted by Grayson Reed, Muteo and Lusingizwe was effectively the price quoted, with Grayson Reed quoting R24 900 000.00, whilst Muteo Consulting and Lusingizwe quoted R39 392 700.00 and R48 400 238.86 respectively.

5.6.3 Noted discrepancies / concerns

5.6.3.1 A company search in respect of Muroba Group (T/A Grayson Reed) revealed that Precious Musene Khumalo is the only director of Muroba Group Holdings (PTY) Ltd. In this regard, we note that Khumalo was appointed on 6 March 2017. The associated change summary per the companies report records that one Andrew Mokgwakgwe Pilusa resigned as a director on 29 March 2017.

5.6.3.2 We questioned Sonja Pilusa as to whether she was related to Andrew Pilusa. Sonja Pilusa appeared to be surprised and informed us that Andrew Pilusa is her former brother in law, claiming that she was married to Freddy Pilusa (being Andrew Pilusa's brother) but they had divorced in 2007. She further indicated that she had last spoken to Andrew Pilusa about seven years ago.



- 5.6.3.3 Pilusa later after the interview contacted us and informed us that she had made contact with Andrew Pilusa and that he had informed her that he does not know anything about the tender but it might have been a shelf company that he sold.
- 5.6.3.4 We conducted a directorship search in respect of Andrew Pilusa, and record that he held / holds directorships in the following entities:

Company Name	Registration Number	Status
Muroba Group Holdings	2012/0000070/07	Resigned
Muroba Tourism	2012/049214/07	Resigned
Muroba Logistics	2012/049272/07	Resigned
Muroba Medical and Pharmaceuticals	2012/049289/07	Active
On Point Laundromat	2012/035265/07	Resigned
Owetsam Trading Enterprise	2009/138572/23	Active
Brake Glass Trading	2009/140363/23	Resigned

- 5.6.3.5 We note that Andrew Pilusa had four companies with the name Muroba in the title. We also note that these companies were registered at the same time. He resigned from three of the companies as tabulated below:

Company	New Directors	Date Andrew Pilusa resigned
Muruba Group Holdings	Precious Khumalo	6 March 2017
Muruba Logistics	Bothwell Imbayago	4 May 2017
Muruba Tourism	Obakeng Chikane	17 February 2017
	Oteng Khupe	17 February 2017
	Obogo Malepo	17 February 2017
Muruba Medical	Andrew Pilusa	Still Active

- 5.6.3.6 Based on the above, it appears that the contention that the entity Muruba Group Holdings (T/A Grayson Reed) was shelf- company at the time of sale thereof to Khumalo in March 2017 may be valid.
- 5.6.3.7 A review of the bid document as submitted by Muruba Group Holdings T/A Grayson Reed revealed as follows:



-
- Grayson Reed to have quoted R24 900 000.00 for the provision of tablets for 10 000 learners³¹. In this regard, we note that the tender required the provision of tablets for 50 000 learners. In considering bids submitted by the other 2 entities who qualified for consideration in terms of price and preference, we note that the said entities who quoted R39 392 700.00 and R48 400 238.00 respectively had quoted for the provision of tablets for 50 000 learners and accordingly these bids should have been regarded as being higher scoring than Muruba Group Holdings T/A Grayson Reed in terms of price;
 - We further note that in their bid and on schedule 6 page 3 Grayson Reed submitted a second pricing schedule, indicating the same price of R24 900 000.00 based on 50 000 learners;³²
 - We further noted that Grayson Reed only submitted one reference letter and that was a letter from S/SETA. The other reference letters submitted by Grayson Reed was issued to an entity called NexGen. Accordingly we submit that as opposed to scoring 15 points for Past relevant Experience, Grayson Reed should only have scored 5 points, effectively reducing their total score of 81.40 to 71.40;
 - We also noted that on Grayson Reed's bid, the name of NexGen appears next to Grayson Reed's name, giving the impression that this bid is a joint venture. However the only description of NexGen is a paragraph in their submission stating that NexGen is a Nigel based company and that their experience in the metal and construction industries brought about the development of a durable portable clocking device. It therefore appears that the biometric device Grayson Reed was offering was the property of NexGen therefore the possible joint venture. However legislation require that in the case of a joint venture, all parties must submit their B-BBEE certificates and Tax clearance Certificates. NexGen did not submit a B-BBEE or a tax clearance certificate;
 - We also note that on page 21 of the bid document Grayson Reed indicated that they will not be sub- contracting. Therefore NexGen could also not have been a sub-contractor; and
 - Whilst it could be argued that Grayson Reed was only procuring the biometric system from NexGen, we submit that there would have been no need to include reference letters issued in the name of NexGen or to have made reference to the entity in their proposal.

³¹ Grayson Reed pricing schedule number 2

³² Grayson Reed pricing schedule number 2 under their own heading



5.6.3.8 We interviewed the following members of the BEC who evaluated this tender:

- Robert Semanya;
- Jabulane Jiyane;
- Innocent Ngenzi; and
- Kgomotso Mpandeli

During our interview with the said BEC members, we pointed out the discrepancies as stipulated above pertaining to the recorded number of learners. All BEC members denied that they had seen the discrepancies during their evaluation.

5.6.3.9 We however record that contrary to the above responses provided by the BEC members we are aware that the AG is in possession of yet another pricing schedule. We are also aware that they received the pricing schedule from SCM who made them copies of the bid after the AG requested such. We were also informed that the bidders were requested to submit four copies of their bids. We received one copy and the AG received another copy.

5.6.3.10 The pricing schedule the AG have is similar to exhibit 30, the pricing schedule under their heading, but the difference is that our copy indicates 50 000 learners and their copy indicates only 10 000 learners.³³

5.6.3.11 Based on the above, it is apparent that:

- Either CETA officials were grossly negligent in the evaluation of bids submitted and failed to detect that Grayson Reed whilst quoting lower than all other bidders had in fact not quoted for the full scope of work and that ultimately, their bid if considered on the full scope of work would not have been the lowest; or
- The bid document as submitted by the bidder has been manipulated / altered resulting in conflicting versions of such to exist.

5.6.3.12 In an attempt to seek clarity regarding the number of bidders which Grayson Reed quoted for, we contacted Grayson Reed in order to make an appointment to clarify the matter. They however insisted on being provided with our mandate and questions before we meet. In light of the above, we

³³ Pricing Schedule no 3 indicating 10 000 learners



requested the Acting CEO, Semenya, to facilitate a meeting with Grayson Reed on our behalf. He later informed us that he is not in a position to facilitate a meeting between us as Grayson Reed is an independent contractor and have a legal right to engage or not to engage in our process.

5.6.3.13 An search on the WEB indicate that an article was published by the Mail and guardian on 3 December 2018 under the heading “*OUTA raises red flag about Services Seta contract.*”³⁴ The concern raised was that the charges on the learners stipends were charge for 12 months at a price of R146 million whilst the period was actually 29 months, which meant that the SSETA would pay much more at the end of the contract. The events as recorded to have transpired at SSETA we submit appear similar to those now noted as CETA.

5.6.3.14 We are informed by persons in CETA that the BAC and BEC were aware of this article but went ahead.

³⁴ Article in media titled “*OUTA raises red flag about Services Seta contract*”



5.7 Other Concerns Identified

During the course of our investigation, it was apparent that officials were frightened to openly talk about issues ostensibly for fear of victimisation, accordingly a large portion of information and particularly in relation to *“other concerns identified”* are recorded without reference to individuals who raised such. In this regard, we record as follows:

Irregular control of bid documents

- 5.7.1 That, it is alleged that the CFO insists that the newly received bids are kept in her office.

Alleged irregularities in relation to the appointment of security for the ACEO

- 5.7.2 That, in one instance relating to the appointment of security guards, protectors for the CEO, Semenya. We are informed that a security company was appointed, but after one day was let go because Semenya was not satisfied with the company. A second company was then appointed to continue the protection service.
- 5.7.3 We were supplied with a Purchase Order (“PO”) with number PO24522 in the amount of R300 000.00³⁵ issued to the entity TNI Superior General Trading. The date on the PO is reflected as 17 July 2018. It was prepared and authorised on the same day. It appears to have been authorised by Ndlovu. We were however informed that the PO was manipulated as the PO does not reflect a date on the bottom right of the PO. In this regard we attach a PO with number PO24407 to the report as illustration of the date on the bottom right.³⁶
- 5.7.4 We were supplied with a Quotation with number PR 254 from the security company, TNI Superior General Trading, dated 16 July 2018.³⁷ The quotation was for one armed house protection and three protectors. The total cost for three months was recorded as R300 000.00, recording the closing date as 17 July 2018. This quotation appears to be the basis upon which PO 24522 was issued.
- 5.7.5 We were also supplied with another quotation from the same entity, TNI Superior, with the same quotation number being PR 254, but which reflected the total cost for the three months as R100 000.00.³⁸ In this regard, we are informed that the supplier was requested to re-submit a higher

³⁵ PO number 24522, dated 17 July 2018, in the amount of R300 000.00

³⁶ PO number 24407, dated 17 July 2018, in the amount of R292 649,76

³⁷ Quotation from TNI Superior in the amount of R300 000.00

³⁸ Quotation from TNI Superior in the amount of R100 000.00



quotation. If this is the case it begs the question as to why CETA would request a higher quotation for the same goods and services as opposed to that which the supplier had offered originally.

5.7.6 We were also informed that the PO was only printed on 24 August 2018 and not on the date as indicated on the purchase order being 17 July 2018. It appears that the delay in time was necessary to acquire the second quotation. We were also informed that there was other lower quotation received by SCM, but that the compiler of the quotations Kuzana did not consider them whilst compiling the SCM report on the quotations received. We received copies of other suppliers who responded but whose quotations were not considered³⁹.

5.7.7 We are also informed that the CFO ignores Senior Manager when certain quotations are obtained and will go directly to a junior to facilitate procurement that they know the senior manager will have queries on.

Alleged irregularities in relation to the appointment of service provider for Psychometric testing and MIE services

5.7.8 We similarly received information that the company that did evaluation on the three short listed candidates submitted two quotations. In this regard, we are advised that the first quotation submitted was much higher than the other two suppliers. The CFO then came back with a “revised / second” quotation that was the lowest of the three quotations. However when the entity submitted their invoice it was again higher than their quoted amount and the amount per the PO issued. In this regard, it is alleged that the CFO manipulates the SCM system in order to obtain suppliers that will report the outcome she prescribe.

5.7.9 In this regard we were supplied the SCM quotation Form for Psychometric Testing and MIE service provider dated 21 August 2018.⁴⁰ The form reflects that three quotations were obtained as follows:

- Organisational & Management Technologies (OMT) - R21 620.00;
- Optimum Talent Solutions - R24 275.00; and
- Mtileni Trading Enterprise - R29 928.75.

³⁹ Quotations of other entities who responded for security services but were not considered

⁴⁰ SCM report Form dated 21 August 2018- Psychometric Testing



- 5.7.10 The quotation of OMT was accepted because they were the lowest quotation and a purchase order was created on 22 August 2018 with number PO25163 in the amount of R21 620.00.⁴¹ On 31 August 2018 OMT issued their invoice with number INV0008805 in the amount of R42 750.00.⁴² This amount was described in the invoice as three candidate tests at R12 500.00 a test. The description was different than the description in the RFQ issued by CETA. In the RFQ CETA requested only one (1) psychometric testing and not three.⁴³
- 5.7.11 We note the discrepancy between the RFQ and the subsequent testing of three and not one candidate. We also note that the allegation was that the CFO firstly came with a quotation that was much higher from the same supplier. Although we are not in possession of such a quotation, we submit that such warrants further investigation.

Compilation of the CETA organogram reflecting all current role-players in senior positions.

- 5.7.12 We are informed that the organisational structure within CETA was changed / submitted for consideration with a view that Senior Personnel within CETA could secure positions of authority in the event that Semenya was not appointed as CEO.
- 5.7.13 In this regard, it is alleged that the position of COO was created in order that if Semenya was not appointed as CEO, he would assume this position and effectively exercise control of the institution.
- 5.7.14 It is further alleged that positions were also created for Ngenzi and Mpandeli as executives, with it being further alleged that their names were already recorded on the organogram as such despite the positions not having been advertised. It is our understanding that this organogram was accidentally forwarded by the HR manager to other persons and that was how the existence of the organogram came to light.

The promotion of friends and family

- 5.7.15 It appears that there were various positional changes at the CETA after the departure of Pilusa. When we interviewed her the second time and informed her about the fact that Anniekie Phuti was a member of the BEC she was shocked. She informed us that in her experience she would not have appointed Phuti as a BEC member as she was a data processor and was relative junior in respect of various other managers.

⁴¹ PO 25163 In the amount of R21 620.00 in favour of OMT dated 22 August 2018

⁴² OMT invoice with number INV 0008805, dated 31 August 2018 in the amount of R42 750.00

⁴³ Copy of front page of OMT RFQ



5.7.16 She was also surprised to learn that Mpandeli was an acting Core Business Executive. Pilusa informed us that while she was the CEO she appointed Mpandeli as the manager in the CEO's office. During Mpandeli's time as the manager in the CEO's office, Pilusa had to place her under performance management as she was not well acquainted with the functions of the CETA. Pilusa informed us for Mpandeli to act now as an Executive Core Business was inconceivable.

5.7.17 In this regard we deem it necessary to refer to the anonymous letter that was e-mailed / circulated to various persons at the CETA on 12 September 2018.⁴⁴ This letter also refers to the various promotions of selected persons and what appears to be family and friends of Semenya.

Deviation submitted to National Treasury

5.7.18 We are informed that because of the pension payments instituted by Pilusa without the consent of the Board, disciplinary action was recommended against a few people involved in the pension payments.

5.7.19 In this regard, we are informed that the CFO at first tried to appoint a company that was not on CETA's panel to facilitate the disciplinary hearing. When she could not get them appointed after being advised that they are not on the panel she apparently wrote a submission to National Treasury to deviate.

It is however alleged by a person who saw the deviation request that in the application to Treasury the CFO never mentioned the names of the persons to be disciplined. If so, she would have to have mentioned her own name and Treasury would probably have denied the request.

⁴⁴ Anonymous letter sent to various persons via e-mail on 12 September



6. Conclusions

Based on our investigation to date, we conclude as follows:

In relation to the concerns raised by Pilusa against the Chairperson of CETA

- 6.1 That, insufficient evidence exists at this stage to corroborate Pilusa's contention that she was given 4 names of entities by the Chairperson of CETA for consideration of award of tenders to allegedly help fund political activities. This conclusion is based primarily on the basis of Pilusa having claimed to have written the said entities names down in her minutes of the alleged meeting at which such transpired but failing to present such minutes.
- 6.2 That, it is not disputed that the Chairperson of CETA requested a letter from Services SETA regarding the provision of services by the entity Grayson Reed to Services SETA. This request should however be seen in the context of the Chairperson exercising his fiduciary duties and not in the context of the Chairperson interfering with operational / management responsibilities. This conclusion is based on our findings regarding noted anomalies in the tender eventually awarded to Grayson Reed.
- 6.3 That, despite the alleged transgressions on the part of the Chairperson having taken place in January 2018, Pilusa waited approximately 4 months (until June 2018) before reporting the alleged transgressions where after she tendered her resignation.
- 6.4 That, various irregularities have been identified in relation to the procurement process followed by CETA in respect of the tenders for Learner Tablets, Biometrics and for that matter the project management in relation to the construction of CETA's head office.
- 6.5 That, the Chairman of CETA has categorically denied all of Pilusa's allegations.

In relation to the tender for Learner Tablets

- 6.6 That, none of the entities whose names were allegedly given to Pilusa by the Chairman submitted a bid in response to the said tender.
- 6.7 That, in advertising the tender in question, such was advertised for a period less than that prescribed by CETA's SCM policy.



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- 6.8 That, the number of bidders recorded to have submitted bids on time at the closing of the tender (per the opening register) differs to that recorded by the BEC to have been subjected to evaluation.
- 6.9 That, the BEC minutes of their meeting held on 29 June 2018 at which the tender in question was evaluated recorded BEC members Sipho Masombuka and Innocent Ngenzi to have submitted apologies yet the members are recorded to have evaluated / scored bids submitted.
- 6.10 That, in applying the evaluation criteria and scoring bidders, the BEC applied a scoring model inconsistent with that stipulated in the tender advertised.
- 6.11 That, whilst the tender was recorded as a non-award due to none of the bidders having attained the stipulated threshold of 70%, such contention is misleading and false, with documentary evidence presented indicating that initially two bidders had attained the stipulated threshold and that the entity Ikando T/A Master IT was recommended for award.
- 6.12 That, ostensibly at the request of Lungisile Kuzana acting on instruction of the BAC chairperson Ndlovu, the score sheets of the BEC members were altered by Kuzana and signed by the respective BEC members to record all bidders to not have attained the stipulated threshold allegedly due to CETA not having funds to continue with the appointment.
- 6.13 The above alteration of the score sheets (without valid reason) constitutes a misrepresentation and exposes CETA to possible litigation should such become known to the bidder in question.
- 6.14 The BAC in considering the report by the BEC asserted that they had ascertained that the evaluation process was in line with the preferential procurement regulation act as evaluation criteria was clear. Further the BAC recorded that the BEC have scored independently and there were no discrepancies in terms of the awarded scores. This assertion we conclude is misinformed and had the BAC applied their mind to the BEC report and particularly to the scores allocated as alluded too, given their assertion that the criteria was clear they should have noted that the BEC had allocated scores to the bidders contrary to that stipulated in the tender.
- 6.15 The manipulation of the process constitutes an abuse of SCM processes and may constitute fraud by virtue of misrepresentation of the fact that no bidder qualified for award whilst in fact a bidder had.



In relation to the tender for the Procurement of Land, Design and Construction of CETA's Head Office

- 6.16 That, none of the entities whose names were allegedly given to Pilusa by the Chairman submitted a bid in response to the said tender.
- 6.17 That, in advertising the tender in question, such was advertised for a period less than that prescribed by CETA's SCM policy.
- 6.18 That, the number of bidders recorded to have submitted bids on time at the closing of the tender (per the opening register) differs to that recorded by the BEC to have been subjected to evaluation.
- 6.19 That, the BEC minutes of their meeting held on 29 June 2018 at which the tender in question was evaluated recorded BEC members Sipho Masombuka and Innocent Ngenzi to have submitted apologies yet the members are recorded to have evaluated / scored bids submitted.
- 6.20 That, in applying the evaluation criteria and scoring bidders, the BEC applied a scoring model inconsistent with that stipulated in the tender advertised.

In relation to the tender for the Rollout and Management of a Biometric Learner System

- 6.21 That, three of the entities whose names were allegedly given to Pilusa by the Chairman submitted a bid in response to the said tender.
- 6.22 That, in advertising the tender in question, such was advertised for a period less than that prescribed by CETA's SCM policy.
- 6.23 That, we were not presented with the opening register of bids.
- 6.24 That, in applying the evaluation criteria and scoring bidders, the BEC applied a scoring model inconsistent with that stipulated in the tender advertised.
- 6.25 That, the BEC incorrectly allocated full points (15) to the entity Grayson Reed in relation to the submission of past relevant experience based on the submission of 3 letter of reference whilst in fact only 1 of the letter was a letter of reference for Grayson Reed and the other 2 for an entity styled Nexgen, accordingly Grayson Reed should only have scored 5 points.
- 6.26 That, either the BEC and for that matter the BAC failed to detect that the entity Grayson Reed only quoted for 10 000 learners at a cost of R24 900 000.00 as opposed to the full scope of work which



was 50 000 learners. This oversight effectively resulted in Grayson Reed being regarded as the highest scoring bidder based on having quoted the lowest price whilst in fact if consideration had been given to the full scope of 50 000 learners the other 2 bidders who qualified would have effectively been regarded to have quoted lower or.

- 6.27 That, the tender submitted by Grayson Reed has been manipulated / altered after submission or at the time of submission to cause confusion over the actual cost and expected delivery. In this regard, we conclude that attempts to have Grayson Reed confirm the scope of work which they tendered for have to date been unsuccessful.

In respect of other concerns

- 6.28 That, in 2 other instances associated to the procurement of security services for the ACEO and services of an entity for Psychometric Testing and MIE services allegations have been made of non-compliance and / or an abuse of SCM processes.
- 6.29 That, it is alleged that in undertaking a review of the organisational structure, such was done in a manner so as to promote / protect individuals should Simenya not be appointed as CEO of CETA.
- 6.30 That, various allegations of favouritism / nepotism have been made regarding the promotion of certain individuals within CETA.
- 6.31 That, in requesting deviation from normal SCM processes from National Treasury, full disclosure thereof was not made by the individual seeking such.

In general

- 6.32 That, an unhealthy environment exists within CETA to the extent that individuals are reluctant to talk freely out of fear of being victimised.
- 6.33 That, a concerted effort is being made by individuals within CETA to cover up the irregularities within CETA, accordingly it is not clear who one can trust. This conclusion is based on individuals having approached us directly regarding the efforts taken to cover up issues.
- 6.34 That, the procurement division and / or at least procurement of services within CETA is dysfunctional. This in part is attributable to the ostensibly interference of individuals in the SCM process and / or management override of processes.



7. Recommendations

Based on our investigation and findings to date, we recommend as follows:

In relation to the allegations raised by Pilusa against the Chairperson of CETA

- 7.1 That, although insufficient evidence exists at this stage to conclusively pronounce in respect thereof, the noted irregularities associated to the procurement of services by CETA and available evidence of interference in such procurement activities within CETA warrants further investigation by the relevant authorities. Such further investigations we submit should include *inter alia*:

- Whether the Chairperson is recorded to have incurred any expenditure at the Oyster Box Hotel in Durban on the weekend of 13/14 January 2018 and if as alleged he held a meeting at the hotel with Ace Magashule and Prof Hlengiwe Mkhize; and
- Whether any evidence exists of the Chairperson of CETA having contacted / communicated with the recorded owners of the entities which he allegedly gave the names of to Pilusa for consideration of award.

In relation to the tender for Learner Tablets

- 7.2 That, consideration be given to instituting corrective action against those individuals who permitted the placement of the advertisement for the tender in question for a period less than that stipulated in CETA's SCM policy.
- 7.3 That, consideration be given to subjecting all BEC members associated to the tender in question, being: Jiyane, Namane, Phuti, Ngenzi and Masombuka as well as SCM advisor Kuzana to disciplinary action for gross negligence and fraud in that the said officials evaluated bids submitted by the bidders inconsistently to the terms and conditions as advertised and also misrepresented by altering their score sheet that no bidder had qualified for consideration of award, despite the fact that two bidders had.
- 7.4 That, management of CETA be requested to provide written explanation regarding the noted discrepancies between the bid opening record and that of the number of bids subjected to evaluation as well as the recording of Masombuka and Ngenzi to have apologised / excused themselves from the BEC meeting of 28 June 2018 yet to have been involved in the actual evaluation of bids on that day.



- 7.5 That, members of the BAC, being: Ndlovu, Mpandeli and Shabangu as well as SCM representative Mphuti be requested to submit written explanations as why disciplinary action should not be taken against them for their failure to detect that in evaluating bids the BEC had done so in a manner inconsistent with the terms and conditions as advertised.

In relation to the tender for a project manager for the procurement of land, design plans and construction of CETA's Head Office

- 7.6 That, consideration be given to instituting corrective action against those individuals who permitted the placement of the advertisement for the tender in question for a period less than that stipulated in CETA's SCM policy.
- 7.7 That, consideration be given to subjecting all BEC members associated to the tender in question, being: Jiyane, Namane, Phuti, Ngenzi and Masombuka as well as SCM advisor Kuzana to disciplinary action for gross negligence in that the said officials evaluated bids submitted by the bidders inconsistently to the terms and conditions as advertised.
- 7.8 That, management of CETA be requested to provide written explanation regarding the noted discrepancies between the bid opening record and that of the number of bids subjected to evaluation as well as the recording of Masombuka and Ngenzi to have apologised / excused themselves from the BEC meeting of 28 June 2018 yet to have been involved in the actual evaluation of bids on that day.
- 7.9 That, members of the BAC, being: Ndlovu, Mpandeli and Shabangu as well as SCM representative Mphuti be requested to submit written explanations as why disciplinary action should not be taken against them for their failure to detect that in evaluating bids the BEC had done so in a manner inconsistent with the terms and conditions as advertised.

In relation to the tender for Biometric Learner Attendance System

- 7.10 That, consideration be given to instituting corrective action against those individuals who permitted the placement of the advertisement for the tender in question for a period less than that stipulated in CETA's SCM policy.
- 7.11 That, consideration be given to subjecting all BEC members associated to the tender in question, being: Semenya, Jiyane, Ngenzi and Mpandeli as well as SCM advisor Kuzana to disciplinary action for gross negligence in that the said officials evaluated bids submitted by the bidders inconsistently



to the terms and conditions as advertised and also failed to exercise due care in considering the bid submitted by Grayson Reed in that they failed to detect that Grayson Reed had not quoted for the full scope of work and that ultimately based thereon Grayson Reed were not the lowest priced bidder although evaluated on such basis.

7.12 That, consideration is given to instituting action against the said BEC members associated to the recovery of any additional funds that CETA may have to incur over and above that quoted by Grayson Reed to deliver on the full scope of work. This recommendation is subject to Grayson Reed confirming that they only quoted for 10 000 learners as opposed to 50 000 learners and the amount needed to deliver the full scope of work being quantified.

7.13 That, members of the BAC, being: Ndlovu, Govender and Madibeng as well as SCM representative Mphuti be requested to submit written explanations as why disciplinary action should not be taken against them for their failure to detect that in evaluating bids the BEC had done so in a manner inconsistent with the terms and conditions as advertised and failed to recognise that Grayson Reed had not quoted per the stipulated scope of work.

7.14 That, the award of the tender / contract to Grayson Reed be regarded as irregular and disclosed as such in the Annual Financial Statements of CETA.

7.15 That, consideration is given to taking the award of the tender / contract to Grayson Reed on appeal and to having such set aside.

In respect of other concerns

7.16 That, further investigation into the appointment of TNI Superior General Trading to provide security for the ACEO is considered.

7.17 That, further investigation into the appointment of OMT to provide Psychometric Testing and MIE services is considered.

7.18 That, any proposed changes to the organisational structure of CETA be subjected to proper scrutiny and approval by the relevant authorities.

7.19 That, consideration be given to investigating all recent appointments (including in acting positions) and promotions undertaken at CETA with a view to determining whether such was undertaken in accordance with CETA's policies and procedure and in a fair and transparent manner.



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- 7.20 That, consideration is given to further investigating the submission made to National Treasury for deviation from normal SCM processes in relation to the appointment of an entity (ostensibly a legal firm) to initiate the disciplinary action, of which it is alleged that the person recommending the entity for appointment and seeking the deviation was one of the individuals to be subjected to such action.

