



**forestry, fisheries  
& the environment**

Department:  
Forestry, Fisheries and the Environment  
REPUBLIC OF SOUTH AFRICA

**REFERENCE: FC 130**

**REPORT**

**FORENSIC INVESTIGATION INTO SECURITY  
CONTRACTS AWARDED TO DEPHETHOGO UNDER BID  
NUMBER E1589**

**SEPTEMBER 2023**

**PREPARED BY:**



Accounting | Audit | Independent Reviews | Tax  
Consulting | Forensic Investigations | Internal Audit

[www.morar.co.za](http://www.morar.co.za)

21 September 2023

The Director-General  
Department of Forestry, Fisheries and the Environment  
473 Steve Biko Road, Pretoria, 0001

Dear Ms Nomfundo Tshabalala

**REFERENCE: FC 130 - FORENSIC INVESTIGATION INTO SECURITY  
CONTRACTS AWARDED TO DEPHETHOGO UNDER BID NUMBER E1589**

At the request of the Department, we conducted the above forensic investigation. We now have pleasure in attaching our report for your attention.

Our report is based on our analysis of documentation and information made available to us and specific enquiries undertaken to pursue our mandate. Accordingly, we take accountability for the contents of this report and will attend any required proceedings, internally or externally resulting from the outcome of the investigation as and when required.

This report may only be used by you and your appointed legal representatives in the disciplinary and/or civil and criminal action against the individuals implicated herein.

We reserve the right to supplement or amend this report upon the receipt of additional information. Should you have any queries or require clarity on any part of this report, please do not hesitate to contact the writer.

Yours faithfully



**VINAY BOSITSUMUNE**  
Head: Forensic Accounting and Investigations

**MORAR INCORPORATED**  
Chartered Accountants (S.A.)  
Registered Auditors

Reg. No: 2000/008551/21

IRBA Reg. No: 901449

Eco Fusion 6, Block C, Unit 25  
324 Witch-Hazel Avenue  
Highveld, Centurion, 0169

PO Box 68268  
Highveld Park, 0169

Tel: 012 661 3140

E-mail: [info@morar.co.za](mailto:info@morar.co.za)

Website: [www.morar.co.za](http://www.morar.co.za)

**Offices in:**

Pietermaritzburg

Bloemfontein

Cape Town

Centurion

Durban

East London

Polokwane

**Directors:**

*J. Reddy CA (SA), RA, MBA*

*V. Samarjith CA (SA), RA*

*C. Machiri CA (SA), RA*

*K. Naidoo CA (SA), RA*

*A. Bikram CA (SA), RA*

*S. Maharaj CA (SA), RA*

## TABLE OF CONTENTS

<b>1. Abbreviations</b>	<b>2</b>
<b>2. Index of Annexures</b>	<b>3</b>
<b>3. Dramatis Persona</b>	<b>7</b>
<b>4. Objectives</b>	<b>10</b>
<b>5. Procedures Performed</b>	<b>11</b>
<b>6. Applicable Legislation</b>	<b>15</b>
<b>7. Restrictions and Limitations</b>	<b>24</b>
<b>8. Executive Summary</b>	<b>25</b>
<b>9. Detailed Findings</b>	<b>37</b>
<b>10. Conclusions</b>	<b>133</b>
<b>11. Recommendations</b>	<b>137</b>

## 1. Abbreviations

The following abbreviations are used in this report. These descriptions and explanations serve to clarify this report and are not intended to be authoritative.

ABBREVIATION	DESCRIPTION
<b>BSC</b>	Bid Specification Committee.
<b>BEC</b>	Bid Evaluation Committee.
<b>BAC</b>	Bid Adjudication Committee.
<b>DEPHETHOGO</b>	Dephethogo .
<b>DFFE</b>	Department of Forestry, Fisheries and the Environment.
<b>PSIRA</b>	Private Security Industry Regulatory Authority.
<b>CIPC</b>	Companies and Intellectual Property Commission.

## 2. Index of Annexures

The following annexures are attached and should be read in conjunction with this report.

Annexure	Annexure Details
Annexure 1	Minutes of the Bid Evaluation Committee.
Annexure 2	Minutes of the Bid Adjudication Committee.
Annexure 3	Scoresheets of BEC Members.
Annexure 4	The SLA concluded between Dephethogo and the DFFE.
Annexure 5	Purchase orders in respect of Dephethogo's appointment to each region.
Annexure 6	Bid document for Tender E1589.
Annexure 7	Workflow document.
Annexure 8	Advertisement of Bid E1589.
Annexure 9	Extension of closing date for Bid E1589.
Annexure 10	Extension of bid validity period from 18 April 2021 to 18 July 2021.
Annexure 11	Extension of bid validity period from 19 July 2021 to 19 November 2021.

Annexure	Annexure Details
Annexure 12	Submission of bids register.
Annexure 13	Appointment letters of BEC members.
Annexure 14	Code of Conduct for the BEC Members.
Annexure 15	BEC Declaration of confidentiality and impartiality and attendance registers dated 02, 03, 04 and 05 February 2021.
Annexure 16	The BEC Evaluation Report.
Annexure 17	Fictitious UIF Certificate submitted by Dephethogo Trading CC.
Annexure 18	Confirmation received from the office of the UIF.
Annexure 19	Feedback received from Mr Ndou.
Annexure 20	Feedback received from Mr Weir.
Annexure 21	Feedback received from Mr Ngamile.
Annexure 22	Feedback received from Ms Zamisa.
Annexure 23	E-mail from Mr Malepa.

Annexure	Annexure Details
Annexure 24	E-mails sent to BEC members requesting feedback.
Annexure 25	Status of Dephethogo Trading CC's PSIRA Registration.
Annexure 26	Status of Mr Gaarekoe's PSIRA Registration.
Annexure 27	Proof of firearm licences submitted by Dephethogo Trading CC.
Annexure 28	GPS Coordinates of their control room submitted by Dephethogo Trading CC.
Annexure 29	ICASA Certificate submitted by Dephethogo Trading CC.
Annexure 30	Proof of Public Liability Insurance submitted by Dephethogo Trading CC.
Annexure 31	Letters submitted by Dephethogo Trading CC - References.
Annexure 32	CV and PSIRA Certificate of Mr Maatuane.
Annexure 33	Feedback received from Peace Force Security.
Annexure 34	E-mail transmitted to G4S Security.
Annexure 35	Status of Mr Maatuane's PSIRA Registration.
Annexure 36	Disbursement Report - 23 January 2023.

Annexure	Annexure Details
Annexure 37	Supplier/service provider's performance evaluation form.
Annexure 38	Payments authorised by Mr Naidoo.
Annexure 39	Transcript of meeting - 25 January 2022.
Annexure 40	Attempts to secure a meeting with Ms Lekota.
Annexure 41	E-mail from Dephethogo Trading CC regarding firearm credits.
Annexure 42	Calculation of short posting.
Annexure 43	E-mail from Mr Naidoo - Firearm credit.



### 3. Dramatis Personae

Throughout this report, unless otherwise stated, the personae in the first column have the meanings stated opposite them in the second column. These descriptions and explanations serve to clarify this report and are not intended to be authoritative.

DRAMATIS PERSONAE	DESCRIPTION
Mr. Naidoo	Mr. Vinesh Naidoo, Director: Security, Vetting and Travel – Department of Forestry, Fisheries and the Environment.
Mr. Ndou	Mr. Cyril Ndou, Director: Forestry - Department of Forestry, Fisheries and the Environment.
Mr. Malepa	Mr. Tshepo Malepa, Assistant Director: Security, Vetting and Travel - Department of Forestry, Fisheries and the Environment.
Mr. Matshotshi	Mr. Brayne Matshotshi, Director: Acquisition and Contract Management, Department of Forestry, Fisheries and the Environment.
Mr. Leshabane	Mr. Neo Leshabane, Director: Finance, Department of Forestry, Fisheries and the Environment.
Ms. Nesane	Ms. Livhuhani Nesane, Previously Director: SCM and currently Director: Asset Management - Department of Forestry, Fisheries and the Environment.
Mr. Jordaan	Mr. Alvin Jordaan, Deputy Director: Security, Vetting and Travel, Department of Forestry, Fisheries and the Environment.

DRAMATIS PERSONAE	DESCRIPTION
Mr. Tshivhase	Mr. Mahandana Andrew Tshivhase, Director: Forestry Management in Limpopo and Mpumalanga - Department of Forestry, Fisheries and the Environment.
Mr. Weir	Mr. Kim Weir, Director: Forestry Management in Kwa-Zulu Natal, Department of Forestry, Fisheries and the Environment.
Ms. Sgwabe	Ms. Gwen Sgwabe, Director: Commercial Forestry in Eastern Cape, Department of Forestry, Fisheries and the Environment.
Mr. Sibeko	Mr. Mandla Sibeko, Quality Assurance Consultant for Ubac.
Ms. Lekota	Ms. Maria Lekota, Chief Director: SCM, Department of Forestry, Fisheries and the Environment.
Mr. Ngwenya	Mr. Vuyani Ngwenya, General Manager Security and Cleaning Services at Dephethogo.
Mr. Mbambalala	Mr. Mbambalala, District Manager for East Griqualand, Department of Forestry, Fisheries and the Environment.
Ms. Mototo	Ms. Nomasonto Mototo, Assistant Director: Contract Management, Department of Forestry, Fisheries and the Environment.
Mr. Dawushe	Mr. Mbongeni Dawushe, District Manager for Matiwane, Department of

DRAMATIS PERSONAE	DESCRIPTION
	Forestry, Fisheries and the Environment.
Mr. Gaarekoe	Mr. Segolo Theophilus Gaarekoe, Member of Dephethogo.
Ms. More	Ms. Masabata More, Senior Legal Administration Officer, Department of Forestry, Fisheries and the Environment.
Ms. Mafanele	Ms. Amukelani Mafanele, Corporate Legal, Department of Forestry, Fisheries and the Environment.
Ms. Ngcobo	Ms. Nonhlanhla Ngcobo, Former Chief Director: Security, Vetting and Travel, Department of Forestry, Fisheries and the Environment.

## 4. Objectives

- 4.1 Determine whether the process of appointing Dephethogo (“Dephethogo”) was fair and transparent.
- 4.2 Determine the capability of Dephethogo to execute the contract and the current status of the sites.
- 4.3 Determine the suitability of other bidders and reasons for their failure to meet the bid criteria.
- 4.4 Determine whether there was any fraudulent, corrupt or other criminal conduct in the appointment of Dephethogo and during subsequent payments.
- 4.5 Identify any officials liable in law for any irregular expenditure and provide recommendations in terms of disciplinary, criminal and civil remedies.
- 4.6 Identify any losses suffered by the DFFE as a result of the above and provide recommendations in terms of recovery options available to the DFFE.
- 4.7 Determine whether the DFFE received value for money.
- 4.8 Determine whether the matter should be referred to the South Africa Police Service.
- 4.9 Identify any breakdowns in the designed internal controls and the impact thereof, including patterns such as common officials and suppliers in multiple transactions.

## 5. Procedures Performed

- 5.1 We reviewed applicable policies and legislation.
- 5.2 We obtained and reviewed the following documentation amongst others:
- 5.2.1 Tender submissions of 159 bidders in relation to bid E1589.
- 5.2.2 The master file for bid E1589 which contained the following amongst others:
- (a) Minutes of the Bid Evaluation Committee (“BEC”) <sup>1</sup>;
  - (b) Minutes of the Bid Adjudication Committee (“BAC”) <sup>2</sup>; and
  - (c) Scoresheets of BEC Members <sup>3</sup>.
- 5.2.3 Payment vouchers in respect of payments made to Dephethogo.
- 5.2.4 The SLA concluded between Dephethogo and the DFFE <sup>4</sup>.
- 5.2.5 Purchase orders in respect of Dephethogo’s appointment to each region <sup>5</sup>.
- 5.3 We forensically imaged the computers of various officials involved in the SCM process and conducted detailed reviews thereon in order to identify any possible evidence of collusion with service providers and/or interference in the bidding process. Upon completion of the forensic imaging of computers, we conducted keyword searches on the forensic images using Intella Software. The keywords used were aligned to the following, amongst others:
- (a) Names of bidders;
  - (b) Names of officials;

---

<sup>1</sup> Minutes of the Bid Evaluation Committee

<sup>2</sup> Minutes of the Bid Adjudication Committee

<sup>3</sup> Scoresheets of BEC Members

<sup>4</sup> The SLA concluded between Dephethogo and the DFFE

<sup>5</sup> Purchase orders in respect of Dephethogo’s appointment to each region

- (c) Evidence of any financial benefit derived by officials in relation to the bid;
- (d) Financial information, including bank account transactions and other unusual transactions;
- (e) Communication with bidders before, during and after the bidding process;
- (f) Documents relating to the bidding process, including draft minutes and workings of the BEC; and
- (g) A general review of all communications received by officials before, during and after the bidding process.
- (h) The computers of the following officials were forensically imaged and reviewed during our investigation:

NAME	DESIGNATION/DETAILS
Mr. Vinesh Naidoo	Director: Security, Vetting and Travel, DFFE. Mr Vinesh Naidoo also served as a BEC Member for Bid E1589.
Mr. Cyril Ndou	Director: Forestry, DFFE. and BEC member. Mr Cyril Ndou also served as a BEC Member for Bid E1589.
Mr. Tshepo Malepa	Assistant Director: Security, Vetting and Travel, DFFE. Mr Tshepo Malepa also served as a BEC Member for Bid E1589.
Ms. Livhuhani Nesane	Former Director: SCM.

5.4 We secured the mailboxes of various officials and conducted detailed reviews thereon.

5.5 We interviewed the following persons:

NAME	DESIGNATION/DETAILS
Mr. Vinesh Naidoo	Director: Security, Vetting and Travel, DFFE. Mr Vinesh Naidoo also served as a BEC Member for Bid E1589.
Mr. Cyril Ndou	Director: Forestry, DFFE. and BEC member. Mr Cyril Ndou also served as a BEC Member for Bid E1589.
Mr. Tshepo Malepa	Assistant Director: Security, Vetting and Travel, DFFE. Mr Tshepo Malepa also served as a BEC Member for Bid E1589.
Mr. Brayne Matshotshi	Director: Acquisition and Contract Management, DFFE.
Mr. Neo Leshabane	Director: Finance, DFFE.
Mr. Alvin Jordaan	Deputy Director: Security, Vetting and Travel, DFFE.
Mr. Tshivhase	Mr. Mahandana Andrew Tshivhase: Director: Forestry Management in Limpopo and Mpumalanga, DFFE.
Mr. Weir	Mr. Kim Weir: Director: Forestry Management in Kwa-Zulu Natal, DFFE.
Ms. Sgwabe	Ms. Gwen Sgwabe: Director: Commercial Forestry in Eastern Cape, DFFE.
Mr. Mbambalala	Mr. Mbambalala: District Manager for East Griqualand, DFFE.

NAME	DESIGNATION/DETAILS
Ms. Mototo	Ms. Nomasonto Mototo: Assistant Director: Contract Management, DFFE.
Mr. Dawushe	Mr. Mbongeni Dawushe: District Manager for Matiwane, DFFE.
Ms. More	Ms. Masabata More: Senior Legal Administration Officer, DFFE.
Ms. Mafanele	Ms. Amukelani Mafanele: Corporate Legal, DFFE.
Mr. Mandla Sibeko	Quality Assurance Consultant, UBAC (Pty) Ltd
Mr. Andre van Aswegen	Attorney, TJS Attorneys, representing Dephethogo.



## 6. Applicable Legislation

### 6.1 Constitution of the Republic of South Africa, 1996

6.1.1 Section 217 of the Constitution deals with Procurement and states:

- (a) When an organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost-effective.

### 6.2 National Treasury Instruction Note on the Amended Guidelines in Respect of Bids that Include Functionality as a Criterion for Evaluation, 2010

6.2.1 Paragraph 3.3 states that when inviting bids an institution must indicate:

- (i) whether the bids will be evaluated on functionality;
- (ii) the evaluation criteria for measuring functionality;
- (iii) the weight of each criterion; and
- (iv) the applicable values as well as the minimum threshold for functionality.

6.2.2 Section 3.4.1 of the National Treasury Instruction Note deals with Guidelines when Functionality is Included as a Criterion in the Evaluation of Bids and states:

- (a) The assessment of functionality must be done in terms of the evaluation criteria and the minimum threshold referred to in paragraph 3.3 above. A bid must be disqualified if it fails to meet the minimum threshold for functionality as per the bid invitation.

### 6.3 Preferential Procurement Policy Framework Act, 2000: Preferential Procurement Regulations, 2017

6.3.1 Section 5 of the Preferential Procurement Regulations deals with Tenders to be Evaluated on Functionality and states:

- (a) An organ of state must state in the tender documents if the tender will be evaluated on functionality.

- (b) The evaluation criteria for measuring functionality must be objective.
- (c) The tender documents must specify-
  - (i) The evaluation criteria for measuring functionality.
  - (ii) The points for each criterion and, if any, each sub-criterion.
  - (iii) The minimum qualifying score for functionality.

#### **6.4 Public Finance Management Act, Act No. 1 of 1999**

6.4.1 Section 38 records the general responsibilities of accounting officers and states that the accounting officer:

- (a) must ensure that that department, trading entity or constitutional institution has and maintains:
  - (i) effective, efficient and transparent systems of financial and risk management and internal control;
  - (ii) a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77;
  - (iii) an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective;
  - (iv) a system for properly evaluating all major capital projects prior to a final decision on the project;
- (b) is responsible for the effective, efficient, economical and transparent use of the resources of the department, trading entity or constitutional institution;
- (c) must take effective and appropriate steps to:
  - (i) collect all money due to the department, trading entity or constitutional institution;

- (ii) prevent unauthorised, irregular and fruitless and wasteful expenditure and losses resulting from criminal conduct; and
- (iii) manage available working capital efficiently and economically.
- (iv) is responsible for the management, including the safe-guarding and the maintenance of the assets, and for the management of the liabilities, of the department, trading entity or constitutional institution;
- (v) must comply with any tax, levy, duty, pension and audit commitments as may be required by legislation;
- (vi) must settle all contractual obligations and pay all money owing, including intergovernmental claims, within the prescribed or agreed period;
- (vii) on discovery of any unauthorised, irregular or fruitless and wasteful expenditure, must immediately report, in writing, particulars of the expenditure to the relevant treasury and in the case of irregular expenditure involving the procurement of goods or services, also to the relevant tender board;
- (viii) must take effective and appropriate disciplinary steps against any official in the service of the department, trading entity or constitutional institution who:
  - i. contravenes or fails to comply with a provision of this Act;
  - ii. commits an act which undermines the financial management and internal control system of the department, trading entity or constitutional institution; or
  - iii. makes or permits an unauthorised expenditure, irregular expenditure or fruitless and wasteful expenditure.

6.4.2 Section 45 records the responsibilities of other officials and states that an official in a department, trading entity constitutional institution:

- (a) must ensure that the system of financial management and internal control established for that department, trading entity or constitutional institution is carried out within the area of

responsibility of that official;

- (b) is responsible for the effective, efficient, economical and transparent use of financial and other resources within that official's area of responsibility;
- (c) must take effective and appropriate steps to prevent, within that official's area of responsibility, any unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure and any under collection of revenue due;
- (d) must comply with the provisions of this Act to the extent applicable to that official, including any delegations and instructions in terms of section 44; and
- (e) is responsible for the management, including the safe-guarding, of the assets and the management of the liabilities within that official's area of responsibility.

6.4.3 Section 81 defines financial misconduct by officials in departments and constitutional institutions and states:

- (1) An accounting officer for a department or a constitutional institution commits an act of financial misconduct if that accounting officer wilfully or negligently:
  - (a) fails to comply with a requirement of section 38, 39, 40, 41 or 42; or
  - (b) makes or permits an unauthorised expenditure, an irregular expenditure or a fruitless and wasteful expenditure.
- (2) An official of a department, a trading entity or a constitutional institution to whom a power or duty is assigned in terms of section 44 commits an act of financial misconduct if that official wilfully or negligently fails to exercise that power or perform that duty.

## 6.5 Public Service Regulations, 2017

6.5.1 Public Service Regulation 13 states that an employee shall, inter alia:

- (a) not receive, solicit or accept any gratification, as defined in section 1 of the Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004), from any employee or any

person in return for performing or not performing his or her official duties;

- (b) not engage in any transaction or action that is in conflict with or infringes on the execution of his or her official duties;
- (c) not conduct business with any organ of state or be a director of a public or private company conducting business with an organ of state, unless such employee is in an official capacity a director of a company listed in schedule 2 and 3 of the Public Finance Management Act;
- (d) recuse herself or himself from any official action or decision-making process which may result in improper personal gain, and this shall immediately be properly declared by the employee;
- (e) immediately report to the relevant authorities, fraud, corruption, nepotism, maladministration and any other act which constitutes a contravention of any law (including, but not limited to, a criminal offence) or which is prejudicial to the interest of the public, which comes to his or her attention during the course of his or her employment in the public service;
- (f) refrain from favouring relatives and friends in work-related activities and not abuse his or her authority or influence another employee, nor be influenced to abuse his or her authority;
- (g) not use or disclose any official information for personal gain or the gain of others;
- (h) not receive or accept any gift from any person in the course and scope of his or her employment, other than from a family member, to the cumulative value of R350 per year, unless prior approval is obtained from the relevant executive authority;
- (i) if he or she has permission in terms of section 30 of the Act to perform outside remunerative work, not:
  - i. perform such work during official work hours; and
  - ii. use official equipment or state resources for such work.
- (j) deal fairly, professionally and equitably with all other employees or members of the public, irrespective of race, gender, ethnic or social origin, colour, sexual orientation, age, disability, religion, political persuasion, conscience, belief, culture or language; and

(k) refrain from party political activities in the workplace.

6.5.2 Public Service Regulation 14 states that an employee shall, inter alia:

- (a) strive to achieve the objectives of his or her institution cost-effectively and in the interest of the public;
- (b) be creative in thought and in the execution of his or her official duties, seek innovative ways to solve problems and enhance effectiveness and efficiency within the context of the law;
- (c) execute his or her official duties in a professional and competent manner;
- (d) be honest and accountable in dealing with public funds and use the State's property and other resources effectively, efficiently, and only for authorised official purposes;
- (e) give honest and impartial advice, based on all available relevant information, in the execution of his or her official duties;
- (f) honour the confidentiality of official matters, documents and discussions; and
- (g) shall immediately report any non-compliance of the Act to the head of department.

**6.6 Regulations in Terms of The Public Finance Management Act, 1999: Framework For Supply Chain Management as Published in Gazette No. 25767 Dated 5 December 2003**

6.6.1 Regulation 3(1) states that the accounting officer or accounting authority of an institution to which these regulations apply must develop and implement in that institution an effective and efficient supply chain management system for:

- (a) the acquisition of goods and services; and
- (b) the disposal and letting of state assets, including the disposal of goods no longer required.

6.6.2 Regulation 3(2) states that a supply chain management system referred to in subregulation (1) must:

- (a) be fair, equitable, transparent, competitive and cost effective;

- (b) be consistent with the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);  
and
  - (c) provide for at least the following: –
    - i. demand management;
    - ii. acquisition management;
    - iii. logistics management;
    - iv. disposal management;
    - v. risk management; and
    - vi. regular assessment of supply chain performance.
- 6.6.3 Regulation 8(1) states that all officials and other role players in a supply chain management system must comply with the highest ethical standards in order to promote:
- (a) mutual trust and respect; and
  - (b) an environment where business can be conducted with integrity and in a fair and reasonable manner.
- 6.6.4 Regulation 8(2) states that the National Treasury's Code of Conduct for Supply Chain Management Practitioners must be adhered to by all officials and other role players involved in supply chain management.
- 6.6.5 Regulation 8(3) states that a supply chain management official or other role player:
- (a) must recognise and disclose any conflict of interest that may arise;
  - (b) must treat all suppliers and potential suppliers equitably;
  - (c) may not use their position for private gain or to improperly benefit another person;
  - (d) must ensure that they do not compromise the credibility or integrity of the supply chain

management system through the acceptance of gifts or hospitality or any other act;

- (e) must be scrupulous in their use of public property; and
- (f) must assist accounting officers or accounting authorities in combating corruption and fraud in the supply chain management system.

6.6.6 Regulation 8(4) states that if a supply chain management official or other role player, or any close family member, partner or associate of such official or other role player, has any private or business interest in any contract to be awarded, that official or other role player must:

- (a) disclose that interest; and
- (b) withdraw from participating in any manner whatsoever in the process relating to that contract.

6.6.7 Regulation 9(1) states that the accounting officer or accounting authority of an institution to which these regulations apply must:

- (a) take all reasonable steps to prevent abuse of the supply chain management system;
- (b) investigate any allegations against an official or other role player of corruption, improper conduct or failure to comply with the supply chain management system, and when justified:
  - (i) take steps against such official or other role player and inform the relevant treasury of such steps; and
  - (ii) report any conduct that may constitute an offence to the South African Police Service;
  - (iii) check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, nor any of its directors, are listed as companies or persons prohibited from doing business with the public sector;
  - (iv) reject any bid from a supplier who fails to provide written proof from the South African Revenue Service that that supplier either has no outstanding tax obligations or has made arrangements to meet outstanding tax obligations;



- (v) reject a proposal for the award of a contract if the recommended bidder has committed a corrupt or fraudulent act in competing for the particular contract; or
- (c) cancel a contract awarded to a supplier of goods or services:
  - (i) if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract; or
  - (ii) if any official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of that contract that benefited that supplier

## **6.7 Prevention and Combatting of Corrupt Activities Act, Act No. 12 Of 2004**

- 6.7.1 According to section 34(1) of the Act, any person who holds a position of authority (defined in section 34(4) of the Act), who knows or ought reasonably to have known or suspected that any other person has committed an offence (of corruption) in terms of sections 3 to 16 or 20 to 21 of the Act or theft, fraud, extortion, forgery or uttering of a forged document involving an amount of R100 000,00 or more, must report such knowledge or suspicion or cause such knowledge or suspicion to be reported to any police official.
- 6.7.2 Section 34(2) of the Act provides that any person who fails to report such corrupt activities is guilty of an offence.

## **6.8 Department of Forestry Fisheries and the Environment Supply Chain Management Policy**

- 6.8.1 Section 2.3 deals with the Supply Chain Management (“SCM”) Policy Objectives, being:
- (a) The primary objective of the policy is to create an environment that enables the Department to procure goods, services and works in a manner that is fair, equitable, transparent, competitive, and cost effective.
- 6.8.2 Section 13.5 deals with the Bid Evaluation Method and states:
- (a) Bids shall be evaluated only in accordance with the evaluation criteria stipulated in the bid documentation.

## 7. Restrictions and Limitations

- 7.1 The procedures we performed do not constitute an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements (or relevant national standards or practices). Consequently, we do not express any audit assurance.
- 7.2 The scope of our work was limited to an analysis of documentation and information made available to us and specific enquiries undertaken to pursue our mandate.
- 7.3 Although this report may contain references to relevant laws and legislation, we do not provide any legal opinion on the compliance with such laws.
- 7.4 If additional or new documentation or information is brought to our attention subsequent to the date of this report, which would affect our findings, we reserve the right to amend and qualify our findings accordingly.

## 8. Executive Summary

### 8.1. Investigation Background

- 8.1.1 During the National Macro Organization of Government (“NMOG”) processes in 2019, the Infrastructure Work-stream of the DFFE convened various meetings with the Former Department of Agriculture, Forestry and Fisheries (“DAFF”) as a preparatory exercise to take over from the Facilities Management of the DAFF.
- 8.1.2 During the above process, the Branch: Forestry Management informed the Chief Directorate: Facilities Management of an urgent need to secure the plantations and nurseries due to on-going theft and vandalism of state property and assets. During engagements, it was reported that there were no security contracts in place and the level of theft and vandalism within the plantations was very high.
- 8.1.3 It was further indicated during the above engagements that the Branch: Forestry Management had concluded a tender for security services which was due for presentation to the Bid Adjudication Committee (“BAC”), however, Facilities Management was informed by Supply Chain Management (“SCM”) that that processes at adjudication level in another Department could not be transferred to the new Department and therefore a new process was required to be undertaken.
- 8.1.4 During 2020, short term security contracts were awarded for various sites that were identified by the Branch: Forestry Management. Those sites were reported and recommended for short term while the tender process was being finalised at DAFF.
- 8.1.5 During August 2020 (post amalgamation of the Departments), the Directorate: Security Services and Regional Managers of the Plantations compiled the Terms of Reference (“ToR”) so that a National Tender could be advertised where various service providers would be appointed to provide access control at various sites in all nine (9) provinces. The ToR only considered sites that were identified by the Branch: Forestry Management as most vulnerable to vandalism and theft.
- 8.1.6 Due to budget constraints, it was decided that the Branch: Forestry Management should prioritize the plantations that required security and to also reduce the number of security guards required to a minimum. The National Tender was then advertised in November 2020. The Department received

159 bids.

- 8.1.7 The bids were then evaluated and adjudicated and 3 companies were appointed for 25 regions.
- 8.1.8 Dephethogo (“Dephethogo”) was awarded majority of the regions which includes Eastern Cape, Kwazulu-Natal, Mpumalanga, Limpopo and the Western Cape.
- 8.1.9 Following the above appointment, a verification process was undertaken by the Directorate: Security, Vetting and Travel Services to determine the deployment of security personnel in the various districts. During this exercise it was found that security personnel were not deployed to all sites, as recruitment of the security personnel by Dephethogo was still underway.
- 8.1.10 Consequently, in November 2021, an urgent meeting was convened with Dephethogo to request information as to why the deployment of security personnel was not fully completed. At the meeting, Dephethogo indicated that challenges were experienced when they tried to deploy security personnel in the districts. One main challenge was that they had to appoint only local security personnel from within the communities. This matter was referred to the Branch: Forestry Management to assist with negotiations with the various Chiefs of the communities as part of their Stakeholder engagement processes, as most plantations are located in the communities.
- 8.1.11 Following the above meeting, Dephethogo was allowed until 01 December 2021 to ensure that all sites were capacitated with security personnel, especially as the festive period was nearing and most previous thefts and vandalism were experienced during the festive period.
- 8.1.12 In February 2022 a warning letter was issued to Dephethogo for breach of the terms of the Memorandum of Agreement (“MoA”). Dephethogo did not respond to the letter nor did they remedy the situation fully. Subsequently, in March 2022 the Directorate: Security, Vetting and Travel and Dephethogo visited the Department’s Forestry Regional Managers in the regions to ascertain the status of security and to assess the shortfalls in the security deployment. During the engagement the following concerns were raised once more with Dephethogo:
- (a) The security personnel deployed by Dephethogo did not possess firearms. This was a requirement as per the specifications and MoA.

- (b) The security personnel deployed by Dephethogo did not have uniforms in certain areas;
  - i. The security personnel deployed by Dephethogo did not have transport to come to work;
  - ii. The security personnel deployed by Dephethogo did not patrol the plantations; and
  - iii. The security personnel deployed by Dephethogo did not have vehicles to go into the plantations.

8.1.13 Dephethogo responded to the above concerns as follows:

- (a) They were informed by the local Chiefs to employ security personnel from the local communities. This became a challenge since the security personnel from the communities did not possess firearm competency certificates and therefore could not be issued with firearms. In this regard, Dephethogo undertook to conduct firearm training for all security guards.
- (b) The uniforms will be procured once Dephethogo is paid by the Department.
- (c) Patrols in the plantations was not part of the ToR.
- (d) The provision of vehicles was not part of the ToR.
- (e) The Small, Medium and Macro Enterprises (SMMEs) and Chiefs in certain districts i.e. Weza and Hlokozi plantation (KZN), Lebode and Matiwane A district (Eastern Cape) did not allow Dephethogo to enter the plantations.

8.1.14 On 10 March 2022, the Director: Security Services and Regional Managers of the DFFE convened a meeting with the SMMEs in the Eastern Cape to clarify the appointment of Dephethogo. The SMMEs raised a concern that they did not see the advert for the security tender and that they have competent security companies in the districts that can render the same service. The SMMEs informed the Department's representatives to withdraw the appointment of Dephethogo and appoint one of the security companies in the district. The SMMEs further indicated that they will not allow any service provider from outside the district to render a service in their district.

- 8.1.15 In this regard, the SMMEs then proposed that Dephethogo must outsource the work to one of the service providers in the district and that the Department pays them directly.
- 8.1.16 The SMMEs further indicated that if a resolution is not forthcoming, they will ensure that the entire Eastern Cape will not allow a Security Service Provider from another province to work in the Eastern Cape.
- 8.1.17 The Department's representatives indicated that the outsourcing of the security service was advertised nationally so that everyone interested could submit their bids.
- 8.1.18 On 3 May 2022, a follow up meeting was held between Facilities Management, Security Services and the Dephethogo. During this meeting, Dephethogo still raised similar concerns and challenges experienced in some of the regions.
- 8.1.19 Dephethogo further cited challenges with payments from the Department as one of the hindrances in performing fully.
- 8.1.20 During the discussion, it was noted that not all sites commenced at the same time. Some started operating around January 2022 and others even later.
- 8.1.21 It was also noted that the invoices and reports being submitted contained a lot of mistakes. Some dates did not correspond with the monthly reports which are part of the submission of invoices. Short posting was also not deducted from the invoices.
- 8.1.22 It was resolved in that meeting that Dephethogo will rectify the invoices and reports and re-submit to the Department for further verification.
- 8.1.23 Facilities Management had at the same time sought legal opinion from Corporate Legal Services on how the matter should be handled as Dephethogo has failed to render services as per the signed Service Level Agreement ("SLA").
- 8.1.24 The Legal opinion was issued and was submitted to SCM for implementation. Subsequently, Facilities Management met with Dephethogo on 8 June 2022 with a view to understand the issues with the contract as part of intervention as well as to check the status of the deployment per site. There was a need to drill down to the matter so that any loopholes and gaps identified which might

jeopardize the case of the Department are properly closed. This included the verification of all payments due as per guidance from SCM.

- 8.1.25 During the meeting on 8 June 2022, Dephethogo cited the challenges with cash flow due to non/late payments by the Department. They reported short posting of security guards due to lack of funding.
- 8.1.26 A list of sites was verified, and Dephethogo was required to confirm what is on site. In the meeting, Dephethogo indicated that there is no site where firearms were deployed. Dephethogo was then asked why they have failed to deploy firearms and they responded that they could not deploy firearms due to the fact that some sites are completely vandalized and there will be no facilities to safeguard the firearms.
- 8.1.27 Dephethogo was however reminded that the requirement was that all plantation sites required firearms and only offices did not require firearms. They were asked to confirm if they even have firearms. They confirmed that they do have firearms.
- 8.1.28 The Department thereafter undertook to send the list of all sites to Dephethogo. Dephethogo was then going to add the information which includes, names of security officers on site, per site, firearm competency confirmation and submit to the Department by 17th June 2022. The Department would then submit to South African Police Service to verify these competency documents. This process would take the Department at least three to five days. Upon receipt of the information, the Department will issue a letter to the service provider to deploy all necessary equipment including firearms within 7 days as per Service Level Agreement. Failing which, the Department will take appropriate action as per Legal Services advice.
- 8.1.29 The Department further committed to process all valid and correct claims. To date the Department has paid Dephethogo a total of R14,682,620.97. Invoices amounting to R5,019,603.86 are currently at SCM for processing. These invoices are up to 30 April 2022. Invoices for May 2022 were received on 14 May 2022 and are being verified. Some have already been sent back to Dephethogo as they are incorrect.
- 8.1.30 During the meeting, Dephethogo confirmed that challenges that they once experienced with Local Authorities in the Eastern Cape and KwaZulu-Natal have all been resolved. They cited that they

only have challenges in the Mpumalanga province.

8.1.31 There are possible irregular transactions that were also identified during the meeting. Dephethogo indicated that they were supposed to render services in the Garden Route and they were instructed to post the officers in the Hout Bay Harbour. Others were due to be posted in Modimolle and were posted in Limpopo. It was discovered that there were no formal processes followed in changing the sites.

## 8.2. Summary of Investigation Findings

ALLEGATION	VALID/ INVALID	CONCLUSIONS	RECOMMENDATIONS	REFERENCE TO DETAILED FINDINGS
The appointment of Dephethogo was irregular	<b>VALID</b>	<p>The appointment of Dephethogo was irregular. Dephethogo did not meet the mandatory or functional requirements of the bid.</p> <p>Dephethogo committed an act of fraud by submitting a fictitious UIF Certificate of Compliance. The submission of a UIF Certificate of Compliance was a mandatory requirement of the bid and hence any failure to submit a valid certificate should have resulted in disqualification from the bidding process. This was not the case in this instance, as the BEC allowed Dephethogo to proceed further in the evaluation process. The irregular appointment of Dephethogo is owing to the negligent conduct of the</p>	<p>The Department should terminate the contract with Dephethogo with immediate effect. Such contract termination is permitted in terms of the Regulations issued in Terms of The Public Finance Management Act, 1999: Framework For Supply Chain Management as Published in Gazette No. 25767 Dated 5 December 2003. Regulation 9(1)(c) states that the accounting officer or accounting authority of an institution to which these regulations apply must cancel a contract awarded to a supplier of goods or services:</p> <p>i. If the supplier committed any corrupt or fraudulent act during the bidding process or the</p>	<b>Paragraphs 9.1, 9.2, 9.4 and 9.7</b>



		<p>following officials who served as BEC members and SCM Technical Advisors during the bid evaluation:</p> <ul style="list-style-type: none"> <li>• Mr. Vinesh Naidoo - BEC Chairperson;</li> <li>• Mr. Tshelo Malepa - BEC Member;</li> <li>• Mr. Cyril Ndou - BEC Member;</li> <li>• Ms. Dimakatso Zamisa - BEC Member;</li> <li>• Mr. Kim Weir - BEC Member;</li> <li>• Mr. Thembelani Ngamile - BEC Member;</li> <li>• Ms. Emily Babedi - SCM Technical Advisor; and</li> <li>• Ms. Georgina Serumula - SCM Technical Advisor.</li> </ul> <p>The irregular appointment of Dephethogo was not a fair process and resulted in a breach of Section 217 of the Constitution. Members of the BEC have additionally breached the requirements of the following legislation which is further expanded in Section 6 of our report:</p> <ul style="list-style-type: none"> <li>• National Treasury Instruction Note on the Amended Guidelines in Respect of Bids that Include Functionality as a Criterion for Evaluation, 2010;</li> <li>• Preferential Procurement Policy Framework Act, 2000: Preferential Procurement Regulations, 2017;</li> <li>• Public Finance Management Act,</li> </ul>	<p>execution of that contract; or</p> <p>ii. if any official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of that contract that benefited that supplier</p> <p>Disciplinary action should be initiated against all BEC members for their negligent conduct during the evaluation of the bid. Disciplinary action should also be initiated against the SCM Technical Advisors that attended the BEC meetings.</p> <p>The Department should initiate civil recovery proceedings against Dephethogo for all amounts paid under this contract.</p> <p>The findings of this investigation should be reported to the South African Police Service to facilitate a criminal investigation.</p> <p>The Department should conduct an independent probity of all bid evaluations and adjudications prior to appointing service providers.</p>	
--	--	--	---	--

		<p>Act No. 1 of 1999;</p> <ul style="list-style-type: none"> <li>• Public Service Regulations, 2017;</li> <li>• Regulations in Terms of The Public Finance Management Act, 1999: Framework For Supply Chain Management as Published in Gazette No. 25767 Dated 5 December 2003; and</li> <li>• Department of Forestry Fisheries and the Environment Supply Chain Management Policy.</li> </ul>		
<p>Dephethogo was incapable of executing the contract</p>	<p><b>VALID</b></p>	<p>Dephethogo was incapable of executing the contract. Their incapability was known even prior to them being awarded the contract. Dephethogo was in possession of 27 firearm licences at the bidding stage, yet the BEC allocated various sites to Dephethogo that required a total of 116 firearm licences. Dephethogo furthermore did not provide the necessary uniforms and equipment to their security guards for the implementation of security at the various sites.</p> <p>Upon being appointed, Dephethogo deployed unarmed guards to the sites that required armed guards.</p>	<p>The Department should terminate the contract with Dephethogo with immediate effect. Such contract termination is permitted in terms of the Regulations issued in Terms of The Public Finance Management Act, 1999: Framework For Supply Chain Management as Published in Gazette No. 25767 Dated 5 December 2003. Regulation 9(1)(c) states that the accounting officer or accounting authority of an institution to which these regulations apply must cancel a contract awarded to a supplier of goods or services:</p> <ol style="list-style-type: none"> <li>i. If the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract; or</li> <li>ii. if any official or other role player committed any corrupt or fraudulent act during the bidding process or the</li> </ol>	<p><b>Paragraph 9.3</b></p>

			<p>execution of that contract that benefited that supplier</p> <p>Disciplinary action should be initiated against all BEC members for their negligent conduct during the evaluation of the bid. Disciplinary action should also be initiated against the SCM Technical Advisors that attended the BEC meetings.</p> <p>The Department should initiate civil recovery proceedings against Dephethogo for all amounts paid under this contract.</p> <p>The findings of this investigation should be reported to the South African Police Service to facilitate a criminal investigation.</p>	
<p>Dephethogo lacked the necessary experience and were afforded excessive scores during the bid evaluation</p>	<p><b>VALID</b></p>	<p>The BEC members assigned excessive scores to Dephethogo during the functionality phase of the evaluation. We found that the BEC members allowed themselves to be influenced into changing their scores. According to Mr Weir and Ms Zamisa, SCM requested the BEC members to revisit their scores when it was found that the scores differed amongst the various BEC members. In all instances, the scores were adjusted upwards and never downwards.</p> <p>Excessive scores were allocated for Dephethogo's experience and the</p>	<p>The Department should terminate the contract with Dephethogo with immediate effect. Such contract termination is permitted in terms of the Regulations issued in Terms of The Public Finance Management Act, 1999: Framework For Supply Chain Management as Published in Gazette No. 25767 Dated 5 December 2003. Regulation 9(1)(c) states that the accounting officer or accounting authority of an institution to which these regulations apply must cancel a contract awarded to a supplier of</p>	<p><b>Paragraph 9.2</b></p>

		<p>experience of the Team Leader. The documents provided by Dephethogo do not warrant the scores allocated by the BEC. The maximum points of 5 was allocated for the experience of the Team Leader, whereas, based on the references, the permissible score was 2. The BEC also incorrectly allocated points for appointment letters submitted by Dephethogo, whereas the requirement of the bid was for bidders to submit reference letters.</p>	<p>goods or services:</p> <ul style="list-style-type: none"> <li>i. If the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract; or</li> <li>ii. if any official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of that contract that benefited that supplier</li> </ul> <p>Disciplinary action should be initiated against all BEC members for their negligent conduct during the evaluation of the bid. Disciplinary action should also be initiated against the SCM Technical Advisors that attended the BEC meetings.</p> <p>The Department should initiate civil recovery proceedings against Dephethogo for all amounts paid under this contract.</p> <p>The findings of this investigation should be reported to the South African Police Service to facilitate a criminal investigation.</p>	
<p>The Department incurred losses as a result of appointing Dephethogo</p>		<p>We found that Ms Lekota and Mr Naidoo approved payments to Dephethogo despite there being poor service delivery and no delivery in some instances. We noted that there were various instances of short</p>	<p>The Department should terminate the contract with Dephethogo with immediate effect. Such contract termination is permitted in terms of the Regulations issued in Terms of The Public Finance Management</p>	<p><b>Paragraph 9.5 and 9.6</b></p>

		<p>posting of security guards at the plantations for the months October 2021 to November 2022 based on the posting sheets. A total of R1,581,257.08 was approved and paid without any posting sheets.</p> <p>A total of R49,930,307.49 was paid to 3 service providers under Bid E1589. Such expenditure equates to Irregular Expenditure.</p>	<p>Act, 1999: Framework For Supply Chain Management as Published in Gazette No. 25767 Dated 5 December 2003. Regulation 9(1)(c) states that the accounting officer or accounting authority of an institution to which these regulations apply must cancel a contract awarded to a supplier of goods or services:</p> <ul style="list-style-type: none"> <li>i. If the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract; or</li> <li>ii. if any official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of that contract that benefited that supplier</li> </ul> <p>Disciplinary action should be initiated against all BEC members for their negligent conduct during the evaluation of the bid. Disciplinary action should also be initiated against the SCM Technical Advisors that attended the BEC meetings.</p> <p>The Department should initiate civil recovery proceedings against Dephethogo for all amounts paid under this contract.</p> <p>The findings of this investigation should be reported to the South</p>	
--	--	--	---	--

			African Police Service to facilitate a criminal investigation.	
--	--	--	--	--

## 9. Detailed Findings

### 9.1. The tender and appointment process

- 9.1.1 We commenced our investigation by securing the bid document for Tender E1589<sup>6</sup> and the supporting master file. We were informed that all pertinent information relating to the bid and award was maintained in the bid master file.
- 9.1.2 We noted that the bid was in respect of ***“The appointment of service providers to render security guarding services at the identified regional offices of the Department of Environment, Forestry and Fisheries offices, nurseries and plantations for a period of three (3) years”***.
- 9.1.3 The sequence of events/approvals in so far as the initiation of the tender is concerned is reflected in the workflow document<sup>7</sup> titled **“SCM195543 OUTSOURCING OF A SPECIALIST SERVICE: APPOINTMENT OF SERVICE PROVIDERS TO CONDUCT SECURITY GUARDING SERVICES AT THE ALL OFFICES, NURSERIES AND PLANTATIONS IN THE REGIONS FOR A PERIOD OF THREE (3) YEARS”**. We confirmed the below through reviewing this document:
- (a) On 09 July 2020, Mr Tshepo Malepa, Assistant Director: Security, Vetting and Travel (“Mr Malepa”) initiated the process by requesting approval to appoint service providers to secure the Forestry offices, plantations and nurseries.
  - (b) On 10 July 2020, Mr Vinesh Naidoo, Director: Security, Vetting and Travel (“Mr Naidoo”) supported the above request with his comments being *“Request to urgently invite bids for security services in the regions to prevent loss of state assets”*.
  - (c) On 16 July 2020, Ms Nonhlanhla Ngcobo, Former Chief Director: Security, Vetting and Travel (“Ms Ngcobo”) supported the above request and recommended approval in order to ensure that assets of the Department are secured.
  - (d) On 16 July 2020, Ms Livuhani Nesane, Director: SCM (“Ms Nesane”) supported the above request

---

<sup>6</sup> Bid document for Tender E1589

<sup>7</sup> Workflow document

with her comments being as follows:

*“Dear CD, the request is to obtain DG approval for the appointment of service providers to provide physical security services at all offices, nurseries and plantations in the regions, and to request DDG approval to consider and approve the appointment of bid specification and evaluation committee members to develop terms of reference and evaluate proposals. The service to be outsourced is estimated to cost R180 000 000 over a 3 -year period. The project is not included in the procurement plan, to be included during the procurement reviews. Normal procurement process to be followed.*

*Regards, Livhu”*

- (e) On 17 July 2020, Mr Morris Sekwati Rakhoho, Chief Director SCM (“Mr Rakhoho”) supported the above request with his comments being as follows:

*“The request is supported. This is to obtain DG approval for the appointment of service providers to provide physical security services at all offices, nurseries and plantations in the country, and to request DDG approval to consider and approve the appointment of bid specification and evaluation committee members to develop terms of reference and evaluate proposals. The service to be outsourced is estimated to cost R180 000 000 over a 3 -year period.”*

- (f) On 24 July 2020, Ms Veronica Steyn, Chief Director Budget and Financial Management (“Ms Steyn”) supported the above request with her comments being as follows:

*“Funds available for appointment of service providers to provide physical security services at all offices, nurseries and plantations in the country. Veronica Steyn CD:B&FM”*

- (g) On 04 August 2020, Mr Rannoi Sedumo, Chief Financial Officer (“Mr Sedumo”) supported the above request.

- (h) On 04 August 2020, Ms Limpho Makotoko, Chief Director: Business Performance (“Ms Makotoko”) supported the above request.

- (i) On 09 August 2020, Mr Ishaam Abader, Acting Director-General (“Mr Abader”) approved the request with the following comment:



*“Approved subject to following all tender processes Ishaam”*

9.1.4 The BSC comprised the following persons:

NUMBER	BSC MEMBER	DEPARTMENT	SIGNED ATTENDANCE REGISTER
1	Ms. Nonhlanhla Ngcobo	Facilities	Yes
2	Mr. Vinesh Naidoo	Facilities	Yes
3	Mr. Tshepo Malepa	Facilities	Yes
4	Ms. Dimakatso Zamisa	Facilities	Yes
5	Mr. Zacheriah Mokganye	Forestry	Yes
6	Mr. Cyril Ndou	Forestry	Yes
7	Mr. Andrew Tshivhase	Forestry	Yes
8	Mr. Kim Weir	Forestry	Yes

9.1.5 The bid was initially advertised on Government Tender Bulletin number 3133 dated 20 November 2020<sup>8</sup> with the closing date of the bid being 11 December 2020 in line with Treasury Regulation 16A6.3(c) which states:

*“bids are advertised in at least the Government Tender Bulletin for a minimum period of 21 days before closure, except in urgent cases when bids may be advertised for such shorter period as the accounting officer or accounting authority may determine”*

9.1.6 The bid closing date and time was originally 08 January 2021 at 11h00, however, this was subsequently amended to 18 January 2021 at 11h00. This extension of the closing date<sup>9</sup> was published on the Departmental website.

<sup>8</sup> Advertisement of Bid E1589

<sup>9</sup> Extension of closing date for Bid E1589

9.1.7 Subsequent to the closing date of the bid of 18 January 2021, the bid validity period was further extended on two occasions as follows:

- (a) On the first occasion <sup>10</sup>, the validity period was extended from 18 April 2021 to 18 July 2021; and
- (b) On the second occasion <sup>11</sup>, the validity period was extended from 19 July 2021 to 19 November 2021.

9.1.8 According to the Terms of Reference (“ToR”) <sup>6</sup>, the evaluation of bids was to be carried out in the following five phases:

**(a) Phase 1: Pre-compliance**

*“During this phase bid documents will be reviewed to determine the compliance with SCM standard bidding documents (SBD) and any returnable, tax matters and whether Central Data Base (CSD) report has been submitted with the bid documents at the closing date and time of the bid.”*

**(b) Phase 2: Pre-qualification**

*“Only service providers who are EME’s/QSE’s and are at least 51% black owned are eligible. Any bid that fails to comply with the following pre-qualification criteria will be disqualified.*

*Service providers are required to submit the following:*

*An original or certified copy of the B-BBEE Status Level of contributor issued by SANAS, or*

*An original or certified copy of DTI B-BBEE Certificate in terms of Codes of good practice” indicating that service provider is an EME/ QSE, or*

*An original or certified copy of an EME/ QSE Sworn affidavit must be signed by the commissioner of oath, and must indicate a financial year and an annual turnover.*

*Failure to submit an original or certified copy of the B-BBEE Status Level of contributor issued by SANAS or an original or certified copy of DTI B-BBEE Certificate or an original or certified copy of an*

---

<sup>10</sup> Extension of bid validity period from 18 April 2021 to 18 July 2021

<sup>11</sup> Extension of bid validity period from 19 July 2021 to 19 November 2021

*EME/ QSE sworn affidavit will result on bid being non-responsive or disqualified.”*

**(c) Phase 3: Mandatory requirements**

No	Requirement Details
1	Company registration with Private Security Industry Regulatory Authority (PSIRA) The bidder must submit a valid PSIRA certificate and a valid letter of good standing i.e. the submission of a PSIRA certificate for businesses must be on the new certificate template or format in line with the industry circular issued by PSIRA on 10 March 2015. Failure to submit PSIRA certificates in-line with the PSIRA certificate standard/template/format for security businesses/bidders will result in disqualification of your bid response.
2	Directors of the company also need to provide their PSIRA certification.
3	Valid Company Firearm license certificate in terms of the Firearms Control act 60 of 2000.
4	The bidder must be registered with and provide certification in terms of Compensation of Occupational Injuries and Disease (COIDA), Unemployment Insurance Fund (UIF) and Private Security Sector Provident Fund (PSSPF) The bidder must submit letters of good standing with COIDA, UIF and PSSPF – if the bidder is exempted by PSSPF, the bidder must provide an exemption letter from Trustees of PSSPF and proof of registration with another Fund indicating valid membership.
5	The bidder must have a fully operational control room/ Operational Centre with a Base Station for effective communication between the control room and the selected area/location/district site on a 24-hours basis. The control room must be manned 24-hours by well-trained security administrative officers. The bidder must submit the GPS coordinates for the control room.

No	Requirement Details
6	The bidder must submit a valid ICASA certificate for the base station (communication system). Note: the certificate must be in the bidder's name. In case this service is outsourced, the bidder must attach the documentation confirming the JV or Subcontracting arrangement.
7	The bidders must submit proof of Public Liability Insurance.

(d) Phase 4: Functionality Evaluation

GUIDELINES FOR CATEGORY CRITERIA	FUNCTIONALITY (GUIDELINES FOR CRITERIA APPLICATION)	WEIGHT								
The company's experience, track record and knowledge in the field of security services	Bidder (s) are required to demonstrate relevant past experience and competency of the company in providing security services	<b>40</b>								
	Bidder (s) should submit full details of reliable contactable signed references for, projects of a similar scope which were successfully completed in the previous years in in providing security services									
	<table border="1"> <thead> <tr> <th>Company experience in providing security services</th> <th>Indicator</th> </tr> </thead> <tbody> <tr> <td>5 and more years' experience</td> <td>5</td> </tr> <tr> <td>4 and less than 5 years' experience</td> <td>4</td> </tr> <tr> <td>3 and less than 4 years' experience</td> <td>3</td> </tr> </tbody> </table>		Company experience in providing security services	Indicator	5 and more years' experience	5	4 and less than 5 years' experience	4	3 and less than 4 years' experience	3
	Company experience in providing security services		Indicator							
	5 and more years' experience		5							
4 and less than 5 years' experience	4									
3 and less than 4 years' experience	3									

GUIDELINES FOR CATEGORY CRITERIA	FUNCTIONALITY (GUIDELINES FOR CRITERIA APPLICATION)		WEIGHT				
	2 and less than 3 years' experience	2					
	1 and less than 2 years' experience	1					
	Less than 1 year experience	0					
Proposed Plan, Deployment Plan	<p><b>The bidder must provide a site take-over plan.</b></p> <p><b>The plan must include, but not limited to, the following:</b></p> <ul style="list-style-type: none"> <li>• Recruitment strategy that involves community participation goals.</li> <li>• Readiness (logistics, tools, uniform, etc.) to take over the site.</li> <li>• Site orientation.</li> <li>• Time frame required to take over a site.</li> </ul> <table border="1" data-bbox="743 1473 1249 1917"> <thead> <tr> <th data-bbox="743 1473 1082 1671">Project plan, methodology and deployment plan</th> <th data-bbox="1086 1473 1249 1671">Indicator</th> </tr> </thead> <tbody> <tr> <td data-bbox="743 1677 1082 1917">Project plan/methodology action well broken down; with detailed objectives and milestones.</td> <td data-bbox="1086 1677 1249 1917">5</td> </tr> </tbody> </table>		Project plan, methodology and deployment plan	Indicator	Project plan/methodology action well broken down; with detailed objectives and milestones.	5	40
Project plan, methodology and deployment plan	Indicator						
Project plan/methodology action well broken down; with detailed objectives and milestones.	5						

GUIDELINES FOR CATEGORY CRITERIA	FUNCTIONALITY (GUIDELINES FOR CRITERIA APPLICATION)		WEIGHT
	Project plan and methodology, action identification basic; clear objectives and clear milestones.	4	
	Action plan provided with no deliverables and timeframes.	3	
	Limited information provided on the action plan	2	
	Task not well understood.	1	
	No information provided.	0	
Technical Capability/ expertise and track record of key personnel to be assigned to the project in security operations	<p>The team leader or supervisor to demonstrate that they have the necessary experience in managing a team of security officers.</p> <p>The team leader should submit curriculum vitae to demonstrate the projects where this experience was obtained. The team leader or supervisor is required to have a grade A PSIRA certificate and PSIRA certificate and a copy of this certificate must be attached.</p>		<b>20</b>

GUIDELINES FOR CATEGORY CRITERIA	FUNCTIONALITY (GUIDELINES FOR CRITERIA APPLICATION)		WEIGHT
	Project plan, methodology and deployment plan	Indicator	
	5 and more years' experience	5	
	4 and less than 5 years' experience	4	
	3 and less than 4 years' experience	3	
	2 and less than 3 years' experience	2	
	1 and less than 2 years' experience	1	
	Less than 1 year experience	0	

**(e) Phase 5: Price and B-BBEE**

*“PHASE 5: Preference Point System 80/20*

*The fifth phase is to perform an evaluation of Price and BBBEE on the bidders, that successful qualified on phase 4 (Functionality requirements) per area/location or district.*

*Calculation of points for price - The PPPFA prescribes that the lowest acceptable bid will score 80 points for price. Bidders that quoted higher prices will score lower points for price on a pro-rata basis. Where functionality is set as criteria, only bid proposals that meets functionality requirements will be considered to be evaluated on price and B-BBEE.”*

9.1.9 Per the Submission of Bids Register <sup>12</sup>, a total of 159 bids were received as at the closing date.

9.1.10 The BEC comprised the following persons:

NUMBER	NAME	POSITION	DATE OF APPOINTMENT
1	Mr. Vinesh Naidoo	BEC Chairperson	02 February 2021
2	Mr. Tshepo Malepa	BEC Member	02 February 2021
3	Mr. Cyril Ndou	BEC Member	02 February 2021
4	Ms. Dimakatso Zamisa	BEC Member	02 February 2021
5	Mr. Kim Weir	BEC Member	02 February 2021
6	Mr. Thembelani Ngamile	BEC Member	02 February 2021
7	Ms. Emily Babedi	SCM Technical Advisor	02 February 2021
8	Ms. Georgina Serumula	SCM Technical Advisor	02 February 2021

9.1.11 The following additional documents are maintained in the Tender Masterfile:

- (a) Declarations of confidentiality and impartiality of BSC members;
- (b) Attendance register of the BSC meeting dated 20 August 2020;
- (c) Minutes of the BSC meeting held on 20 August 2020; and
- (d) Appointment letters of the BSC members.
- (e) Appointment letters of BEC members <sup>13</sup>.

<sup>12</sup> Submission of bids register

<sup>13</sup> Appointment letters of BEC members



- (f) Code of Conduct for the BEC Members <sup>14</sup>.
- (g) BEC Declaration of confidentiality and impartiality and attendance registers dated 02, 03, 04 and 05 February 2021 <sup>15</sup>.
- (h) Minutes of the BEC meeting dated 02 to 05 February 2021 <sup>1</sup>.
- (i) Scoresheets of the BEC Members <sup>3</sup>.
- (j) The BEC Evaluation Report <sup>16</sup>.

9.1.12 The BEC, according to their minutes <sup>1</sup>, evaluated all bids (a total of 159 bids) and found the following:

- (a) 3 bidders did not meet the pre-compliance requirements of the bid.
- (b) 45 bidders did not meet the pre-qualification requirements of the bid.
- (c) 101 bidders did not meet the mandatory requirements of the bid.
- (d) The following 10 bidders passed the functionality phase and proceeded to the price evaluation:

No	Name of Bidder
1	Phuthadichaba Trading Enterprise CC
2	Dephethogo
3	Quick Save Security Services CC
4	Mabele-A-Pudi Trading and Projects CC
5	Popo Protection Services (Pty) Ltd
6	Dikgaetsedi Trading and Projects CC

<sup>14</sup> Code of Conduct for the BEC Members

<sup>15</sup> BEC Declaration of confidentiality and impartiality and attendance registers dated 02, 03, 04 and 05 February 2021

<sup>16</sup> The BEC Evaluation Report

No	Name of Bidder
7	Kalako Developers Civil and Security Services (Pty) Ltd
8	Hwibidu
9	Mjayeli Security Services (Pty) Ltd
10	Mposha Construction Projects CC

- (e) Following the evaluation of Price and B-BBEE, the BEC recommended the following 6 bidders to the BAC:

No	Name of Bidder
1	Phuthadichaba Trading Enterprise CC
2	Dephethogo
3	Quick Save Security Services CC
4	Mabele-A-Pudi Trading and Projects CC
5	Popo Protection Services (Pty) Ltd
6	Dikgaetsedi Trading and Projects CC

- (f) The above recommendation to the BAC reflected the following site allocations and prices:

No	Region	Name of Bidder	Rands
1	Ekurhuleni	Phuthadichaba Trading Enterprise CC	2 017 718.42
2	Great Kei	Popo Protection Services (Pty) Ltd	5 399 998.65
3	Matiwane	Dephethogo	8 639 997.84

No	Region	Name of Bidder	Rands
4	East Griqualand	Dephethogo	17 279 990.85
5	Matiwane	Dephethogo	6 479 998.38
6	Amatole	Dephethogo	16 199 992.20
7	Ehlanzeni	Dephethogo	25 919 983.58
8	Mopane	Quick Save Security Services CC	15 469 073.43
9	Vhembe	Dephethogo	12 959 994.27
10	Waterberg	Dephethogo	4 319 998.92
11	Capricon	Dephethogo	1 079 999.31
12	Sekhukhune	Dephethogo	2 159 999.46
13	Overberg	Dephethogo	3 779 998.83
14	Cape Winelands	Dephethogo	2 699 998.64
15	Hermanus	Dephethogo	1 079 999.31
16	Garden Route	Dephethogo	2 699 998.70
17	Cape Town	Dephethogo	12 959 995.93
18	Ngaka Modiri Molema	Mabele-A-Pudi Trading and Projects CC	3 335 672.02
19	Bojanala	Popo Protection Services (Pty) Ltd	636 234.18
20	Siyanda	Dephethogo	2 159 999.46
21	Sol Plaatjie	Dikgaetsedi Trading and Projects CC	2 427 019.44

No	Region	Name of Bidder	Rands
22	Umsunduzi	Dephethogo	9 899 996.31
23	Dlinza	Dephethogo	4 319 998.92
24	Maputa	Dephethogo	4 319 998.92
25	Joe Gqabi	Dephethogo	4 859 974.56

**173 105 630.53**

---

9.1.13 The BAC comprised the following persons <sup>2</sup>:

NUMBER	NAME	POSITION	DATE OF MEETING
1	Mr. Rannoi Sedumo	Chairperson	02, 23 June 2021 and 08 July 2021
2	Ms. Hanlie Schoeman	Attendee/ Member	02, 23 June 2021 and 08 July 2021
3	Dr Thulie Khumalo	Attendee/ Member	02 June 2021
4	Ms Mamogala Musekene	Attendee/ Member	08 July 2021
5	Ms Morongoa Leseke	Attendee/ Member	23 June 2021
6	Ms. Limpho Maphike	Attendee/ Member	23 June 2021 and 08 July 2021
7	Ms. Nonhlanhla Mkhize	Attendee/ Member	02 June 2021
8	Ms. Mamogala Musekene	Attendee/ Member	02 June 2021
9	Ms. Venessa Bendeman	Attendee/ Member	23 June 2021 and 08 July 2021
10	Ms. Judy Beaumont	Attendee/ Member	02, 23 June 2021 and 08 July 2021

NUMBER	NAME	POSITION	DATE OF MEETING
11	Mr. Jacques Steyn	Secretariat	02 June 2021
12	Ms. Maria Lekota	Secretariat	23 June 2021 and 08 July 2021
13	Mr. Mpho Lehutso	Secretariat	02, 23 June 2021 and 08 July 2021

9.1.14 The BAC approved the above recommendation of the BEC and recommended the above appointments to the Accounting Officer<sup>2</sup>.

9.1.15 The following enterprises were subsequently appointed:

No	Name of Bidder	Total Sites Number	Sites %	Total Contract Value	Contract %
1	Phuthadichaba Trading Enterprise CC	1	1%	2 017 718.42	1%
2	Dephethogo	65	87%	143 819 913.81	88%
3	Popo Protection Services (Pty) Ltd	9	12%	17 136 234.18	11%

## 9.2. Determining whether the process of appointing Dephethogo was fair and transparent

9.2.1 In addressing this objective of the investigation, we undertook a detailed examination of the bid submission of Dephethogo.

9.2.2 The contents of the above bid submission was matched against the ToR<sup>6</sup> in terms of the various criteria.

9.2.3 We found that Dephethogo was compliant with **Phase 1: Pre-Compliance phase** as the required SBD forms were completed and signed. In addition, their tax certificate and CSD report was furnished in their bid.

9.2.4 We found that Dephethogo was compliant with **Phase 2: Pre-Qualification phase** as Dephethogo is an Exempt Micro Enterprise (“EME”). A sworn affidavit in this regard was furnished in their bid.

9.2.5 We found that Dephethogo was not compliant with Phase 3: Mandatory Requirements and should have been disqualified at this stage of the evaluation process.

- 9.2.6 Dephethogo and/or its directors committed an act of fraud by submitting a fictitious UIF Certificate of Compliance <sup>17</sup>. It must be noted that the submission of a UIF Certificate of Compliance was a mandatory requirement of the bid, and the failure by any bidder to submit a valid and authentic certificate should have resulted in immediate disqualification from the bidding process.
- 9.2.7 We secured confirmation of the above fraudulent certificate directly from the UIF as follows <sup>18</sup>:

**From:** Siphamandla Gumede (UIF-HQ) <Siphamandla.Gumede@LABOUR.gov.za>  
**Sent:** Monday, 29 May 2023 10:57  
**To:** 'vinay@morar.co.za' <vinay@morar.co.za>  
**Cc:** 'Hiren Harripersadh' <hiren.harripersadh@morar.co.za>; Malesela Makgamatho (UIF-HQ) <Malesela.Makgamatho@labour.gov.za>; Mmathapelo Lechaba (UIF-HQ) <Mmathapelo.Lechaba@labour.gov.za>  
**Subject:** RE: FORENSIC INVESTIGATION - UIF CERTIFICATE OF COMPLIANCE

Good day

Please note that the attached document is not valid and was not issued by the Unemployment Insurance Fund.

You may communicate with us for any further information if needs be.

Thank you very much.

Humble Regards

**Siphamandla Gumede**

Deputy Director : Compliance

Business Operations

UNEMPLOYMENT INSURANCE FUND

<sup>17</sup> Fictitious UIF Certificate submitted by Dephethogo Trading CC

<sup>18</sup> Confirmation received from the office of the UIF

Absa Towers, 230 Lilian Ngoyi street, Pretoria 0052  
 Tel: 012 337 1448 Cell: 082 600 9568  
 E-mail: <mailto:siphamandla.gumede@labour.gov.za> | [www.labour.gov.za](http://www.labour.gov.za)

9.2.8 It may be argued that the verification of certificates such as the one above is not the responsibility of the BEC. We found that in the instance of the above certificate <sup>17</sup>, no verification was necessary in order to confirm the validity of the certificate. Any person reading the certificate could determine whether the certificate was valid or fraudulent. This is evidenced by the following inclusion on the certificate:

<p>Copies of this certificate are not valid and the following will also automatically render it invalid:</p> <ul style="list-style-type: none"> <li>• If any changes have been made to the contents;</li> <li>• <b>If it does not bear an official stamp of the Department of Labour and/or the UIF; and</b></li> <li>• If the period for which the certificate is valid has expired.</li> </ul>	<p>Afskrifte van hierdie sertifikaat is nie geldig nie en die volgende sal dit ook outomaties ongeldig maak:</p> <ul style="list-style-type: none"> <li>• Indien enige veranderinge aan die inhoud aangebring is;</li> <li>• Indien dit nie 'n amptelike stempel van die Departement van Arbeid en/of die WVF bevat nie; en</li> <li>• Indien die tydperk waarvoor die sertifikaat geldig is verval het.</li> </ul>
--	---

9.2.9 The UIF Certificate of Compliance submitted by Dephethogo <sup>17</sup> did not bear an official stamp of the Department of Labour and/or the UIF. This feature of the certificate is what prompted investigators to secure direct confirmation from the UIF in terms of the validity of the certificate.

9.2.10 All BEC members had the same and equal opportunity to identify the above as the certificate was in their possession at the time of the evaluation. None of the BEC members flagged the above fraud. They instead recorded Dephethogo as a bidder that was compliant with this Mandatory Requirements of the bid.

9.2.11 We requested feedback from all 8 BEC members on the above finding and received responses from the following 4:

(a) **Mr Ndou** <sup>19</sup>

**QUESTION:** The attached document marked UIF1 was submitted by DEPHETHOGO as part of

<sup>19</sup> Feedback received from Mr Ndou

their bid submission. We noted that the below is specified on the UIF Certificate of Compliance. Kindly confirm if this is correct.

**RESPONSE FROM MR NDOU:** *"I cannot confirm the authenticity of document and that it is the same that I used to arrive at determination when doing an evaluation as bid member. This is due to the following:*

- i. Cannot confirm the chain of custody of the document from the day I did the evaluation to where it was kept alterations made, informally or clandestinely for ulterior motives.*
- ii. It looks different from the one I used as presented by SCM practitioners then, particularly the glaring caution letters that puts a disclaimer on the part of Department of Labour, saying that absence of the Departmental stamps to the document renders it invalid. These texts do not only appear surprising but begs the question how a cross functional team of Bid committee members could have made a serious omission of not observing it under the guidance of trained and dedicated discerning SCM technicians/practitioners, duly appointed in terms of the SCM policy of the Department.*
- iii. If the document was indeed legitimately presented to the Bid Evaluation Committee, the SCM practitioners would have picked that up because they assist in verification of tax documents PSRA, CSD registration etc. See minutes herein where SCM technical confirms they did pre-screen documents for administrative purposes.*
- iv. If the document was unauthentic, DFFE has an Independent private and paid Quality Assurance Section that checks the authenticity of the documents after bid evaluation. As appointed independent Quality Assurance, they would have picked it up before it gets submitted to Bid Adjudication Committee.*
- v. It remains a mystery why all these questions of suspicious unauthentic document questions where also directed to the receiver of the bids who signed for them from the tender box, SCM practitioners, their immediate supervisors who also handled the documents and verified as correct the minutes attached in your email.*
- vi. Quality Assurance Officers, considering that they are seized with the responsibility to*



*scrutinize every documents that goes through them in the value chain would have equally picked the unstamped and supposedly faked document.”*

**QUESTION:** We found that the UIF Compliance Certificate furnished by DEPHETHOGO does not contain an official stamp of the Department of Labour and/or the UIF. The certificate is therefore invalid based on the above paragraph. Kindly confirm if this is correct.

**RESPONSE FROM MR NDOU:**

- i. “I cannot confirm that this is the certificate presented by SCM practitioners to the bid committee. If they did it could be that they scammed the Bid Evaluation committee into believing that the certificate was authentic. For that I recommend that they be held accountable if established that indeed they committed the act.*
- ii. Given the cross functional nature of the Bid Committee it is very unlikely that they could have failed to detect the bogus certificate with bold black letters cautioning invalidity in the absence of official stamp. It is highly or 100% unlikely that a cross functional Bid Evaluation members, with diverse background could have failed to notice a bogus invalid certificate.*
- iii. I used the word cross functional because we had officials from SCM who are experts in dealing and verifying authenticity of documents attached, two officials from Security and Vetting who may possibly have worked with UIF documents and three (3) line functions or end users from Forestry. I can attest here that I don’t work with UIF documents but could have noticed the bold letters of disclaimer.”*

**QUESTION:** In your evaluation sheet, you indicated that DEPHETHOGO was compliant in respect of their UIF Certificate of Compliance despite their certificate not having an official stamp of the Department of Labour and/or the UIF. Kindly confirm if this is correct.

**RESPONSE FROM MR NDOU:** *“I cannot confirm that because we were presented with a document that look valid at the face of it and where not in a position to call labour to check its authenticity as this was not our call nor responsibility.”*

**QUESTION:** What was the reason for you allowing an invalid certificate to pass as a valid certificate?

**RESPONSE FROM MR NDOU:** *“I had no reason and interest that could have triggered me to favour any bidder. I never worked on the invalid certificate like the one presented here.*

*What compounds the problem is that it is not a requirement to mark every document attached in the bid that one assesses, either with signature or discernible mark that can enable one to identify and ascertain that is or could be the same document one worked on, a day later, many months or years later.”*

**QUESTION:** Please note that we have confirmed directly with the UIF that this certificate is not valid and was not issued by the UIF. We are of the view that you could have prevented the acceptance of this certificate based on the above paragraph on the face of the certificate. Kindly provide your comment/s on this.

**RESPONSE FROM MR NDOU:** *“If you indeed presented this document I can believe you that it doesn’t look authentic and same as the one I saw. Your view that I could have prevented the occurrence would be correct only to the extent that the document presented to me looked similar to the one attached on the day of the valuation. Unfortunately, this one looks unauthentic and not similar to the one presented to me for valuation purposes. It also boggles the mind that a cross functional team in the Bid Evaluation committee could have jointly and severally at that moment and day failed to realized that the document was not authentic or bogus.”*

**QUESTION:** Based on the above findings, DEPHETHOGO should have been disqualified as the submission of the UIF Certificate of Compliance was a mandatory requirement. Kindly confirm if this is correct.

**RESPONSE FROM MR NDOU:** *“It could be correct only to the extent that if this was the document presented on the day of the evaluation. Unfortunately two years later I am presented with a document whose chain of custody is unknown to me and as a bid committee member cannot 100% agree that we are working on the correct/ same document presented to me two years later with no clear knowledge of where, who, how it was stored all the time before and after approval by various delegated authorities in the Department value chain.*

*For your information, I can also hasten to say that I have seen bid documents lying scattered on the floors in some SCM offices, falling from boxes with their memory sticks/USB detached and lying on the ground. That alone begs the question of how credible the chain of custody of these documents especially when you are asked about their authenticity two years down the line.”*

(b) **Mr Weir**<sup>20</sup>

**QUESTION:** The attached document marked UIF1 was submitted by DEPHETHOGO as part of their bid submission. We noted that the below is specified on the UIF Certificate of Compliance. Kindly confirm if this is correct.

**RESPONSE FROM MR WEIR:** *“The bid documents are kept by SCM and the BEC only saw these documents when we had to evaluate the bids in February 2021. The documents have since the evaluation remained with SCM for the past 2 years. I cannot confirm or deny that this is the same document that was presented to the BEC in February 2021.”*

**QUESTION:** We found that the UIF Compliance Certificate furnished by DEPHETHOGO does not contain an official stamp of the Department of Labour and/or the UIF. The certificate is therefore invalid based on the above paragraph. Kindly confirm if this is correct.

**RESPONSE FROM MR WEIR:** *“The attached UIF document does not have the official stamp of the Department of Labour but only the letter head. I cannot confirm or deny that this is the same document that was presented to the BEC in February 2021. If this was the original document, then surely either SCM or a member of the BEC or Quality assurance would have noticed that there was no official stamp on the document. It also has a commission of oaths stamp on it, so that highlights another problem.”*

**QUESTION:** In your evaluation sheet, you indicated that DEPHETHOGO was compliant in respect of their UIF Certificate of Compliance despite their certificate not having an official stamp of the Department of Labour and/or the UIF. Kindly confirm if this is correct.

---

<sup>20</sup> Feedback received from Mr Weir

**RESPONSE FROM MR WEIR:** *“On my scoresheet I said that they comply with COIDA, UIF, PSSPF. These were all grouped together and was as per the documents that were presented on that day.”*

**QUESTION:** What was the reason for you allowing an invalid certificate to pass as a valid certificate?

**RESPONSE FROM MR WEIR:** *“There would be no reason whatsoever to pass an invalid certificate as a valid certificate. My evaluation on that day was as per the documents that were presented. Before the BEC in February 2021 I had never heard of this company.”*

**QUESTION:** Please note that we have confirmed directly with the UIF that this certificate is not valid and was not issued by the UIF. We are of the view that you could have prevented the acceptance of this certificate based on the above paragraph on the face of the certificate. Kindly provide your comment/s on this.

**RESPONSE FROM MR WEIR:** *“If indeed that this was the document presented on the day that the evaluation took place, then it should not have been accepted. You mention that you have confirmed with UIF that this is not a valid certificate; surely then this company committed fraud and should be charged. I still cannot confirm or deny that this was the document presented to the BEC in February 2021.”*

**QUESTION:** Based on the above findings, DEPHETHOGO should have been disqualified as the submission of the UIF Certificate of Compliance was a mandatory requirement. Kindly confirm if this is correct.

**RESPONSE FROM MR WEIR:** *“It would be correct **but only** if this was the document that was presented on the day of evaluation”*

(c) **Mr Ngamile** <sup>21</sup>

**QUESTION:** The attached document marked UIF1 was submitted by DEPHETHOGO as part of their bid submission. We noted that the below is specified on the UIF Certificate of

<sup>21</sup> Feedback received from Mr Ngamile

Compliance. Kindly confirm if this is correct.

**RESPONSE FROM MR NGAMILE:** *“I cannot confirm now whether this is the same document that was referred to as the UIF certificate in 2021 the documents were further handled by other committees as per tender process”.*

**QUESTION:** We found that the UIF Compliance Certificate furnished by DEPHETHOGO does not contain an official stamp of the Department of Labour and/or the UIF. The certificate is therefore invalid based on the above paragraph. Kindly confirm if this is correct.

**RESPONSE FROM MR NGAMILE:** *“I cannot confirm now whether this is the same document that was referred to as the UIF certificate in 2021 the document were further handled by other committees as per tender process”.*

**QUESTION:** In your evaluation sheet, you indicated that DEPHETHOGO was compliant in respect of their UIF Certificate of Compliance despite their certificate not having an official stamp of the Department of Labour and/or the UIF. Kindly confirm if this is correct.

**RESPONSE FROM MR NGAMILE:** *“Supply Chain Management officials always confirmed if documents were correct and I gave a mark as they confirmed that the document were correct – the Chairperson and the quality assurance could have noticed as well”*

**QUESTION:** What was the reason for you allowing an invalid certificate to pass as a valid certificate?

**RESPONSE FROM MR NGAMILE:** *“I cannot confirm now whether this is the same document that was referred to as the UIF certificate in 2021 the document were further handled by other committees as per tender process. The Supply Chain Management officials, the Chairperson and the quality assurance could have noticed if documents were incorrect”.*

**QUESTION:** Please note that we have confirmed directly with the UIF that this certificate is not valid and was not issued by the UIF. We are of the view that you could have prevented the acceptance of this certificate based on the above paragraph on the face of the certificate. Kindly provide your comment/s on this.

**RESPONSE FROM MR NGAMILE:** *"I cannot confirm now whether this is the same document that was referred to as the UIF certificate in 2021 the documents were further handled by other committees as per tender process. The Supply Chain Management officials, the Chairperson and the quality assurance could have noticed if documents were incorrect".*

**QUESTION:** Based on the above findings, DEPHETHOGO should have been disqualified as the submission of the UIF Certificate of Compliance was a mandatory requirement. Kindly confirm if this is correct.

**RESPONSE FROM MR NGAMILE:** *"The Chairperson of the BEC and Supply Chain Management officials as well quality assurance could not have noticed DEPHETHOGO does not qualify".*

(d) **Ms Zamisa** <sup>22</sup>

**QUESTION:** The attached document marked UIF1 was submitted by DEPHETHOGO as part of their bid submission. We noted that the below is specified on the UIF Certificate of Compliance. Kindly confirm if this is correct.

**RESPONSE FROM MS ZAMISA:** *"I am not certain if this is the actual document that I looked at in 2021 but as per the requirements, the UIF was provided for this bid and other document mentioned on the mandatory requirements."*

**QUESTION:** We found that the UIF Compliance Certificate furnished by DEPHETHOGO does not contain an official stamp of the Department of Labour and/or the UIF. The certificate is therefore invalid based on the above paragraph. Kindly confirm if this is correct.

**RESPONSE FROM MS ZAMISA:** *"I am not sure of your findings in relation to this bis and cannot comment on this document because I do not know where and how it was obtained."*

**QUESTION:** In your evaluation sheet, you indicated that DEPHETHOGO was compliant in respect

---

<sup>22</sup> Feedback received from Ms Zamisa

of their UIF Certificate of Compliance despite their certificate not having an official stamp of the Department of Labour and/or the UIF. Kindly confirm if this is correct.

**RESPONSE FROM MS ZAMISA:** *“Yes, on the evaluation sheet I indeed confirmed that the UIF certificate that was attached was compliant because the document that I evaluated at the time was indeed compliant as expected.”*

**QUESTION:** What was the reason for you allowing an invalid certificate to pass as a valid certificate?

**RESPONSE FROM MS ZAMISA:** *“I did not allow any invalid document to pass as a valid certificate.”*

**QUESTION:** Please note that we have confirmed directly with the UIF that this certificate is not valid and was not issued by the UIF. We are of the view that you could have prevented the acceptance of this certificate based on the above paragraph on the face of the certificate. Kindly provide your comment/s on this.

**RESPONSE FROM MS ZAMISA:** *“As indicated on the above other question. The document that I evaluated was valid. What I am not hearing is whether the UIF also confirmed that at the time of the evaluation of this Bid, Dephethogo did not have the valid certificate.”*

**QUESTION:** Based on the above findings, DEPHETHOGO should have been disqualified as the submission of the UIF Certificate of Compliance was a mandatory requirement. Kindly confirm if this is correct.

**RESPONSE FROM MS ZAMISA:** *“The Chairperson of the BEC and Supply Chain Management officials as well quality assurance could not have noticed DEPHETHOGO does not qualify”.*

(e) **Mr Malepa** <sup>23</sup>

**QUESTION:** The attached document marked UIF1 was submitted by DEPHETHOGO as part of their bid submission. We noted that the below is specified on the UIF Certificate of

---

<sup>23</sup> E-mail from Mr Malepa

Compliance. Kindly confirm if this is correct.

**RESPONSE FROM MR MALEPA:** *“I can’t confirm if this is correct because when the documents were submitted they were received by SCM and I am not even sure how many people laid their hands on these documents and the longest time that the documents were received I don’t even know where these documents were kept. Unfortunately I cannot confirm or deny.”*

**QUESTION:** We found that the UIF Compliance Certificate furnished by DEPHETHOGO does not contain an official stamp of the Department of Labour and/or the UIF. The certificate is therefore invalid based on the above paragraph. Kindly confirm if this is correct.

**RESPONSE FROM MR MALEPA:** *“I can’t confirm that this is the same document that was presented to me during the BEC process. If according to you this is the original document which you have detected that is invalid its questionable to me that the document wasn’t detected by either the SCM experts or the Quality Assurance experts or the BEC members as well as the BAC members whom the documents were also presented to them before approval.”*

**QUESTION:** In your evaluation sheet, you indicated that DEPHETHOGO was compliant in respect of their UIF Certificate of Compliance despite their certificate not having an official stamp of the Department of Labour and/or the UIF. Kindly confirm if this is correct.

**RESPONSE FROM MR MALEPA:** *“Unfortunately I can’t confirm that because by then the document presented to me looked genuine and again its highly questionable that all the teams either SCM, Quality Assurance, BEC and even BAC couldn’t detect that the document doesn’t have an original stamp. The BEC wasn’t in a position to call the Department of Labour to verify the genuineness of the documents.”*

**QUESTION:** What was the reason for you allowing an invalid certificate to pass as a valid certificate?

**RESPONSE FROM MR MALEPA:** *“The documents presented to me during the BEC process looked genuine and I had no reason to allow an invalid certificate to pass through the process.”*

**QUESTION:** Please note that we have confirmed directly with the UIF that this certificate is not valid and was not issued by the UIF. We are of the view that you could have prevented the acceptance



of this certificate based on the above paragraph on the face of the certificate. Kindly provide your comment/s on this.

**RESPONSE FROM MR MALEPA:** *“Your view that I could have prevented the acceptance of the certificate would be correct if the attached document on this email was the one presented to me during the BEC process. What’s baffles me is that all the layers of teams including the BEC that the department has assembled failed to detected that the document was invalid.”*

**QUESTION:** Based on the above findings, DEPHETHOGO should have been disqualified as the submission of the UIF Certificate of Compliance was a mandatory requirement. Kindly confirm if this is correct.

**RESPONSE FROM MR MALEPA:** *“The Chairperson of the BEC and Supply Chain Management officials as well quality assurance could not have noticed DEPHETHOGO does not qualify”.*

9.2.12 We noted the response above from Mr Ndou, where he states the following, amongst others:

*“I cannot confirm the authenticity of document and that it is the same that I used to arrive at determination when doing an evaluation as bid member. This is due to the following:*

*Cannot confirm the chain of custody of the document from the day I did the evaluation to where it was kept alterations made, informally or clandestinely for ulterior motives.*

*It looks different from the one I used as presented by SCM practitioners then, particularly the glaring caution letters that puts a disclaimer on the part of Department of Labour, saying that absence of the Departmental stamps to the document renders it invalid. These texts do not only appear surprising but begs the question how a cross functional team of Bid committee members could have made a serious omission of not observing it under the guidance of trained and dedicated discerning SCM technicians/practitioners, duly appointed in terms of the SCM policy of the Department.*

9.2.13 We found the above statements of Mr Ndou to be unfounded. Mr Ndou states that the document looks different to the one that he evaluated. It is surprising that Mr Ndou was able to remember how a document looked 2 years ago. Of significance is that we secured further confirmation from the UIF regarding any

compliance certificate/s that may have been issued to Dephethogo. The UIF confirmed that no compliance certificate was ever issued to Dephethogo since 2016 ANNEXURE 25. This serves as additional confirmation that Dephethogo was not in possession of a valid UIF certificate of compliance at the time of submitting their bid.

9.2.14 We also noted the above response from Ms Zamisa, where she stated the following, amongst others:

*“As indicated on the above other question. The document that I evaluated was valid. What I am not hearing is whether the UIF also confirmed that at the time of the evaluation of this Bid, Dephethogo did not have the valid certificate.”*

9.2.15 We found the above statement of Ms Zamisa to be unfounded. The UIF confirmed that no compliance certificate was ever issued to Dephethogo since 2016 ANNEXURE 25. This serves as additional confirmation that Dephethogo was not in possession of a valid UIF certificate of compliance at the time of submitting their bid.

9.2.16 We also noted the above response from Mr Malepa, where she stated the following, amongst others:

*“The documents presented to me during the BEC process looked genuine and I had no reason to allow an invalid certificate to pass through the process.”*

9.2.17 We found the above statement of Mr Malepa to be unfounded as the UIF Certificate did not have a stamp.

9.2.18 Mr Naidoo did not provide any response to our questions despite numerous requests <sup>24</sup>.

9.2.19 We further noted that the SCM Technical Advisors, namely, Ms. Emily Babedi and Ms. Georgina Serumula are no longer in the employ of the Department. We attempted contacting them, however, we were unsuccessful.

9.2.20 With regards to the other mandatory requirements of the bid, we found that Dephethogo was compliant as follows:

---

<sup>24</sup> E-mails sent to BEC members requesting feedback

REQUIREMENT NUMBER	COMPLIANCE
1	<p>(a) Dephethogo submitted a valid PSIRA certificate and letter of good standing.</p> <p>(b) We further confirmed on the PSIRA website <sup>25</sup> that Dephethogo is registered with PSIRA.</p>
2	<p>(a) Dephethogo submitted a valid PSIRA certificate of the member, Mr. Gaarekoe and a letter of good standing.</p> <p>(b) We further confirmed on the PSIRA website <sup>26</sup> that Mr. Gaarekoe is registered with PSIRA.</p>
3	<p>(a) Dephethogo submitted individual firearm licenses for 27 firearms <sup>27</sup>.</p>
4	<p>(a) Note: Requirement 4 was not complied with and is discussed above (Fraudulent UIF Certificate).</p>
5	<p>(b) Dephethogo submitted the GPS coordinates of their control room <sup>28</sup> which was quoted on their ICASA certificate.</p>
6	<p>(a) Dephethogo submitted a valid ICASA certificate <sup>29</sup>.</p>
7	<p>(a) Dephethogo submitted proof of Public Liability Insurance <sup>30</sup>. We did, however, note that the confirmation letter is dated 07 January 2020, which is more than a</p>

<sup>25</sup> Status of Dephethogo Trading CC's PSIRA Registration

<sup>26</sup> Status of Mr Gaarekoe's PSIRA Registration

<sup>27</sup> Proof of firearm licences submitted by Dephethogo Trading CC

<sup>28</sup> GPS Coordinates of their control room submitted by Dephethogo Trading CC

<sup>29</sup> ICASA Certificate submitted by Dephethogo Trading CC

<sup>30</sup> Proof of Public Liability Insurance submitted by Dephethogo Trading CC

REQUIREMENT NUMBER	COMPLIANCE
	year prior to the closing of the bid.

9.2.21 A further significant finding is that Section 5.4 of the bid document specifies the following <sup>6</sup>:

***“The service provider must have a fully operational control room within 100 km radius equipped with a base radio for the contract period. The Control Room must be operational for 24 hours seven days a week. The DEFF will from time to time inspect the Control Room and if not operational the Department may consider terminating the contract.”***

9.2.22 We noted that Dephethogo has one control room situated at Doornkruin, Klerksdorp. We further conducted an analysis of the sites allocated to Dephethogo and noted that they were not compliant with the above stipulation in the bid document. Our findings are as follows:

No	Region	Location of Dephethogo 's Control Room	Approximate Distance between Region and Dephethogo 's Control Room (Per Google Maps)
1	Matiwane	Klerksdorp	460 KMs
2	East Griqualand	Klerksdorp	766 Kms
3	Matiwane	Klerksdorp	460 Kms
4	Amatole	Klerksdorp	763 KMs
5	Ehlanzeni	Klerksdorp	515 KMs
6	Vhembe	Klerksdorp	663 KMs
7	Waterberg	Klerksdorp	436 KMs
8	Capricon	Klerksdorp	482 KMs
9	Sekhukhune	Klerksdorp	449 KMs
10	Overberg	Klerksdorp	1,262 KMs
11	Cape Winelands	Klerksdorp	1,137 KMs

No	Region	Location of Dephethogo 's Control Room	Approximate Distance between Region and Dephethogo 's Control Room (Per Google Maps)
12	Hermanus	Klerksdorp	1,276 KMs
13	Garden Route	Klerksdorp	1,071 KMs
14	Cape Town	Klerksdorp	1,267 KMs
15	Siyanda	Klerksdorp	703 KMs
16	Umsunduzi	Klerksdorp	561 KMs
17	Dlinza	Klerksdorp	679 KMs
18	Maputa	Klerksdorp	716 KMs
19	Joe Gqabi	Klerksdorp	551 KMs

9.2.23 It is evident from the above that none of the sites allocated to Dephethogo fell with the 100 KM radius as specified in Section 5.4 of the bid document. Dephethogo was therefore not eligible for allocation of these sites.

9.2.24 We proceeded to review the evaluation of Phase 4: Functionality and found that Dephethogo was afforded excessive scores by the BEC.

9.2.25 The first category of Phase 4: Functionality relates to the company's experience, track record and knowledge in the field of security services. The requirement was for bidders to demonstrate relevant past experience and competency of the company in providing security services. Bidders were required to submit full details of reliable contactable signed references for, projects of a similar scope which were successfully completed in the previous years in in providing security services. The scoring criteria was as follows:

Company experience in providing security services	Indicator
5 and more years' experience	5
4 and less than 5 years' experience	4

3 and less than 4 years' experience	3
2 and less than 3 years' experience	2
1 and less than 2 years' experience	1
Less than 1 year experience	0

9.2.26 We noted that the BEC allocated the following scores to Dephethogo in relation to the above <sup>3</sup>:

No	Name of BEC Member	Original Score	Final Score	Comments by BEC Member
1	Dimakatso Zamisa	5	5	<ul style="list-style-type: none"> <li>- Social Development 2019-2021.</li> <li>- Vesela TVET 2018 – 2020.</li> <li>- DR Ruth – 17.</li> <li>- Greater Taung – 7 months.</li> <li>- Maquavassi Hills – 2018 – 2021.</li> </ul>
2	Thembelani Ngamile	5	5	Five and more years of experience as demonstrated by the attached letters.
3	Tshepo Malepa	5	5	None.
4	Vinesh Naidoo	5	5	Fully compliant.
5	Cyril Ndou	4	5	Good experience.

No	Name of BEC Member	Original Score	Final Score	Comments by BEC Member
6	Kim Weir	2	5	- Since 2015  - Limited past experience

9.2.27 The above reflects that Mr Ndou originally allocated a score of 4. He subsequently changed his score to 5. It is also evident that Mr Weir originally allocated a score of 2 and he subsequently changed his score to 5. We found Mr Weir's scoring to be contradictory, as his comments were "Limited past experience", whilst on the other hand, he allocated the maximum points of 5 to Dephethogo.

9.2.28 We found that Dephethogo submitted 25 letters <sup>31</sup>, of which only 5 of these were reference letters. The remaining letters were appointment letters. It must be noted that the specific requirement of the bid was for "bidders to submit full details of reliable contactable signed references for, **projects of a similar scope which were successfully completed in the previous years in providing security services** (our bold).

9.2.29 It is evident that the Department required references for successfully completed projects and not appointment letters. The appointment letters submitted by Dephethogo do not provide details of successfully completed projects, but refer to projects newly to Dephethogo.

9.2.30 The below letters were submitted by Dephethogo in response to this evaluation criteria <sup>31</sup>:

No	Details	Start Date	Years experience proven by the letter	Type of Letter
1	Khabo Kedi Waste Management	01 November 2017	3 years and 3 months	Reference Letter
2	Vusela TVET College	01 February 2018	3 years	Reference Letter

<sup>31</sup> Letters submitted by Dephethogo Trading CC - References

No	Details	Start Date	Years experience proven by the letter	Type of Letter
3	Greater Taung Local Municipality	01 July 2019	1 year and 7 months	<b>Reference Letter</b>
4	Dr Kenneth Kaunda District Municipality	29 August 2019	1 year and 6 months	<b>Reference Letter</b>
5	Department of Social Development	01 September 2019	1 year and 5 months	<b>Reference Letter</b>
6	Maquassi Hills Local Municipality	01 October 2018	0	<b>Extension</b>
7	Eskom	No Date	0	<b>Completion certificate</b>
8	Dr Kenneth Kaunda District Municipality	28 July 2017	0	<b>Award</b>
9	Services SITA	11 September 2017	0	<b>Award</b>
10	North West Department of Economic Development, Environment, Conservation and Tourism	01 October 2020	0	<b>Award</b>
11	Vusela TVET College	09 September 2015	0	<b>Appointment</b>



No	Details	Start Date	Years experience proven by the letter	Type of Letter
12	Maquassi Hills Local Municipality	01 July 2016	0	<b>Appointment</b>
13	Midvaal Water Company	01 August 2017	0	<b>Appointment</b>
14	Vusela TVET College	01 February 2018	0	<b>Appointment</b>
15	Maquassi Hills Local Municipality	01 July 2018	0	<b>Appointment</b>
16	North West Housing Corporation	14 December 2018	0	<b>Appointment</b>
17	North West Housing Corporation	01 June 2019	0	<b>Appointment</b>
18	Department of Social Development	01 September 2019	0	<b>Appointment</b>
19	Greater Taung Local Municipality	08 July 2020	0	<b>Appointment</b>
20	Greater Taung Local Municipality	09 July 2020	0	<b>Appointment</b>
21	Greater Taung Local Municipality	09 July 2020	0	<b>Appointment</b>
22	Makole Property	24 September 2020	0	<b>Appointment</b>

No	Details	Start Date	Years experience proven by the letter	Type of Letter
	Developments			
23	Dr Ruth S Mompoti District Municipality	25 November 2020	0	<b>Appointment</b>
24	City of Motlosana	19 February 2016	0	<b>Acceptance</b>
25	North west Department of Agriculture and Rural Development	01 October 2019	0	<b>Acceptance</b>

9.2.31 It is evident from the above that Dephethogo was able to illustrate a maximum of 3 years and 3 months of experience with the reference letters submitted. According to the scoring criteria above, such experience allows a maximum of 3 points. It is therefore evident that all BEC members provided excessive scores to Dephethogo.

9.2.32 We requested feedback from all 8 BEC members on the above finding and received responses from the following 4:

(a) **Mr Ndou** <sup>19</sup>

**QUESTION:** We found that you allocated the maximum score to DEPHETHOGO for the company's experience, track record and knowledge in the field of security services (as per your scoresheet). We noted that the requirement was for the bidder to submit reference letters, however, DEPHETHOGO did not submit reference letters. They attached appointment letters. Why did you allocate the maximum points to DEPHETHOGO when they did not adhere to the specification?

**RESPONSE FROM MR NDOU:** "We get advised by SCM practitioners on which document and

*their contents to consider when doing evaluation.*

*Section 35 of DFFE Supply Chain Policy states that the evaluation process of the bid must be performed using criteria stipulated and issued in the terms of reference (ToRs) and bid documents.*

*Letters confirming work of similar nature were considered and presented as sufficient proof of expertise. This was according to the advice of supply chain practitioners to strictly adhere to the ToRs which simply says references should be used. The term reference cannot conveniently exclude letters showing that they did similar work. A person asked to provide reference can equally provide proof that the person or juristic person performed duties for them in a letter template.”*

**(b) Mr Weir <sup>20</sup>**

**QUESTION:** We found that you allocated the maximum score to DEPHETHOGO for the company’s experience, track record and knowledge in the field of security services (as per your scoresheet). We noted that the requirement was for the bidder to submit reference letters, however, DEPHETHOGO did not submit reference letters. They attached appointment letters. Why did you allocate the maximum points to DEPHETHOGO when they did not adhere to the specification?

**RESPONSE FROM MR WEIR:** “The specifications on the scoresheet are as follows: Bidders are required to demonstrate relevant past experience and competency of the company in providing security services and bidders should submit full details of reliable contactable signed references for, projects of a similar scope which were successfully completed in the previous years in providing security services. Letters are not mentioned, and I took the appointment letters as proof as there were contactable details on these. This also should prove as previous years’ experience.”

**(c) Mr Ngamile <sup>21</sup>**

**QUESTION:** We found that you allocated the maximum score to DEPHETHOGO for the company's experience, track record and knowledge in the field of security services (as per your scoresheet). We noted that the requirement was for the bidder to submit reference letters, however, DEPHETHOGO did not submit reference letters. They attached appointment letters. Why did you allocate the maximum points to DEPHETHOGO when they did not adhere to the specification?

**RESPONSE FROM MR NGAMILE:** *"I cannot recall the whole process now because of time as this was in 2021. The Chairperson was in charge of the process and Supply Chain Management guided the process"*

(d) **Ms Zamisa** <sup>22</sup>

**QUESTION:** We found that you allocated the maximum score to DEPHETHOGO for the company's experience, track record and knowledge in the field of security services (as per your scoresheet). We noted that the requirement was for the bidder to submit reference letters, however, DEPHETHOGO did not submit reference letters. They attached appointment letters. Why did you allocate the maximum points to DEPHETHOGO when they did not adhere to the specification?

**RESPONSE FROM MS ZAMISA:** *"I cannot recall the whole process now because of time as this was in 2021. The Chairperson was in charge of the process and Supply Chain Management guided the process"*

(e) **Mr Malepa** <sup>23</sup>

**QUESTION:** We found that you allocated the maximum score to DEPHETHOGO for the company's experience, track record and knowledge in the field of security services (as per your scoresheet). We noted that the requirement was for the bidder to submit reference letters, however, DEPHETHOGO did not submit reference letters. They attached appointment letters. Why did you allocate the maximum points to DEPHETHOGO when they did not adhere to the specification?

**RESPONSE FROM MR MALEPA:** *"As guided by the SCM practitioners appointment letters with*

*contactable references were used. The letters confirmed the work of similar type which presented sufficient expertise in the security field.”*

9.2.33 Mr Naidoo did not provide any response to our questions despite numerous requests <sup>24</sup>.

9.2.34 We further noted that the SCM Technical Advisors, namely, Ms. Emily Babedi and Ms. Georgina Serumula are no longer in the employ of the Department. We attempted contacting them, however, we were unsuccessful.

9.2.35 The second category of Phase 4: Functionality relates to the company’s proposed plan and development plan. The requirement was for bidders to provide a site take-over plan, inclusive of the following:

- Recruitment strategy that involves community participation goals.
- Readiness (logistics, tools, uniform, etc.) to take over the site.
- Site orientation.
- Time frame required to take over a site.

9.2.36 The scoring criteria was as follows <sup>6</sup>:

Project plan, methodology and deployment plan	Indicator
Project plan/methodology action well broken down, with detailed objectives and milestones.	5
Project plan and methodology, action identification basic, clear objectives and clear milestones.	4
Action plan provided with no deliverables and timeframes.	3
Limited information provided on the action	2

plan	
Task not well understood.	1
No information provided.	0

9.2.37 We noted that the BEC allocated the following scores to Dephethogo in relation to the above <sup>3</sup>:

No	Name of BEC Member	Original Score	Final Score	Comments by BEC Member
1	Dimakatso Zamisa	3	4	<p>“All sites –</p> <ul style="list-style-type: none"> <li>- Plan and timeframes provided.</li> <li>- Tools of trade listed.</li> <li>- Plan too brief.</li> <li>- Local empowerment intended.”</li> </ul>
2	Thembelani Ngamile	3	5	“Plan well developed and clear.”
3	Tshepo Malepa	5	5	None.
4	Vinesh Naidoo	4	4	“No clear action plan”.
5	Cyril Ndou	4	4	“Deployment acceptable.”
6	Kim Weir	3	4	- Site plan available.

No	Name of BEC Member	Original Score	Final Score	Comments by BEC Member
				- Time frame limited and not clear.

9.2.38 We noted the following with regards to the above scores:

- (a) Ms Zamisa originally allocated a score of 3. She subsequently changed her score to 4.
- (b) Mr Ngamile originally allocated a score of 3 and he subsequently changed his score to 5.
- (c) We found Mr Naidoo's scoring to be contradictory, as his comments were "No clear action plan", whilst on the other hand, he allocated 4 points to Dephethogo . We further noted that, in terms of the scoring criteria above, the score assigned for "Limited information provided on the action plan" is 2. This evidences that Mr Naidoo provided an excessive score in relation to his comments.
- (d) Mr Weir originally allocated a score of 3 and he subsequently changed his score to 4. We found Mr Weir's scoring to be contradictory, as his comments were "*Time frame limited and not clear*", whilst on the other hand, he allocated 4 points to Dephethogo . We noted that per the scoring criteria, a score of 4 was applicable to a project plan that had clear objectives and milestones.

9.2.39 The third category of Phase 4: Functionality relates to the technical capability/ expertise and track record of key personnel to be assigned to the project in security operations. The following requirements are specified:

- The team leader or supervisor to demonstrate that they have the necessary experience in managing a team of security officers.
- The team leader should submit curriculum vitae to demonstrate the projects where this experience was obtained. The team leader or supervisor is required to have a grade A PSIRA certificate and PSIRA certificate and a copy of this certificate must be attached.

9.2.40 The scoring criteria was as follows <sup>6</sup>:

Technical capability/ expertise and track record of key personnel	Indicator
5 and more years' experience	5
4 and less than 5 years' experience	4
3 and less than 4 years' experience	3
2 and less than 3 years' experience	2
1 and less than 2 years' experience	1
Less than 1 year experience	0

9.2.41 We noted that the BEC allocated the following scores to Dephethogo in relation to the above <sup>3</sup>:

No	Name of BEC Member	Original Score	Final Score	Comments by BEC Member
1	Dimakatso Zamisa	5	5	<ul style="list-style-type: none"> <li>- 2016 – 2018 3</li> <li>- 2015 – 2016 2</li> <li>- 2010 – 2013 3</li> <li>- Other key staff members CV provided</li> <li>- GP + all sites</li> </ul>
2	Thembelani Ngamile	5	5	More years' experience and management in security.
3	Tshepo Malepa	4	5	- Experience is included and the Bidder has the necessary experience.



No	Name of BEC Member	Original Score	Final Score	Comments by BEC Member
				- CV is attached with PSIRA Grade A as required.
4	Vinesh Naidoo	5	5	Fully compliant.
5	Cyril Ndou	3	5	Average technical capacity.
6	Kim Weir	5	5	Since 2008 team leader has security experience.

9.2.42 We noted the following with regards to the above scores:

- (a) Mr Malepa originally allocated a score of 4. He subsequently changed his score to 5.
- (b) Mr Ndou originally allocated a score of 3. He subsequently changed his score to 5.

9.2.43 We noted that Mr. Geelboy Maatuane (Mr. Maatuane) was the team leader of Dephethogo .

9.2.44 We reviewed the CV and PSIRA certificate of Mr. Maatuane <sup>32</sup> and noted the following regarding his experience at a supervisory position and PSIRA grade:

- (a) He worked at G4S Security Service in the position of Supervisor for the period January 2018 to February 2019 where the following was his responsibilities:
  - i. Vehicle inspection;
  - ii. Transporting staff;
  - iii. Host parade;

<sup>32</sup> CV and PSIRA Certificate of Mr Maatuane

- iv. Post and drop off security guards using Toyota Quantum;
- v. Visit sites using 4\*4 Toyota D6 Bakkie;
- vi. Patrol and responds to electric fence alarm;
- vii. Escort mine machinery;
- viii. Investigate mine incidents in mine area;
- ix. Do drug screening on mine workers; and
- x. Control mine traffic around mine area.

(b) He worked at Peace Force Security in the position of a Security Site Supervisor for the period 2016 to 2018 where the following was his responsibilities:

- i. Booking security officers on duty using telephone two way radio;
- ii. Checking security officers' hourly situation report; and
- iii. Printing out gate passes and weighbridge receipt.

9.2.45 We noted that in the above reference to Peace Force Security, it is stated that Mr Maatuane was in the position of Security Site Supervisor for the period 2016 to 2018. There is no indication of the month in which he started working and the month in which his employment ended. Such information is critical in order to determine whether Mr Maatuane possesses the required experience of 5 or more years or whether his experience at the supervisory level is less than 4 years. It must be noted that in order to qualify for 5 years of experience Mr Maatuane would need to occupy a supervisory position from at least 18 January 2016 (since the bid closing date was 18 January 2021).

9.2.46 We found no evidence that the BEC confirmed the exact month of him starting his position as a Security Site Supervisor at Peace Force Security, yet all BEC members allocated a score of 5 on the assumption that Mr Maatuane commenced in the position of Security Site Supervisor on or before 18 January 2016.

- 9.2.47 We consulted with Peace Force Security<sup>33</sup> who confirmed that Mr Maatuane was employed at Peace Force Security as a Grade C Security Officer from May 2016 to January 2018. According to Peace Force Security, Mr Maatuane was a site supervisor and all Grade D security guards reported to him.
- 9.2.48 We also contacted G4S Security, however, we did not receive any response<sup>34</sup>.
- 9.2.49 We confirmed that Mr Maatuane does possess a PSIRA grade A certificate. We validated this on the PSIRA website<sup>35</sup>.
- 9.2.50 The above evidences that Mr Maatuane worked as a Site Supervisor at Peace Force Security for 21 months (from May 2016 to January 2018) and for 13 months at G4S Security. Therefore a total of 34 months of Supervisory experience was illustrated in his CV. Mr Maatuane therefore did not qualify for 5 or more years of experience as a Team Leader/Supervisor.
- 9.2.51 Based on the above, the rating of 5 points allocated by all BEC members is incorrect. Assuming that the experience at G4S Security is truthful, the experience gained is only 34 months. As such, in terms of the evaluation criteria, 2 (two) points should have been allocated for such experience.
- 9.2.52 We found that BEC members were unduly influenced to change their scores. We requested feedback from BEC members on the reasons why scores were changed during the evaluation and we were informed as follows:
- (a) Mr Weir stated the following<sup>20</sup>:

*“I take my responsibility seriously as a BEC member and would not compromise my integrity or expose the Department knowingly. The scores were compared in our presence by SCM to ensure that all members were on the same page. If a big variance was shown in certain scores, it was re-looked at again by that BEC member and an opportunity was given to correct the original score to reflect an honest and fair score. It was shown that I had under scored and I re-looked at the document and adjusted my score. This was not done secretly but in front of everyone in a controlled environment.”*

---

<sup>33</sup> Feedback received from Peace Force Security

<sup>34</sup> E-mail transmitted to G4S Security

<sup>35</sup> Status of Mr Maatuane's PSIRA Registration

(b) Ms Zamisa stated the following <sup>22</sup>:

*“All members were seated in one room and same table. At the end of each session members will call out the total scores per company and SCM will capture them and ask how can one member score 0 for experience while others have 4. Members will then move the file around for thorough verification and to prove where they got the information. The Committee evaluated the bidders in an same fashion as we normally do throughout the organisation.”*

9.2.53 The above evidences that the original scores assigned by BEC members were questioned by SCM (Ms. Emily Babedi and Ms. Georgina Serumula), after which BEC members were prompted to change their scores. We found that in all instances scores were adjusted upwards and never downwards.

9.2.54 We found that based on the above, Dephethogo did not achieve the minimum of 75% for Phase 4 in order to proceed further to the price evaluation. Our finding in this regard is supported as follows:

Evaluation Criteria	Rating	Weighting	Details
Company's experience, track record and knowledge in the field of security services	3	24	This score is based on the fact that Dephethogo was only able to illustrate 3 years and 3 months of experience with their reference letters.
Project plan, methodology and deployment plan	3.67	29.36	This score is based on the average of the Original Scores allocated by the BEC members. The corrections to the scores are ignored.

Evaluation Criteria	Rating	Weighting	Details
Technical capability/ expertise and track record of key personnel	2	8	This score is based on the fact that Dephethogo was only able to illustrate 34 months of experience of the Team Leader/Supervisor.

**61.36**

---

**9.3. Determining the capability of Dephethogo to execute the contract and the current status of the sites**

- 9.3.1 Our findings in the previous section of this report illustrate that Dephethogo was incapable of executing the contract. Based on their bid submission, it was evident that Dephethogo did not meet the mandatory or functionality criteria of the bid. Dephethogo succeeded through the mandatory and functionality phases solely due to the negligent conduct of the BEC members. In addition, Dephethogo committed an act of fraud by submitting a falsified UIF Certificate, which contributed to their success through the evaluation of the mandatory phase of the evaluation.
- 9.3.2 Of significance is that all BEC members were fully aware of the number of firearm licences held by Dephethogo. Such information was contained in the bid submission of Dephethogo. As at the tender closing date, Dephethogo held a total of 27 firearm licences.
- 9.3.3 The above indicates that, if Dephethogo was to be appointed by the Department, they could only service sites that required a maximum of 27 firearm licences.
- 9.3.4 We found that the BEC did not take heed of the above, and instead allocated the following sites (requiring firearms) to Dephethogo :

PROVINCE	LOCATION	ARMED/ UNARMED	NUMBER OF FIREARMS REQUIRED
Free State	Joe Gqabi	1 Armed and 3 Unarmed	1
Western Cape	Overberg	Armed	1
Western Cape	Hermanus	Armed	1
Western Cape	Garden Route	Armed	1
Western Cape	Cape Town	Armed	1
Eastern Cape	Matiwane	Armed	2
Eastern Cape	Matiwane	Armed	2
Eastern Cape	Matiwane	Armed	2
Eastern Cape	Matiwane	Armed	2
Eastern Cape	Matiwane	Armed	2
Eastern Cape	Matiwane	Armed	2
Eastern Cape	East Griqualand	Armed	2
Eastern Cape	East Griqualand	Armed	2
Eastern Cape	East Griqualand	Armed	2
Eastern Cape	East Griqualand	Armed	2
Eastern Cape	East Griqualand	Armed	2
Eastern Cape	East Griqualand	Armed	2
Eastern Cape	East Griqualand	Armed	2
Eastern Cape	East Griqualand	Armed	2

PROVINCE	LOCATION	ARMED/ UNARMED	NUMBER OF FIREARMS REQUIRED
Eastern Cape	East Griqualand	Armed	2
Eastern Cape	Matiwane	Armed	2
Eastern Cape	Matiwane	Armed	2
Eastern Cape	Matiwane	Armed	2
Eastern Cape	Amathole	Armed	2
Eastern Cape	Amathole	Armed	2
Eastern Cape	Amathole	Armed	2
Eastern Cape	Amathole	Armed	2
Eastern Cape	Amathole	Armed	2
Eastern Cape	Amathole	Armed	2
Eastern Cape	Amathole	Armed	2
Eastern Cape	Amathole	Armed	2
Limpopo	Vhembe	Armed	2
Limpopo	Vhembe	Armed	2
Limpopo	Vhembe	Armed	2
Western Cape	Overberg	Armed	2
Western Cape	Overberg	Armed	2
Western Cape	Garden Route	Armed	2

PROVINCE	LOCATION	ARMED/ UNARMED	NUMBER OF FIREARMS REQUIRED
Northern Cape	Siyanda	Armed	2
KwaZulu Natal	Umsunduzi	Armed	2
KwaZulu Natal	Umsunduzi	Armed	2
KwaZulu Natal	Umsunduzi	Armed	2
KwaZulu Natal	Umsunduzi	Armed	2
KwaZulu Natal	Dlinza	Armed	2
KwaZulu Natal	Dlinza	Armed	2
KwaZulu Natal	Maputa	Armed	2
KwaZulu Natal	Maputa	Armed	2
Eastern Cape	East Griqualand	Armed	3
Limpopo	Vhembe	Armed	3
Limpopo	Vhembe	Armed	3
Western Cape	Cape Winelands	Armed	3
Western Cape	Cape Town	Armed	3
Mpumalanga	Ehlanzeni	Armed	4
Mpumalanga	Ehlanzeni	Armed	4
Mpumalanga	Ehlanzeni	Armed	4



PROVINCE	LOCATION	ARMED/ UNARMED	NUMBER OF FIREARMS REQUIRED
Mpumalanga	Ehlanzeni	Armed	4
Mpumalanga	Ehlanzeni	Armed	4

**116**

---

9.3.5 The above evidences that, even prior to the commencement of any contract with Dephethogo , it was already known that they were unable to service the above sites which required 116 firearms as they were in possession of 27 firearm licences only.

9.3.6 The BEC nevertheless recommended the above to the BAC and the BAC in turn recommended the above to the Accounting Officer. Such appointment was thereafter approved.

9.3.7 What transpired thereafter is that Dephethogo failed to deliver at the above sites.

9.3.8 We questioned the BEC members about the above and received the following feedback:

(a) **Mr Ndou** <sup>19</sup>

**QUESTION:** We found that DEPHETHOGO submitted proof of their 27 firearm licences in their bid. We confirmed these licences to be valid. We found that, despite DEPHETHOGO only having 27 firearm licences, you and other BEC members recommended the appointment of DEPHETHOGO for 53 sites which required a total of 116 firearms. Kindly advise of how this recommendation arose, in view of the fact that DEPHETHOGO only had 27 firearm licences.

**RESPONSE FROM MR NDOU:** "Recommendation are done according to the Terms of Reference. Section 35 of DFFE Supply Chain Policy states that the evaluation process of the bid must be

*performed using criteria stipulated and issued in the terms of reference and bid documents.*

*Recommendations are done for the responsive bids in terms of the criteria. Number of firearm licences and the recommended deployment sites was not part of the criterion in the Terms of Reference. Therefore, it would be irregular to conclude that because they qualify for sites that do not correspond with the number of the licences they don't qualify for recommendations. That should happen after the fact and during signing of the contract which does not involve the bid committee members.*

*It is the responsibility of the project manager to ask if they will be able to cover the areas they qualified for and avail requisite tools which are not only restricted to firearms. I did not recommend their deployment without requisite tools of trade. The bid committee member/s has no jurisdiction of deployment nor to execute duties outside the framework of the Terms of Reference.*

*I also need proof that I appended the signature on the original minutes as the document presented by the forensic firm doesn't look original. We live in the digital age where photoshopping and manipulation of documents is the order of the day.*

*In my email dated 6 February 2023, at around 21:27 pm, I asked (Morar Inc) that I be furnished with the signed minutes. I was furnished with "signed" minutes two months later on the 12 April 2023 at 8:26. See attached email."*

**(b) Mr Weir <sup>20</sup>**

**QUESTION:** We found that DEPHETHOGO submitted proof of their 27 firearm licences in their bid. We confirmed these licences to be valid. We found that, despite DEPHETHOGO only having 27 firearm licences, you and other BEC members recommended the appointment of DEPHETHOGO for 53 sites which required a total of 116 firearms. Kindly advise of how this recommendation arose, in view of the fact that DEPHETHOGO only had 27 firearm licences.

**RESPONSE FROM MR WEIR:** "As a member of the BEC my duty was to do the evaluation in a fair and honest way and ensure that the service provided would be beneficial to the Department. I don't

*recall 2 years later how many firearm licenses were submitted by Dephethogo Trading as proof. The recommendations done by the BEC was as per the evaluation criteria. Once the preferred bidder gets informed a Service Level Agreement (SLA) gets signed between themselves and the Department. At this stage it would be the responsibility of the successful bidder to inform the Department that it is not able to meet all the requirements as set out in the SLA. If a bidder has not got the necessary equipment or tools for the service to be delivered, then it has an obligation to procure the equipment or to inform the Department that it will not meet all the requirements and withdraw from the process. Surely it would not be fair for the BEC members to disqualify a bidder at this stage if not all the tools or equipment are available before the bid is awarded. The Department wants sectors to grow and deliver a service at a higher level and this would be ideal for a company to grow. What stops the successful bidder in purchasing more firearms once the bid was approved?"*

(c) **Mr Ngamile** <sup>21</sup>

**QUESTION:** We found that DEPHETHOGO submitted proof of their 27 firearm licences in their bid. We confirmed these licences to be valid. We found that, despite DEPHETHOGO only having 27 firearm licences, you and other BEC members recommended the appointment of DEPHETHOGO for 53 sites which required a total of 116 firearms. Kindly advise of how this recommendation arose, in view of the fact that DEPHETHOGO only had 27 firearm licences.

**RESPONSE FROM MR NGAMILE:** "I cannot recall if the Chairperson of the BEC raised and pointed out the issue of the number of fire arms as it is the responsibility of the Directorate: Security and Vetting to ensure correct placement and performance of security companies"

(d) **Ms Zamisa** <sup>22</sup>

**QUESTION:** We found that DEPHETHOGO submitted proof of their 27 firearm licences in their bid. We confirmed these licences to be valid. We found that, despite DEPHETHOGO only having 27 firearm licences, you and other BEC members recommended the appointment of DEPHETHOGO for 53 sites which required a total of 116 firearms. Kindly advise of how this recommendation arose,

in view of the fact that DEPHETHOGO only had 27 firearm licences.

**RESPONSE FROM MS ZAMISA:** “The TOR requirements did not specify that the company must have all the fire-arms required for the province which they are bidding for by the time the bid document are submitted. The requirement was that they needed to have the fire-arms licences. Valid Company Firearm license certificate in terms of the Firearms Control act 60 of 2000

*Adding additional requirements or amending requirements at the evaluation stage is never recommended and all members must evaluate as per the TOR specifications. So yes, the issue of the numbers was never considered at all but consideration was more on whether they have licences or not.. The Project Manager should have looked at this issue prior to signing the SLA or introducing the company at various sites.”*

(e) **Mr Malepa** <sup>23</sup>

**QUESTION:** We found that DEPHETHOGO submitted proof of their 27 firearm licences in their bid. We confirmed these licences to be valid. We found that, despite DEPHETHOGO only having 27 firearm licences, you and other BEC members recommended the appointment of DEPHETHOGO for 53 sites which required a total of 116 firearms. Kindly advise of how this recommendation arose, in view of the fact that DEPHETHOGO only had 27 firearm licences.

**RESPONSE FROM MR MALEPA:** “The use of the number of firearms as a criteria wasn’t stipulated on the terms of reference so that couldn’t be applicable in the evaluation process. The issue of the site allocation versus the number of firearms wouldn’t be applied during the evaluation because the terms of reference couldn’t cater for that, moreover the terms of reference didn’t require the BEC to engage with the service provider regarding the number of firearms or to go and do a physical inspection of the firearms at the service provider’s premises. The bidder indicated that they will be read as outlined in the project plan execution and there’s no way whereby as the BEC we could prove that the service provider wouldn’t be ready by then.”

9.3.9 During our investigation, we secured various communications from computers and e-mails where

Departmental officials raised concerns about the performance of Dephethogo. Some of the concerns were as follows:

- (a) The behaviour and/or conduct of security guards was unacceptable/unprofessional due to the following recurring reasons:
  - i. Guards being under the influence of alcohol;
  - ii. Guards not working on certain days;
  - iii. Guards absconding from work and not answering their cellular phones when officials discovered that they are not on site;
  - iv. Guards would leave the buildings unlocked and place the security access disc under a brick at the front door;
  - v. Reliever guards would not go to site despite being requested to do so;
  - vi. Guards would let people into the buildings to use the bathroom/shower facilities; and
  - vii. There were instances of break ins and/or vandalism whilst the security guards of Dephethogo were on site.
  
- (b) The security guards of Dephethogo were faced with the following issues:
  - i. Security guards were not issued with protective clothing (“PPE”);
  - ii. Security guards were not issued with uniforms. It must be noted that the provision of uniforms was a requirement in terms of the tender (Section 5.3 of the Bid document);
  - iii. Security guards were not issued with Firearms. It must be noted that the provision of firearms was a requirement in terms of the tender ( which is a breach of section 5.2.5 of the Bid document);
  - iv. Security Guards were not provided with airtime for their cellular phones. They were thus unable to communicate with relevant people when required to do so;

- v. Security guards were not paid on time. It must be noted that the timely payment of wages is a stipulation in section 11.7 of the bid document.
- vi. Security guards were paid an hourly rate below the PSIRA rate. It must be noted that section 11.6 of the bid document specifies that all security guards are to be remunerated according to the minimum monthly basic wage of a grade C security guard as determined by PSIRA;
- vii. Equipment provided to security guards were not in a working condition;
- viii. Security guards did not have transport to the sites. It must be noted that per the SLA, Annexure A: Security Management Operational Plan, Section 3.4.1. states: *“The Service Provider shall be responsible for the transportation of the security officers to and from the Department’s premises.”*
- ix. Security Guards were not provided with patrol vehicles to patrol the plantations. It must be noted that per Dephethogo’s implementation plan, it was indicated that the sourcing of 2 quad bikes, 2 bakkies and 1 patrol dog would be done 2 days prior to contract start date.

9.3.10 We conducted an interview with Mr. Tshivhase who stated the following, amongst others, regarding the challenges experienced in Limpopo and Mpumalanga:

- (a) *The guards were supposed to be armed but they were not armed. According to Dephethogo, the South African Police Service did not want them to have guns.*
- (b) *The overall performance of Dephethogo is disappointing. Timber is still being stolen in their presence.*
- (c) *A meeting was requested with the project manager (Mr. Naidoo) and service provider (Dephethogo) to discuss the various challenges, however, they did not attend.*
- (d) *There was no due diligence undertaken by the Department and the Service Provider. Dephethogo was not briefed on the sites that they were appointed to guard. Previously, an inspection in loco was undertaken where it was possible to check whether the Service Provider has officers and uniforms ready prior to the appointment. This never happened in this instance.*
- (e) *The above challenges were raised even beyond the DDG, however, they made it seem like he is out*

*of order.*

9.3.11 We conducted an interview with Mr. Cyril Ndou who stated the following:

(a) *There were no challenges experienced in the Western Cape, Free State, North West, Gauteng and Northern Cape.*

9.3.12 We found the above statement of Mr Ndou to be contrary to the e-mails/complaints about the lack of firearms which we secured during our investigation.

9.3.13 We conducted an interview with Mr. Weir who stated the following regarding the challenges experienced in KwaZulu-Natal:

(a) *Dephethogo only went to site after being awarded. They should have actually visited the site prior to the award.*

(b) *The province had problems with Dephethogo from day 1 in that the security guards did not have uniforms and were not armed.*

(c) *There was a meeting with Dephethogo and Mr. Naidoo in Pietermaritzburg where the issues were discussed. There were minutes for the meeting.*

(d) *Dephethogo is useless and not performing what they are supposed to be performing.*

(e) *All challenges were communicated to the project manager (Mr. Naidoo).*

9.3.14 In respect of the above comments by Mr Weir, we requested that he provide us with the minutes of the meeting held between himself, Dephethogo and Mr Naidoo. Mr Weir did not provide such minutes to us. We also requested that he provide us with the communication of challenges which he claims was submitted to Mr Naidoo. Mr Weir did not provide such information to us.

9.3.15 We conducted an interview with Ms. Sgwabe: Director: Forestry who stated the following regarding the challenges experienced in the Eastern Cape:

(a) *She is responsible for commercial forestry in the Eastern Cape.*

- (b) *Some of the challenges with regards to Dephethogo was that:*
- i. *Guards do not have firearms in some of the areas;*
  - ii. *Guards do not have transport and as a result they cannot do patrols as per the needs of the Department. Currently, they just man the gates and do not patrol the plantations; and*
  - iii. *Some of the guards do not have uniforms.*
- (c) *They needed guards to patrol the plantations and secure the assets of the Department. They are currently not receiving this service.*
- (d) *Theft at the plantations has increased tremendously even after the appointment of Dephethogo and the theft is happening right in front of their eyes.*

9.3.16 We conducted an interview with Mr. Mbambalala: District Manager for East Griqualand who stated the following:

- (a) *He is the District Manager for East Griqualand which comprises of three estates which are Mzimbuvu, Amanzamnyama and Ntsubane estates. In the estates there are a number of plantations. At Mzimbuvu there are three postings which is Gomo, Longweni and Tonti plantations. Amanzimanyama estate consists Amanzi Amanyama plantation. Ntsubane estate consists of three plantations, namely Bizana, Ntsubane and Nestaff plantation.*
- (b) *The funny thing about this contract with Dephethogo is that at the inception of the contract, they were not given the copy of the contract itself. Furthermore, there was no introductory meeting with Dephethogo.*
- (c) *The initial phase of the contract was awkward as the representatives of Dephethogo went to the plantations and introduced themselves, however, they were rejected since it was unknown as to whether the appointment procedures were fully completed.*
- (d) *Per the specifications of the bid, uniforms were required for all guards. The guards of Dephethogo did not have uniforms for approximately 3 to 4 months.*
- (e) *Since the work was being undertaken in a dangerous environment, it was a requirement for guards to*



have firearms. This was included in the specification. It was expected that the four security guards on duty would be armed with a firearm but almost in all the plantations there where guards posted with no firearms. There is only one plantation where a guard is armed and the firearm was only brought to him last month (being March 2023).

- (f) Per the specifications, a patrol vehicle was required for the plantations. Dephethogo does not have any patrol vehicles.
- (g) There was minimal supervision of the guards by Dephethogo. Dephethogo only had one supervisor for all the plantations including other districts and supervision is lacking because of the one person having to go around to all the plantations.
- (h) The guards would often complain about not being paid and they would report this to the Department and to their local chiefs. This would then sour the relationship with the chiefs.
- (i) Dephethogo does not have an office in Bizana.

9.3.17 We conducted an interview with Mr. Mbongeni Dawushe: District Manager for Matiwane (Mr. Dawushe) who stated the following:

- (a) He is the District Manager for the Matiwane Region which comprises of four estates, namely, Libode, Etwa, Qunu and Tenga.
- (b) The following challenges are experienced with Dephethogo:
  - i. They do not have firearms;
  - ii. In some plantations they do not have protective clothing (PPE);
  - iii. The guards do not do 24 hours shift;
  - iv. Some plantations have no guards at all;
  - v. The Supervisors of the company are never on site and nowhere to be found. There is no proper supervision, and the supervisors of Dephethogo do not consult with the estate managers of the Department;

- vi. *The guards do not patrol the plantations whereas the aim of getting them was to patrol the plantations so that they can guard against theft in the plantations;*
- vii. *Some of the guards come to work intoxicated; and*
- viii. *Dephethogo never consulted the local people so they just came with their own people.*

9.3.18 Subsequent to the above meeting, Mr. Dawushe provided us with a summary of the issues which he had raised with his senior which read as follows:

***“DEPHETHEGO PRIVATE SECURITY (AREAS OF CONCERN)***

1. *Firstly, the supervisor (Mr Mdedelwa) does not consult the client (forest manager) with the attendance register to ascertain that all was well during the period, all he does is once every month he comes to collect the register and leaves.*
2. *The guards on the ground don't have firearms.*
3. *Dephethogo (service provider) does not consult to replace a guard, all they do is bring whoever they find and not consider the locals.*
4. *The guards don't patrol the plantation, all they do is sit by the gate, which they sometimes don't man.*
5. *The guards don't finish the shifts especially the night shifts, many times the client (forest manager) has found the post without anybody after 23h00.*
6. *The guards sometimes work as singles whereas the post is supposed to have two guards on every shift.*
7. *Dephethogo (service provider) only carried out two spot checks and does not frequent the client base. You only see them when they come for the time sheet (register) and that is very early in the morning. You can miss them if you don't wake up*
8. *There has never been involvement of the client in their payment processes, the forest manager does not know who recommends their payment.*

9. *At one stage the service provider (Mr Mdedelwa) was called at about 01h40 and made aware that there were no guards at the post, he never followed that up and never gave feedback to the client (forest manager) on what he had done. That was very early in the contract, ever since the client has never bothered calling him again. As a result the guards on the ground work as they please.”*

9.3.19 We found that the Department eventually proceeded to address the above poor performance by issuing warning letters.

9.3.20 The first letter of non-compliance dated 23 February 2022 and signed by Ms. Mmamokgadi Mashala, Deputy Director General: Corporate Legal Services was issued to Dephethogo in respect of non-compliance in all 19 regions.

9.3.21 Mr. Gaarekoe in his position as Managing Director, responded to the above letter on 09 March 2022 by writing to Ms. Nomfundo Tshabalala, the Director General. In his response, he stated, inter alia, that the challenges were communicated to the Department, however, assistance was not rendered to resolve the challenges. It is evident that Mr Gaarekoe attempted to blame the Department for the poor performance of Dephethogo .

9.3.22 A second batch of warning letters signed by Ms. Nomfundo Tshabalala: Director General for the Department was issued to Dephethogo on 23 November 2022 in respect of non-compliance in the following 15 regions:

- (a) Amathole;
- (b) Cape Town;
- (c) Cape Winelands;
- (d) Dlinza;
- (e) East Griqualand;
- (f) Ehlanzeni;
- (g) Hermanus;
- (h) Joe Gqabi;

- (i) Maputa;
- (j) Matiwane A;
- (k) Matiwane B;
- (l) Overberg;
- (m) Siyanda;
- (n) Umsunduzi; and
- (o) Vhembe.

9.3.23 The reasons quoted for the non-compliance included the following, amongst others:

- (a) Failure to provide the required firearms at each of the sites;
- (b) Failure to provide posting sheets; and
- (c) Failure to provide full set of security uniform.

9.3.24 Mr. Gaarekoe responded to the above letter on 28 December 2022 by addressing a letter to the DG. The contents of this letter is very similar to the previous letter. Mr. Gaarekoe in his position as Managing Director stated that various meetings were already held with the Department and the challenges were discussed and dates were agreed upon for the remedying of the challenges. He further requested a further meeting to discuss the warning letter.

9.3.25 We conducted an interview with Mr. Naidoo regarding Dephethogo and the challenges that were experienced. Mr Naidoo's feedback during this meeting was very similar to the complaints made by other officials, such as:

- (a) Firearms not allocated to Security Guards;
- (b) Uniforms not assigned to Security Guards;
- (c) The Chiefs of the Communities did not accept the appointment of Dephethogo , as they believed that

Security Companies should have been appointed from the relevant communities; and

- (d) The SMME's with the Communities also did not accept the appointment of Dephethogo, as they believed that Security Companies should have been appointed from the relevant communities.

9.3.26 We found that above non-compliance relating to firearms was indeed true, as Dephethogo granted the Department a credit of R130 per Security Guard per month for 17 of the 19 regions. In other words, Dephethogo deployed Security Guards without firearms and thereafter discounted their fee in their invoices. There is no evidence to indicate how this agreement was reached with the Department.

9.3.27 We also found that upon being appointed, Dephethogo was allocated certain different sites that did not feature in the original list of sites (as per the bid document). An example includes Security Guards that were deployed to Hout Bay. We questioned Mr Naidoo about this deployment and he confirmed that there was no SCM processes undertaken to reallocate the security guards to Hour Bay Harbour. He stated the following:

- (a) The Harbours were initially run by the Department of Public Works ("Public Works").
- (b) Public works informed the Department that they will no longer provide security at the Harbours and it was the Department's responsibility to take care of the Harbours.
- (c) During the tender process, it was found that there was vandalism of the newly reconstructed offices in the Harbours.
- (d) The Department of Public works informed the Department that they will not fix the issues unless the Department allocates security.
- (e) Therefore, as a matter of urgency, the Department had to deploy security because the Harbour is located next to a community who would very often enter the harbour and vandalise property.

9.3.28 Mr Naidoo was unable to provide any documentary evidence of the communications received from Public Works in this regard.

9.3.29 Based on the interviews highlighted above, we were informed that the various sites are currently experiencing the same challenges.

#### **9.4. Determining the suitability of other bidders and reasons for their failure to meet the bid criteria**

9.4.1 In addressing this objective of the investigation, we considered the findings of the BEC and we also conducted reviews of the bid documents of all bidders in order to ascertain whether their bids were fairly evaluated. Our review was structured in accordance with the various evaluation stages as reflected in the bid document.

#### 9.4.2 Pre-Compliance

(a) We reviewed all 159 bids and noted that the following 3 bidders did not comply with the Pre-Qualification criteria of the bid:

No	Bidder Name	Details of Non-Compliance
1	ME Khawula Protection and Security Services (Pty) Ltd	The bidder did not complete the SBD4 form.
2	TDT Enterprise And Projects (Pty) Ltd	The SBD 4 form is not incomplete.
3	Ramara and Molea Holdings (Pty) Ltd	Incomplete submission. Bidder only submitted a copy.

(b) We found that the BEC also made the above finding during their evaluation of the bid.

#### 9.4.3 Pre-Qualification

(a) We reviewed the remaining 156 bids (after elimination of the above 3) and noted that the following 43 bidders did not comply with the Pre-Qualification criteria of the bid:

No	Bidder Name	Details of Non-Compliance
1	Thababontle Trading	The bidder did not submit an original version of the bid.

No	Bidder Name	Details of Non-Compliance
	Enterprise & Project CC	Only a copy was provided.  In addition, the bidder did not furnish a B-BBEE certificate to confirm their EME and/or QSE status.
2	Mabovusi Protection Services (Pty) Ltd	The bidder's B-BBEE affidavit is not signed by the deponent or commissioner of oaths.
3	Majorie's Trading Enterprise CC	The bidder submitted a copy of the B-BBEE certificate and not original or certified copy as was required.
4	Belusi Maintainance And Projects (Pty) Ltd	The bidder submitted a copy of the B-BBEE certificate and not original or certified copy as was required.
5	Dikgomo Annie JV	A consolidated JV B-BEEE certificate was not submitted. This was a requirement of the bid.
6	Ndumsa Trading Enterprise (Pty) Ltd	The bidder submitted a copy of a certified B-BBEE certificate.
7	Calvin and Family Security	Bidder submitted a copy of sworn B-BBEE affidavit which is not commissioned.
8	Umphakathi Security Services CC	The bidder attached a copy of a certified sworn B-BBEE affidavit.
9	Stain-Neo's Construction &	The bidder attached a copy of a certified sworn B-

No	Bidder Name	Details of Non-Compliance
	Projects CC	BBEE affidavit.
10	DSG Protection Services (Pty) Ltd	The bidder attached a copy of a certified sworn B-BBEE affidavit.
11	Wenzile Phaphama Security Services CC	Bidder submitted a BBEE certificate rated on Generic scorecard therefore does not meet the requirement.
12	Vodloza Security Services (Pty) Ltd	The bidder did not submit a B-BBEE certificate to confirm their EME and/or QSE status.
13	Hronex Security Services (Pty) Ltd	Copy of the B-BBEE certificate was not commissioned.
14	Rechellebo Trading and Projects (Pty)	The bidder attached a copy of a sworn B-BBEE affidavit instead of a certified copy or original.
15	Carth Jeremia Crime Combat Security (Pty) Ltd	Sworn B-BBEE affidavit attached is not valid because it not commissioned.
16	MCC Security And Projects CC	Bidder submitted a B-BBEE certificate rated on Generic scorecard and therefore does not meet the requirement.
17	Reshebile Aviation And Protection Services (Pty)	Bidder submitted a B-BBEE certificate rated on Generic scorecard and therefore does not meet the



No	Bidder Name	Details of Non-Compliance
	Ltd	requirement.
18	Swethani Security (Pty) Ltd	The sworn B-BBEE affidavit is not certified.
19	Hotline Security CC	Bidder submitted a B-BBEE certificate rated on Generic scorecard and therefore does not meet the requirement.
20	Mafoko Security Patrols Services (Pty) Ltd	Bidder submitted a B-BBEE certificate rated on Generic scorecard and therefore does not meet the requirement.
21	Pristo Response Trading Services (Pty) Ltd	The deponent did not sign sworn B-BBEE affidavit.
22	SOS Protecsure National Division CC	The B-BBEE certificate does not have a Commissioner of Oath stamp.
23	B4 Protection Services (Pty) Ltd	The sworn B-BBEE affidavit is not certified.
24	Sinqobile Equestrian Security Service (Pty) Ltd	Bidder submitted a B-BBEE certificate rated on Generic scorecard and therefore does not meet the requirement.
25	Wise Training Centre CC	There is a DTI B-BBEE certificate which is not

No	Bidder Name	Details of Non-Compliance
		certified.
26	Venus Security International (Pty) Ltd JV Tifton Contracting	Bidder submitted a B-BBEE certificate rated on Generic scorecard therefore does not meet the requirement.
27	Clear Point Security & Hygien Services (Pty) Ltd	Sworn B-BBEE affidavit is not signed by the Deponent and is therefore not valid.
28	Rock Solution Security Services (Pty) Ltd	The B-BBEE certificate is expired.
29	Maxi Phumelela Security (Pty) Ltd	Bidder submitted a B-BBEE certificate rated on Generic scorecard and therefore does not meet the requirement.
30	Mubenga La Famille (Pty) Ltd	The bidder submitted a copy of a sworn B-BBEE affidavit.
31	Defensor Electronic Security Systems (Pty) Ltd	B-BBEE certificate not signed.
32	RRA	The bidder submitted a copy of a sworn B-BBEE affidavit instead of an original or certified copy.
33	Squadron Vikela Security	The bidder submitted a copy of a sworn B-BBEE

No	Bidder Name	Details of Non-Compliance
	Services CC	affidavit instead of an original or certified copy.
34	Investstrong Security CC	The bidder submitted a copy of a sworn B-BBEE affidavit instead of an original or certified copy.
35	Rofika Trading and Projects CC	The bidder submitted a copy of a sworn B-BBEE affidavit instead of an original or certified copy.
36	Ithuba Umsundu Security (Pty) Ltd	The bidder submitted a copy of a sworn B-BBEE affidavit instead of an original or certified copy.
37	Ensembe Trading 2366 CC	The bidder submitted a copy of a sworn B-BBEE affidavit instead of an original or certified copy.
38	Blue Hawk Tactical (Pty) Ltd	The bidder submitted a copy of a sworn B-BBEE affidavit instead of an original or certified copy.
39	Maktub Security Services (Pty) Ltd	The bidder submitted a copy of a sworn B-BBEE affidavit instead of an original or certified copy.
40	Mathabang Trading And Project CC	No signature of a Commissioner of Oaths and no Commissioner of Oath stamp on the B-BBEE affidavit.
41	Pha-Mash Trading Enterprise CC	The B-BBEE certificate is not a certified copy and it is a copy not original.

No	Bidder Name	Details of Non-Compliance
42	Dunamis Mokoena Security (Pty) Ltd	The B-BBEE certificate is not a certified copy and it is a copy not original.
43	Octaves Group (Pty) Ltd	The B-BBEE certificate is not a certified copy and it is a copy not original.

(b) We found that the BEC also made the above finding during their evaluation of the bid.

#### 9.4.4 Mandatory Requirements

(a) We reviewed the remaining 113 bids and noted that the following 106 bidders did not comply with the Mandatory criteria of the bid:

No	Bidder Name	Details of Non-Compliance
1	Samabandla Security And Cleaning CC	ICASA certificate was expired.
2	Ulwazi Security (Pty) Ltd	The service provider submitted a firearm license which belongs to a sub-contractor.  No letter of good standing with PSSPF provided.
3	Rudzi NA Masho Trading Enterprise CC	UIF certificate was expired. PSSPF letter of good standing was not attached.
4	Simunye Sakhi Trading	PSIRA letter of good standing expired on 30

	Enterprise CC	December 2020.
5	Amazim-Zim Security Services And Private Investigation (Pty) Ltd	Letter of good standing with PSSPF was not attached.
6	Prosperity Protection Unit (Pty) Ltd	The bidder attached a photocopy of the certified copy of the letter of good standing with UIF.
7	Nyarhi Protection Unit CC	Letter of good standing with the PSSPF was not attached.
8	Siyejabula Security Solution CC	The letter of good standing with the PSSPF was expired.
9	Modise Protection Services CC	The bidder attached an expired ICASA certificate. The certificate expired on 31 March 2020.
10	Pitsi Ya Mma Construction And Security (Pty) Ltd	The bidder did not attach the letter of good standing with PSSPF.
11	Bomlale Risk Protection (Pty) Ltd	A valid letter of good standing with the UIF was not attached. The bidder submitted an application for registration with the UIF.  Letter of good standing with PSSPF attached and valid only for 2 months as of 10 March 2020. The certificate was thus expired as at the bid closing date.

12	Sbu and Sbo Protection Services (Pty) Ltd	Company firearm licence is for a company "Izingwena Security" and no JV or sub-contracting was attached.
13	Bulcof Security and Cleaning Services CC	Bidder submitted a letter of good standing with the PSSPF which is valid for 2 months from 17 November 2020. The certificate was thus expired as at the bid closing date.
14	First Plan Protection Services (Pty) Ltd	Bidder submitted a letter of good standing with the PSSPF which is valid for 2 months from 17 November 2020. The certificate was thus expired as at the bid closing date.
15	Vimtsire Security and Protection Services CC	ICASA certificate is expired.
16	Nomgwenya Security and	The letter of good standing with the PSSPF is expired as it was valid for two months from 20 October 2020.
17	Double Barell Security Services CC	GPS coordinates was not attached by the bidder.
18	Collins Sebola Financial Services (Pty) Ltd	Bidder submitted letter of good standing with PSSPF which expired on 15 January 2021 before the closing date of the bid.

19	Black Excellence Forensics and Security Advisory (Pty) Ltd	Bidder did not submit a PSIRA letter of good standing.
20	Lea Relapisa Security Services 1 CC	The original bid submission was incomplete.
21	Ndivhuwo Security Training CC	Bidder did not submit control room GPS coordinates. Bidder only submitted a lease agreement and photos of a control room.
22	Sesana Project CC	The bidder attached only the registration letter with UIF and not the actual letter of good standing.
23	Ebukhosini TP Security (Pty) Ltd	The bidder did not attached a PSIRA letter of good standing. Invalid ICASA confirmation submitted.
24	Cognizant Security Solution CC	ICASA certificate not in the bidders or subcontractors name.
25	Tsiku Consulting (Pty) Ltd	One of the two directors did not submit a PSIRA certificate (Ndivhuwo Elaine Mkheli).  COIDA (Letter or Certificate of good standing) not attached. Bidder attached a COIDA certificate of the subcontracted company (Fepang Protection Group Pty Ltd).  Valid UIF certificate not attached. Bidder attached

		<p>UIF Certificate of the subcontracted company (Fepang Protection Group Pty Ltd).</p> <p>Letter of good standing with PSSPF was not attached. Bidder attached only Confirmation of Receipt of PSSPF Registration Documents that belong to the subcontracted company called Fepang Protection Group.</p> <p>Bidder attached expired ICASA certificates for PTV Muambi Trading and Projects and there is no JV or Subcontracting arrangement attached.</p>
26	Thaka Security Solution CC	Valid ICASA Certificate not provided.
27	Mzabase Trading Enterprise (Pty) Ltd	<p>Letter of good standing with PSSPF expired on 31 December 2020.</p> <p>Company firearm licence not attached. Bidder submitted Competency Certificate instead.</p> <p>UIF letter of good standing not attached.</p>
28	Vilo Security Services (Pty) Ltd	<p>PSIRA letter of good standing not attached.</p> <p>Valid UIF letter of good standing not attached.</p> <p>Valid PSSPF letter of good standing not attached.</p> <p>ICASA certificate not attached.</p> <p>Proof of public liability insurance not attached.</p>



29	R1 Security Services CC	<p>GPS coordinates of the control room not attached.</p> <p>Expired ICASA certificate attached belonging to "Thokane Electrical and Trading" with no JV or sub-contracting attached.</p> <p>Bidder attached confirmation letter from Thokane indicating that the bidder would utilise their licence.</p>
30	Msizi Security Services CC	GPS Coordinates not attached.
31	Mokondellelo Protection Services CC	GPS Coordinates not attached.
32	Golden Security Services CC	The bidder provided letter dated 28 May 2019 from M.H. Communications confirming that the bidder is currently using their Communal Repeater on ICASA license number 556-249-8.
33	Vuthela Africa Security Services CC	ICASA certificate not provided.
34	Jackliffy	Company PSIRA letter of good standing expired on 05 January 2021.
35	P.C.P Petha Group SA (Pty) Ltd	Expired ICASA Certificate provided.
36	Tyte Security Services CC	UIF Letter of good standing not submitted.

37	Isilo Samabandla Projects CC	ICASA certificate not provided.
38	NTP Security Solution	The letter of good standing with PSSPF had an expiry date of 16 January 2021 which is before the closing date of the bid.
39	Selkirki Security Services (Pty) Ltd	The service provider attached a PSIRA letter of good standing that expired on 30 December 2020.
40	Phepha Mv Security Services (Pty) Ltd	The service provider attached a PSSPF compliance letter which was valid from 08 December 2020 to 08 January 2021.  ICASA letter of compliance belongs to a different company.
41	Ncadi Risk And Protection Services Pty) Ltd	ICASA certificate not provided.
42	Ligit Security Solutions CC	Expired ICASA certificate.
43	Pholile Business Solutions CC	The bidder submitted PSSPF compliance certificate which was valid for two months from 10 November 2020 therefore expired on 10 January 2021 which is before the closing date of the bid.
44	HM Security and Armed Response (Pty) Ltd	The bidder did not attach a PSIRA letter of good standing.

45	Rechellebo Projects And Pitsi Ya MMA Construction And Security JVLtd	The bidder did not attach a PSSPF letter of good standing.
46	SM Khula Trading Enterprise CC	The bidder did not attach a UIF letter of good standing.
47	Rise Security Services (Pty) Ltd	Letter of Good standing with PSSPF was not attached. Bidder only submitted letter of confirmation with PSSPF.
48	The Lady Boss Security Services (Pty) Ltd	No letter of Good standing with PSSPF attached.
49	Lettie Top Security Services And Traing CC	Expired certificate of ICASA belonging to Olympic Communication CC.
50	Competency Security Services (Pty) Ltd	PSIRA letter of good standing not attached. Directors' PSIRA confirmations not attached. Company Firearm licence not attached. Letter of good standing with PSSPF not attached. GPS coordinates for control room not attached. Valid ICASA certificate not attached.
51	Masithulela Protection	No GPS co-ordinates attached for control room. Only

	Services CC	lease agreement is submitted.
52	Maduna Protection Services (Pty) Ltd	No PSSPF letter of good standing.
53	Nomsipho Protection Services (Pty) Ltd	The bidder did not submit the PSSPF documents.
54	Empower Security CC	UIF letter of good standing not submitted.
55	Shanti Africa Security (Pty) Ltd	No letter of Good standing with UIF attached. No GPS co-ordinates attached. Invalid ICASA certificate attached.
56	Good Work Security (Pty) Ltd	The company PSIRA expired on 16 January 2021 which is before the closing date of the bid.
57	Metro 50 Security Services (Pty) Ltd	PSSPF letter of good standing not submitted.
58	Molebogeng Security Services (Pty) Ltd	The GPS coordinates for the control room are not attached. There are only pictures attached.
59	JMP Security Solutions (Pty) Ltd	The bidder did not submit a PSIRA letter of good standing.
60	Moepagauta Trading	The bidder attached an expired UIF letter of good

	Enterprises 125 CC	standing.
61	Reliable Guards Security And Cleaning CC	The PSIRA letter of good standing expired before the closing date of the bid.
62	Idlangamandla Security Protection and Projects CC	The bidder submitted an ICASA certificate with an expiry date of 31 March 2020 which is before the closing date of the bid.
63	KRA Security and Projects CC	ICASA certificate expired on 31 March 2020.
64	Xilota Projects CC	Company PSIRA certificate expired on 15/01/2021 before the closing date of the bid.
65	Tshekega Security and Projects CC	No company PSIRA certificate attached. Directors PSIRA certificates all expired. No Firearm licence attached. No COIDA certificate attached. No UIF letter of good standing attached. No PSSPF letter of good standing attached. No proof of control room attached. No proof of ICASA attached. No proof of public liability attached.

66	ELDNA Security Services CC	No GPS coordinates of the control room. Bidder attached a letter stating address of control rooms in Pretoria and Cape Town.
67	Triotic Protection Services (Pty) Ltd	Bidder submitted an expired COIDA letter of good standing.  Bidder did not submit PSSPF letter of good standing or an exemption letter.
68	JMK Business Solutions CC	Bidder did not submit PSSPF letter of good standing.
69	BE-Khaye's Trading Enterprise CC	The bidder did not submit the COIDA, UIF and PSSPF documents.
70	Marhumbini Security Guards And Patrol CC	The ICASA certificate of the bidder is expired.
71	GAP Management (Pty) Ltd	PSSPF exemption letter not attached.
72	Nkoananyana Security Services CC	No PSIRA letter of good standing.
73	Chapeta Holdings (Pty) Ltd	The ICASA certificate dated 30 March 2017 is in the name of Guardkore (Pty) Ltd and does not confirm that Guardkore (Pty) Ltd is a licensed dealer.

74	Rhinoforce Protection Services (Pty) Ltd	The bidder did not attach the letter of good standing with PSIRA.
75	Gubis 85 Solutions (Pty) Ltd	The bidder did not attach the letter of good standing with PSIRA.
76	Makgobathe Security Services (Pty) Ltd	The bidder did not attach the GPS coordinates of the control room.
77	Zincume Security Services CC	The bidder did not attach the letter of good standing with PSIRA.
78	Advanced Risk Solutions 10 000 (Pty) Ltd	The bidder did not attach the letter of good standing with PSIRA.
79	Nobantu Guarding (Pty) Ltd	Bidder only submitted the ICASA licence on Reho Communications CC.
80	Mroll's Projects 3030 (Pty) Ltd	The bidder did not submit the PSSPF documents.
81	Ungoye	The PSIRA letter of good standing of the Bidder is expired.  PSIRA certificate for VH Khoza expired on 17/12/2020.  No company firearm licence attached.

82	Mohoko Trading Enterprises CC	No company firearm licence attached.  No COIDA certificate attached.
83	Anchor Business Resources (Pty) Ltd	The bidder did not attach the letter of good standing with PSIRA.
84	Mamulo Trading and Projects CC	The bidder did not attach the letter of good standing with PSIRA.
85	Masicebise Business Solutions (Pty) Ltd	The PSIRA letter of good standing expired on 06 December 2020.
86	Mathomo Mayo Investment Holding T/A Maximum Security Services CC	No valid ICASA certificate submitted.
87	LandMark Security and Supply Services (Pty) Ltd	Bidder did not submit the PSSPF letter of good standing.
88	Thineti Security and Training CC	No GPS coordinated attached.
89	Africanism Security Services (Pty) Ltd	No GPS coordinated attached.
90	Elphash Trading Enterprise CC	Bidder only submitted a confirmation of registration with the PSSPF and not the letter of good standing



		with PSSPF.
91	Victra Group Companies (Pty) Ltd	Bidder only submitted a confirmation of registration with the PSSPF and not the letter of good standing with PSSPF.
92	Mazibuko Security & Projects CC	No GPS coordinates attached for control room. Only submitted patrol reports.
93	Capital Ship Trading 605 (Pty) Ltd	Company firearm licence not attached.  Letter of good standing with PSSPF not attached. Bidder attached confirmation of registration with PSSPF.
94	Ave Amahle Security Services CC	PSIRA letter of good standing expired.  Letter of good standing with PSSPF not attached. Bidder submitted confirmation letter of PSSPF.
95	KTS General	Letter of Good standing with PSSPF not attached, Instead bidder attached confirmation of registration with PSSPF
96	Mmampheng Construction and Security Services (Pty) Ltd	PSSPF letter of good standing not attached.  No GPS coordinates.
97	Isulabasha Entrepreneurship CC	COIDA letter of good standing attached is for Ngoza Cleaning Services with the expiry date of

		2021/04/30.  No valid UIF certificate attached.  No letter of good standing with PSSPF attached, only confirmation of registration.
98	Pangela Protection Services (Pty) Ltd	No letter of good standing for UIF. Bidder submitted UIF application.
99	Bhekani Abantu Services (Pty) Ltd	No coordinates for control room.
100	Global Strake Security (Pty) Ltd	Invalid ICASA certificate attached.
101	Uyabonwa Security Services CC	The PSSPF letter of good standing is expired.
102	Nomandla Security 247 CC	No GPS coordinates submitted. Only a Utility Bill.  ICASA certificate attached for Delta Communications and a letter confirms that bidder is a customer of Delta Communications.
103	Thopas Security Services (Pty) Ltd	PSSPF certificate expired.
104	Dephethogo Trading Enterprise CC	Bidder submitted a fictitious UIF Compliance Certificate.

105	Mjayeli Security Service (Pty) Ltd	PSSPF letter of good standing not furnished. The bidder only submitted a PSSPF registration letter.
106	Mabele-A-Pudi Trading and Projects CC	PSIRA letter of good standing expired on 19 November 2020.  The COIDA letter of good standing is fictitious, as the certificate number was checked and found to be in the name another enterprise (Tautlamogadi Security Services).  Letter of good standing with PSSPF was expired.

- (b) We found that the BEC did not identify the following non-compliance and therefore allowed the following bidders to progress to the next evaluation phase (functionality).

No	Bidder Name	Details of Non-Compliance
1	Dephethogo Trading Enterprise CC	Bidder submitted a fictitious UIF Compliance Certificate.
2	Mjayeli Security Service (Pty) Ltd	PSSPF letter of good standing not furnished. The bidder only submitted a PSSPF registration letter.
3	Mabele-A-Pudi Trading and Projects CC	PSIRA letter of good standing expired on 19 November 2020.  The COIDA letter of good standing is fictitious, as the certificate number was checked and found to be in the name another enterprise (Tautlamogadi Security

		Services).  Letter of good standing with PSSPF was expired.
--	--	---

- (c) Based on the above, only 7 bidders were eligible for the functionality evaluation. We found that these bidders submitted the required documents and were eligible for the price and B-BBEE evaluation phase.

### 9.5. Losses suffered by the DFFE

9.5.1 It is evident from the above findings of this investigation that Dephethogo did not meet the requirements of the bid and therefore should not have been appointed.

9.5.2 The appointment of Dephethogo therefore renders all expenditure under this contract as irregular expenditure.

9.5.3 It must be furthermore noted that payments were made to Dephethogo for services that were not rendered. In other words, the Department required armed security guards at various sites, however, Dephethogo deployed guards without firearms.

9.5.4 We secured the following documents in respect of payments made to Dephethogo:

- (a) The disbursements report<sup>36</sup> for the period 01 April 2022 until 23 January 2023; and
- (b) Payment vouchers for the period ended 22 December 2022 with a total of **R40 741 811.25**. The payments relate to the following:

No	Region	Order Number	Rands
1	Amathole	OR054879	5 744 962.34
2	Cape Town	OR054880	3 082 224.35

<sup>36</sup> Disbursement Report - 23 January 2023

No	Region	Order Number	Rands
3	Cape Winelands	OR054895	771 810.24
4	Capricorn	OR054897	269 999.82
5	Dlinza	OR054887	1 075 215.33
6	East Griqualand	OR054877	4 438 239.47
7	Ehlanzeni	OR054878	7 613 126.05
8	Garden Route	OR054876	671 561.05
9	Hermanus	OR054899	295 891.40
10	Joe Gqabi	OR054875	1 692 304.64
11	Maputa	OR054874	1 258 896.40
12	Matiwane A	OR054898	2 382 725.22
13	Matiwane B	OR054886	1 016 552.81
14	Overberg	OR054888	1 538 241.01
15	Sekhukhune	OR054890	525 999.77
16	Siyanda	OR054896	708 232.88
17	Umsunduzi	OR054893	2 419 981.97
18	Vhembe	OR055308	3 816 444.93
19	Waterberg	OR054901	1 419 401.57

No	Region	Order Number	Rands
<b>TOTAL</b>			<b>40 741 811.25</b>

9.5.5 We perused the payment vouchers and noted that there is a supplier/service provider's performance evaluation form supporting <sup>37</sup> the payment vouchers with the following performance evaluation criteria:

PERFORMANCE EVALUATION CRITERIA	YES	NO
Did the supplier/ service provider supply the goods/ services rendered satisfactorily and in accordance with the specification or terms of reference?		
Did the supplier/ service provider adhere to the agreed delivery date?		
Was the quality of the goods/ services acceptable and in accordance with the specification/ terms of reference?		
Was the quality of the goods/ services acceptable and in accordance with the specification/ terms of reference?		
Are you in agreement that "value for money" was attained?		

9.5.6 The above checklist was completed by either Mr. Malepa or Mr. Alvin Jordaan, the Deputy Director for Security, Travel and Vetting ("Mr. Jordaan").

9.5.7 Mr. Malepa and Mr. Jordaan both answered "**No**" for the above questionnaire throughout all the payment vouchers we perused.

9.5.8 The following additional evaluation criteria was further included in addition to the above checklist:

**HOW DO YOU RATE YOUR OVERALL EXPERIENCE WITH DEALING THE**

<sup>37</sup> Supplier/service provider's performance evaluation form

SUPPLIER/ SERVICE PROVIDER?				
1*	2*	3*	4*	5*
Very Poor	Poor	Good	Very Good	Excellent

- 9.5.9 Mr. Malepa and Mr. Jordaan both rated a score of 1 – very poor or 2 - poor for the above questionnaire throughout all the payment vouchers we perused.
- 9.5.10 We conducted an interview with Mr. Malepa, during which he stated the following, amongst others, regarding the payment process:
- (a) When an invoice was received from Dephethogo, he checked the invoice against the SLA in terms of the number of security guards deployed to site and whether the security guards had firearms and uniforms.
  - (b) Upon checking the invoice, he noted discrepancies, and for some months the invoices were not paid.
  - (c) Subsequent to the above, there was a meeting which was held with Ms. Maria Lekota, the Chief Director: SCM who instructed them to pay the invoices minus the firearm rate.
  - (d) He does not know how the firearm rate came about and per PSIRA, you cannot separate a guard and a firearm rate.
  - (e) In most meetings he was not in agreement with Mr. Naidoo because he knows that in contract management, 'we hit the ground running.' If there are challenges, they write to the Service Provider and if they do not remedy the situation, their contract is terminated.
  - (f) It is very challenging to manage the contract from the head office because most of the times we are not aware of what is happening on the ground.
  - (g) The issues around the uniforms and firearms are known to Mr. Naidoo and Mr. Jordaan because they went on site.
  - (h) There is no structure in place to manage the contract and they relied on people at the regions. They were not that helpful because they are not experts in security.

- (i) The only internal control measure they have as the Department is the occurrence book which he believes is not reliable.
- (j) The reason for him ticking 'No' in the supplier/ service provider's performance evaluation form and rating Dephethogo 'Poor' or 'Very Poor' in evaluation criteria was due to the poor performance of Dephethogo .

9.5.11 We conducted an interview with Mr. Jordaan, during which he stated the following:

- (a) When he joined the Department, they were still busy with the evaluations which he was not part of.
- (b) When questioned on why he ticked poor and/ or very poor, he indicated that there was a shortage of Firearms/non posting to the regions and there were still break-ins that were occurring.
- (c) The checklist is self-explanatory.

9.5.12 All of the payments were authorised by Mr. Naidoo with his signature affixed to a Departmental stamp <sup>38</sup> confirming the following:

**"A – It is hereby certified that the supplies/ services were rendered satisfactorily and in good condition (procurement)"**

**"Payment is hereby authorised"**

9.5.13 We conducted an interview with Mr. Naidoo, during which he stated the following amongst others:

- (a) The reason for him approving payments for unsatisfactory work is that the service provider was threatening him. According to Mr Naidoo, Dephethogo wrote to the Minister saying that the Department is not paying them and the guards are striking because they cannot pay them. Engagements were held with SCM and Ms. Maria Lekota, Chief Director: SCM (Ms. Lekota) during which Ms Lekota instructed that payments should be made minus the firearm rate.
- (b) He eventually stated that he authorised the payments "under duress".

---

<sup>38</sup> Payments authorised by Mr Naidoo



9.5.14 We noted that there was a meeting around 25 January 2022 between the following Department officials of the Legal, SCM and Security Department regarding the payment of the Dephethogo 's invoices and in particular, the issue of the non-compliance with Firearms at the various sites:

- (a) Ms. Maria Lekota: SCM Chief Director;
- (b) Mr. Naidoo;
- (c) Mr. Brayne Matshotshi, Director: Acquisition and Contract Management;
- (d) Mr. Malepa;
- (e) Ms. Maukelani Mafanele, Corporate Legal; and
- (f) Mr. Jordaan.

9.5.15 We obtained the transcript<sup>39</sup> and established that Ms Lekota instructed Mr Naidoo to process the invoices of Dephethogo despite the fact that there was unsatisfactory performance. She requested that Mr Naidoo pro-rata the invoices due to the fact that services were not rendered as intended (armed guards not deployed). She requested Mr Naidoo to engage with Dephethogo on this proposal as well as the challenges.

9.5.16 We attempted to secure a meeting with Ms. Lekota<sup>40</sup> regarding the approval of the payments without the firearm rate however we were unsuccessful in our attempts.

9.5.17 With regards to the firearm credit, we noted an e-mail<sup>41</sup> that was received from Dephethogo through Mr. Vuyani Ngwenya: General Manager Security and Cleaning Services ("Mr. Ngwenya"). Mr. Ngwenya attached an untitled document, with the following comments:

*"Good evening*

*Please page 26 attached of the latest allowances extracted from the Government Gazette 2020. Please note that its calculated per shift"*

---

<sup>39</sup> Transcript of meeting - 25 January 2022

<sup>40</sup> Attempts to secure a meeting with Ms Lekota

<sup>41</sup> E-mail from Dephethogo Trading CC regarding firearm credits

- 9.5.18 We perused the above document and noted that it does not, in any way, make reference to a “R130 credit which is permissible”.
- 9.5.19 Dephethogo was not cooperative during the investigation. We were referred to their attorneys, who, to date of this report, did not provide the required feedback. One of our requests related to the computation of the R130 firearm credit.
- 9.5.20 We further noted that the invoices were not supported by proof of the security officers’ payment as required by paragraph 11.7 of the Special Conditions of Contract, which states the following:
- “The successful service provider must ensure that wages of appointed security officers are paid on time to prevent possible security breaches on the premises of the Department as a results of late payment. Proof of security office’s payment must be submitted with the invoice. Non compliance may lead to a contract being terminated.”*
- 9.5.21 We noted that the invoices were supported with posting sheets which appear to be signed by the guards per day.
- 9.5.22 We noted that there were various instances of short posting of security guards at the plantations for the months October 2021 to November 2022 based on the posting sheets. We have quantified the amount of the short posting to be R1 581 257.08<sup>42</sup>.
- 9.5.23 We conducted an interview with Mr. Naidoo to obtain reasons as to why he authorised the above payments even though there was no supporting posting sheets confirming that the security guards were indeed posted to the various regions. Mr Naidoo was unable to answer this question.
- 9.5.24 Ms. Nomasonto Mototo: Assistant Director: Contract Management (“Ms. Mototo”) provided us with a brief description of her Department’s role in the payments process. According to her, the payment batches are submitted to the Contracts Management Unit for a compliance review. Once completed, the payment batches are returned to the SCM Unit. The following was stated by Ms Nomasonto regarding payments made to Dephethogo :
- (a) During the review of the payments by the Contracts Management Unit, it was noted that the invoices

---

<sup>42</sup> Calculation of short posting

specified unarmed guards, whilst the SLA made reference to armed guards. They further noted that there was a credit for the firearm. This anomaly was communicated to Mr Naidoo.

- (b) An instruction was received from Mr Naidoo to process all the invoices for payment despite the fact that the Evaluation of Performance matrix reflected "Poor Performance".
- (c) She emphasized that the project manager was never available to assist her and she never got any response to her various queries on the payments.

9.5.25 Ms Nomasonto provided us with written confirmation that she received from Mr Naidoo regarding the firearm credit <sup>43</sup>, where he states the following:

***"As previously discussed with Maria, we need to pay PRORATA."***

9.5.26 On 13 April 2023 we e-mailed Mr. Gaarekoe and requested a meeting to discuss our findings and to secure his feedback on the various matters.

9.5.27 We did not receive any response from Mr Gaarekoe, however, on 14 April 2023 TJS Incorporated contacted the investigators and requested a meeting. According to TJS Incorporated, they were the legal representatives of Dephethogo.

9.5.28 During the meeting Mr. Andre van Aswegen ("Mr. Aswegen") of TJS Incorporated informed us that he would appreciate confirmation of our appointment by the Department before he would assist with any request that we may have. It was therefore agreed in the meeting that we would e-mail Mr. Aswegen proof of our appointment as well as our request for information. We immediately transmitted the required documents to Mr. Aswegen.

9.5.29 On 11 May 2023, we received an e-mail from Ms Leana Jansen, a Senior Collection Typist at TJS Incorporated. In her e-mail, she acknowledged our previous e-mail and advised that the matter will be discussed with their client (Dephethogo).

9.5.30 On 25 May 2023, we received an e-mail from Ms. Jorina Retief, a Secretary at TJS Incorporated. In her e-mail, she acknowledged our previous e-mail and advised that the matter was discussed with their client

---

<sup>43</sup> E-mail from Mr Naidoo - Firearm credit

(Dephethogo) and that they are in the process of sourcing further information in order to comprehensively respond to our request.

9.5.31 At the date of finalising our investigation and compiling our report, we did not receive any feedback from Dephethogo or their attorney.

## 9.6. **Determining value for money**

9.6.1. As detailed in preceding sections of this report, the following has been confirmed during the investigation:

- (a) The appointment of Dephethogo was irregular. Dephethogo did not meet the mandatory or functional requirements of the bid. Their success is owing to the gross negligence of the BEC.
- (b) Dephethogo was incapable of executing the contract. Their incapability was known even prior to them being awarded the contract. Dephethogo was in possession of 27 firearm licences at the bidding stage, yet the BEC allocated various sites to Dephethogo that required a total of 116 firearm licences. Dephethogo furthermore did not provide the necessary uniforms and equipment to their security guards for the implementation of security at the various sites.
- (c) Upon being appointed, Dephethogo deployed unarmed guards to the sites that required armed guards.
- (d) Despite the above, the Department proceeded to make payments to Dephethogo on the instruction of Ms Lekota and Mr Naidoo.
- (e) The above is confirmation that the Department did not receive value for money from this transaction with Dephethogo.

## 9.7. **Officials liable in law for any irregular expenditure**

9.7.1 The irregular appointment of Dephethogo is owing to the negligent conduct of the following officials who served as BEC members and SCM Technical Advisors during the bid evaluation:

NUMBER	NAME	POSITION	DATE OF APPOINTMENT
1	Mr. Vinesh Naidoo	BEC Chairperson	02 February 2021
2	Mr. Tshepo Malepa	BEC Member	02 February 2021
3	Mr. Cyril Ndou	BEC Member	02 February 2021
4	Ms. Dimakatso Zamisa	BEC Member	02 February 2021
5	Mr. Kim Weir	BEC Member	02 February 2021
6	Mr. Thembelani Ngamile	BEC Member	02 February 2021
7	Ms. Emily Babedi	SCM Technical Advisor	02 February 2021
8	Ms. Georgina Serumula	SCM Technical Advisor	02 February 2021

9.7.2 The above officials allowed a fictitious UIF Certificate to pass as a valid certificate. As indicated earlier in our report, the identification of this fictitious certificate did not require a verification process. There was sufficient information on the certificate itself to alert any reader that the certificate is fictitious. The following is the inclusion on the UIF certificate:

<p><b>Copies of this certificate are not valid and the following will also automatically render it invalid:</b></p> <ul style="list-style-type: none"> <li>• If any changes have been made to the contents;</li> <li>• <b>If it does not bear an official stamp of the Department of Labour and/or the UIF; and</b></li> <li>• If the period for which the certificate is valid has expired.</li> </ul>	<p><b>Afskrifte van hierdie sertifikaat is nie geldig nie en die volgende sal dit ook outomaties ongeldig maak:</b></p> <ul style="list-style-type: none"> <li>• Indien enige veranderinge aan die inhoud aangebring is;</li> <li>• Indien dit nie 'n amptelike stempel van die Departement van Arbeid en/of die WVF bevat nie; en</li> <li>• Indien die tydperk waarvoor die sertifikaat geldig is verval het.</li> </ul>
---	--

9.7.3 The UIF Certificate of Compliance submitted by Dephethogo did not bear an official stamp of the Department of Labour and/or the UIF.

9.7.4 The BEC members thereafter assigned excessive scores to Dephethogo during the functionality phase of

the evaluation. We found that the BEC members allowed themselves to be influenced into changing their scores. According to Mr Weir and Ms Zamisa, SCM requested the BEC members to revisit their scores when it was found that the scores differed amongst the various BEC members. Such conduct compromises the independence of each BEC member's score.

9.7.5 Excessive scores were allocated for Dephethogo's experience and the experience of the Team Leader. We have illustrated in our findings above that the documents provided by Dephethogo do not warrant the scores allocated by the BEC.

9.7.6 In so far as payments to Dephethogo are concerned, we found that Ms Lekota and Mr Naidoo approved the payments despite there being poor service delivery and no delivery in some instances. We noted that there were various instances of short posting of security guards at the plantations for the months October 2021 to November 2022 based on the posting sheets. A total of R1,581,257.08 was approved and paid without any posting sheets.

**9.8. Breakdowns in the designed internal controls and the impact thereof, including patterns such as common officials and suppliers in multiple transactions**

9.8.1. The BEC did not function as intended. Scores were changed at the request of SCM Officials. This resulted in the appointment of unsuitable bidders and consequently financial losses to the Department.

9.8.2. There was no monitoring of the security contract by the Department. The project manager turned a "Blind Eye" to the various non-compliances.

9.8.3. The Tor was poorly crafted and did not include specific information in so far as the following is concerned:

- (a) The extent of the sites. It must be further noted that there was no briefing session prior to this bid.
- (b) The number of references required was not stipulated.

## 10. Conclusions

- 10.1 The appointment of Dephethogo was irregular. Dephethogo did not meet the mandatory or functional requirements of the bid resulting in their appointment not being a fair process as required by Section 217 of the Constitution.
- 10.2 Dephethogo committed an act of fraud by submitting a fictitious UIF Certificate of Compliance. The submission of a UIF Certificate of Compliance was a mandatory requirement of the bid and hence any failure to submit a valid certificate should have resulted in disqualification from the bidding process. This was not the case in this instance, as the BEC allowed Dephethogo to proceed further in the evaluation process. The irregular appointment of Dephethogo is owing to the negligent conduct of the following officials who served as BEC members and SCM Technical Advisors during the bid evaluation:

NUMBER	NAME	POSITION	DATE OF APPOINTMENT
1	Mr. Vinesh Naidoo	BEC Chairperson	02 February 2021
2	Mr. Tshepo Malepa	BEC Member	02 February 2021
3	Mr. Cyril Ndou	BEC Member	02 February 2021
4	Ms. Dimakatso Zamisa	BEC Member	02 February 2021
5	Mr. Kim Weir	BEC Member	02 February 2021
6	Mr. Thembelani Ngamile	BEC Member	02 February 2021
7	Ms. Emily Babedi	SCM Technical Advisor	02 February 2021
8	Ms. Georgina Serumula	SCM Technical Advisor	02 February 2021

- 10.3 The above officials allowed a fictitious UIF Certificate to pass as a valid certificate. As indicated earlier in our report, the identification of this fictitious certificate did not require a verification process. There was sufficient information on the certificate itself to alert any reader that the certificate is fictitious. The following is the

inclusion on the UIF certificate:

<p>Copies of this certificate are not valid and the following will also automatically render it invalid:</p> <ul style="list-style-type: none"> <li>• If any changes have been made to the contents;</li> <li>• If it does not bear an official stamp of the Department of Labour and/or the UIF; and</li> <li>• If the period for which the certificate is valid has expired.</li> </ul>	<p>Afskrifte van hierdie sertifikaat is nie geldig nie en die volgende sal dit ook outomaties ongeldig maak:</p> <ul style="list-style-type: none"> <li>• Indien enige veranderinge aan die inhoud aangebring is;</li> <li>• Indien dit nie 'n amptelike stempel van die Departement van Arbeid en/of die WVF bevat nie; en</li> <li>• Indien die tydperk waarvoor die sertifikaat geldig is verval het.</li> </ul>
---	---

- 10.4 The UIF Certificate of Compliance submitted by Dephethogo did not bear an official stamp of the Department of Labour and/or the UIF. The UIF confirmed that the certificate submitted by Dephethogo is fictitious. The UIF further confirmed that no certificate of compliance was ever issued to Dephethogo since 2016. This confirms that Dephethogo was not in possession of a valid certificate of compliance as at the bid closing date.
- 10.5 As a result of the above, the BEC members have breached the requirements of the following legislation which is further expanded in Section 6 of our report:
- (a) Section 45 (a), 45 (c), 81 (1) (b) and 81 (2) of the Public Finance Management Act, Act No. 1 of 1999;
  - (b) Section 14 (d) of the Public Service Regulations, 2017;
  - (c) Regulation 8 (1) (b), 8 (3) (b), 8 (3) (d) and 8 (3) (f) of the Regulations in Terms of The Public Finance Management Act, 1999: Framework For Supply Chain Management as Published in Gazette No. 25767 Dated 5 December 2003; and
  - (d) Section 2.3 of the Department of Forestry Fisheries and the Environment Supply Chain Management Policy.
- 10.6 Verifications were not undertaken on critical certificates and references. This resulted in the BEC allocating excessive scores to Dephethogo.
- 10.7 Subsequent to accepting the above fictitious certificate, the BEC members assigned excessive scores to Dephethogo during the functionality phase of the evaluation. We found that the BEC members allowed themselves to be influenced into changing their scores. According to Mr Weir and Ms Zamisa, SCM requested the BEC members to revisit their scores when it was found that the scores differed amongst the various BEC



members. In all instances, the scores were adjusted upwards and never downwards.

- 10.8 Excessive scores were allocated for Dephethogo's experience and the experience of the Team Leader. The documents provided by Dephethogo do not warrant the scores allocated by the BEC. The maximum points of 5 was allocated for the experience of the Team Leader, whereas, based on the references, the permissible score was 2. The BEC also incorrectly allocated points for appointment letters submitted by Dephethogo, whereas the requirement of the bid was for bidders to submit reference letters.
- 10.9 Dephethogo was incapable of executing the contract. Their incapability was known even prior to them being awarded the contract. Dephethogo was in possession of 27 firearm licences at the bidding stage, yet the BEC allocated various sites to Dephethogo that required a total of 116 firearm licences. Dephethogo furthermore did not provide the necessary uniforms and equipment to their security guards for the implementation of security at the various sites.
- 10.10 As a result of the above, the BEC members have breached the requirements of the following legislation which is further expanded in Section 6 of our report:
- (a) Section 3.4.1 of the National Treasury Instruction Note on the Amended Guidelines in Respect of Bids that Include Functionality as a Criterion for Evaluation, 2010;
  - (b) Section 5 (2) of the Preferential Procurement Policy Framework Act, 2000: Preferential Procurement Regulations;
  - (c) Section 45 (a), 45 (c), 81 (1) (b) and 81 (2) of the Public Finance Management Act, Act No. 1 of 1999;
  - (d) Section 14 (d) of the Public Service Regulations, 2017;
  - (e) Regulation 8 (1) (b), 8 (3) (b), 8 (3) (d) and 8 (3) (f) of the Regulations in Terms of The Public Finance Management Act, 1999: Framework For Supply Chain Management as Published in Gazette No. 25767 Dated 5 December 2003; and
  - (f) Section 2.3 and 13.5 of the Department of Forestry Fisheries and the Environment Supply Chain Management Policy.
- 10.11 Upon being appointed, Dephethogo deployed unarmed guards to the sites that required armed guards.

10.12 Despite the above, the Department proceeded to make payments to Dephethogo on the instruction of Ms Lekota and Mr Naidoo.

10.13 As a result of the above, Ms Lekota and Mr Naidoo have breached the requirements of the following legislation which is further expanded in Section 6 of our report:

(a) Section 45 (a), 45 (c), 81 (1) (b) and 81 (2) of the Public Finance Management Act, Act No. 1 of 1999.

10.14 All payments made to service providers under bid E1589 are irregular by virtue of the above findings of the investigation. The following amounts were paid to service providers under Bid E1589:

No	Name of Supplier	Total Payments
1	Dephethogo Trading CC	40 741 811.25
2	Puthadichaba Trading Enterprise CC	1 008 859.14
3	Popo Protection Services (Pty) Ltd	8 179 637.10
<b>Total</b>		<b>49 930 307.49</b>

10.15 The conduct of the BEC members was a breach of Section 217 of the Constitution, as it is evident that the process was not undertaken in a fair and transparent manner.

10.16 The BEC members furthermore breached Section 3.4.1 of the National Treasury Instruction Note on the Amended Guidelines in Respect of Bids that Include Functionality as a Criterion for Evaluation, 2010. According to this practice note, the assessment of functionality must be done in terms of the evaluation criteria and the minimum threshold. A bid must be disqualified if it fails to meet the minimum threshold for functionality as per the bid invitation.

10.17 The BEC members and Ms Lekota breached Section 45 (c) of the PFMA as they did not take effective and appropriate steps to prevent irregular expenditure.

## 11. Recommendations

- 11.1 The Department should terminate the contract with Dephethogo with immediate effect. Such contract termination is permitted in terms of the Regulations issued in Terms of The Public Finance Management Act, 1999: Framework For Supply Chain Management as Published in Gazette No. 25767 Dated 5 December 2003. Regulation 9(1)(c) states that the accounting officer or accounting authority of an institution to which these regulations apply must cancel a contract awarded to a supplier of goods or services:
- i. if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract; or
  - ii. if any official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of that contract that benefited that supplier
- 11.2 Disciplinary action should be initiated against the following BEC members for their negligent conduct during the evaluation of the bid. It must be noted that the SCM Technical Advisors are not included below as they are no longer employed by the Department.
- (a) Mr. Vinesh Naidoo - BEC Chairperson;
  - (b) Mr. Tshepo Malepa - BEC Member;
  - (c) Mr. Cyril Ndou - BEC Member;
  - (d) Ms. Dimakatso Zamisa - BEC Member;
  - (e) Mr. Kim Weir - BEC Member;
  - (f) Mr. Thembelani Ngamile - BEC Member;
- 11.3 The Department should initiate civil recovery proceedings against Dephethogo for all amounts paid under this contract. An amount of R40,741,811.25 should be recovered and such recovery process should be guided by the Department's Legal Team.

- 11.4 The findings of this investigation should be reported to the South African Police Service to facilitate a criminal investigation. Such investigation will be based on the fraudulent UIF Certificate submitted by Dephethogo as well as the general conduct of the BEC in their evaluation of bids.
- 11.5 The Department should conduct an independent probity of all bid evaluations and adjudications prior to appointing service providers.