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SPECIAL TRIBUNAL SETS ASIDE R8.2 MILLION GAUTENG ENTERPRISE PROPELLER TENDER AND AGREEMENT

The Special Investigating Unit (SIU) welcomes a judgment by the Special Tribunal, which has reviewed and set aside an R8.2 million tender award for the Township Entrepreneurship Awards and a subsequent agreement by the Gauteng Enterprise Propeller (GEP).

In a ruling handed down on 19 August 2025, the Tribunal made the following orders:

- The decision of the GEP's Bid Adjudication Committee dated 14 November 2017 to approve the appointment of Oratilwe Consultants CC, trading as Exclusive Management Services (EMS), for tender is declared invalid and set aside.
- The Service Level Agreement (SLA) entered into between GEP and EMS on 20 December 2017 is declared invalid and set aside.

The SIU investigation, initiated under Proclamation No. R. 7 of 2021, uncovered that the bid submitted by EMS was non-responsive as it did not include the mandatory Standard Bidding Document, which was only submitted eleven months after the closing date.

A key finding was that the price attached by EMS to the bid (R8,527,200.00) differed from the price (R7,486,380.00) considered by the Bid Evaluation Committee (BEC). Evidence indicated that EMS had quoted a higher price than another bidder, and would have lost the bid had its correct, higher price been used in the evaluation.

The SIU obtained evidence within the Supply Chain Management (SCM) unit, which showed that the process was manipulated to ensure EMS was awarded the tender. Furthermore, the evidence indicates that BEC did not evaluate the bidders for price; this was done contrary to procurement regulations.

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The SIU also found that the BAC chairperson signed the BEC report as the chairperson four days before being officially appointed to the position. When the BAC met, it did not have the requisite tender documents and rubber-stamped the BEC's recommendation without the required scrutiny.

Furthermore, the BEC report, dated November 6, 2017, showed that EMS and another company met the functionality threshold and were evaluated based on price. The BEC recommended EMS be appointed at R7,486,380.00, not the R8,527,200.00 the company had attached to its bid. The minutes of the BAC meeting show that individuals not appointed to the committee attended the adjudication meeting.

The Tribunal further ordered EMS and its director, Mr. Julius Lennie Mekwa, to provide a detailed account, including audited financial statements and invoices, of all income and expenses related to the project within 30 days. The accounts and financial statements will be used to determine the amount of profit to be paid back.

This order is a direct result of the SIU investigation, which found that the process was not fair, equitable, transparent, competitive, or cost-effective.

Following its investigation, the SIU implemented a comprehensive consequence management process, resulting in several disciplinary referrals to the GEP. As a result of these referrals, Tlhalefang Mahlare, the Legal Services Manager, was dismissed, while Nonkululeko Sontsele, the Key Accounts Manager, received a final written warning. Four other officials who were also subject to the SIU's referrals chose to resign from the entity.

The SIU is committed to ensuring that the Tribunal's order is implemented and that public funds are recovered.

In line with the Special Investigating Units and Special Tribunals Act 74 of 1996 (SIU Act), the SIU will refer any evidence of criminal conduct uncovered during its investigation to the National Prosecuting Authority (NPA) for further action.

Under the SIU Act, the SIU is also authorised to initiate a civil action in the High Court or a Special Tribunal in its name to address any wrongdoing identified during its investigation resulting from acts of corruption, fraud, or maladministration.

END.

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