

## LENONG - EXECUTIVE SUMMARY

<b>INVESTIGATION RESULTS - BACKGROUND SEARCHES</b>		
<b>SUMMARY OF MAJOR FINDINGS &amp; CONCLUSIONS</b>		
<b>Verification</b>	<b>Finding</b>	<b>Conclusion</b>
CIPC		Lenong is registered as a company with CIPC
Links with PRASA officials		We conducted various background searches on PRASA official involved in the tender award process to Lenong, however we could not find any links between these officials and Lenong/Kubeka.
CIDB		Lenong was not registered with the CIDB at the time when the evaluation and adjudication was done for tender number 28/09/2012/GAU-S(PER) - Drainage Upgrade – Cluster A Dube-Phefeni with SAP contract number 460000463,
SARS		Lenong is registered for VAT and their SARS matters are in order
BEE		Although the rating agency has informed us that they have done a BEE verification on Lenong, they were not willing to provide us with same due to confidentiality concerns. We could thus not confirm whether Lenong's BEE status was in fact valid
Department of Labour		The verification on the Department of Labours' website regarding Lenong's letter of good standing shows that they have not issued same. We have requested the Department to provide us with confirmation, however this is still outstanding
Accounting Officer		The accounting officer Insedlu Business Companion confirmed that they issued the financial statements and that they were the accounting officer to Lenong at the time
Treasury Register - Restricted Suppliers		Lenong/Kubeka is not listed as a restricted supplier on Treasury's database of restricted suppliers
SAFPS		Lenong/Kubeka is not listed on SAFPS database
Parliament Registry		Lenong/Kubeka is not listed on the MP's database as one of the companies/individuals linked to MP's

## INVESTIGATION RESULTS - PROCUREMENT PROCESSES

### SUMMARY OF MAJOR FINDINGS & CONCLUSIONS

### RECOMMENDATIONS

Based on our investigation we determined:

- ✘ Lenong was not registered at the CIDB at the time of tender evaluation and award. However, registration kicked in prior to the commencement of the contract on 11 April 2013.
- ✘ The tender for the for the upgrade of the drainage at Dube -Phefeni, was not advertised and the award was not published on the CIDB tender bulletin website.

As at the day of this report we have not been provided with the following information on Lenong contracts despite our best efforts in obtaining this information:

- ✘ Bid submissions from other tenderers for tender number 28/09/2012/GAU-S(PER) - Drainage Upgrade - Cluster A Dube-Phefeni
- ✘ Bid scoring sheets for tender number 28/09/2012/GAU-S(PER) - Drainage Upgrade - Cluster A Dube-Phefeni
- ✘ Any and all SCM and contract documentation for tender number Metro Rail/PER (DU &FR) CE/02/11/2011 - Drainage Upgrade - Cluster E Elandsfontein- Ravenklip, Germiston.

It should be noted that there have been significant delays with the submission of information relating to procurement and contract

We recommend that the relevant disciplinary steps be taken against PRASA SCM officials (and in specific the sourcing specialist SCM Dimakatso Mathe) for:

- ✘ For not complying with the CID regulations 24 and 18, when they failed to advertise and publish the award of the upgrade of the drainage at Dube -Phefeni tender.

It was not within our scope to investigate where documentation is, or who is directly responsible for the delay in providing the documentation and data, or for misplacing / destroying / losing the documentation / data. The PRASA Board should investigate the root causes for the delay or omission in providing the required data / documentation; and act accordingly.

<p>management with a significant amount of information not submitted at all. This information has been requested on a repetitive basis since April 2016.</p> <p>Some information we only received in the week prior to our reporting deadline, 31 October 2016.</p>	
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<b>INVESTIGATION RESULTS - PAYMENT VERIFICATION</b>	
<b>SUMMARY OF MAJOR FINDINGS &amp; CONCLUSIONS</b>	<b>RECOMMENDATIONS</b>
<p>Based on our investigation on the invoices and payments we can conclude that Lenong was paid in line with their contract terms and contract values on both drainage upgrade contracts in Elandsfontein and Cluster A: Dube-Phefeni.</p>	<p>No recommendations are made in this regard.</p>