

# Work underway to finalise awarding of R17bn Sanral projects

The South African National Roads Agency (Sanral) has announced measures intended to finalise with speed the awarding of five tenders with a collective value of R17.4bn, which were recently not authorised by the board for awarding.



Source: Hendrik van den Berg via [Wikimedia Commons](#)

Reasons behind the cancellation of tenders included Sanral's obligation to ensure proper corporate governance, the requirement to comply with internal controls and the responsibility to conduct procurement in line with legislative, regulatory and policy prescripts.

Addressing a media briefing on Thursday, Sanral chairperson, Themba Barrange Mhambi, noted that not awarding the tenders delayed the implementation of the projects, which are critical in growing the country's economy as part of investments in infrastructure.

"We as Sanral decided to accelerate the required re-advertisement of the tenders and awarding of the tenders. We, therefore, set ourselves a four-month deadline during which the tenders will be re-advertised, evaluated, adjudicated and awarded," Mhambi said.

To guarantee the integrity of the procurement process moving forward, Sanral decided to award an independent public entity with expertise and a proven track record in handling the procurement and management of projects of the magnitude of those five tenders.

"We undertook to move with speed and conclude the appointment of that entity by the end of June. In line with that objective and promise, the Sanral board is today pleased to announce that it has concluded an engagement process with the Development Bank of Southern Africa (DBSA), which has agreed to act as our infrastructure procurement and delivery management support on the five strategic projects whose tenders were cancelled," Mhambi said.

He noted that the DBSA was not involved in the design, cost estimation and tender documentation stages of the cancelled projects, therefore there is no conflict of interest on their part, which was fundamental for the Sanral board.

"This should reassure all interested parties and the public about the integrity and independence of the new procurement processes for the projects. DBSA's track record and profile in regard to matters of this nature speaks for itself.

"We have met the first part of our deadline with respect to our recovery plan in relation to these projects. That is the governance part of all of this and the operational part must follow.

"As the board, we have entrusted that responsibility to those who get paid at Sanral to run the operations of the organisation, led by our acting CEO, over the next three months," Mhambi said.

Sanral's Acting CEO, Lehlohonolo Memeza, said the scope of the services to be rendered by the DBSA includes the evaluation of compliance, technical and financial aspects of relevant tenders, as well as providing independent construction management oversight throughout the construction period of the projects emanating from the tenders.

"Our procurement and implementation plan for these projects is therefore well and truly back on track, and we wish to reassure the nation that it shall be executed meticulously, and with the independence and integrity required," Memeza said.

She said the procurement phases will be subjected to probity checks.

#### **The planned timeline for the execution of this phase of the work is:**

- In June, there will be a Procurement Project Inception Meeting and the development of a Memorandum of Agreement (MoA).
- In July and August, the project team will be mobilised and information gathered. There will be a review of bid specifications, the approval of bid specifications and adverts, the advertisement of tenders, the receipt of bids, bid evaluation and bid adjudication. Interested parties are advised that the adverts for the tenders will be released during the course of July and they should be on the lookout for them.
- In September, there will be the submission of the bid evaluation and adjudication report to Sanral, and the Sanral board's consideration of recommendations, followed by the awarding of the tenders.

"Once the tenders are awarded and Sanral's project managers and consultants begin to supervise contractor performance and project delivery, the DBSA's role will change to project oversight on behalf of the board, with regular reporting to the board to ensure that these projects receive ongoing board monitoring and support," she said.

Minister of Transport, Fikile Mbalula, welcomed that the board moved with the necessary speed to address the due process lapses, with a clear plan on how to finalise the award of these tenders within the shortest possible time.

"In appreciating the importance of the projects affected by the non-award of the tenders, Sanral has taken steps to ensure that we move with speed in addressing the lapses and reach the point of award speedily.

"In appreciating the strategic nature of the affected projects and their importance in giving momentum to economic reconstruction and recovery, I have impressed on the board the need to move with speed in addressing the anomalies and award these tenders in a manner that is transparent and fair," the Minister said.

He emphasised the importance of eliminating fruitless and wasteful expenditure as well as the reduction of irregular expenditure.

"Our efforts to eliminate fruitless and wasteful expenditure and reduce irregular expenditure require of us and all our entities to put in place early warning systems to detect and regularise actions that may otherwise result in irregular expenditure or costly litigation.

"The board, through its oversight mechanism, identified the flouting of due process and moved with speed to act, in order to preserve the integrity of the tenders.

"Good governance is the cornerstone of efficient service delivery and for that reason, we will always keep governance on our radar and expect quarterly reports to include governance by of our entities," Mbalula said.

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