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NKANDLA CONTRACTORS WORKED WITH PRESIDENT BEFORE

Zuma 'backed' upgrades

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THE order for two contractors to work on the security upgrades at President Jacob Zuma's Nkandla home came directly from the president because they had worked for him previously.

This emerges in the Special Investigation Unit's report on Nkandla which is under scrutiny as 11 public servants face Department of Public Works disciplinary hearings in Durban.

Yesterday, Durban-based public works project manager Trevor Watson was the latest to appear. He and his colleagues face charges of maladministration for deviating from department procurement procedures on the Nkandla project.

Watson's charges relate to the appointment of Bonelene Construction for phase two, which included the construction of 20 buildings including police accommodation. He is accused of costing the state R6.1 million in irregular expenditure.

The second contractor is Moneymine, previously commissioned by Zuma as his private builder.

Bonelene is owned by Thandeka Nene and received R78m from the entire Nkandla project as it was appointed to work on two phases which included emergency security work, landscaping and 26 new buildings.

The company's first tender, in June 2010, was awarded on nominations as, according to the SIU, the "advertisement contained secret information and therefore open tender process could not be followed".

The charges stem from recommendations by the SIU in a report that was given to Zuma in August.

The Public Servants Association (PSA) is representing the accused. PSA labour relations officer Roshan Lil-Ruthan refused to discuss his defence strategy.

However, it is thought he will argue that the civil servants were taking instructions from their supervisors. The SIU report says there was pressure to fast-track the project and an instruction to appoint certain contractors by former deputy minister Hendrietta Bogopane-Zulu and Zuma.

The report says: "The minutes of the meeting of December 6, 2010, reflect that... Bogopane-Zulu said no new contractors should be allowed on site and pointed out that the current contractors (Bonelene Construction and Moneymine Investment) should be utilised... as the president did not want other contractors appointed for phase two than the ones that had been appointed for phase one".

Zuma has previously denied knowledge of the details and amounts of work performed at Nkandla during the controversial security upgrades. In his parliamentary address last year, he said he was aware of the improvements done to enhance security.

"The nature and form of the improvements was decided upon by the relevant officials through their departments. As already indicated, such information (communicated to him) would not include details on the specifics of what would be done, by whom and at what cost," he said.

WATSON

Apparently, public works senior project manager Jean Rindel motivated for the nominated procurement strategy, saying it was the "preferred and fastest way to procure the works as it allowed the department to select the four nominated contractors (including Bonelene) to immediately provide the approved bidders with bid documents".

Bonelene was paid R25m for phase one. On an alleged instruction from Bogopane-Zulu, the state went ahead and gave Bonelene a R40m tender for phase two, despite their construction grading not permitting this.

In 2012 Bonelene had grade 7 status, which limited it to tenders of up to R40m, when it was appointed for phase two. The Construction Industry Development Board regulations stipulate that a company can only take on work higher than its grading if the client is satisfied it can deliver.

However, the department tried to cancel the contract for non-performance in March 2012. According to the SIU report, the termination occurred a month later. Nene disputed the cancellation, saying that the failure to complete the work was because of delays in payment by the department.

Following a number of exchanges with department officials, including minister Thulas Nxesi, Bonelene was paid R7m, including an undisclosed retention amount.

Moneymine was then given the tender to complete Bonelene's outstanding work, which included the military clinic and the crew pavilion, for R3.4m. As part of phase two, Bonelene was paid close to R1.2m for the concrete underdig for the outer perimeter fence, but the SIU said "such work was not executed".

The payment was apparently authorised by Nkandla architect and project manager Minenhle Makhanya, who faces a R155m civil suit by the SIU, which says he overcharged and over-designed aspects of the project.

Despite raking in millions from the project, Bonelene faced liquidation in 2012 and received a R10m bailout from the Independent Development Corporation, to which it already owed R19m.

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