



Province of the  
**EASTERN CAPE**  
HUMAN SETTLEMENTS

**OFFICE OF THE MEC**

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QUESTIONS FOR WRITTEN REPLY FRIDAY, 24 JULY 2015

95. Ms V Knoetze to ask the MEC responsible for Human Settlements:	Response:
<p><i>With regard to the housing project in Lesseyton and Ntsongeni and noting that the housing project in question was awarded to DCI Holdings:</i></p> <p>(1) As DCI Holdings is based in the Western Cape, can she kindly provide an explanation as to (a) why and (b) how the project was awarded to this company and not a tender applicant that is based in the Eastern Cape</p> <p>(2) according to information received by the Department of Human Settlements, DCI Holdings was removed from the project at one stage, can she kindly please confirm if this was in fact the case; if so</p>	<p>a) The Department advertises its bids in the Tender Bulletin and newspapers inviting all contractor irrespective of their location, to submit proposals. The project was no different and after SCM processes were undertaken, DCI then was appointed as successful bidder. b) The Department does not award bids to contractors because they are based in the Eastern Cape but to contractors which have responded to the invitation and comply and rendered successful after all SCM processes have been followed.</p> <p>2. The Contract has been terminated as at 05<sup>th</sup> August 2015. The process was followed and a Notice of Breach was issued on the 19<sup>th</sup> March 2015. DCI subsequently made a presentation to remedy the breach on the 18<sup>th</sup> May 2015. Letter with demands was issued on the 04<sup>th</sup> June 2015 for the Contractor to remedy the breach which the Contractor failed to fulfil the demands and that led to the termination.</p>

(3) why were they removed from the project;

3. They were terminated on the 05th August 2015 due to poor performance and non-compliance with Project Implementation Plan.

(4) further information indicates that after they were removed from the project, they were later re-instated; can she kindly clarify this situation; if this is in fact the case, why were they re-instated

4. They were not reinstated. Department is busy with reinstatement of new contractor in terms of SCM policy and replacement contractor will be appointed to complete this project.

(5) whether new Terms of Reference have been drafted or issued at any stage during the duration of this project;

5. No new Terms of Reference were issued except Variation order that was approved for additional work due to National Norms & Standards effective from 01<sup>st</sup> April 2014. Norms Standards includes plastering and painting both external & internally, electrification of house, ceilings etc.

(6) according to further information received, DCI Holdings are subject to a liquidation order; whether her Department is aware of such liquidation order; if not,

6. The Department is not aware about this Liquidation order.

(7) whether her Department will investigate the matter further; if there is in fact a liquidation order in terms of DCI Holdings, why are they allowed to continue in terms of the project

7. The Department is currently finalising a reconciliation close out report and if it becomes necessary to enquire into the liquidation the reconciliation close out report As informed by the report, the Department will take necessary steps

(8) What action steps will her Department take if there is in fact a liquidation order in effect?

8. The liquidation will only be relevant if there are snags that need to be fixed because the Department pays on value created, thus where there is termination the liquidation can only be relevant or snags

<p>(9) what time frame can be expected for the Department to investigate the matter further</p>	<p>9. The close out report will be finalised within 21 days and any necessary action will follow immediately</p>
<p>(10) what action steps have her Department taken in terms of allegations in the local newspaper where it is stated that contractors and sub-contractors are not being paid by DCI Holdings;</p>	<p>10. The Regional office and Project manager have held meetings with the main contractor DCI at the site level as there are contractual obligations between the Main contractor and the department; and this has been explained to the Main Contractor, as we have no selected nor nominated subcontracting in this project; and On termination the Contractor was given 3 months to reconcile the project and pay all monies due to their sub-contractors</p>
<p>(11) whether she can please make available all original tender documentation of all tender applicants;</p>	<p>11. This information can be availed however there is a process prescribed by PAIA as there is information pertaining to third parties, so the department requests that this information be requested through that process.</p>
<p>(12) Whether there was any conflict of interest declared in the tender documentation between DCI Holdings Directors and Government?</p>	<p>12. According to the information submitted by DCI there was no conflict of interest declared</p>