

Weekend Post

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Minister investigates Bay's R1bn bus fiasco

Councillors demand to know who benefited

Rochelle de Kock
dekockr@timesmedia.co.za

FINANCE Minister Nhlamhla Nene's department has launched a full-scale forensic investigation into Nelson Mandela Bay's controversial bus system, probing allegations of widespread corruption since its inception in 2005.

This has been announced as the beleaguered Integrated Public Transport System (IPTS) is still not running – seven years and more than R1-billion after the highly acclaimed upgrade was officially launched.

The 25 articulated buses have been in storage since November last year and are set to remain parked for at least another eight months due to budget constraints.

City manager Mpilo Mbambisa told a municipal public accounts committee meeting yesterday that the Department of Transport had raised serious concerns about the stagnant system two weeks ago.

The municipality has turned to Eastern Cape premier Phumulo Masualle and his executive committee to provide support in getting the project off

the ground. "The Department of Transport raised concerns about the project and we've asked them not to be too far from it and assist us," Mbambisa said.

"Also, we highlighted to the premier and his executive committee [this week] that the IPTS is a challenge and that we need support. The MEC [of Transport] said they would provide the necessary support."

Following his previous call for the metro's internal audit department to probe the IPTS, Mbambisa said the audit steering committee subsequently suggested that National Treasury assist the municipality.

This would include a forensic investigation and Treasury "indicated they want to do the forensic investigation themselves. The process has started," Mbambisa said.

Metro officials had already held their first meeting with Treasury, and auditors were busy gathering information.

They would start the probe



NHLAMHLA NENE

in full force in January.

They expect the complete report by the end of March.

National Treasury spokesman Jabulani Sikhakhane confirmed the probe.

He said that plans were under way to weigh up the options of possibly establishing a separate entity to run the IPTS department.

Although an exact figure has not been provided, a previous infrastructure and engineering report stated that the municipality had spent more than R1-billion on the system.

Yesterday, councillors lambasted what they described as a "scanty report" by IPTS boss Mhleli Tshamase detailing how R487-million was spent on IPTS-related projects in the last financial year.

Tshamase's report lists the names of all the companies and sub-contractors that benefited from IPTS contracts in the 2013-14 financial year.

However, it only provides director/ownership information for some of the companies,

while the rest was "not available", according to Tshamase.

At the public accounts meeting, which focused solely on the IPTS, councillors said they wanted details about why the buses were in storage and exactly what work each of the companies did.

Not a cent of the total R487-million spent on the IPTS in the 2013-14 financial year was procured through a competitive bidding process. The contracts were awarded through signed deviations.

ANC councillor Ncediso Captain wanted to know who owned the firms that benefited from the contracts and what work they did.

"What is the company [contracted to do marketing] actually marketing if the buses are not running?"

"There are companies that were contracted to do social facilitation and empowerment work. Why [is that] if the project is standing still?"

"The report doesn't indicate

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R1bn bus fiasco probe

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why the roads are being restructured when we have already built IPTS lanes," Captain said.

"It's concerning that the buses are not moving and we must be told why."

Captain added: "This is a summary and we didn't want a summary."

DA councillor Retief Odendaal called for a separate, closed meeting freely to discuss allegations of collusion among companies and possibly municipal officials.

"It must be a closed meeting, so as not to expose council to risk, because we will talk of companies and their directors.

"The IPTS is an embarrassment – we are the laughing stock of all metros. It's clear there is no in-house expertise to run this project.

"Next year we'll have to do whatever it takes to get that project running. If we don't have the in-house expertise, let's get the national Department of Transport on board," Odendaal said.

COPE councillor Khwezi Ntshanyana said two dossiers containing alleged corruption in the IPTS project had been handed over to Mbambisa by the DA and UDM.

"This report does not reflect the information in those dossiers."

ANC councillor Xolani Bisset said: "We need to know who the directors of these companies are so that we can know if there is a cartel or not."

The metro was supposed to launch the newly completed Cleary Park pilot route in September, but this has been put on hold because of a number of problems.

These include ongoing negotiations with the taxi industry; a survey to determine if there is a demand for the buses, and which taxi drivers would be affected when the buses are operating. The metro also needs R60-million for the installation of a fare collection system.

Pierre Joubert warned the BRT for HMBM could not work as planned, demanded full judicial inquiry, see www.septua.co.za with letters to Minister of Finance