



CITY OF JOHANNESBURG

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City of Johannesburg statement by
Executive Mayor, Cllr Herman Mashaba

City cancels corrupt R161 million fire engine contract

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The City has decided to cancel a R161 million contract for the provision of fire engines after it was discovered that the tender was awarded on the basis of forged Bid Evaluation Committee (BEC) documents.

The agreement, entered into in 2015, was allegedly entered on condition that the contractor furnished the City with a performance guarantee of R16 million and that it demonstrated that it had sufficient cash flow to enable delivery.

A purchased order of R19 million was also issued in favour of contractor for delivery of the first set of fire engines to the City.

Alarm bells rang after the contractor not only failed to provide the performance guarantee but also failed to deliver the 29 new fire engines per the contract.

This contractor has since been placed under business rescue proceedings.

Upon investigation by the City's new head of Group Legal Services, Mr Isaac Mogashoa, it appeared that the minutes from the BEC, which sat to adjudicate proposals for the tender, were forged.

The City has obtained sworn statements from the members of the BEC and is working with law enforcement authorities to investigate the matter.

As a result of the seemingly criminal conduct behind the tender and the contractor's failed performance, the City had no choice but to seek the termination the contract.

Given that the contractor is now under business rescue proceedings, the appointed business rescue practitioner agreed to the termination of the contract to avoid court action.

These kinds of corrupt dealings, presided over by the past administration, have cost the residents of this City dearly for years. In this case, due to this corruption, the City's ability to provide proper emergency services has been compromised.

Corruption of this nature is the only motivation behind the ANC's motion of no confidence. The ANC is only interested in returning to power so they can hide their corrupt activities and continue to steal from residents.

As a result of this corrupt activity, we have now begun a new process for the acquisition of fire engines that will ensure the provision of quality emergency services to our residents.

As the new administration, we will do all we can to ensure that those responsible for this corruption are held to account.

Cllr Herman Mashaba
Executive Mayor
City of Johannesburg

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