

High Court sets aside multi-million rand prisons renovation contract

The Special Investigating Unit (SIU) has welcomed a High Court judgment setting aside the decision of the Department of Correctional Services (DCS) to appoint a company for project management and assessment services related to the renovation of certain prisons during 2014.



Image source: sakhorn saengtongsamarnsin – 123RF.com

According to the SIU, the department appointed Masetlaoka Scott Wilson to:

- Act as a project manager for the renovation of three prisons and replacement of other facilities, at a project management fee amounting to approximately R144,505,417.76.
- Conduct assessments in terms of the Government Immovable Asset Management Act, 2007 (Act No. 19 of 2007) in respect of 221 prisons to the value of approximately R464,100,000

“In January 2014 and in order to avoid returning unspent money of approximately R812m to the National Treasury shortly before the end of the relevant financial year, DCS took a decision to participate in a contract between MSW, a project management consortium, and the Department of Higher Education and Training (DHET).

“The High Court found that the relevant decision(s) and resulting agreement(s)/contract(s) was/were inconsistent with the Constitution, as it was not fair, transparent, equitable, competitive, and cost effective, and therefore unlawful.

“The SIU welcomes the order of the High Court as it demonstrates the continued implementation of its investigation outcomes and consequence management, and efforts to recover financial losses suffered by the State due to negligence or corruption,” the SIU said.

The corruption busting unit said the decision of “what would constitute just, and equitable relief was referred by the High Court for trial”.

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