

PARLIAMENT OF THE PROVINCE OF THE WESTERN CAPE

WRITTEN REPLY

FRIDAY, 29 NOVEMBER 2024

15. Mr M B Ngqentsu to ask Mr I M Sileku, Minister of Mobility:

In the light of the whistleblower's report sent to Premier Alan Winde and 48 others, including provincial Cabinet members and public representatives, on 17 October 2024:

- (1) Whether he received the email; if so, what steps has he taken to address and investigate the serious allegations raised in the whistleblower's report;

Response:

- (1) The Former HoD Marissa Moore received the first allegations on 31 January 2024 from corruptionfrauddt@gmail.com and the same allegations on 17 October 2024 (winnersandwinners2@gmail.com) from the Ministry. On both occasions she referred the allegations to Provincial Forensic Services.

The allegations are of a general nature which focusses on relationships rather than specific acts, irregularities or incidents. PFS requested additional details from the whistle-blowers on 1 February 2024, 18 October 2024 and 19 November 2024 and provided the contact number and email address of an investigator with whom they could liaise or meet. The whistle-blowers did not respond by email, or telephonically.

- (2) whether his Department or the former Department of Transport and Public Works conducted any business with certain companies, whose names have been furnished to his Department for the purpose of his reply; if so, (a)(i) what are the relevant details and (ii) what is the nature of the contracts and (b)(i) how many contracts were awarded to each company and (ii) what was the total value of these contracts for the period 2014 to 2024 to date;**

The Mobility Department's mandate, derived from the Constitution and the National Land Transport Act, covers a wide range of functions including public transport, provincial planning and coordination, road traffic regulation, vehicle licensing and traffic management. This mandate includes a direct implementation role through providing assistance to municipalities lacking in capacity and ensuring implementation of the provincial strategy.

The Department has achieved real impact through its programmes like GoGeorge, the innovative Integrated Transport Hub (ITH) and the Provincial Sustainable Transport Programme (PSTP), which has included services like Red Dot during the Covid-19 pandemic, Blue Dot, the Jobseeker voucher scheme and now Shayela Smart, amongst a large range of additional focus areas (e.g. rail restoration and devolution,

metered taxis and e-hailing, MBT regulation and conflict resolution, walking and cycling, local municipality support, low carbon mobility etc.)

Delivering on this large, complex and challenging mandate requires a high level of organisational capacity, including the right number and type of skills, abilities and experience. In addition, given the complexity of the sector, achieving delivery and reaching a stage of implementation requires significant planning, engagement and readiness preparation.

Currently, the Department is constrained in terms of its own resources and capacity. As an example, the Transport Operations Chief Directorate has only 52 staff members. Of those, approximately 75% are at a level SL9 or below, which means that most of the staff are junior and do not bring specialised skillsets needed to deliver on this complex mandate.

At the same time, this team must monitor close to R2 billion in annual expenditure and ensure high quality service delivery, innovation to tackle decades-old challenges, and compliance with all requirements. In addition, the team is expected to perform across specialised areas of work including engineering, law, finance and accounting, strategy, policy, and IT. Whilst skillsets can and should have been built over time, the Chief Directorate does not currently have the necessary skillsets in house to effectively deliver in these areas of expertise.

As a result of the internal capacity limitations and the complexity of the space, the Department has required the support of consultants to ensure delivery on its mandate and enable impact. Compared to other organisations (e.g. city departments with a similar mandate), the Mobility Department has significantly fewer staff to perform a similar set of functions (e.g. 52 staff in Transport Operations compared to approximately 150 staff in the City of Cape Town Contract Operations and Transport Planning branches). This means that the need to rely on external support may be greater. However, when comparing the level of consulting support used by the Mobility Department (based on amount of money spent on consulting support) to other cities, the level of support received is well within the range used by other organisations.

Contracts

All contracts have been entered into in full compliance with the Department's supply chain management policy and have been approved by Provincial Treasury. It is worth noting that during this period the Department received a clean audit every year by the AG and all of the procurement of the Department, including that of Routemaster and Pegasys, was subjected to scrutiny by the AG and passed.

The Department appointed Routemaster to provide an Electronic Monitoring Software solution and services (EMS) to assist with the effective monitoring of the Provincial Transport Operating Grant (PTOG) in accordance with the requirements of the Division of Revenue Act (DORA) framework which is specific for setting up subsidy control mechanisms for the verification and certification of the subsidy payment. The PTOG-funded bus service receives an annual subsidy of over R1 billion per annum, making it the largest and most used formal public transport service in the Western Cape, servicing 230,000 travellers per day. Monitoring PTOG services to ensure quality and compliance is thus crucial.

Pegasys has been contracted by the Western Cape Mobility Department to provide professional services support to ensure service delivery and impact, as further described below. The contracts entered into are goods and services contracts in nature, for a range of services to be provided.

Pegasys and its subcontractors bring skills in finance and accounting, law and corporate governance, engineering and transport planning, project management,

business and strategy, mediation and conflict resolution and marketing and communications amongst others. The following provides an indication of the type of work that Pegasys has supported the Department on from 2014 to 2024 (inclusive), across two main areas:

□ Support to the following Province-wide undertakings:

- Development of a Provincial Public Transport Institutional Framework and undertaking of relevant feasibility investigations to guide the approach to supporting improvement of public and non-motorised transport (NMT) in the Province.
- Development of the Provincial Sustainable Transport Programme, which was approved by the Provincial Cabinet in 2019, to guide the development of sustainable transport systems in the province across public transport, non-motorised transport, freight, rail and digital systems and technology.
- Development of multiple local sustainable transport plans, NMT master plans, public transport and NMT infrastructure improvements and carrying out of bicycle distributions.
- Development of the Western Cape Freight Strategy and Implementation Programme, and supporting priority initiatives since its development. Recent establishment of a Project Management Unit to support improvements around the Cape Town Port.
- Undertaking a detailed pre-feasibility study in relation to passenger rail and the identification of institutional arrangements to support restoration of rail as the backbone of public transport.
- Support to the COVID-19 Transport Coordinating Committee.
- Development, implementation and management of the Red Dot Taxi Service, which provided critical transport services during the COVID-19 pandemic to healthcare workers and to people affected by COVID-19.
- Development, implementation and management of the innovative incentive-based Blue Dot Taxi Service, which included participation by more than 800 minibus taxis, to improve the safety and quality of taxi services, whilst leveraging technology and data and supporting industry transformation.
- Completion of an assessment of existing contracted learner transport services.
- Development, implementation and management of the Jobseeker Voucher Travel Programme, increasing access for jobseekers to employment opportunities.
- Guidance to the Minibus Taxi Task Team and initiatives stemming from this process, following the taxi stay away in August 2023, and subsequent development of the Shayela Smart taxi improvement programme and support to implementation preparations.
- Support to the following George Integrated Public Transport Network (GIPTN) efforts:
 - Roll-out of the first three phases of GO GEORGE Bus Service from 2014, making it one of the first municipalities (and only non-metro municipality at the time) to achieve operational rollout and one of the most highly-regarded integrated public transport networks in the country since the rollout.
 - Establishing and capacitating a Vehicle Operating Company (VOC) comprised of all local minibus taxi associations in George working collectively as partners to achieve the vision of a safe, reliable and affordable public transport service for the people of George.
 - Developed the model and processes to support the fair and structured compensation of industry participants in the GIPTN through buy-in and buy-out options in line with the NLTA regulations.
 - Management of periods of violence and resistance within the minibus taxi industry by facilitating coordinated engagements with community industry stakeholders to resolve challenges, stabilise the public transport environment and ensure continued support for the project.

- Assisting the Municipality with the implementation of a paper ticket system, and then the conversion to an Automated Fare Collection system, supported by the development of a network of independent vendors providing business opportunities for over 150 local small businesses and entrepreneurs in the communities within George.
- Supported the VOC-led procurement of MAN buses to supplement the fleet required to support the expansion of the GO GEORGE Bus Service to greater areas within George.
- Rollout of Phase 4B of the service in March 2020 to the communities of Conville, Parkdene, Borchers and Lawaaikamp at the height of the COVID-19, ensuring that passengers have access to public transport services during a time when residents had limited access to reliable transport services.
- Rollout of the long-awaited Phase 4A to Thembalethu in November 2023 after several years of delay, to provide critical services to among the most impoverished groups of the George community resulting in the GoGeorge service now being accessible to over 78% of households – more than any other bus service in the country.
- Ongoing drafting and updating of the GoGeorge business plan, motivations and reporting to the National Department of Transport in respect of grant funding. Recently, drafting comprehensive motivations which led to the Municipality of George obtaining over R500 million in national funding on top of the originally allocated amount dedicated to improving public transport infrastructure.
- Assisting the Municipality with their first ever successful application for funding from the national Budget Facility for Infrastructure (BFI) securing over R1bn in funding for the expansion of their Water Treatment Works and related services.

Company Details	The nature of the contracts Reference number	How many contracts were awarded to each company by the WCMD	What was the total value of these contracts for the period 2014 to 2024 to date
PEGASYS	L113/22	2	Rates contract
	T004/23		R106, 309, 635.87
	MLB13/24		R61,248,000.00
ROUTE MASTER	L037/22	2	R39,981,000.00
	MLB21/23		R49,072,344.00

I cannot speak on behalf of the former DTPW or WCDOl.

(3) (a) what (i) are the names, (ii) is the race, (iii) is the age and (iv) is the gender of the respective members of the boards of directors of the companies in (2) above and (b) where are their offices located or what are their official company addresses?

Response:

COMPANY	DIRECTORS NAMES	DIRECTORS RACE	DIRECTORS AGE	DIRECTORS GENDER	COMPANY ADDRESS
PEGASYS STRATEGY AND DEVELOPMENT	Sarashree Traci Reddy	Indian	42	Female	1 st Floor, 4 Church Square, 4 Spin Street,

Information checked against: CIPC registration number: 2014/015454/07 CSD registration number: MAAA0006311					Cape Town, 8000
	Constantin Johannes Von Der Heyden	White	49	Male	
	Guy Charles Pegram	Coloured	60	Male	
	Tanweer Hayat	Coloured	43	Female	
ROUTE MASTER Information checked against: CIPC registration number: 2015/056809/07 CSD registration number: MAAA0507183	Faizel Abrahams	Coloured	52	Male	Unit A8 Century Square, Heron Crescent, Century City, 7441

MINISTER OF MOBILITY

DATE: