

05 November 2019

To: The Municipal Council  
City of Tshwane Metropolitan  
Municipality  
c/o: Speaker of Council  
Cllr Katlego Rachel Mathebe  
Per: E-mail  
[Speakerofcouncil@tshwane.gov.za](mailto:Speakerofcouncil@tshwane.gov.za)  
[Tiyiselani.Babane@tshwane.gov.za](mailto:Tiyiselani.Babane@tshwane.gov.za)

And to: The Executive Mayor  
City of Tshwane Metropolitan  
Municipality  
Cllr Stevens Mokgalapa  
Per : E-mail [sallymp@tshwane.gov.za](mailto:sallymp@tshwane.gov.za)

CC: The City Manager (Acting)  
Moeketsi Ntsimane  
Per: E-mail [citymanager@tshwane.gov.za](mailto:citymanager@tshwane.gov.za)  
[ninetteb@tshwane.gov.za](mailto:ninetteb@tshwane.gov.za)

CC: Division Head: SCM  
Ms.Thembeka Mphefu  
Per : E-Mail [thembekakam@tshwane.gov.za](mailto:thembekakam@tshwane.gov.za)

Dear Sirs,

**POSSIBLE TENDER FRAUD, CORRUPTION, MALADMINISTRATION AND  
CONTRACT IRREGULARITIES: TSHWANE WONDERBOOM AIRPORT AND  
PROFESSIONAL AIRPORT SERVICES (PAS)  
OUR REF: L3CA/04  
YOUR REF: UNKNOWN**

1. By way of introduction, the Organisation Undoing Tax Abuse (“OUTA”) is a proudly South African non-profit civil action organisation, comprising of and funded by people who are passionate about improving the prosperity of our nation. OUTA was established to challenge corruption and maladministration, in particular the abuse of taxpayers’ money. We are not affiliated to any political party but mandated by ordinary citizens to act in the interest of the general public.
2. OUTA is further geared towards the harmonious cooperation with government on various levels and seeks to assist government wherever necessary in carrying out its mandate in the interests of the citizens of South Africa.
3. Kindly take note that OUTA was approached by several sources over the last few months, informing us of what can be interpreted as possible contravention of the City of Tshwane’s (“CoT”) Supply Chain Management (“SCM”) processes, leading to allegations of fraud, corruption and maladministration against the City

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ORGANISATION UNDOING TAX ABUSE NPC

Reg No.: 2012/064213/08

Directors: Mr WL Duvenage (CEO), Adv. S Fick, Mr G Gulston, Dr. H Volmink

Non-Executive Directors: Ms FI Adam (Chair), Mr PM Majozi, Ms WB Modisapodi, Ms T Pillay Van Graan, Mr. P Pauwen

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Manager, the Manager of the SCM, the Bid Adjudication Committee (“BAC”), the city Council and Professional Aviation Services (“PAS”).

4. The information received pertains particularly to the mismanagement of the airport, emanating from a contract for the management of the Wonderboom National Airport, that was awarded to PAS in 2017.
5. In summary the information obtained indicates, amongst others, the following-
  - 5.1 That Airport Licence conditions were not amended to allow for an outside service provider to be appointed. A resolution to amend the licence conditions was not brought to Council.
  - 5.2 Contravention of Part 139 Subpart 2 (13) of the Civil Aviation Regulations, which states that *“an applicant for an aerodrome licence, in this case CoT, shall engage, employ or contract a senior person identified in writing as the accountable manager or compliance officer.”*
  - 5.3 Any request for deviation from Supply Chain Management Regulations, must first be brought before the SCM department, who must consider whether the deviation complies with Section 18 of the Tshwane SCM Policy or not. This was however not done, as the request for deviation was sent directly to the BAC. We are of the view that the entire process was flawed.
  - 5.4 The appointment of PAS as manager of the Wonderboom Airport was irregular in that PAS has expertise in airport security training and risk- and asset management and not in Airport management.
  - 5.5 In terms of the Licence conditions, the position of Airport Manager refers to a person and said person must be employed by the Licence holder, in this case the CoT.
  - 5.6 Incorrect application of Regulation 36 of the Municipal Finance Management Act (“MFMA”) to appoint PAS for a period of 12 months through a Service Level Agreement (“SLA”).
  - 5.7 Incorrect application again of Regulation 36 of the MFMA to reappoint PAS on a month to month basis for a period of 12 months at a cost of R828 000 per month. This agreement constitutes an increase of R575 500 more per month compared to the previous contract.

- 5.8 PAS was awarded the contract on 14 November 2017. The SLA was only signed by both parties seven months later on 14 June 2018 and 19 June 2018.
- 5.9 PAS commenced work on 14 November 2017 despite the fact that the official appointment conditions explicitly states that the service provider may only commence with the work when the SLA is duly signed. The Auditor General's report confirmed that payments made to PAS between November 2017 and June 2018 were classified as Irregular Expenditure.
- 5.10 The continuation of this contract between CoT and PAS constitutes a breach of SACAA licence conditions and contravenes CoT SCM policies, which poses a tremendous risk to the City.
6. It is our view that the agreement between CoT and PAS is not in the best interests of the City of Tshwane nor that of the community and that the Council has not acted in a manner that ensures legislative and executive compliance.
7. The Council has a duty of care and in the interest of good governance, we therefore request the following:
- 7.1 We call on you to shed some light on the situation, as mentioned above, and to advise on the Council's proposed way forward herein;
- 7.2 As a matter of urgency, we call on Council to re-evaluate and subsequently cancel the said contract, recoup the monies spent and appoint an Airport Manager as prescribed by Part 139 Subpart 2 (13) Civil Aviation Regulations of 2011;
- 7.3 We call on Council to investigate and to take action against the staff members implicated in the awarding and extension of this dubious contract by instituting disciplinary proceedings against them.
8. We submit that failure to act in a swift manner, to resolve this issue, will amount to a dereliction of duty on your part as much as that of Council, the City Manager, the Executive Mayor, BAC and the Divisional Head of SCM.
9. We wish to reiterate that OUTA is geared towards the harmonious cooperation with government and seeks to assist government wherever necessary in carrying out its mandate in the interests of the citizens of South Africa.

10. We kindly request that you provide us with a written response hereto within seven (7) days, after receipt hereof.
11. Should you have any questions, please feel free to contact our offices. We trust you find the above in order and await your response in anticipation.
12. Kindly acknowledge receipt of this letter.

Yours Sincerely,



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Andrea Korff  
OUTA - Legal Project Manager  
E-Mail: [andrea.korff@outa.co.za](mailto:andrea.korff@outa.co.za)