



Attention: Ms. Amanda Nair

Managing Director

Pikitup

CC: General Manager: Supply Chain Management Unit

Mr. Basil Chinasamy

Per email: info@pikitup.co.za

11 June 2013

Dear Ms. Nair,

RE: MAY 2013 CONTRACT AWARDED BY PIKITUP TO AQUA TRANSPORT AND PLANT HIRE (PTY) LTD

1. Corruption Watch has received a report regarding the recent award of a contract by PIKITUP to Aqua Transport and Plant Hire (Pty) Ltd ('Aqua'), for the supply, operation and maintenance of plant and equipment at designated landfill, garden sites and depots ('the contract').
2. Our understanding is that the contract runs from 1 May 2013 to 30 April 2016 and is valued at in excess of R260 million.
3. The report alleges that a prior contract award in 2010 by Pikitup to Aqua was irregular in that *inter alia*: the requirements of the Municipal Finance Management

Act and Regulations were not adhered to, that there was irregular expenditure on the part of PIKITUP and overcharging on the part of Aqua.

4. The purpose of this letter is to enquire as follows:

- a. Were there negative findings made against Aqua and Pikitup following the 2010 contract award?
- b. If so, on what basis was Aqua awarded a new contract this year in light of previous negative findings against Aqua?
- c. What steps (if any) were taken against Aqua for *inter alia* overcharging?
- d. What steps (if any) (including criminal charges) were taken by Pikitup against Pikitup employees for irregular expenditure and MFMA contraventions, including (if any) against the former Pikitup MD who resigned in April 2011?

5. Kindly respond to us in writing **by Friday 14 June 2013.**

6. Please note that in the interests of transparency, we may publish our correspondence and your response on our website.

Yours faithfully,



David Lewis

Executive Director

Corruption Watch