



Attention: The Honourable Mr. Thembelani Thulas Nxesi

Minister: The Department of Public Works

Per fax: (021) 461 4309

And c/o: The Minister's Personal Assistant

Per Email: babalwa.nkasela@dpw.gov.za

28 January 2013

Dear Honourable Minister Nxesi,

**RE: CORRUPTION WATCH SEEKS REPORT ON DEPARTMENT'S INVESTIGATION;
CLARITY ON AMOUNTS SPENT AND DETAILS OF CONTRACTS AWARDED TO
UPGRADE PRESIDENT ZUMA'S NKANDLA RESIDENCE**

1. We refer to our previous correspondence in October last year regarding the upgrade of Honourable President Zuma's residence in Nkandla.
2. We are pleased to note the completion of your Department's investigation into the upgrade; the findings of which were released publicly yesterday at a press briefing ('the press briefing').

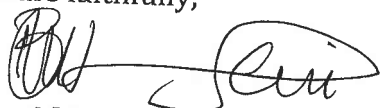
3. However, in order to consider the investigation's findings more closely, we call upon your Department to furnish us with a copy of the investigation report; albeit in a redacted form, should any security restrictions apply to any of the content of the report.
4. We reiterate our concern expressed in our previous correspondence about the vast amount of public money spent on the upgrade. In this regard, we call upon your Department to publically provide an explanation of how the amounts mentioned in the press briefing were arrived at and budgeted for; as well as an explanation of the security rationale underlying each category of work undertaken as part of the security upgrade (some of these categories are outlined in your previous correspondence to us). We also call for an explanation as to what is meant by 'operational costs'; and whether these are fixed or annual costs.
5. In addition, we call upon your Department to respond to Corruption Watch in writing regarding the contracts that were awarded to private companies to carry out the upgrade of President's Zuma's residence.
6. As Corruption Watch, we receive reports of corruption and the abuse of public funds. One of the most common types of corruption expressed in the reports we receive are corruption and conflicts of interest in public procurement. As such, we have a specific interest in monitoring public procurement.

7. We draw your attention to section 217 of our Constitution as well as legislation regulating the management of public finances; and in particular the requirement to publish tender awards.
8. We also note that information on the award of contracts for the Nkandla upgrade does not fall within the ambit of 'information relating to security measures' (in terms of the National Key Points Act). As such, information on the award of the contracts falls outside the National Key Points Act.
9. Kindly inform us in writing:
 - a. How many companies / entities / individuals were engaged to perform work on the upgrade of President Zuma's Nkandla residence?
 - b. Did all such engagements go to public tender? If not, why not?
 - c. Did the upgrade form part of the Department's 'Prestige Portfolio'?
 - d. Are projects in the Department's 'Prestige Portfolio' exempt from public procurement requirements; and if so under what authority?
 - e. Were the provisions regarding 'emergency procurement' invoked for any of the work contracted out for the upgrade? If so, under what circumstances?
 - f. What are the names of the companies / entities / individuals that were awarded contracts to perform upgrade work? And what is the value of the contracts awarded?

- g. Were the terms of any contracts entered into varied? If so, under what circumstances?
- h. What are the names of the Department officials who sat on the bid committees for the award of the contracts?

10. We look forward to your response at your earliest convenience.

Yours faithfully,

P.P. 

David Lewis

Executive Director

Corruption Watch