

Legal action threat on R6m paid for 2010 bus system publicity

City manager Mpilo Mbambisa and five other Nelson Mandela Bay municipal officials have been given an ultimatum: recover R6-million paid to businessman Fareed Fakir for marketing and communications, or face legal action.



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Deviation from normal supply chain management processes

AfriForum delivered a letter of demand to the municipality yesterday, saying the payment to Erastyle, trading as Stratcomm, did not comply with municipal tender procedures. Hundreds of millions of rands were spent on the Integrated Public Transport System (IPTS) in the 2013-14 financial year in a deviation from normal supply chain management processes.

AfriForum demanded that the money paid to Erastyle be recovered from the company and officials allegedly involved in authorising the payments. Among the respondents listed are the Nelson Mandela Bay Municipality, Erastyle, Mbambisa, former IPTS boss Mhleli Tshamase, chief financial officer Trevor Harper and infrastructure and engineering head Walter Shaidi.

Fakir's company had a R6-million contract to do marketing and communications for the IPTS. About R1.4-million was charged for 20 Years of Freedom celebrations for posters, flyers and radio advertisements.

AfriForum Port Elizabeth vice-chairman Kobus Gerber said: "AfriForum requested that the allocation of the agreement with Erastyle be cancelled within 15 days and that the metro must take action to recover the funds within 15 days from the six officials as well as from Erastyle. "Disregarding this demand will result in AfriForum continuing with its court application to enforce the compliance.

"AfriForum PE will leave no stone unturned to uncover more irregularities and hold the guilty parties responsible for the losses that we as taxpayers suffered." He said this case was one of 40 the group would pursue against metro officials and IPTS contractors to recover more than R600-million.

Awaiting the outcome of the national Treasury's investigation

On behalf of Fakir, his attorney Tasneem Fredericks said: "Having consulted senior legal counsel on this matter, our client is of the view that there is no legal basis for repaying any monies.

"His company was appointed on the same basis as all the other contractors and consultants and any legal action will accordingly be opposed."

Municipal spokesman Roland Williams said AfriForum should await the outcome of the national Treasury's investigation into the IPTS, which is near completion.

Source: Herald

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