

**MR. G. SCHNEEMANN
CHAIRPERSON OF THE ROADS AND TRANSPORT PORTFOLIO COMMITTEE
GAUTENG PROVINCIAL LEGISLATURE**

DEAR HON CHAIRPERSON

**RESPONSES TO THE COMMITTEE'S QUESTIONS ON THE g-FleeT MANAGEMENT
SECOND QUARTER REPORT FOR THE 2021/22 FINANCIAL YEAR**

With reference to the questions by the Portfolio Committee, the Department would like to respond as follows:

QUESTION 12

**THE g-FleeT MANAGEMENT SHOULD PROVIDE A REPORT ON WHY RT 46
SERVICE PROVIDER IS STILL UNABLE TO PROVIDE FLEET MAINTENANCE
REPORT:**

Response:

The RT46 is a National Treasury transversal contract. It provides for fuel cards, accident repairs and maintenance repairs. It further aids in the assessment of the reasonableness of repairs and maintenance (i.e. review of quotations received from service providers). The RT46 service provider is FirstRand Bank/WesBank.

Initially the bank had committed to submit the reports by 31 July 2021. When reporting for the first quarter, the bank indicated that they could not provide complete maintenance

reports due to the unrest where a system freeze was put in place and the bank further committed that reports will be available by 30 August 2021.

When reporting for the second quarter, again the bank failed to provide the complete maintenance reports. The bank indicated that due to the complexity in the development, the reports will only be available before 31 October 2021. The reports were received by the Entity on 21 October 2021 however the Entity is process of interrogating these reports. Please refer to the letter attached as **Annexure A**.

The matter was reported to the National Treasury as the custodian of the contract. The major challenge has been turnaround times on accident repairs. Much time and effort are spent on resolving operational matters with service providers. These include scheduling services, quality of repairs, and evaluation of quotations.

Specific interventions

- a) A formal complaint letter on the RT46 managed maintenance services was submitted to the Chief Executive Officer of Wesbank / FirstRand.
- b) Several formal complaint letters were also submitted to National Treasury as well as National Department of Transport.
- c) In addition, a specific request was made to conclude a Service Level Agreement (SLA) with National Department of Transport and/or National Treasury with clear penalty clauses. However, it must be noted that to date the SLA has not been concluded between the two parties.
- d) In the last National Committee meeting organized by National Department of Transport held between 03 – 05 November 2021, a recommendation was made that an external party is to be appointed to review services offered by FirstRand. In addition, that a special meeting be held on 09 December 2021 to specifically look at the progress made to date of all issues raise.
- e) In addition, the Entity continues to engage with the bank.

QUESTION 13

THE ENTITY SHOULD ALSO REPORT ON THE INTERNAL INTERVENTION MADE BY THE g-Fleet MANAGEMENT IN ADDITION TO ESCALATING THIS MATTER:

Response:

The Entity has submitted a request to the Gauteng Department of Roads and Transport to remove the two targets namely: average number of days taken for mechanical repairs and average number of days taken for accident repairs, from the 2021/22 Annual Performance Plan due to the continued failure by the RT46 service provider to provide the required reports.

QUESTION 14

THE ENTITY SHOULD PROVIDE PROGRESS REPORT ON SUSPENDING PETROL CARDS TO ALL DEFAULTING DEPARTMENTS.

Response:

The Entity looks to implement different measures to stimulate payment from defaulting clients in line with the Debtors' Management Policy. One such measure is the suspension of petrol cards. This punitive measure like all others is preceded by various engagements and notices sent to the client departments. For the quarter under review, the Entity did not suspend any petrol cards for client departments. However, notices of intention to suspend the use of petrol cards were issued to which prompted immediate payment by the client departments.

In addition, at the commencement of the financial year under review, the Entity did delay the renewal of expired petrol cards of defaulting client departments which did prompt immediate payment from the following client departments:

- National Department of Energy.
- National Department of Higher Education and Training.
- National Treasury.
- National Department of Sport and Recreation.

- National Department of International Relations and Cooperation.

QUESTION 15

THE g-FleeT MANAGEMENT SHOULD EXPLAIN WHY THE FINAL APPROPRIATION FOR THE ENTITY WAS ADJUSTED UPWARDS IN THE SECOND QUARTER:


Response:

The perceived upward adjustment is due to the correction of an error in the budgeted figures presented by the Entity during the first quarter of the financial year. Management is profusely apologising to the Committee for this oversight.

Management had erroneously included the budgeted figures for the first quarter of the 2020/21 financial year, instead of the 2021/22 financial year. This error was only discovered after the reports had been presented and corrections were affected in the second quarter.

Management will however be undertaking a review and adjustment of the budget during the third quarter of the financial year in line with the revision of its 2021/22 Annual Performance Plan.

Yours faithfully,



Mr Jacob Mamabolo
MEC: Public Transport & Roads Infrastructure

24 November 2021