

**For immediate release**

**20 January 2014**

### **COGHSTA HUMAN SETTLEMENT GRANT RELEASED**

The Human Settlement grant of the Department of Cooperative Governance, Human Settlements and Traditional Affairs in Limpopo has been released. The R1.3 Billion grant was with-held by the National Department of Human Settlements following a forensic investigation conducted in relation to the awarding of the human settlements tender for the construction of low cost houses (RDP) for the financial year 2013/14. The findings of the investigation found that there was non-adherence to the specified bid evaluation and adjudication criteria during the procurement processes.

The Department was given some specific recommendations to implement before the grant could be released. Amongst some of the recommendations implemented are the following:

- Termination of the said tender for the construction of low cost houses (RDP) for the financial year 2013/14 financial year and its contracts due to non-compliance with prescripts that govern procurement in the public service
- Disciplinary action taken against officials involved in the awarding of the said tender
- Reviewed the Human Settlement procurement process to avoid recurrence or repeat of this situation

The Department has since implemented all recommendations hence the release of the grant. Contractors for all stalled projects following the with-holding of the grant have since been directed to take sites for completion of their projects.

The Department would like to take this opportunity to thank beneficiaries of these stalled projects for the patience they have exercised. It was a trying moment and their conduct in this regard is highly appreciated. We would further like to urge our contractors to do everything in their power and strength to complete all outstanding projects before the end of the financial year.

Meanwhile, procurement for the 2014/15 human settlement projects has commenced. In terms of the plan, this process has to be completed by March 2014 so that contractors could take site by April 2014.



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