

## 8.1.3.3 Analysis of contract 3: Supply of heat pumps

3. EMS Holdings R1 718 732.50 (Full payment)							
Scope of work: Supply of heat pumps							
No RFQ issued – Supply of heat pumps for Nkandla Residences							
Subcontractor:							
<ul style="list-style-type: none"> <li>None – single source supplier</li> </ul>							
Approval date	Date of quotation	Date of order	Date work commenced	Scheduled completion date	Actual completion date	Final assessment date	Payment date
29/06/18	09/07/18	12/07/18	06/08/18 (per initial job card from the supplier)	Not Identified Per service Provider/ Contractor Payment Certificate	10/08/18, 17/08/18, 24/08/18, 28/08/18, 05/09/18, 08/09/18, 12/09/18, 14/09/18, 21/09/18 (job card from the supplier)	N/A	26/09/18
Reason for not completing on time	Not stated						
Final assessment	Excellent (i.e. Work exceeded expectations and the service was of highest standard)						
Detailed Findings	<ul style="list-style-type: none"> <li>This supplier was considered as a single source supplier as per motivation and letter from the supplier confirming this assertion/claim in writing (as required by the Procurement Policy) dated 03 July 2018. This however, could not be verified as an open tender process was not pursued as this process would have given VUT the opportunity to ascertain whether indeed there was no other supplier for the product in question.</li> <li><b>An order was issued a day before an approval was granted and the price was not interrogated because there was an agreement that it was a single source supplier.</b></li> <li>The completion date as per the various job cards exceeded the 3 weeks agreed upon and yet no reason for exceeding the agreed upon timeline was provided, instead the project manager assessed the work as “<i>excellent</i>”. VUT will not have recourse on any shoddy workmanship in the absence of a signed SLA.</li> <li>Payment was effected before 4 days before the statement was received which was contrary to the Procurement Policy, which clearly states that payment can only be effected 30 days from supplier’s statement date, upon which satisfactory quality checks were performed.</li> <li>Service Provider/Contractor Payment certificate was incomplete yet it was used as a basis for payment.</li> <li>The project management process was poorly conducted yet the contracted project</li> </ul>						