

COMMISSION OF INQUIRY INTO STATE CAPTURE
HELD AT
CITY OF JOHANNESBURG OLD COUNCIL CHAMBER
158 CIVIC BOULEVARD, BRAAMFONTEIN

07 AUGUST 2020

DAY 247



Gauteng Transcribers
Recording & Transcriptions

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TRANSCRIBERS:

B KLINE; Y KLIEM; V FAASEN; D STANIFORTH



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PROCEEDINGS RESUME ON 07 AUGUST 2020

CHAIRPERSON: Good morning Mr Pretorius, good morning everybody.

ADV PRETORIUS SC: Good morning Chair.

CHAIRPERSON: Good morning. Are we ready?

ADV PRETORIUS SC: Yes we are. Chair the first witness today is Mr Abel Manyike may he be sworn in?

CHAIRPERSON: Yes please administer the oath or affirmation

10 **REGISTRAR:** Please state your full names for the record.

MR MANYIKE: My name is Abel Kgotso Manyike.

REGISTRAR: Do you have any objections to taking the prescribed oath?

MR MANYIKE: No objections.

REGISTRAR: Do you consider the oath to be binding on your conscience?

MR MANYIKE: Yes.

20 **REGISTRAR:** Do you swear that the evidence you will give will be the truth; the whole truth and nothing else but the truth.

MR MANYIKE: Yes.

REGISTRAR: If so please raise your right hand and say, so help me God.

MR MANYIKE: So help me God.

CHAIRPERSON: Thank you. You may be seated Mr

Manyike.

ADV PRETORIUS SC: Thank you. Mr Manyike you have before you a bundle; it is Bundle FS and can I ask you to look at FS1 page 122. The numbers that we will refer to are the black numbers in the top left-hand corner of each page. So if you look at FS1; 122, do you have that?

MR MANYIKE: Yes I have.

ADV PRETORIUS SC: That appears to be an affidavit attested to by yourself.

10 **MR MANYIKE:** Yes.

ADV PRETORIUS SC: If you would go please to page 140. Whose signature is that?

MR MANYIKE: The bottom it is my signature.

ADV PRETORIUS SC: Your signature?

MR MANYIKE: Yes.

ADV PRETORIUS SC: And it appears to have been commissioned on the 18 October 2019.

MR MANYIKE: Yes that is correct.

ADV PRETORIUS SC: Is that your affidavit?

20 **MR MANYIKE:** Yes it is.

ADV PRETORIUS SC: And are the contents of that affidavit as far as you are aware true and correct?

MR MANYIKE: Yes.

ADV PRETORIUS SC: Chair may we admit as Exhibit TT4 the affidavit at page 122 and following of FS1?

CHAIRPERSON: The affidavit of Mr Abel Kgotso Manyike appearing at page 121 of Bundle FS1 is admitted as Exhibit TT4.

ADV PRETORIUS SC: Thank you Chair. Mr Manyike you are according to your affidavit a director of the ORI Group Pty Limited as well as a company called ORI Services Pty Limited?

MR MANYIKE: Yes that is correct.

ADV PRETORIUS SC: Would you speak up please
10 because the stenographer is – has difficulty.

MR MANYIKE: Yes that is correct.

ADV PRETORIUS SC: Thank you very much.

MR MANYIKE: Yes.

ADV PRETORIUS SC: You attended an interview with the commission investigators on the 27 August 2019. That interview was recorded and transcribed?

MR MANYIKE: Yes that is correct.

ADV PRETORIUS SC: And after the interview it was you perhaps with legal representation who prepared this
20 affidavit?

MR MANYIKE: Yes it was me who prepared the affidavit that is correct.

ADV PRETORIUS SC: According to your statements we could go to page 124 paragraph 11. During 2013/2014 the Gauteng Department of Human Settlements and Gauteng

Province conducted an asbestos audit and at that time a number of professional resource teams were appointed for that purpose. Do you know of that?

MR MANYIKE: Yes I know of that.

ADV PRETORIUS SC: Did you have anything to do with that audit just very briefly?

MR MANYIKE: Yes I did. I was part of the – the team that audited Soshanguve that is one area Pretoria.

ADV PRETORIUS SC: Right. During that time did you
10 come to know a Mr Radebe and the entity MasterTrade 232
Pty Limited?

MR MANYIKE: Yes we met there but Mr Radebe we met before – before that audit.

ADV PRETORIUS SC: If we could go then to paragraph 23 of your affidavit at page 126. Radebe communicated something to you in relation to a potential project in the Free State. What did he tell you?

MR MANYIKE: Paragraph 26 Chair?

ADV PRETORIUS SC: 23.

20 **MR MANYIKE**: 23. He mentioned there was something in the pipeline but his exact words – he used the word ‘cooking’. He told me there was something cooking. By that I interpreted that as meaning there was a potential of something happening or there could have been submission. So it – it gave one a feeling of expectation.

ADV PRETORIUS SC: Right so do I understand you correctly Radebe said to you that there was something cooking in the Free State and that – did he say anything about your potential participation in that groove?

MR MANYIKE: He in passing but he did not go into much details but it is someone from time to time we would engage and talk about projects you know to catch up.

ADV PRETORIUS SC: Right.

MR MANYIKE: But he was not specific but I knew in Free
10 State there was a potential of business but from who and it was going to be issued to who I did not know at that time.

ADV PRETORIUS SC: And this project I understand it is now known to the commission was the Asbestos Project.

MR MANYIKE: Yes, yes that is the Asbestos Project.

ADV PRETORIUS SC: Right. Now we know from previous
evidence that the Joint Venture that obtained the contract
from the Free State Department of Human Settlements
comprised on an entity called Blackhead Consulting Pty
Limited and Diamond Hill. But for the purposes of our
20 evidence it is easier if we refer to the directors and
shareholders of those entities namely Mr Sodi of Blackhead
and Mr Mpambani of Diamond Hill. Correct?

MR MANYIKE: Yes. Correct.

ADV PRETORIUS SC: Before this project was launched –
in other words before any contract was awarded to the

Joint Venture did you meet Mr Mpambani?

MR MANYIKE: I notice during the litigation process that the contract was awarded somewhere in I think December. So to answer your question yes we did meet before that. I did meet Mr Mpambani before the contract was signed with the department.

ADV PRETORIUS SC: Right. Did you in accordance with paragraph 24 have a discussion with Mr Mpambani?

MR MANYIKE: Yes we did have a discussion at that time
10 but it was more like a – I would not want to call it an interview somehow I sensed that he – Mr Mpambani in that meeting he was – he wanted to know about my capabilities and what I have been involved with previously. So yes the meeting sat but it was more of an interview wanting to know my professional background and so forth.

ADV PRETORIUS SC: Right and did he make any enquiries in relation to your relationship with MasterTrade? Now we know from certainly your evidence that we will give in due course that the Joint Venture that was appointed by
20 the Gauteng Department of Human Settlements sub-contracted the work to MasterTrade and MasterTrade according to your evidence sub-contracted the work to you.

MR MANYIKE: Please rephrase that?

ADV PRETORIUS SC: The contract in relation to the Asbestos Project.

MR MANYIKE: Yes.

ADV PRETORIUS SC: Was awarded by the Gauteng Department of Human Settlements – sorry not the Gauteng Department the Free State Department of Human Settlements to the Joint Venture.

MR MANYIKE: Yes.

ADV PRETORIUS SC: That is Mpambani and Sodi.

MR MANYIKE: Mr Sodi yes that is correct.

ADV PRETORIUS SC: Right. That work – part of that
10 work the detail will become apparent in due course was then sub-contracted to MasterTrade, correct?

MR MANYIKE: That is correct.

ADV PRETORIUS SC: And then MasterTrade's contract was sub-contracted to you as ORI?

MR MANYIKE: That is correct.

ADV PRETORIUS SC: Mr Radebe of MasterTrade has a different version but we can deal with that in due course. What he says is you were appointed in your personal capacity as a consultant for R5 million.

20 **MR MANYIKE:** That is not correct.

ADV PRETORIUS SC: Yes I understand that. According to your version that is not correct and that issue is the subject of litigation at the moment.

MR MANYIKE: Yes that is true.

ADV PRETORIUS SC: What is interesting about

MasterTrade's version of course is that you were employed as a consultant for R5 million virtually to do all the work.

MR MANYIKE: That is not correct.

ADV PRETORIUS SC: Yes I know that is not correct but that is his version.

MR MANYIKE: Yes.

ADV PRETORIUS SC: It is correct that that is his version.

MR MANYIKE: Okay.

ADV PRETORIUS SC: Is that correct?

10 **MR MANYIKE**: That is his version.

ADV PRETORIUS SC: Yes. For a R255 million contract.

MR MANYIKE: Yes that is – that is his version.

ADV PRETORIUS SC: Alright but let us go on. You say you had a discussion with Mpambani who was it appears sounding you out in relation to your potential involvement in this project. Is that correct? Is that a summary of your evidence so far?

MR MANYIKE: Yes, yes it was more like an interview.

20 **ADV PRETORIUS SC**: Right. And did he come to any conclusion? Did he advise you as to what he Mpambani would like in relation to the use of your services?

MR MANYIKE: He did not go into much detail at that time but I – from the questions he asked I figured it could be something related to what I did in Soshanguve.

ADV PRETORIUS SC: Yes alright.

MR MANYIKE: Yes.

ADV PRETORIUS SC: And then – and that Soshanguve work was done in Gauteng?

MR MANYIKE: Yes.

ADV PRETORIUS SC: As part of arrangements in Gauteng between contractors and the Gauteng Department of Human Settlements.

MR MANYIKE: It was not arrangements between contractors and the department it was an arrangement
10 between the department and the professional resource teams.

ADV PRETORIUS SC: Right.

MR MANYIKE: Yes.

ADV PRETORIUS SC: And you say that that was the National Department? Are you saying...

MR MANYIKE: It was the Gauteng – Gauteng – Gauteng province that ...

ADV PRETORIUS SC: Yes but that is what I am saying. I am putting to you that the work in Soshanguve that you did
20 that Mpambani came to know about was done pursuant to contracts in Gauteng between the Gauteng Department of Human Settlements and certain contractors.

MR MANYIKE: Yes.

ADV PRETORIUS SC: And you were a sub-contractor in that arrangement?

MR MANYIKE: I was not a sub-contractor I was – I was one of the entities that was awarded such contracts was Gibb.

ADV PRETORIUS SC: Yes but you worked for Gibbs.

MR MANYIKE: No I did not work for Gibb.

ADV PRETORIUS SC: Who did – well then who did you work for?

MR MANYIKE: Okay I worked – at that time Gibb sub-contracted a portion of the work to other consultants of
10 which one of them was a company called Imendo.

ADV PRETORIUS SC: Alright. I do not want to get too involved in the details.

MR MANYIKE: Okay.

ADV PRETORIUS SC: But you worked for a sub-contractor in Gauteng?

MR MANYIKE: Yes that is correct.

ADV PRETORIUS SC: Did Mpambani and I am referring to paragraph 25 of your statement revert to you with a decision about whether he would like to make use of your
20 services?

MR MANYIKE: Yes, yes he did.

ADV PRETORIUS SC: What did he tell you? Well firstly did he say he would like to make use of your services?

MR MANYIKE: Yes he did highlight that. That he would like to make use of my services.

ADV PRETORIUS SC: To do what?

MR MANYIKE: I would not say it was in that meeting. Maybe other meetings that followed that. It was about the audit to do a similar work I did in Soshanguve.

ADV PRETORIUS SC: Yes. Would you look at paragraph 25 of your statement.

MR MANYIKE: Yes.

ADV PRETORIUS SC: You say here in your affidavit.

“Mpambani advised me that they would like to make use of
10 my services because I come highly recommended.”

Is that correct?

MR MANYIKE: Yes that is correct.

ADV PRETORIUS SC: He continues or you continue.

“The idea was that I would be responsible or the whole asbestos audit on behalf of MasterTrade.”

Is that also correct?

MR MANYIKE: That is correct.

ADV PRETORIUS SC: So did Mpambani tell you that they would like to make use of your services? That
20 MasterTrade would be a sub-contractor to the Joint Venture and that you in turn would be a sub-contractor to MasterTrade and you would do all the work?

MR MANYIKE: At that time, it was not put out like that. All I knew was that I was going to be involved on the project on behalf of MasterTrade. The – as in terms of how

the agreement was going to be outlaid it was not clear that time. But later when it – as things transpired, I became the sub-contractor to MasterTrade.

ADV PRETORIUS SC: Yes, no.

MR MANYIKE: Whether I was going to be directly contracted to Blackhead, JV or to MasterTrade at that time it was not something that was discussed.

ADV PRETORIUS SC: Yes. No we know your version through other evidence and the court papers that the JV
10 sub-contracted work and it will appear later – the whole of the work to MasterTrade.

MR MANYIKE: Yes. Yes.

ADV PRETORIUS SC: MasterTrade then sub-contracted to you.

MR MANYIKE: Yes that is correct.

ADV PRETORIUS SC: In your capacity as Director of ORI?

MR MANYIKE: Yes.

ADV PRETORIUS SC: Right. What I am interested in is your statement in paragraph 25 where you say:

20 “The idea was that I would be responsible for the whole asbestos audit on behalf of MasterTrade.”

Is that correct?

MR MANYIKE: That is correct.

ADV PRETORIUS SC: You say then in paragraph 26 that:
“That a few meetings later Mpambani mentioned to me that

a Joint Venture constituting Diamond Hill Trading and Blackhead may conceivably be appointed to perform the service.”

So the arrangement with Mpambani of the Joint Venture with MasterTrade that you would be a sub-contractor to a sub-contractor to do the whole of the work was discussed it appears and agreed in principle before the contract with the Joint Venture and the Gauteng Department of Human Settlements was finalised. That is how I understand your
10 affidavit.

MR MANYIKE: Yes, yes that is correct. Yes that is correct.

ADV PRETORIUS SC: Right. And was it during these meetings that Mr Mpambani said that Mr Sodi’s right hand man Mr Zwane would be also working on the project?

MR MANYIKE: Say again?

ADV PRETORIUS SC: Look at paragraph 27 please.

MR MANYIKE: Yes.

ADV PRETORIUS SC: Was it during the course of these
20 meetings with Mr Mpambani to which you have just referred that you were informed that a Mr Martin Zwane would be working on the project as well?

MR MANYIKE: Yes that is correct.

ADV PRETORIUS SC: Under the direction of Mr Sodi?

MR MANYIKE: Yes.

ADV PRETORIUS SC: As Mr Sodi's right hand man as you put it?

MR MANYIKE: Yes I was told that Mr Sodi's right hand man is Mr Zwane.

ADV PRETORIUS SC: Yes now we will come in a moment to what Mr Zwane did and what he was apparently paid but for the moment let us move on. As a result of your potential contractual involvement and as a result of the approaches made to you by Mr Mpambani to become
10 involved as a sub-contractor to a sub-contractor did you firstly agree in principle to become involved?

MR MANYIKE: Say again Sir.

ADV PRETORIUS SC: Did you become involved?

MR MANYIKE: Yes.

ADV PRETORIUS SC: Did you agree to become involved?

MR MANYIKE: Yes I agreed to become involved.

ADV PRETORIUS SC: Yes. And you became involved and according to you a contract was signed between yourself and MasterTrade.

20 **MR MANYIKE:** Yes.

ADV PRETORIUS SC: And we will come to that in a moment. Did you make a presentation in relation to – well what were you asked to do in relation to the nature and organisation of the work to be conducted?

CHAIRPERSON: That is a much better formulation Mr

Pretorius than the one you nearly used for that question.

ADV PRETORIUS SC: What is that? I am sorry I cannot hear you Chair.

CHAIRPERSON: Yes. I am saying that is a better formulation of that question the way you have put it than the one that you nearly used. I think you started and on the way you changed.

ADV PRETORIUS SC: Okay.

CHAIRPERSON: I think it – the latest formulation of the
10 question enables him to just tell the story.

ADV PRETORIUS SC: Yes.

CHAIRPERSON: Yes.

ADV PRETORIUS SC: Yes well all this is introductory. We are coming to the...

CHAIRPERSON: Ja.

ADV PRETORIUS SC: Matters on which he will tell his story in due course.

CHAIRPERSON: Okay.

ADV PRETORIUS SC: But I am grateful that I retain the
20 ability to self-correct.

CHAIRPERSON: Ja.

MR MANYIKE: I was asked to prepare a presentation for Mr Sodi.

ADV PRETORIUS SC: Right.

MR MANYIKE: That – that presentation it was required

from me to demonstrate more or less what technology was used on projects that I have worked before in particular the Soshanguve Project. That is what I was asked.

ADV PRETORIUS SC: To whom did – did you make a presentation?

MR MANYIKE: Yes I did. Presentation was very short. It did not even last more than fifteen minutes. I did the presentation to Mr Sodi, Mr Mpambani was there and Mr Radebe.

10 **ADV PRETORIUS SC:** Right. And what was the outcome of that presentation?

MR MANYIKE: It was verbal. It was something that could be used by them in – in this case in the Free State.

ADV PRETORIUS SC: Yes. Right. And you say Mr Sodi was present at that presentation.

MR MANYIKE: Yes Mr Sodi was present.

ADV PRETORIUS SC: Who else was present?

MR MANYIKE: Mr Mpambani, Mr Radebe was there. That they recalled. Mr Sodi's right hand man Martin Zwane I
20 think he came late that day. So those gentlemen they were there.

ADV PRETORIUS SC: Right so the main contractor, the sub-contractor and the sub-contractor to the sub-contractor were all there at that presentation?

MR MANYIKE: Yes if you wish to put it like that ja they

were. They were all there.

ADV PRETORIUS SC: And what was the arrangement then made in relation to your status or ORI status in relation to the contracting and sub-contracting arrangements?

MR MANYIKE: What was the what?

ADV PRETORIUS SC: What was the arrangement?

MR MANYIKE: The arrangement?

ADV PRETORIUS SC: What was the agreement? What role would ORI or you play?

10 **MR MANYIKE:** At that time to Mr Sodi we – the presentation – we did not touch on issues of contracts as to who is going to be sub-contracted to who.

ADV PRETORIUS SC: Right.

MR MANYIKE: For him.

ADV PRETORIUS SC: Yes. Yes.

MR MANYIKE: At that time, it was about the presentation if we will be able to do the work. I – I only noticed later that he thought that I as working for MasterTrade. At that – on that level it was inappropriate to discuss contracts.
20 So we were just there to demonstrate the software to him.

ADV PRETORIUS SC: Alright but what was the agreement or arrangement between the Joint Venture representatives, the representatives of MasterTrade whom we learnt is the first sub-contractor and yourself as the second contractor. What – what was the arrangement agreed to between these

parties?

MR MANYIKE: The – between the parties JV – the JV agreement understood that the work was going to be sub-contracted to MasterTrade and MasterTrade sub-contract to me. From the JV I am referring to the two that I just now Mr Mpambani, Mr Sodi. Mr Sodi him I never engaged that much but Mr Mpambani was above board. He knew exactly what was happening that I had a contract with MasterTrade.

10 **ADV PRETORIUS SC:** Okay. Again, if I can ask you to look at another document. There is a bundle FS8 which will be given to you at page 200.

CHAIRPERSON: Did you say FS8 Mr Pretorius?

ADV PRETORIUS SC: FS8 yes Chair.

CHAIRPERSON: Okay.

ADV PRETORIUS SC: At page 200.

CHAIRPERSON: Did you give Mr Manyike the right one? FS8. This is FS1.

20 **ADV PRETORIUS SC:** The document at page 200 is a document...

CHAIRPERSON: One second Mr Pretorius. Mr Pretorius it looks like my staff did not bring the particular bundle but you might be able to just read aloud the relevant portions. Somebody will go back and fetch it in the meantime.

ADV PRETORIUS SC: We could provide you with a copy in

the meanwhile.

CHAIRPERSON: That is fine. Ja that is fine if you are able to. Ja. I think they brought some and they seem to have left either that one or two bundles. Thank you.

ADV PRETORIUS SC: You have that document in front of you Mr Manyike?

MR MANYIKE: Yes I have.

ADV PRETORIUS SC: The document is a six page document or a five page document. What is that
10 document?

MR MANYIKE: It is my contract between ORI Group and MasterTrade.

ADV PRETORIUS SC: It is a contract you say between

MR MANYIKE: ORI Group and MasterTrade.

ADV PRETORIUS SC: Yes ORI Group is your company.

MR MANYIKE: Yes.

ADV PRETORIUS SC: And MasterTrade is the first sub-contractor which has been represented by Mr Radebe?

MR MANYIKE: Yes.

20 **ADV PRETORIUS SC:** Right. The heading is 'Appoint' – it is dated 31 October 2014.

MR MANYIKE: Yes.

ADV PRETORIUS SC: And its heading is 'Appointment for Professional Services' self you say relating to what we now know as the Asbestos Project?

MR MANYIKE: Yes that is correct.

ADV PRETORIUS SC: Well what were you appointed if you could just place on record paragraph 1?

MR MANYIKE: The assessment audit for 300 000 residential units in the Free State province.

ADV PRETORIUS SC: The whole audit or just part of it?

MR MANYIKE: The whole audit.

ADV PRETORIUS SC: Under paragraph 2, we see the scope of work. It reads... if I may read it? Free state
10 ...[intervenes]

MR MANYIKE: The whole project.

ADV PRETORIUS SC: Alright. And the proposed fee structure... well, before we get there. Under the heading “Existing Consulting Team, there of Blackhead Consulting and Diamond Hill known as the Blackhead Consulting JV”.

MR MANYIKE: Yes.

ADV PRETORIUS SC: Perhaps we should put it on record. You...

20 “Due to the nature, for the benefit of the project, we would therefore like to bring it to your attention that Diamond Hill and Blackhead Consulting, known as Blackhead Consulting JV, has been appointed by the Free State Department of Human Settlements and in turn has appointed...”

Was understood by you to mean the whole project?

MR MANYIKE: Yes.

ADV PRETORIUS SC: Then we see... right. Blackhead as the first sub-contractor, the charges, we know and there will be direct evidence to this effect, R 44 million. Correct?

MR MANYIKE: That is correct.

ADV PRETORIUS SC: R 44 million and some further rands and cents. You, to do the whole work, contract with MasterTrade for a fee of R 21 391 489,00. Am I correct?

MR MANYIKE: That is correct.

10 **ADV PRETORIUS SC:** Let us go on to the next page at page 202. R 8 509,30. Am I correct?

MR MANYIKE: That is not correct. I did not enjoy it. I am still not paid.

ADV PRETORIUS SC: Yes, I apologise. A project management fee.

MR MANYIKE: That was the intention. That is correct.

ADV PRETORIUS SC: Alright. So, and you are quite correct to point that out. The project management fee which the contract between yourself and MasterTrade 232 Holdings
20 provided for was eleven and a half million.

MR MANYIKE: That is correct.

ADV PRETORIUS SC: Alright. And your expense budget, in other words, the actual disbursement costs, as I understand it, is stated in the agreement to be an expense budget in the region of R 9 982 000,00.

MR MANYIKE: That is correct.

ADV PRETORIUS SC: Alright. And what is listed below in that schedule under the head of paragraph 4.1.2, appears to be the expense budget in some detail. Perhaps you could tell us what this schedule represents.

CHAIRPERSON: I am sorry Mr Pretorius. Are you still at 202?

ADV PRETORIUS SC: Zero two.

CHAIRPERSON: Oh, okay.

10 **ADV PRETORIUS SC**: It is a schedule of a table
...[intervenes]

CHAIRPERSON: I see it, yes.

ADV PRETORIUS SC: ...of what appears to be the makeup of the expense budget.

CHAIRPERSON: Yes.

ADV PRETORIUS SC: I would just like the witness to explain that in a little bit more detail, please.

MR MANYIKE: This was a schedule of quantities. What happened. For us to get to that, to this, me and
20 MasterTrade, we sat down.

We said: “AK, do not give me price per house but rather show me. Let us put it in the context so that I can see what it is that I pay for”.

So, you see, that is how... that is what transpired. So from Item 1 until Item 23, these are all the services that I

rendered to MasterTrade.

ADV PRETORIUS SC: Alright.

MR MANYIKE: Yes.

ADV PRETORIUS SC: There will be some discussion later about the involvement of Mr Zwane and what he was paid but let us leave that aside for the moment. These expenses here, were they the expenses for part of the project, the whole project for all the work you would do? What was the case?

10 **MR MANYIKE:** This... no, that was sufficient for the project, for the scope that was... for the... for this contract that was awarded to me. So it was sufficient.

ADV PRETORIUS SC: Yes, for the project?

MR MANYIKE: Yes.

ADV PRETORIUS SC: And the whole scope of work, which you have already told the Chair was the whole of the Asbestos Project.

MR MANYIKE: Yes.

20 **CHAIRPERSON:** Now, Mr Manyike. You had done this type of work before your company, had you not?

MR MANYIKE: Yes. Sorry, Chair?

CHAIRPERSON: You had done this type of work before?

MR MANYIKE: Yes, I had done it before.

CHAIRPERSON: Before this project?

MR MANYIKE: Yes.

CHAIRPERSON: How long had your company been involved in this type of work? How many years, more or less?

MR MANYIKE: This type of work Chair is fairly new.

CHAIRPERSON: Yes.

MR MANYIKE: Ja. A lot of people that started doing this work, would have been exposed from the year 2013/2014.

CHAIRPERSON: Okay.

MR MANYIKE: So this is fairly new... I do not know if I can call it industry, but line of work.

10 **CHAIRPERSON:** Yes, okay.

MR MANYIKE: Yes. So when it started, I was part of that.

CHAIRPERSON: Yes.

MR MANYIKE: Yes.

CHAIRPERSON: But are you able to indicate whether it was the second project you were involved in, involved in this type of work, or third or fourth project?

MR MANYIKE: I would say it was the fourth if not third.

CHAIRPERSON: Yes.

MR MANYIKE: Yes.

20 **CHAIRPERSON:** Now in terms of this scope of work and what you charged, you said that was... I think you said that was enough for this kind of work. Is that consistent with the prices that you have charged in other projects, the pricing? Was it consistent in terms of the prices?

MR MANYIKE: It is ...[intervenes]

CHAIRPERSON: Or are you not able to say?

MR MANYIKE: It is hard to say Chair because this... it depends on the outcome.

CHAIRPERSON: Yes.

MR MANYIKE: And the outcome is always different.

CHAIRPERSON: Yes.

MR MANYIKE: Like for the... the way I can compare apples with apples is the Shoshanguve Project.

CHAIRPERSON: Yes.

10 **MR MANYIKE:** But I know it was... they are charging more single rate. I am aware of how much consultants charge to get this.

CHAIRPERSON: Yes.

MR MANYIKE: Those who are contracted to the department.

CHAIRPERSON: Yes, the main contractors.

MR MANYIKE: Yes. So what I will do, I will always charge ten percent of their amount.

CHAIRPERSON: Ja, of their amount.

MR MANYIKE: For me it is fair and then it is profitable.

20 **CHAIRPERSON:** Ja. Yes.

MR MANYIKE: Yes.

CHAIRPERSON: Yes, yes. So you consider it reasonable?

MR MANYIKE: Yes.

CHAIRPERSON: Yes, okay. Yes, Mr Pretorius.

ADV PRETORIUS SC: So if I understand it correctly that

your practice in relation to the Asbestos Project was to charge ten percent of the overall contract fee charged to the department, the relevant department?

MR MANYIKE: Yes, my charge to this was informed by a number of factors. Number one, I am aware of the rate which was offered by Gauteng to those that did this project before. So I was aware of that.

Number two is the number of times spent and the professionals. So it was also... it was time-based versus
10 value-base.

So one, when you pass for such jobs, you will look at such factors and you also consider the competition in that province to say, “How many of you are doing this?” I will call it specialised work. So that informs you will... how much you charge.

ADV PRETORIUS SC: The charge of ten percent of the overall charge to the department, I understand your evidence is for that to conduct the whole project on the ground?

MR MANYIKE: This project... what I am saying to you Chair.
20 The rates that were used in Gauteng and in Free State or wherever at a certain point of this nature has been used. I can use... I can do that job at ten to twenty percent of what the municipality ...[intervenes]

CHAIRPERSON: The contractors charge.

MR MANYIKE: Yes. Simply because this is our bread and

butter.

ADV PRETORIUS SC: Alright. So you say that in this case, you were informed by a benchmark percentage of the overall project to do all the work for approximately ten percent of the overall fee charged by the main contractor to the department?

MR MANYIKE: Yes.

ADV PRETORIUS SC: Alright. Is this a common practice in Gauteng?

10 **MR MANYIKE:** Yes.

ADV PRETORIUS SC: Is this a common practice in Gauteng?

MR MANYIKE: It is not a common practice. Hence, I am saying to you this is a fairly new thing. This really started in 2013 late, around June/July somewhere there. And people are no longer involved in type... in this type of work. Are few, are limited. So there is nothing cast in stone but one will try at least to be competitive, like in my case I will do that

20 **ADV PRETORIUS SC:** But this idea of charging a sub-contractor doing the work and charging ten percent of the overall fee, did this happen only in this case or did it happen in other Asbestos Projects in Gauteng?

MR MANYIKE: Okay, in other Asbestos Projects in Gauteng, what I have seen, you will find the main PRT they would sub-

contract some other companies.

It... well, where I was post... exposed in Pretoria. That is what happened. There were about four, five sub-contractors under the main contractor on the team, Zwane.

So it is not as if... I would say... I would not say it is an extraordinary thing what happened in the Free State because of the number of resources and expertise that is required to deal in such projects. To answer your question. That is what I also saw in Gauteng.

- 10 **CHAIRPERSON:** But would it be correct to say? The bottom line is, if the Free State Department of Human Settlements had invited bids openly, you could have put in a bid to do the job and that what you would have charged may well have been exactly what you charged to do this job? Would it be correct to say that?

MR MANYIKE: Chair, I would ...[intervenes]

CHAIRPERSON: Or is the position that if you had been the main contractor you would also have charged maybe R 250 million?

- 20 **MR MANYIKE:** Well, I would have done that Chair but I would have partnered with someone with financial muscle. Let me put it that way. Simple because government, before they award jobs of this nature, they look at your financial position. So I would have been disadvantaged.

I know this type of projects. They are going to millions

of rands. I would have partnered with someone like Gibob(?) [00:43:51] or Blackhead or... but someone that I know.

They have got the financial muscle and... not so much the resource because I can do that. But the financial muscle and the credibility in the industry, I would have partnered with someone like that. But there is something Chair that I would like to highlight.

CHAIRPERSON: Yes?

MR MANYIKE: Gauteng did set a president for this type...
10 for value of works for Gauteng or Free State or wherever such projects would be done.

So we know that if a tender was to come, let us say in the Western Province, is regarding this particular work, it will run in those ranges.

The requirements for one to participate would be high. So you will find medium-size companies like us, we somehow get squeezed out.

So, but I would have tendered for that but maybe went with someone with financial muscle for such a project.

20 **CHAIRPERSON:** Well, from what you say. You would have the resources other than the, what you referred to as financial muscle, to do the job, you would have the resources. Is that correct? What you would not have is what you call the financial muscle.

MR MANYIKE: Yes.

CHAIRPERSON: But in terms of other resources, you would have what would be needed to do the project?

MR MANYIKE: Yes, I would have ...[intervenes]

CHAIRPERSON: Yes.

MR MANYIKE: ...to pull up a team. The manpower. I would be able to do that.

CHAIRPERSON: Yes, yes.

MR MANYIKE: But the down payment... to start a project of this nature, we are looking at ten, eight million upfront. Not mentioning the guarantees from government. So it is very expensive.

CHAIRPERSON: Oh, that... that is what... is that what... would that be the kind of money that the government would say you must put down to ensure ...[intervenes]

MR MANYIKE: Yes, the guarantees. Yes.

CHAIRPERSON: Ja. But that would be money that will come back to you when everything is finalised?

MR MANYIKE: It will come back. The problem is giving it Chair.

20 **CHAIRPERSON:** Yes, it is just giving it.

MR MANYIKE: Yes.

CHAIRPERSON: Yes. But apart from that, that requirement, you would have... you would meet every requirement to do the job?

MR MANYIKE: Yes.

CHAIRPERSON: As far as you know?

MR MANYIKE: Yes, I will... I will meet the requirements.

CHAIRPERSON: Yes, yes. Now if they did not require that down payment of millions of rands of if you had a way of getting somebody that would partner with you and you are bidding for this, exactly this job with the scope of work, what do you think your price would have been, bearing in mind what you charged for the whole work, bearing in mind what the main contractor charged the department?

10 **MR MANYIKE:** I will have two answers for you Chair on that one. I do not know which one will be...

CHAIRPERSON: Ja.

MR MANYIKE: As a businessman, I am informed by the market and see how the market is functioning. I know that six hundred-and-fifty is a rate that has been reasonable to government elsewhere but I will maybe come slightly to go fifty percent lower. I will still make a profit.

But in a case whereby the work is not under my name, I will be extremely competitive as I was. I am saying to you, I
20 can most... I can charge between ten to fifty percent of what Gauteng paid or Free State.

But that will be on the condition that I am a sub-contractor like I was. But if I was the main contractor going for such jobs, the six-fifty in Gauteng will inform how much I price for that.

CHAIRPERSON: So it would then be up to the Free State Department whether it accepts that ...[intervenes]

MR MANYIKE: To make that decision, yes.

CHAIRPERSON: Ja, but if effectively the... since, I think you said, there are not too many of these jobs. If the department said that was in Gauteng, this is Free State. We think you got away with murder in Gauteng. You have got to go down on your price here. You will be able to go down quite considerable, is it not, and still make a good profit?

10 **MR MANYIKE:** Yes, that is true Chair.

CHAIRPERSON: You would not want to lose that job when you know that you can do the job for much less and still make a good profit.

MR MANYIKE: That is correct Chair. If I may add on that? The only difference is that you will never be given that chance to go down.

CHAIRPERSON: H'm?

MR MANYIKE: The only difference is that you will never be given a chance to say reduce your price.

20 **CHAIRPERSON:** By the department... by the government department?

MR MANYIKE: By any department where you are tendering but ...[intervenes]

CHAIRPERSON: Oh, okay.

MR MANYIKE: Yes.

CHAIRPERSON: Yes.

MR MANYIKE: So the price you put, that is your final price.

CHAIRPERSON: Yes.

MR MANYIKE: But I will go fifty percent or even sixty percent less ...[intervenes]

CHAIRPERSON: Yes.

MR MANYIKE: ...to get the job.

CHAIRPERSON: But if you... if your company... if a number of companies had put in the bids and your company provided... gave the cheapest price, okay?

MR MANYIKE: Yes?

CHAIRPERSON: Go back to the others. But your cheapest price, they thought it was still quite high because you businesspeople robbed Gauteng. You all [laughs] conspired and put your prices up, you know.

Now you want to use that as a base to rob everybody else. They say, "Look, Mr Manyike, you are the cheapest of this, so that is why we will talk to you.

But even your price is unrealistic because if you charge us half of what you have put in here, you still make a good profit. We do not want to give you this job if you stick to this amount. We want you to go lower. The economic times are difficult".

When you know you can still go down and still make a good profit, would you not take the job, would you not reduce

it?

MR MANYIKE: I will reduce Chair.

CHAIRPERSON: You will reduce it, ja.

MR MANYIKE: Yes. I will reduce.

CHAIRPERSON: Ja, because where else are you going to get another job?

MR MANYIKE: Yes.

CHAIRPERSON: How long must you wait?

MR MANYIKE: Yes.

10 **CHAIRPERSON**: Ja.

MR MANYIKE: That is correct Chair.

CHAIRPERSON: Okay. Alright. Mr Pretorius.

ADV PRETORIUS SC: Thank you, Chair. Mr Manyike, if you go back to the schedule of expenses at paragraph 4.1.2 on page 202 of FS8, you will see there what appears to be, and you can help us, a comprehensive list of expenses ...[intervenes]

MR MANYIKE: Mr Pretorius?

20 **ADV PRETORIUS SC**: ...that were involved in the executed ...[intervenes]

MR MANYIKE: If I can just come in a minute?

ADV PRETORIUS SC: [No audible reply]

MR MANYIKE: Just to remind you, this matter is still under litigation, *né*? So I would just like to appeal to the Commission ...[intervenes]

CHAIRPERSON: Ja.

MR MANYIKE: ...that I am not being represented by any attorneys.

CHAIRPERSON: Yes, yes.

MR MANYIKE: I am presenting myself.

CHAIRPERSON: Yes.

MR MANYIKE: So take it easy with the question.

CHAIRPERSON: Ja. [laughs]

MR MANYIKE: Especially when it comes to my project.

10 **CHAIRPERSON:** No, I... [laughs] I think you are right to remind us about your sensitivities Mr Manyike.

MR MANYIKE: Yes.

CHAIRPERSON: Mr Pretorius.

ADV PRETORIUS SC: Yes, I am aware of the difficulties you face or may face in litigation but I am only going to ask you what is your version.

MR MANYIKE: Okay.

ADV PRETORIUS SC: I may put others to you for your comment but those... that comment would be based on your
20 expert knowledge as a contractor.

MR MANYIKE: Yes.

ADV PRETORIUS SC: But let us go back to 4.1.2. Who paid these expenses?

MR MANYIKE: These expenses, they were paid by ORI Group of which we have the proof of payments. The bank

statements, that will reflect. We have also attached them in our court papers. They are there.

But should there be a need... should the Commission need this, we can submit. We can issue it to the Commission.

But it is ORI Group that paid for all these expenses. The only expense which we were supposed to pay for that we did not pay for of which it was not contractual is when it involved the purchasing of the programme.

10 That money we had allowed. We had allowed on the contract. So that is the only money that we did not pay. It was in the region of six hundred thousand, somewhere there.

ADV PRETORIUS SC: Alright. So you had the financial muscle to pay the working expenses or the operating expenses of the project. Do I understand you correctly?

MR MANYIKE: No, I do not have that financial muscle.

ADV PRETORIUS SC: How did you know?

MR MANYIKE: The expected cost was R 9 million.

ADV PRETORIUS SC: Yes.

20 **MR MANYIKE:** Ja. So where payments were coming in stages to me as the work progressed. Ja. Not... towards the end, payments stopped coming. As I am talking to you know, I am indebted to those people that served ORI Group, other professionals because of this project.

ADV PRETORIUS SC: Of course, the questions that have

just been put to you by the Chair about the financial muscle, talk about the characteristics of entities seeking contracts. The questions still remains. What is a cost-effective charge for the work done?

As I understand this contract and your evidence, for the whole of the contract, borrowing one or two items like Mr Zwane's involvement and the software that needed to be purchased, you could do the work for expenses of approximately R 10 million which would give you a
10 management fee of approximately R 11 500,00. Correct?

MR MANYIKE: Yes, that is correct.

ADV PRETORIUS SC: The Chair will decide in those circumstances of all the charges we have heard what is the cost effect of that one. We do not need to go there.

MR MANYIKE: Yes.

ADV PRETORIUS SC: If we can go over the page, please, to page 203?

MR MANYIKE: [No audible reply]

ADV PRETORIUS SC: Paragraph 5, staff component. You
20 are expected to provide the dedicated staff component. What is meant by that? Is that the whole staff component for the field work?

MR MANYIKE: The entire workforce.

ADV PRETORIUS SC: And then under project programme:

“Kindly provide us with a project programme up to

submission of the final report...”

MR MANYIKE: I did provide that.

ADV PRETORIUS SC: Alright. So was your involvement required right until the final report?

MR MANYIKE: Yes.

ADV PRETORIUS SC: If we could go back to ...[intervenes]

CHAIRPERSON: I am sorry. I am sorry Mr Pretorius. Did you say you did provide that or did you say you did not provide that?

10 **MR MANYIKE**: I did provide that.

CHAIRPERSON: You did.

MR MANYIKE: Yes.

CHAIRPERSON: Alright. Okay.

ADV PRETORIUS SC: If we could go back, please, to 4.1.2. I do not want to read through this whole schedule.

MR MANYIKE: Four point one...?

ADV PRETORIUS SC: Point 2.

MR MANYIKE: Yes.

ADV PRETORIUS SC: On page 202.

20 **MR MANYIKE**: Yes.

ADV PRETORIUS SC: But on the face of it, and you can comment if you need to, this schedule involved preparatory work, the purchase of gadgets, the provision of transport and other items such as airtime required for the operation of the electronic gadgets. Is that correct? What does this

comprise?

MR MANYIKE: This comprises goods and services that will be needed to execute a project.

ADV PRETORIUS SC: And I see ...[intervenes]

MR MANYIKE: ...and to give the desired outcome.

ADV PRETORIUS SC: Yes. What is Item 13?

MR MANYIKE: Field workers salary.

ADV PRETORIUS SC: For all the field workers or for some of them?

10 **MR MANYIKE**: For all.

ADV PRETORIUS SC: For all of them?

MR MANYIKE: Two point... R 2 250 000,00.

ADV PRETORIUS SC: Yes. What is Item 14?

MR MANYIKE: Printing.

ADV PRETORIUS SC: No, 14. One four.

MR MANYIKE: Office technicians.

ADV PRETORIUS SC: Right. And is there any provision here for payment to project managers?

MR MANYIKE: Yes, there is.

20 **ADV PRETORIUS SC**: Where is that?

MR MANYIKE: We used different jargons internally. But my project managers, they would fall under Item 18 team.

ADV PRETORIUS SC: Alright.

MR MANYIKE: Ja. So they will be... I will be the project manager under ORI Group.

ADV PRETORIUS SC: Yes.

MR MANYIKE: And they will be assistant project managers.

Ja.

ADV PRETORIUS SC: On page 204, we see the signature of Mr Radebe, Director of MasterTrade 232 (Pty) Ltd?

MR MANYIKE: Yes.

ADV PRETORIUS SC: And on page 205, what is that document?

MR MANYIKE: This was an acknowledgement letter to him
10 that we... we were thanking him. That, thank you for the project. And this was sent to him via email.

ADV PRETORIUS SC: Alright.

MR MANYIKE: Ja.

ADV PRETORIUS SC: Thanking him for what opportunity? The... was this... did it have any relationship to the contract?

MR MANYIKE: Yes, we are acknowledging... it was a letter, in fact, that said there was a condition in the contract that we must accept.

ADV PRETORIUS SC: Alright and is that the acceptance?

20 **MR MANYIKE:** Ja, this was the acceptance letter.

CHAIRPERSON: I see that at the top, the document says, "letter of commitment". Is that the letter ...[intervenes]

MR MANYIKE: Yes, and also to give our commitment.

CHAIRPERSON: The ORI Group committed itself to performing the work in terms of this appointment?

MR MANYIKE: Yes.

CHAIRPERSON: Okay.

ADV PRETORIUS SC: Would you go to paragraph 32 please? You have told us that currently the ORI Group is in ...[intervenes]

CHAIRPERSON: Hang on, Mr Pretorius, are you taking us back to his affidavit?

ADV PRETORIUS SC: I am sorry, yes, please.

CHAIRPERSON: That is in bundle FS1.

10 **ADV PRETORIUS SC:** FS1, page 128, paragraph 32.

MR MANYIKE: Can I have some water, Chair?

CHAIRPERSON: Oh, they did not – they should have provided you with water there. Well, maybe we should take the tea break but somebody must make sure there is always water available to the witness. Oh, is there bottle of water available? They will bring you water just now. Thank you. Maybe let us use the five minutes before we take the tea break.

20 **ADV PRETORIUS SC:** Bundle 1, page 128, bundle FS1, 128, paragraph 32. You informed the Commission that the ORI Group and MasterTrade are currently involved in litigation for monies that you say MasterTrade owes you, the ORI Group.

MR MANYIKE: That is correct. Chair, if I can say something in relation to that case?

CHAIRPERSON: Yes.

MR MANYIKE: Case number 69173/18.

CHAIRPERSON: Ja, that is the one referred to in paragraph 32.

MR MANYIKE: Yes. During the investigations, I came across the SI and something I observed there is like they went to the court to get the statements, the affidavits, and it appeared as if certain affidavits in that file grew feet. So I do not know how to put – what needs to be done but I
10 saw that being a limitation to them being able to execute their investigation. From the documents they were holding, I could see that there was alleged deliberate intent to withdraw certain statements from that file.

CHAIRPERSON: Oh, you said – you referred to SI?

MR MANYIKE: Ja, the SIU.

CHAIRPERSON: Is that the SIU?

MR MANYIKE: SIU, Special Investigative Unit, yes, when they came to interview.

CHAIRPERSON: Oh, when they came to interview.

20 **MR MANYIKE:** Yes.

CHAIRPERSON: You say they had certain affidavits from this case?

MR MANYIKE: They were looking for affidavits and statements that were made.

CHAIRPERSON: Yes.

MR MANYIKE: But it was within that bundle.

CHAIRPERSON: Ja.

MR MANYIKE: But I could see that what they were looking for they did not find in that file so it is like somebody touched a file in the wrong way.

CHAIRPERSON: Oh.

MR MANYIKE: I just wanted to put that out there.

CHAIRPERSON: Yes, yes. You suspect that certain affidavits that should have been in the file may no longer
10 be there?

MR MANYIKE: Yes, they were taken out.

CHAIRPERSON: Okay, is that something that you discussed with SIU or you did not discuss?

MR MANYIKE: I did not discuss with them, it just came across my mind now, as I am sitting.

CHAIRPERSON: Oh, okay, okay. Okay and you have a feeling that those affidavits may well assist the Commission in understanding certain things?

MR MANYIKE: Yes because the – I have seen bold
20 statements of people saying they have paid so and so but the proof of payments are there. You know, a person would think twice before writing a statement like something that could be easily proven. That is why I could see that there is a strong hand messing with things. I do not know...

CHAIRPERSON: Well, the investigators of the Commission are here, they will look into that and we will be informed. Thank you for bringing that to our attention.

ADV PRETORIUS SC: I would presume that you would have documentation in relation to the case?

MR MANYIKE: Yes.

ADV PRETORIUS SC: And you would be willing to share that with the investigators.

MR MANYIKE: Yes.

10 **ADV PRETORIUS SC:** And point out what you think the investigators might be interested in.

MR MANYIKE: Yes.

ADV PRETORIUS SC: Thank you. Thank you for that, we will take it up.

CHAIRPERSON: Maybe we should take the adjournment the?

ADV PRETORIUS SC: Thank you, Chair.

CHAIRPERSON: We will take the tea adjournment now and resume at half past eleven. We adjourn.

20 **INQUIRY ADJOURNS**

INQUIRY RESUMES

CHAIRPERSON: Let us continue.

ADV PRETORIUS SC: Thank you, Chair. Mr Manyike, we were still dealing with your affidavit in bundle FS1 and we are at page 129, if you would go to paragraph 35 please?

MR MANYIKE: I am on 35.

ADV PRETORIUS SC: I am sorry, Chair?

CHAIRPERSON: I am sorry, I think – are you speaking to Mr Manyike?

MR MANYIKE: I am on 35.

CHAIRPERSON: Oh, you are saying you have found the page. Ja, okay.

ADV PRETORIUS SC: From paragraph 35 onwards you described the work that you began to do as the subcontractor to the subcontractor. What work was that?
10

MR MANYIKE: It was the viewing of the paragraphs, the share files, the view of the houses, the areas where we worked.

ADV PRETORIUS SC: What was the purpose of viewing the aerial photographs of the areas in the Free State?

MR MANYIKE: The purpose, Chair, is – in the Free State you have over 600 000 stands so I, in my view, I will see the department to ask anyone to come and audit, they will not monies to do that, it will be – the scope will be too
20 much, so what would be advisable and what would be proper and what I deem as the only way is to look at the aerial maps first of these areas where asbestos could be concentrated, then from thereon it is about training. One can see if it is as asbestos from a shape file that is recent, you can see it more or less. Then after we have done that

then we are able to somehow get to a point to say this is how much work we are looking at. So that was the whole purpose of that exercise, for us not to waste resources going to areas where we are not supposed to go because if you looked at the aerial photographs you will notice from the aerial view that the asbestos houses and those that are done with corrugated iron, over 50 years they look the same from the aerial view, so – but historically, we are aware of places where black people were allocated and
10 people of colour, the coloureds and other smallholdings, so we are able to see that on the aerial photographs so that it helps us not to waste resources going to areas that we should not be going to.

So it is cost-effective way of doing things other than what was done in other areas, that exercise was never done, people were just told to go and audit. So we took the precautionary measures to make sure that we limit movement on the ground, seeing how big and vast the Free State is compared to other provinces.

20 **CHAIRPERSON:** What is it, Mr Pretorius?

ADV PRETORIUS SC: Sorry, there is some interference coming from one of the computers, Chair, I just wanted to alert a certain person to that.

CHAIRPERSON: Okay.

ADV PRETORIUS SC: Do I understand you correctly then

that the initial exercise involved looking at aerial photographs in order to identify houses which might have asbestos roofs?

MR MANYIKE: Yes.

CHAIRPERSON: We had an expert here, Mr Roets, who said that that is not really a reliable way of finally determining whether a house has an asbestos roof or not.

MR MANYIKE: I saw that, I think it was televised this past Tuesday and me, just watching TV, there was a
10 revelation as to say why we had a delay on Tuesday and the Wednesday, is something I would leave to the Commission, also to the Free State as a given, to say – that is what I can see, if this can be fixed, will have attendance here. But I will touch on that but I want to come to issue of the expert.

As I was preparing for this presentation at my house, I was with the kids, watching TV, I heard my – I am the author of the four files that were submitted to Free State and other ...[intervenes]

20 **CHAIRPERSON**: I am sorry, you are author of...?

MR MANYIKE: I am the author of the four reports that were submitted to the Free State.

CHAIRPERSON: Yes.

MR MANYIKE: So I know how they look, so I – just to go the relevant attachments and packaged everything. So my

file at home was looking like this and as I watched TV, the expert, the file was looking like this. So immediately I could see there was a problem and even the things that he touched on, he said – to the asbestos project, to remove the roof it is about 6', 7 000, the house - I said but that thing is there in the report I wrote, it is there. He spoke about the bill of quantities but I think also us speakers that comes here, Chair, it is our responsibility also just to educate to say people will talk about phase 1, phase 2,
10 phase 2, before you know it, people are confused and I was somehow concerned to say was the expert really relevant or not on two primary issues.

The expert came clear to say he is accredited by SANAS. SANAS reports to DTI together with the companies – the companies and the soft engineering part of things but though you find the panel of Public Works whereby the built environment reports to that.

So when I talk about the build department I am talking about the architect, the engineer, the structural
20 engineer, the electrical, the mechanical.

I would have expected -the environmental specialist, I would have expected that person to come and say they are specialists because of two fundamental issues.

What the expert was talking about, he was narrating

what happens in phase two of the project. What is phase two? Phase two is the implementation. Phase one is the inception, conceptualisation, detailed preliminary. That is phase one and the Department of Labour is silent, what happens before phase two. There is no legislature that talks to that.

So you find someone who is specialising on a small thing within the bigger scheme of things coming here to say they were expert and I am saying that with all due
10 respect. You are wasting the Commission's time. He was talking to his experiences under implementation. We know this project not a single asbestos roof has been removed. So what was he doing here? I wanted to give that out.

But on the issue of the reports, I would see there was something wrong with the report because what he making reference ...[intervenes]

CHAIRPERSON: Maybe before you go there, Manyike.

MR MANYIKE: Yes.

CHAIRPERSON: He certainly gave evidence about
20 auditing and assessment. Auditing is certainly, as I understand it, or is certainly what was included in the mandate in this project, is it not? The assessment, we can talk about because certainly auditing was auditing of the houses for asbestos.

MR MANYIKE: It is different, Chair.

CHAIRPERSON: H'm?

MR MANYIKE: There is auditing during the construction phase.

CHAIRPERSON: H'm?

MR MANYIKE: Yes. This type of work, the environmental part will be handled by an environmental specialist during planning stage when you are doing the project conceptualisation, inception and so forth. This is way before the expert comes.

10 The expert comes, for him to be absorbed into the building environment is when he comes in as a contractor. That is phase two.

CHAIRPERSON: Yes, no, no, no, let us – we will get to know when an expert comes but let us take it step by step. You agree with me that auditing the houses for asbestos was one – was part of a mandate given to the main contractor by the Human Settlements Department in the Free State .

MR MANYIKE: Yes. Yes, Chair.

20 **CHAIRPERSON:** You agree?

MR MANYIKE: Yes, I agree.

CHAIRPERSON: Ja and you also agree that the auditing, that part of the job, auditing houses for asbestos meant actually establishing how many houses had asbestos, is that correct?

MR MANYIKE: Yes, that is correct, Chair.

CHAIRPERSON: Yes. On assessment, what is your understanding with regard to whether assessment was part of the mandate given to the main contractor by the Human Settlements Department in this project? Was it part of it or was it not part of it, as you understood it?

MR MANYIKE: It was part of it but the extent of the scope, how the expert put it, he – I think he went too much into details.

10 **CHAIRPERSON:** Ja, no, no, that is fine.

MR MANYIKE: That is – there is two assessments that you do, Chair.

CHAIRPERSON: Ja.

MR MANYIKE: There is one before construction, there is one given at planning stage, that is the one we did.

CHAIRPERSON: Ja.

MR MANYIKE: But now when the department says we are ready to now – let say remove the roof of this building, that is where such specialists they come because now
20 sometimes you can maintain the asbestos or you remove a portion, you can do this – but in Free State, the intention was not to – whether to maintain rooms or do this, it was to completely remove the roof and replace it. So, by me saying that, there was no need for anyone to go underneath, inside the houses and check this, the roofs

had to be removed.

CHAIRPERSON: Yes, okay, we will come to that, I just want to establish that we are all on the same page on certain things. With regard to the assessment, what is your understanding of what assessment entails in this context?

MR MANYIKE: When you assess in the context of a new contract ...[intervenes]

CHAIRPERSON: Or this kind of project of finding
10 asbestos.

MR MANYIKE: Yes, when you assess it is referring too much to the structure integrity of the loading bearing walls. The roof, it is a given, it has to go. So when you say assess, the expert in this context, it could be maybe maintain this or paint it there or do this, so it would be more detailed to that extent.

So but our assessment, as I understand it, is about the – looking at the house to say was there a crack on the house, can this house still stand with the – if they lift the
20 roof? If the answer is no, then the whole house must be removed. If the answer is yes ...[intervenes]

CHAIRPERSON: I am sorry just repeat that, I think it is important, the answer is ...[intervenes]

MR MANYIKE: The assessment was heavily on the entire structure of the house which is something that falls outside

the expertise of the expert, Chair.

CHAIRPERSON: Yes, yes.

MR MANYIKE: That is number one. So the decision that asbestos must be taken away, it is a given. It was – we are not assessing the asbestos, we are purely identify the asbestos and you reference it as to where it is, how many are there, asbestos, where are they, what size and so forth and how far are they from the landfill sites where they must be disposed of. That was the importance of the
10 assessment.

CHAIRPERSON: Let me tell you what my understanding was of what he said assessment entails and I just want to check whether it coincides with your understanding or not.

My understanding of what he said assessment entails is that you cannot just do it standing outside the house or standing on the road looking at the house in order to do it properly you have got to get into the house, see where exactly you see asbestos, that is my understanding, it might be wrong, so where you can pick up where
20 asbestos is and, as I understand what you are saying, some houses that have got asbestos might be – their condition might be such that they need to be given priority in terms of removing the roof or even demolishing the house because as a result of the asbestos in the house there is danger of the occupants of the house, there is

greater danger in regard to some houses than in regard to other houses.

So I got the impression that part of the assessment is to see which houses must government give priority because already people live in that house are in danger, they could be injured and he said – and it is not just in the roof, I think it is elsewhere as well in the house. That was my understanding. If that is my understanding and if that is what he said, does it accord with your understanding of
10 assessment?

MR MANYIKE: No, it does not.

CHAIRPERSON: It does not?

MR MANYIKE: No, it is ...[intervenes]

CHAIRPERSON: Your understanding of assessment does not entail – does not make it necessary that you should go into the house, is that right?

MR MANYIKE: No, you do not have to – yes, that is correct, Chair.

CHAIRPERSON: Does not, ja.

20 **MR MANYIKE:** You do not go inside the house ...[intervenes]

CHAIRPERSON: Whatever you want to see you can see from outside the house?

MR MANYIKE: Yes, you do not test the asbestos, you identify it.

CHAIRPERSON: So what are the potential things you look for standing outside the house when you are assessing on your understanding?

MR MANYIKE: We train people on how to identify asbestos. From outside, first of all you look at the shape and the colour.

CHAIRPERSON: Oh, is that the roof or ...[intervenes]

MR MANYIKE: Ja, the roof outside.

CHAIRPERSON: The roof, ja.

10 **MR MANYIKE:** Ja, if you cannot see the colour, if it is painted, you look at the shape. So we train our people what to look at and mostly on houses with asbestos you will find they will not put in gutters and so forth. So these are things that people look at and we even encourage them to say if you can, go inside the yard, look underneath and then ...[intervenes]

CHAIRPERSON: This is now inside the house?

MR MANYIKE: Yes, yes, Chair, and ...[intervenes]

20 **CHAIRPERSON:** So sometimes you can do it without going into the house, sometimes you have to go into the house.

MR MANYIKE: Yes.

CHAIRPERSON: Okay.

MR MANYIKE: And to my amazement, I will say 95% of people that were trained, they knew what was asbestos.

CHAIRPERSON: Yes but let me just go back from the assessment part, is it simply to see whether this house has got asbestos on your understanding of assessment. So when the person – when you send your fieldworker or someone there, is it to look for indications where there is asbestos?

MR MANYIKE: Ja, the audit part is the asbestos.

CHAIRPERSON: Ja, that is the audit part.

MR MANYIKE: The assessment part is the structure, the
10 integrity of the house. We put other questionnaires there for us to have an indication as to what exactly. But the bulk of the works was done by the programme, things like your geophysical and so forth.

CHAIRPERSON: Ja.

MR MANYIKE: So I will say maybe on the assessment, 40 percent was done by the fieldworker to say when you get to a house, we look for these things when you assess this, the structure integrity of the house.

CHAIRPERSON: Ja.

20 **MR MANYIKE:** You look at the cracks, you must be certain and then you record it like this, is the house plastered which is very, very – an issue if the house is plastered a lot.

CHAIRPERSON: What is the situation, what is the impact of a house that is plastered on your assessment?

MR MANYIKE: The house ...[intervenes]

CHAIRPERSON: does it mean it is difficult to assess or is it easy or...?

MR MANYIKE: No, it is going to inform the bill of quantities.

CHAIRPERSON: Yes.

MR MANYIKE: The bill of quantities will inform the budget.

CHAIRPERSON: Ja.

10 **MR MANYIKE:** Alright. What is happening now in Mamelodi, I think the past two years, when they were doing these houses, also I so somewhere being removed in Soshanguve.

If the house is not – is plastered and it had asbestos, when you remove the asbestos, the wooden posts must also go away, you find some of them – they are no longer in good condition, so you put this steam and then on top you will have to plaster, you will have to fix, so it is important that you match these things. Where there is a
20 geyser on the roof it adds to the cost, someone must remove that geyser and put it there. So these are some of the things ...[intervenes]

CHAIRPERSON: When you talk about remove the geyser, you are not talking about the person who is coming to make the assessment, you talk about later.

MR MANYIKE: No, the person who is making the assessment, you make that allowance, that record if there is a geyser.

CHAIRPERSON: Ja.

MR MANYIKE: Because we know and later on when should the department appoint whoever to come and do ...[intervenes]

CHAIRPERSON: Whoever...

MR MANYIKE: ...these houses, that thing will be an
10 issue.

CHAIRPERSON: Okay.

MR MANYIKE: To say that there was a geyser here.

CHAIRPERSON: And it adds to the cost.

MR MANYIKE: Yes, it adds to the cost.

CHAIRPERSON: Yes, but just to go back, you said the assessment relates to – I think did you say physical integrity of the house?

MR MANYIKE: Yes.

CHAIRPERSON: Yes. I understand that to mean whether
20 the house looks like it might collapse anytime or in due course. Is that what it means, the physical integrity of the house?

MR MANYIKE: Yes.

CHAIRPERSON: When you – for purposes of an assessment done in the context of this project, does it

matter whether the cause or the house to be like that, namely, it looks like it might be collapse anytime or it might collapse in six months, does it matter whether that might have been caused by asbestos or it does not matter what has caused that condition to happen for purposes of the assessment?

So, in other words, are you only looking for what damage the asbestos has done to the physical integrity of the house or are you just looking at the physical integrity
10 of the house irrespective of what has caused this?

MR MANYIKE: We – there are number of things which can cause structural problems. One of them could be the foundation also but on this project, it was agreed that we will not be doing geotechnical studies, visual inspection would be sufficient.

I want to come there, Chair, just to show you that asbestos here is not the thing, it was about the structural integrity and they are even comments about more people could have been appointed, the councillors could have
20 chosen so and so and said then count these houses and ...[intervenes]

CHAIRPERSON: Well, I must confess that thought came to my mind.

MR MANYIKE: Yes.

CHAIRPERSON: It may be ignorance to say
...[intervenes]

MR MANYIKE: Yes. No, it is not ignorance.

CHAIRPERSON: Why can you not just get councillors who
are paid to look after the interests of the community to
...[intervenes]

MR MANYIKE: Yes, it is not ignorance, Chair.

CHAIRPERSON: Yes.

MR MANYIKE: That is what I am saying, some of us will
10 come on these platforms, we fail from our respective fields,
we somehow, we need to inform. To count and to audit are
two different things. We know of projects in Gauteng
whereby they were committing that, people were asked to
go and count the potholes, to go and measure them
physically but they did that in the houses. We know, we
know, we see these things. So to give a task like this to
locals without training, without due referencing, without all
this equipment...

CHAIRPERSON: It would not...

20 **MR MANYIKE:** It would have been done in 1994 but it was
not because this is an exercise that needs people that are
competent to do it.

CHAIRPERSON: Ja, they must be trained to do it, ja.

MR MANYIKE: Yes.

CHAIRPERSON: But I am correct then to understand that what you are saying is that the assessment part of the job required or requires a contractor such as yourself to have somebody who goes to the house but does not need to enter the house but must see the house and in seeing the house, must look at what the state of the condition of the physical integrity of the house is.

MR MANYIKE: Yes.

CHAIRPERSON: And then make a note of what they
10 observed.

MR MANYIKE: Yes.

CHAIRPERSON: And that the condition of the physical integrity of the house does not have to be connected to damage caused by asbestos.

MR MANYIKE: Yes.

CHAIRPERSON: It is simply the condition of the house, the physical integrity of the house irrespective of what has caused it.

MR MANYIKE: Yes, Chair.

20 **CHAIRPERSON:** Yes. And that sums up the gist of your understanding of what assessment in this context means.

MR MANYIKE: Yes.

CHAIRPERSON: Okay. Mr Pretorius?

ADV PRETORIUS SC: If you could assist us on this side of the room just by way of summary. You mentioned in you

answer to the Chair that sometimes you encourage them to go into the yard. Do I understand that correctly, not into the house, is that correct?

MR MANYIKE: That is correct, that is correct.

ADV PRETORIUS SC: The audit that you were required to do, I understand it, was to identify houses with asbestos roofs, correct?

MR MANYIKE: That is correct.

ADV PRETORIUS SC: Not to identify houses that inside
10 might contain asbestos in the ceiling in the water pipes or in fascia boards and the like.

MR MANYIKE: That is correct.

ADV PRETORIUS SC: The visual – sorry, you wanted to add something?

MR MANYIKE: There is a distinction between what Human Settlements does and what the municipality does. I accept that – I do agree that there are asbestos pipes that you do find but one needs to understand how government works and what government is responsible for.

20 Those pipes, you would address it with the municipality but in this case, you address it with Human Settlements. So the asbestos is there but what we are looking at was on the houses, not the pipes.

ADV PRETORIUS SC: Right, so you were not looking at the internal part of that house which might contain

asbestos in a window sill, for example, or in a pipe or in a ceiling, you were looking at the roof of the house because, as I understand what you say, government works this way, there can be asbestos in the house, that is for one sphere of government but if there is asbestos on the roof that is a provincial responsibility?

MR MANYIKE: I am saying the pipes that were being referred to, normally those will be about pipes which are on the street, the municipality is taking care of that but
10 from there on, if you come into the house – but I have never seen a pipe of asbestos so there was no need for us to go to that extent. Your focus on the house is the fascia boards, we looked into that.

The roofs, we looked into that. The windows, I have never seen – some of the houses you will find hundred percent, even the walls is asbestos, that is the situation in Pieter Steyn. So we look at such things. Yes.

ADV PRETORIUS SC: We understand that a house inside may contain asbestos products, inside the house.

20 **MR MANYIKE:** Yes.

ADV PRETORIUS SC: What I understand your evidence to be is that your job was to identify houses with asbestos roofs.

MR MANYIKE: Yes.

ADV PRETORIUS SC: Not to go inside the house and to

inspect whether there was asbestos damaged or otherwise inside the house.

MR MANYIKE: Yes.

ADV PRETORIUS SC: And you did the assessment or the audit, rather, let us stick with the audit for the moment, firstly by looking at aerial photographs and then where you identify it from the aerial photographs areas which contained or might contain asbestos roof, you sent fieldworkers to look at the house.

10 **MR MANYIKE**: Yes.

ADV PRETORIUS SC: Those fieldworkers were armed with tablets, similar to an iPad, and they were then asked to go to the house, look at it and take photographs.

MR MANYIKE: And assess, yes.

ADV PRETORIUS SC: And assess. Now the assessment, as I understand it from your evidence, certainly now, was in order to look and understand the structural integrity of the house.

MR MANYIKE: Yes, that is correct.

20 **ADV PRETORIUS SC**: And this work was done by people who had had days training from the community.

MR MANYIKE: Matriculants that could read, write and that would demonstrate understanding. During the training they were allowed to go and assess.

ADV PRETORIUS SC: Well, one would have thought that

an accurate report on structural integrity could only be done by an expert.

MR MANYIKE: Can be approved by an expert, can be endorsed, but anyone with competency can do an assessment.

ADV PRETORIUS SC: So – but what the expert would do, perhaps in compiling the report, would look at the photograph presented by the fieldworker.

MR MANYIKE: And go on site.

10 **ADV PRETORIUS SC:** Did your experts go on site?

MR MANYIKE: Yes we had people that were going on site, looking at the houses randomly. A project of this nature an engineer cannot physically go to each and every house, no province would – it would be unaffordable that project.

CHAIRPERSON: I think somebody of the Commission staff must give Mr Manyike another bottle of water, I think he is running out of water. Yes, okay, let us continue.

20 **ADV PRETORIUS SC:** Well let us go then to page 131 of your affidavit, if we may.

CHAIRPERSON: What page Mr Pretorius?

ADV PRETORIUS SC: 131 of FS1.

CHAIRPERSON: Okay.

ADV PRETORIUS SC: You say the desktop analysis, which was the first step, took about two weeks to

complete, with about six or seven people and that happened before 30 October 2014?

MR MANYIKE: That is correct.

ADV PRETORIUS SC: Then in paragraph 42 you described how MasterTrade arranged its quote. Please tell the Chair about that please?

MR MANYIKE: MasterTrade approached me regarding now the quotations and say can you draft a quotation that can be submitted to Blackhead and I drafted the quotation,
10 this was an all-inclusive quotation. My fees and MasterTrade fees also in excel and I emailed it to him

ADV PRETORIUS SC: What did that quote amount to?

MR MANYIKE: It amounted to R44 208 567,90 that was excluding vat for him to submit to Blackhead.

ADV PRETORIUS SC: What would MasterTrade's profit be in all this?

MR MANYIKE: At that time, I did another spreadsheet for MasterTrade whereby I was showing him the profit margins. The profit for him would be around R50million that was
20 supposed to be his profit. There is a similar spreadsheet I did for him but I would not want the idea that one looks at the R44million and say minus my fees and say that was his profit, no.

It was a joint effort I sent him, I say the profit there is a spreadsheet that I did for him that showed him. The

profit joined between myself and him it will be R33million, around 33 mil, then we will split it in half ways. He will take half, I will take half. That was the nature of the agreement.

CHAIRPERSON: So anything outside the R33million was expenses that you were going to incur in order to carry out the order?

MR MANYIKE: The expenses is what I reflected on my contract but first of all I sent him a draft I think around the
10 8th of October by email following my discussions with him sort of like an agreement we had but now transacting that to paper by email. And on that email, I specifically asked him to edit and read and sign the draft and he did do that, he came to me it was signed but before he printed it out, he called me on the phone and we negotiated further. But he did not tell the truth initial this was a proposal I sent to him and say send it to Blackhead and he sent to Blackhead.

Then he came back and he said Blackhead wanted a
20 discount they were not happy they say they feel the amount is too high and by then I had sent him the draft. So after eight to nine days sitting with the draft he edited and produced the contract that we now have in front of us, that is how the figure went down. So initially we were supposed to go fifty, fifty but there were stories that were

told that brought my fees down.

ADV PRETORIUS SC: We know from your evidence and your contract that your fee in MasterTrade amounted to R21million approximately. R11million would be your professional fee and the remainder 9 to R10million would be for expenses. Am I correct?

MR MANYIKE: That is correct.

ADV PRETORIUS SC: And that was to do barring one or two exceptions which we can mention in due course for the
10 whole of the work including writing of the reports.

MR MANYIKE: Please say this again.

ADV PRETORIUS SC: The expenses of 9 to R10million that we referred to in the contract which we showed to the Chair was for the whole of the work barring one or two items. Mr Zwane's fees for example software.

MR MANYIKE: The expenses of R9million.

ADV PRETORIUS SC: Yes.

MR MANYIKE: Yes.

ADV PRETORIUS SC: Do you remember t the expenses
20 and the contract between you and MasterTrade.

MR MANYIKE: Yes, that is correct.

ADV PRETORIUS SC: That was for the whole of the work.

MR MANYIKE: Yes.

ADV PRETORIUS SC: Barring one or two items that we can talk about later.

MR MANYIKE: Yes.

ADV PRETORIUS SC: And you mentioned one being the cost of the software for R600,000.

MR MANYIKE: Yes.

ADV PRETORIUS SC: MasterTrade was going to charge the joint venture R44million in terms of the quote that you prepared.

MR MANYIKE: Yes.

ADV PRETORIUS SC: What expenses for its share of the
10 R44million would MasterTrade bare?

MR MANYIKE: For MasterTrade historic, oh let me not rather say historically - from my experience with the projects I have worked with here. I do not know how - what is his engagement with other people but to me MasterTrade is – I see as a broker, as a middle man that is his function.

ADV PRETORIUS SC: So its fee for being a middle man was half of R44million.

MR MANYIKE: That is my view.

20 **CHAIRPERSON:** In terms of expertise and experience and knowledge of doing this kind of work, do you know whether MasterTrade had that?

MR MANYIKE: In my...[intervenes]

CHAIRPERSON: I can put it differently and say why did they need you?

MR MANYIKE: Why did MasterTrade need me?

CHAIRPERSON: Yes.

MR MANYIKE: Because he would not have been able to render that service to Blackhead.

CHAIRPERSON: Why would they not been able to render that service?

MR MANYIKE: It is the expertise, the background.

CHAIRPERSON: They do not have that expertise?

MR MANYIKE: On other projects MasterTrade he has
10 been working as a social facilitator. When I say social
facilitator, I mean when there is a project, he will be
someone that will go to the ward councillors, the politicians
and the people and speak social issues and taking care of
the politics. That is what he has been doing. Even on the
– he made some mention about the politics he did in
Pretoria saying there - giving an impression that
Blackhead was aware. Maybe he lied to Blackhead I do not
want to say he lied. That is maybe that is the information
he gave Blackhead to say I did this, I did but he did not do
20 it. He was a social facilitator taking care of the politics on
projects. So I thought maybe on the Free State Project he
will do that but I found myself doing that in Free State he
never did it.

CHAIRPERSON: And how long have you known them or
have you had interactions with them MasterTrade?

MR MANYIKE: Sorry Chair I closed the file on this thing.

CHAIRPERSON: Oh I am sorry, for how long have you known them MasterTrade, how long have you known them or interacted with them in projects?

MR MANYIKE: We met when he needed assistance with a set of a project in Tembisa they were doing beneficiary administration there. I gave him a quote, he paid, there is a proof of payment and I gave him an invoice. And then there was another project in Komissiza they were doing
10 regulisation there. I think with Mochota Nation LTE (11;27), Tembisa was also, it was also LTE. So he was working under those people.

So he would approach me and say brother help me but he would approach me in my capacity as the sole Director of ORI Group and I will give him a quotation it would be followed by an invoice and there will be a proof of payment. All this things I am saying now they are discovered in the court papers everything is filled there. Our relationship with MasterTrade from the word go has
20 always been formal. I have never dealt with him like I will you know dealing with my brother there with my brother there on top and say, ja. I am not referred as a friend.

CHAIRPERSON: So it has been a business relationship?

MR MANYIKE: It has always been formal in business.

CHAIRPERSON: Ja, ja.

MR MANYIKE: Yes.

CHAIRPERSON: So but you say you have dealt with them with for this kind of job they did not have the expertise and that is why they needed you.

MR MANYIKE: And they did not have the expertise but I do not know if Blackhead was aware of that.

CHAIRPERSON: Yes.

MR MANYIKE: But I saw some papers where he wrote as if - taking all glory and the credit but he never did the
10 work. He has always been and I will repeat that he has always been a social facilitator when I met him.

CHAIRPERSON: But tell me about this role of social facilitator. Do you know - are there quite a few of people who play that role in regard to government work tenders and so on of people who play that role and get paid money?

MR MANYIKE: Yes, you know this term social facilitation is even recognised by Gauteng with regards to a tariff to PRT's. I think there is an item for social facilitation you do
20 get paid to perform that task and I have seen it also with mega projects. I remember when we were doing the King Shaka International Airport I was doing the model for that for the airports there. There was a company that was taking care of the politics so this is a trend I can see when it comes to this mega projects.

There is a need to have someone who will make sure that - when I say they are taking care of the politics I am not referring to bribery or anything. To make sure that the message reaches your councillors, your locals, your MEC and there is unity within the wards there is no competition. So that will be a function of a social facilitator that is what he will do.

CHAIRPERSON: Well it is very – it sounds very strange to me I mean if there is a bridge to be built there is a road
10 to be built it might be other things other than asbestos projects. The politicians you know the government officials should be the ones telling the public what is happening. Why should there be people who add millions of rand's or playing this social role but who are not actually doing the work.

MR MANYIKE: That is a good position Chair.

CHAIRPERSON: Yes.

MR MANYIKE: If you think of it.

CHAIRPERSON: Yes...[intervenes]

20 **MR MANYIKE:** Why must we...

CHAIRPERSON: If we need an engineer, we need whoever to build a bridge or build a road those are the people we need and then government must appoint those people and they do that. Why do you need anybody else if you need to tell the committee what is happening the

government department, the officials in the government departments and the politicians can tell the community.

MR MANYIKE: I would say from experience Chair I have noticed that the moment the project when it is a road it goes through five or seven or eight wards I am talking about the roads now.

CHAIRPERSON: Ja, ja.

MR MANYIKE: And the skills required maybe is ten people or seven people that is where fights starts now to
10 say who must work there. So you do need someone like that on the project to you know to engage the councillors and the people on the ground.

CHAIRPERSON: To stop fighting about this project.

MR MANYIKE: Yes, normally with mega projects – and then you will find this informal structures erupting they call them business forums...[intervenes]

CHAIRPERSON: Who make demands...

MR MANYIKE: Yes, they don't account to anyone and then the councillor cannot control those people so that is
20 where these social people they are able to relate to them. But this is the reality of what is happening on the ground.

CHAIRPERSON: There is some people may be making all kinds of demands which have got no basis and they should be dealt with by government but now government must appoint other people and pay them millions to sort out that

problem. Okay I guess Mr Manyike some of the things I am asking you are things that you know you might not be able to answer you know nothing about. You just telling me what your experience is and what you have observed.

MR MANYIKE: Yes.

CHAIRPERSON: Yes, okay.

ADV PRETORIUS SC: But what is instructive is that for and not unreasonable profit margin or professional fee you could do this work for R21million. The social facilitator
10 facilitates for a 100% of it to take it up to R44million, so it is now double the cost for social facilitation.

Something which the Chair quite rightly points out would be done by the ward councillors and provincial representatives. But then we have a situation where this project quite apart from social facilitation and the work cost R225million. What role did Mr Mpambani and Mr Sodi play? High level social facilitator.

MR MANYIKE: The role of Mr Mpambani I think that one Mr Sodi is best equipped to explain to the Chair because
20 Mr Mpambani was part of the JV I was reporting to them. They were my seniors.

CHAIRPERSON: But on the ground in terms of the work being done you are not able to say you know what he did, whatever he did would not have been on the ground.

MR MANYIKE: On the ground Mr Mpambani did not do

anything.

ADV PRETORIUS SC: Yes, okay.

MR MANYIKE: Yes.

ADV PRETORIUS SC: Let us move on then to you just mentioned so that your evidence is complete.

MR MANYIKE: I just want to establish something which maybe I forgot to establish, to explain. In terms of the hierarchy of things it was the two Directors Blackhead JV and then under it, it was MasterTrade and then underneath
10 it, it was myself. And then across there was a man heading Zenawe, Martin Zwane it was a company on his own but also doing with the management and looking after the interest of I would say Blackhead or the JV.

But I also know there were other professionals that worked parallel to what I was doing because every time I do a report I will be required to send it through to Martin Zwane who was a project manager on there of the JV to review it and maybe and advise if I need to do one, two, three, four. There are four reports which I submitted or
20 those four reports...[intervenes]

ADV PRETORIUS SC: We will get to them

MR MANYIKE: Okay.

ADV PRETORIUS SC: Unless you want to say something briefly about them.

MR MANYIKE: Look I want to say partly there was work

which was done by a man by the name of Steve.

ADV PRETORIUS SC: Steve Matao?

MR MANYIKE: Yes, Steve.

ADV PRETORIUS SC: Yes, we will get to him. But we know from evidence that perhaps you do not have that Martin Zwane of Zenawe was apparently a third sub-contractor to the joint venture and we know that he was paid R10million.

MR MANYIKE: Martin Zwane?

10 **ADV PRETORIUS SC:** Yes, but that is apparent from the papers but we will ask Mr Sodi about it. But was there anyone else working for the joint venture that you know of besides Mr Matao and Mr Zwane that was involved in the production of the reports?

MR MANYIKE: It was only Martin Zwane and Steve and when we get to there the issue of the reports, I will indicate which ones where I was given, where we worked jointly. But the person that I was – I worked throughout with him was Martin Zwane but I am the author of all those
20 reports, yes.

ADV PRETORIUS SC: If one looks at paragraph 48 on page 132 of FS1 one will see their how the R44million quotation was made up by yourself and that was at the rate of a R147,36 to inspect the house.

MR MANYIKE: Yes, that is correct, R147.00.

ADV PRETORIUS SC: R147,36.

MR MANYIKE: Yes, that is correct.

ADV PRETORIUS SC: So that is a substantial discount from R850,00 which is the fee that the joint venture charged.

MR MANYIKE: I will not say it is a discount, no I think...

ADV PRETORIUS SC: But it is substantially less.

MR MANYIKE: Ja, I was comfortable with what I was being paid. I was comfortable with that R21million.

10 **CHAIRPERSON:** Yes, no what Mr Pretorius means is simply that the R147,00 is substantially much less than the R800,00 and something a house that had been quoted by the joint venture to the department.

MR MANYIKE: Yes, it is.

CHAIRPERSON: Ja.

ADV PRETORIUS SC: In the event the ORI Group put into the paragraph 55 of your statement on page 133 was only paid R6 133 716,00.

MR MANYIKE: Yes, that is correct.

20 **ADV PRETORIUS SC:** In paragraph 56 could you give the Commission an idea of what you actually did. In paragraph 58.1 the numbering is incorrect Chair but...[intervenes]

CHAIRPERSON: I am sorry I missed that.

ADV PRETORIUS SC: Paragraph 56.

CHAIRPERSON: Yes.

ADV PRETORIUS SC: The sub-paragraphs are numbered 58.

CHAIRPERSON: Oh okay.

ADV PRETORIUS SC: But if you could - and perhaps I should leave you just so that we can get through this quickly. How many fieldworkers or foot soldiers as you describe them did you hire to do the field work, the physical inspections of the houses?

MR MANYIKE: 184.

10 **ADV PRETORIUS SC:** And did you train them?

MR MANYIKE: Yes, through my nine assistant project managers, nine or ten.

ADV PRETORIUS SC: How long did that training take?

MR MANYIKE: It was progressive but we could train 28 people with four hours would be enough to train them and then what would happen the next day we would follow them for the whole week and see how they are performing. And even on the system I was able to see if mistakes are being made and we correct it right there.

20 **ADV PRETORIUS SC:** So the initial training in order to identify the roof material and in order to do the structural assessment was four hours.

MR MANYIKE: Yes, four hours.

ADV PRETORIUS SC: Then you say it was ongoing through monitoring?

MR MANYIKE: Yes.

ADV PRETORIUS SC: But in paragraph 58.2 you say you hired a number of other people. Who were they?

MR MANYIKE: I had the quality assures, assistant project managers, district managers. District managers these were, they were reporting directly to me, taking care of different districts. GI special needs I was – ORI Group hired a senior project manager which is me, HOD for ORI Group. We bought food, we hired cars, accommodation,
10 training all these expenses were paid by ORI Group.

ADV PRETORIUS SC: Now apart from those persons mentioned in paragraph 58.1 and 58.2 and apart from Matao and Zwane was anyone else necessary to do the work?

MR MANYIKE:

MR MANYIKE: Was anyone necessary to...[intervenes]

ADV PRETORIUS SC: Do the work.

MR MANYIKE: To do the work.

ADV PRETORIUS SC: Yes.

20 **MR MANYIKE:** Not in my view.

ADV PRETORIUS SC: Then you mentioned that the field workers received four hours of training and ongoing monitoring to improve their skills. You deal with their work in paragraph 58.3. How much were they paid per house?

MR MANYIKE: Each field worker I paid R6,50 per house.

ADV PRETORIUS SC: And your second sentence in paragraph 58.3 is also interesting. How long would it take as you put it the most inefficient field worker who ordered one house?

MR MANYIKE: Which paragraph is that?

ADV PRETORIUS SC: 58.3 on page 134 of FS1.

MR MANYIKE: The most ja ineffective will take five minutes.

10 **ADV PRETORIUS SC:** And the most effective?

MR MANYIKE: They can do it in three, four minutes.

ADV PRETORIUS SC: Then if we go onto – and by the way this is to identify the asbestos roof and to do a structural assessment sufficient enough to allow the compilation of a report later. Correct?

MR MANYIKE: Yes.

ADV PRETORIUS SC: Sorry you must...

MR MANYIKE: Yes.

20 **ADV PRETORIUS SC:** We go to paragraph 58.4 you say you supplied the field worker with all the necessary equipment and you trained them you have dealt with all those things previously. In paragraph 57 you talk about the technology used in the execution of the Free State Project that is the software that was required to capture and process all the information that you put in through that

software. Do I understand you correctly?

MR MANYIKE: Yes, that is correct.

ADV PRETORIUS SC: And that would facilitate the production of a report?

MR MANYIKE: Yes, that is correct.

ADV PRETORIUS SC: And in paragraph 68 page 140 you summarise in paragraph 68 you say as such the houses containing asbestos with clear reference in that GPS coordinates for houses containing or suspected to contain
10 asbestos were logged. Now when you say containing asbestos, I presume what you really mean – or let me ask you an open question. Do you mean a house with an asbestos roof?

MR MANYIKE: Yes I mean a house with an asbestos roof. I think I have lost you but I agree with what you have just asked me now. Where are in terms of the...

ADV PRETORIUS SC: Paragraph 68 where you say in summary what was done.

MR MANYIKE: Yes, I agree with that.

20 **ADV PRETORIUS SC:** And then paragraph 70 you say we took photographs of the houses containing asbestos and looked at the structural nature of the houses and recorded any structural damage as a defect. How was that done by photograph?

MR MANYIKE: By also doing assessments so if you had

on that gadget there was a questionnaire that the field workers would fill in needing them as per our training to say when you do assessments document all these things also.

So yes a photograph was important and it was not required by the way but it was something which we felt you know we needed proof also ourselves from the field workers and there would be that questionnaire that they would fill it in as they are doing their assessment.

10 **ADV PRETORIUS SC:** Paragraph 58 on page 137 you mentioned that the joint venture had other professionals and, in that context, you told the Chair of Mr Zwane and Mr Matao, Steve Matao.

MR MANYIKE: Can you please say again.

ADV PRETORIUS SC: Paragraph 58 on 137...[intervenes]

MR MANYIKE: Yes, I am there.

ADV PRETORIUS SC: You mentioned that you are aware that the joint venture had other professionals that were working in tandem with you.

20 **MR MANYIKE:** Yes.

ADV PRETORIUS SC: What did they actually do, did they work with you in preparing the report as I understand it?

MR MANYIKE: Steve Matao when we doing the critical scope report. He assisted in terms of contributing towards the remedial work that was needed and there were other

like beyond that the work he did I never saw it.

CHAIRPERSON: I see Mr Pretorius that we do actually have two paragraphs 58 with two paragraphs 58. The one you were referring to is the second one the other one was supposed to have been 57 ne, the one that had sub-paragraphs? Ja, so any reference in the transcript to the earlier paragraph 58.1 on one or whatever that is the first 58, the second 58 is at page 137 that is the one where Mr Manyike says I am aware that the joint venture had other
10 professional's blah, blah.

ADV PRETORIUS SC: Yes unfortunately, I am...[intervenes]

CHAIRPERSON: Ja, but I just want to...[intervenes]

ADV PRETORIUS SC: There is a third paragraph 58 at the bottom of page 137.

CHAIRPERSON: Ja.

ADV PRETORIUS SC: But we would not hold Mr Manyike...[intervenes]

CHAIRPERSON: I see that there is paragraph 57 coming
20 after the second paragraph 58.

ADV PRETORIUS SC: Yes the numbering unfortunately.

CHAIRPERSON: Oh there is actually a third oh ja you, okay.

ADV PRETORIUS SC: But let us clarify the paragraph that I am referring to is the paragraph on page 137 the first

paragraph 58.

MR MANYIKE: Yes.

ADV PRETORIUS SC: You say there that I am aware that the joint venture had other professionals you mentioned Mr Zwane and Matao. And what contribution did they make to the compilation of the final product that is the reports that you prepared and authored?

MR MANYIKE: Mr Zwane from the preliminary reports to the final report to the houses to be prioritised reports and I
10 think that is all the reports and with the implementation plan. All those reports he would view them and make comments on the reports. As a project manager on behalf of the JV. That was his task he would make sure that the project is on track we not slacking behind and that the quality of documents were produced and other functions as project manager would perform in line with the agreement with Blackhead.

As for Steve – so Martin Zwane he was there throughout. As for Steve he came later when it was
20 required of him to do so to look for – what I did with him I do not want to speculate. I sat with Steve and Martin we look at the remedial work on this houses and jointly we compile that document together. Beyond that it is only Martin Zwane and Blackhead that can give an indication as to what Steve did but it is correct of me to say I was aware

that I was not the only person working on the project. There were other people like Martin Zwane and Steve, I was aware. Those two I did work with them with the project.

ADV PRETORIUS SC: We will learn what they were paid in due course.

CHAIRPERSON: Maybe in the meantime while Mr Pretorius is preparing his next question can you just tell me again, I think I asked you this question but I am not
10 sure that I remember what your answer was. What the significance was of the field workers noting whether the house was done or not. What is the significance of whether a house is plastered or not in this context?

MR MANYIKE: Chair if – let us say for arguments sake if the house is not plastered, this house is plastered, this house is plastered, this one is not plastered. So if you were to remove the roof and replace it the house that was not plastered will just put back the bricks. There is no additional cost of trying to repair the plaster but this house
20 that was plastered if you remove the roof you will damage the plaster. So to some extent you will have to chip maybe 300,00 from the roof chip it, clean it and put back the plasters.

CHAIRPERSON: Okay.

MR MANYIKE: So that is why it is good to document it

because we know it will be a cost, it will come with cost implications later on.

CHAIRPERSON: Yes, okay, okay. Yes, Mr Pretorius.

ADV PRETORIUS SC: I would like to show you a report that was addressed by Mr Roets who gave evidence this week. A document which appears in bundle 8 at page 270.

CHAIRPERSON: That is bundle FS8?

ADV PRETORIUS SC: FS8 page 270 the report dated 2 February 2015 is marked final audit report.

10 **CHAIRPERSON:** Just repeat the page number Mr Pretorius.

ADV PRETORIUS SC: 270.

CHAIRPERSON: 270.

ADV PRETORIUS SC: Of FS8. Now if I could ask you please I know it is difficult because your space is limited. If you could just look at Free State 9 FS9 as well. And open that at page 2 just to tell you what that document is. Page 2 of FS9 and we will look at page 3 when we get there.

CHAIRPERSON: What is the page on Bundle FS9?

ADV PRETORIUS SC: FS9 page 2 is the cover page.

20 **CHAIRPERSON:** Hm.

ADV PRETORIUS SC: And page 3 is the page that I would ask.

CHAIRPERSON: Okay.

ADV PRETORIUS SC: Mr Manyike to comment on. Let us start with the document at page 270 of FS8. This is – is it

correct one of the report prepared by you and authored by you?

MR MANYIKE: Yes, yes it is correct.

ADV PRETORIUS SC: Right. In relation to a particular house as opposed to general observations that you might make regarding the quantity of houses in a particular area what information did the report contain?

MR MANYIKE: Please put your question again.

ADV PRETORIUS SC: In relation to a particular house that
10 was identified through the desktop exercise. We know that
36 000 houses approximately were identified as a result of
the exercise. What information was given in the report in
relation to any single house?

MR MANYIKE: Okay. Every single house what we will do
we came up with a template to say the Department when we
give a report on a particular house, we would want all the
information to be contained on one page. We give a design
and we also give a questionnaire on what the Department
would want to see. So an example of that of what transpired
20 is as per page number 3.

ADV PRETORIUS SC: Of FS9?

MR MANYIKE: Page...

ADV PRETORIUS SC: That – that document you looking at.

MR MANYIKE: Yes.

ADV PRETORIUS SC: Is page number 3 you are correct.

MR MANYIKE: Ja it is page number 3.

ADV PRETORIUS SC: But it is contained in – just for record purposes Bundle FS9.

MR MANYIKE: Ja FS9. Yes. That would be the outcome.

ADV PRETORIUS SC: So in relation to a particular house one would present to the provincial authorities information as to its location particularly by reference to GPS coordinates.

MR MANYIKE: Yes.

10 **ADV PRETORIUS SC:** There would be beneficiary details. Would that be the owner of the house?

MR MANYIKE: Yes.

ADV PRETORIUS SC: Which in this case is blank. I presume that is because nobody went into the house.

MR MANYIKE: No it was not required. It was a given from us.

ADV PRETORIUS SC: Alright okay.

MR MANYIKE: Yes.

20 **ADV PRETORIUS SC:** Then you had the structural assessment report.

MR MANYIKE: Yes.

ADV PRETORIUS SC: Right. And the structural assessment report contains the following information. The roof material, right? The roof type. I must say I do not know much about the terminology used in building but you describe this as a

pitch roof. Is that a pitch roof in the photograph or a flat roof?

MR MANYIKE: It is mono-pitch. It could be also pitch.

ADV PRETORIUS SC: Well it is not clear from the photograph you say. To me it is just one – a one dimensional roof. It looks flat to me but I am not the expert you are.

MR MANYIKE: No it is mono-pitch and I must add it to you that to say to take those off these houses was not a
10 requirement. This is something we did extra. But that is why it was important to go on the ground and physically look at these things.

ADV PRETORIUS SC: Yes so the picture that is here behind the bush is a bonus?

MR MANYIKE: No it is not. It is not a bonus.

ADV PRETORIUS SC: But you say it was not required.

MR MANYIKE: No I am saying it was a control measure on our side to enforce quality and to make sure that things are done accordingly. So on this page you – on this report.

20 **ADV PRETORIUS SC**: Well if it was a control measure – sorry to interrupt you then it was necessary.

MR MANYIKE: Yes.

ADV PRETORIUS SC: You say yes?

MR MANYIKE: No I am saying this is not something that we were paid to do but we did it for Free State.

ADV PRETORIUS SC: Alright let us leave the photograph and let us look at the report.

MR MANYIKE: Yes.

ADV PRETORIUS SC: It says: Roof material asbestos.

MR MANYIKE: Yes.

ADV PRETORIUS SC: It then says Roof Type: Pitch. In there says House Type: Single. But there says Finishes on the wall: Plastered. It says Visible Wall Cracks: No. It says: House Extended: Yes. And it says: Solar Geyser:
10 No. Is that the structural assessment report that was provided in respect of each house?

MR MANYIKE: Yes that was the structural.

ADV PRETORIUS SC: If I may just ask? You cannot see any cracks in the photograph but you say that was not something that was required. Simply this – the broad statement visible wall cracks yes or no how does that help any assessment in regard to what needs to be done? Whether the roof can be replaced or whether anybody could quote on any remedial action.

20 **MR MANYIKE:** What we will qualify as a crack to be noted here it will be a crack that is more than 3 millimetres. So once it has been noted here it is something that the assessor is indicated that we need to look at – we need to look at. So there was a need for a warm body to go into the house to go into the yard and physically look at the houses. So the

people were trained as to how to assess this. These are the cracks that you must note not just any crack. If it is a minor crack it is left alone. It will be recorded as no crack.

ADV PRETORIUS SC: You see the report that you give to the province just says visible wall cracks yes or no. It does not say well 3 millimetres – lots of cracks – 10 millimetres – one crack.

MR MANYIKE: That is true Advocate hence there was a need. If you can look at after the final audit report there was
10 a need by province to say, guys elaborate further. That is why we came with the critical scope report whereby we indicated when we talk about the crack what is it meant by that? What must be paid attention to? So there is that document that said it was a joint effort that we did with Steve and Martin.

ADV PRETORIUS SC: Alright. Do I understand you correctly I am not sure I do understand you but do I understand you correctly if I say to you what you said to the province is you are going to have to do more work to
20 establish the detail in relation to the structural condition of the house.

MR MANYIKE: To do more work in terms of assessment?

ADV PRETORIUS SC: You are going to have to go and inspect and...

MR MANYIKE: No. What we did was final. One from the

document we produced that is why I was saying Chair I would like to go back to my observation I made on Tuesday. As I was sitting at home watching the commission from the file the expert had because that is a similar file, I saw also the investigators were having I could see there were serious documents missing from that file. I did not want to put it out there to say the department somehow, they need help, they need to go back to the author and say, help us put this thing together. Because there were issues that were mentioned

10 even by the experts of bills of quantities. He even mentioned to a particular rate of removing the roof. All those rates were there. To some extent he gave even the value of how much the project would be. But he never mentioned a single word about replacing the roof or putting it back. But that is a discussion for another day. I just wanted to give that to you Chair that the work we did one needs to understand the processes that projects follow. From inception to conceptualisation to preliminary to detail. So it is not all projects whereby you do everything until

20 construction drawings. Some projects you do until preliminary. Others you do like until detail. But a document that was produced here is sufficient for any contractor to tender and start working. Well there will be other things maybe there and there that might be required but this is sufficient. And this was discussed and agreed upon with the

department to say, this is what we are going to give you and the answer was, yes go ahead and we did just that.

ADV PRETORIUS SC: Yes. Mr Manyike for the moment there is – let me put it this way. For the moment the questions that you are being asked to answer do not go to whether you did what you were required to do or whether you did not do what you were required to do that the provincial department can answer to what they instructed you to do. Let us assume for the moment you did what you were
10 instructed to do I would like to know for the benefit of the commission and the Chair in order to assess what the province mandated and paid R230 million for what the outcome of that was? Now in respect of a particular house you have seen the document at Free State 9 page 3 and you have told the commission, you have told the Chair that this was the outcome of the report in relation to any particular house. Do I have that correct?

MR MANYIKE: Yes that is correct.

CHAIRPERSON: By reason of the fact that generally
20 speaking your field workers would not enter the house but you did say that sometimes they would. But by reason of the fact that generally they would not would you agree that as far as the physical integrity of structural integrity of the house is concerned if there were serious cracks inside the house on the walls for example that would therefore mean

that as long as they were – they did not show outside they would not be picked up by the field workers?

MR MANYIKE: Chair a crack that is worth noting will either be caused by the foundation or the roof.

CHAIRPERSON: Hm.

MR MANYIKE: And it is not every crack that you would register as a crack that is worth to be repaired. It has to be within certain millimetres. So as a – as a rule we gave it to them and fill in the millimetres.

10 **CHAIRPERSON**: Hm.

MR MANYIKE: So sometimes if you find a crack that is inside the house to answer your question now it does not – it is not visible on the outside.

CHAIRPERSON: Hm.

MR MANYIKE: Hey there could be a lot of debates to say is this worth noting or not? But a crack that is worth noting is a crack that goes throughout.

CHAIRPERSON: Hm.

20 **MR MANYIKE**: Because it shows that there is a structure – there is a serious structural problems that is what the field worker knows.

CHAIRPERSON: Okay.

ADV PRETORIUS SC: One last question and then we do want to give you an opportunity and I will address the Chair in a moment to make any final comment you want to do. The

inspection of the house to ascertain whether it had an asbestos roof or not was a visual inspection as I understand it.

MR MANYIKE: It was a visual yes, yes it was.

ADV PRETORIUS SC: Chair in fairness to Mr Manyike he should have an opportunity to make any further comments he wishes to and to consider whether he wants to do so. We will make available the documents we have so that he can go through them. So would this be a convenient time if Mr
10 Manyike does not wish to make further comment we will begin with the next witness.

MR MANYIKE: I wish to make a comment.

CHAIRPERSON: You do wish?

MR MANYIKE: Yes.

CHAIRPERSON: Okay alright before you do so let me say that there might need to be a further exercise to be done in terms of which Mr Manyike maybe has full access to what Mr Roets said so that – and what he was basing his evidence on so that Mr Manyike may look at that properly and maybe be
20 able to – to comment properly. Because I heard that he seems to think that the report or the documents he was referring to they might – there might be something wrong with them or whatever or they might not have been adequate to enable him to express any opinion, that kind of thing and then maybe it is fair that that should happen because

1. Effectively Mr Roets was critical of the work that was done and
2. Mr Manyike also is critical of at least certain aspects of the evidence of Mr Roets so that in due course we can reach a point where we know exactly what each one of them has to say about the relevant issues.

ADV PRETORIUS SC: Yes Chair and perhaps then rather than do it piecemeal.

MR MANYIKE: Hm.

10 **ADV PRETORIUS SC:** We can...

CHAIRPERSON: Yes it might be...

ADV PRETORIUS SC: Consult with Mr Manyike over the long adjournment. It may be preferable and he may consider collating all the information, getting a transcript.

CHAIRPERSON: Yes.

ADV PRETORIUS SC: Of Mr Roets' evidence and then coming back.

CHAIRPERSON: Yes.

20 **ADV PRETORIUS SC:** So that he can give a considered and complete answer rather than rushing the matter over one adjournment with perhaps incomplete documentation.

CHAIRPERSON: Hm. Mr Manyike you have heard what I have said. Another opportunity may be given to you after you have had an opportunity to look at his evidence – Mr Roets' evidence properly. Look at exactly what documents

he was basing his evidence on and then comment properly on it maybe by way of an affidavit initially and if necessary, you come back and comment on it properly. When Mr Roets finished his evidence also earlier this week I did say to him he needed to identify what documents he might not have been given which would be important for – for his use and it was contemplated that possibly later on he would provide another affidavit where he would be able to say, I have now been given everything that I think I should have been given
10 to be able to give an opinion and I stay with your opinion that I expressed earlier on or I am qualifying it because of – of what I have now seen. Or I give a completely different opinion in the light of what I have seen. So that process will happen with him as well. And it may well be that he might be asked to come back as well. In the light of whatever criticism of his evidence you might have so that all of – that may be tested. So – so in the light of that would you still like to say something now or would you prefer to have another chance to say something after you have looked at
20 everything?

MR MANYIKE: We can still have another.

CHAIRPERSON: Hm.

MR MANYIKE: I can still – yes I can still participate Chair.

CHAIRPERSON: Ja.

MR MANYIKE: Of which the staff will guide me as to what

needs to be done.

CHAIRPERSON: Ja.

MR MANYIKE: In terms of the protocols and so forth.

CHAIRPERSON: Ja.

MR MANYIKE: But the statement I wanted to make.

CHAIRPERSON: Ja.

MR MANYIKE: Was to – was to say – was also to help the commission.

10 **CHAIRPERSON:** Bring your microphone closer to you so I can hear.

MR MANYIKE: Was to help the commission so that you know people that must account when they have to come here and they know that things are not in order.

CHAIRPERSON: Ja.

MR MANYIKE: It might be hard for them to account.

CHAIRPERSON: Yes.

MR MANYIKE: So I am appealing to them.

CHAIRPERSON: Yes.

MR MANYIKE: To say go to the author.

20 **CHAIRPERSON:** Yes.

MR MANYIKE: Get all the documents so that when you come to the commission you can speak about what you know.

CHAIRPERSON: Hm.

MR MANYIKE: That is all I am saying.

CHAIRPERSON: Yes.

MR MANYIKE: That is in closing.

CHAIRPERSON: Yes.

MR MANYIKE: Yes.

CHAIRPERSON: No, no I think that is a fair point. Purely from the point that I said to Mr Roets because I saw in his own statement that he indicated this is what I am basing this on what I have been given. And I got the impression that he might have wished to have been given more. So that is why
10 I said he should identify what is that he was not given that he would like to have. And I think based on what you are saying you yourself are saying if the commission wishes to have any documents from you that he wishes to look at you are – you are open to make that available so that you can all speak from – on the same page.

MR MANYIKE: Yes.

CHAIRPERSON: Ja.

MR MANYIKE: Yes.

CHAIRPERSON: Okay alright.

20 **ADV PRETORIUS SC:** Chair I was going to ask Mr Manyike over the long adjournment whilst he was doing the other exercise to just look at a list of expenses that those contained in the affidavit of Mr Radebe of MasterTrade if.

MR MANYIKE: I have looked at those expenses. I have seen his expenses.

ADV PRETORIUS SC: May I do that now?

CHAIRPERSON: Yes that is fine.

ADV PRETORIUS SC: It will not take long. Let me just take you there please to ...

CHAIRPERSON: Which bundle?

ADV PRETORIUS SC: FS1.

CHAIRPERSON: Bundle FS1

ADV PRETORIUS SC: Page 349 is the affidavit of Mr Radebe and the list of expenses appears at paragraph 16 on
10 page 359. So for example, you record airtime on your expense list which you said was the total cost for airtime when you did that work. On your expenses was R600 000.00 here we see it is R3 million. Would you comment please just briefly on the expenses in paragraph 16 of Mr Radebe's affidavit please? Page 359 you got it?

MR MANYIKE: What page is it?

ADV PRETORIUS SC: 359 paragraph 16. Mr Radebe says:

“These were the expenses of MasterTrade.”

This is his version. Clearly it is different from your version
20 but the – for example 16.4 he says:

“MasterTrade expenses for airtime and data for everybody involved a total cost of more or less R3 million.”

Differs substantially from yours which talks about an expense much less than a R1 million.

MR MANYIKE: Hey Chair.

ADV PRETORIUS SC: But let me not put words in your mouth just would you comment on the contents of paragraph 16?

MR MANYIKE: Chair this is the question I have been waiting for the whole day. This question.

CHAIRPERSON: Now you have got it.

MR MANYIKE: Yes.

CHAIRPERSON: Yes okay.

MR MANYIKE: What is written about these costs cannot
10 stand in any court or anywhere because it does not exist.

CHAIRPERSON: These costs?

MR MANYIKE: And they do not be even proven.

CHAIRPERSON: Yes.

MR MANYIKE: Yes.

CHAIRPERSON: Yes. So these costs were not incurred.

MR MANYIKE: No.

CHAIRPERSON: By MasterTrade it is not true?

MR MANYIKE: It is not true.

CHAIRPERSON: Ja okay. Are you done Mr Pretorius?

20 **ADV PRETORIUS SC:** Yes Chair thank you.

CHAIRPERSON: Yes. Can I release Mr Manyike?

ADV PRETORIUS SC: Yes thank you Chair.

CHAIRPERSON: Yes we are done.

ADV PRETORIUS SC: We will be in contact with Mr Manyike.

CHAIRPERSON: Yes.

ADV PRETORIUS SC: To give him all the information he requires to enable him to make full comment.

CHAIRPERSON: Yes. Yes. Thank you very much Mr Manyike for coming to the commission to assist the commission. We appreciate it very much and the commission will be in touch with you to do the further exercise and maybe there would be a need for you to come back but then you will be contacted. Okay thank you. We

10 are going to take the lunch adjournment now and we will resume at – it is now eight minutes past one we will resume at ten past two. We adjourn.

REGISTRAR: All rise.

INQUIRY ADJOURNS

INQUIRY RESUMES:

CHAIRPERSON: Are you ready, Mr Pretorius?

ADV PRETORIUS SC: Thank you, Chair. Mr Sodi is the next witness.

CHAIRPERSON: Yes.

20 **ADV PRETORIUS SC:** His counsel wishes to address you.

CHAIRPERSON: Yes, okay. Thank you.

COUNSEL FOR MR SODI: Thank you, Mr Chair. I shall not be long and I can assure you Mr Chairperson that Mr Sodi is here to cooperate fully, there is no issue whatsoever.

CHAIRPERSON: Oh, I am sorry. They did not sanitise for

you.

COUNSEL FOR MR SODI: Thank you. What ...[intervenes]

CHAIRPERSON: I think they will sanitise. Otherwise, you can address me from where you were if that is more convenient but I think they sanitise immediately.

Oh, okay. Or even from where you were seated. Where is the sanitiser and everything now?

COUNSEL FOR MR SODI: Mr Chair, it is set up for Mr Pretorius. It is unnecessary to move everything.

10 **CHAIRPERSON:** Yes.

COUNSEL FOR MR SODI: It is part of our spirit of cooperation.

CHAIRPERSON: Oh, okay.

COUNSEL FOR MR SODI: What I would like to just put on record, if I may is that Mr Sodi has tendered his full cooperation and respect to this Commission. There is no issue about that.

CHAIRPERSON: Yes.

20 **COUNSEL FOR MR SODI:** He does, however, as you in your life as the Deputy Chief Justice would appreciate have certain constitutional rights, not before this Commission ...[intervenes]

CHAIRPERSON: I am sorry. I think from where you are, I am struggling to hear. Maybe because of the noise. Let them finish sanitising there. Then I think I will hear then

better from there.

COUNSEL FOR MR SODI: Thank you. Thank you, Mr Chair.

CHAIRPERSON: Yes.

COUNSEL FOR MR SODI: What I was saying is, Mr Sodi
...[intervenes]

CHAIRPERSON: Now I can hear you quite well.

COUNSEL FOR MR SODI: Mr Sodi tenders his full
cooperation. We are working in the spirit of absolute
cooperation in respect for the inquiry.

10 **CHAIRPERSON:** Yes.

COUNSEL FOR MR SODI: The only thing that we wish to
record is to contextualise his evidence and to explain that he
has, as you would appreciate in your other capacities as the
Deputy Chief Justice's rights. Not in this Commission. He is
aware of the regulations.

CHAIRPERSON: Yes.

COUNSEL FOR MR SODI: Which I will refer to. But he just
wants... wanted me to record on his behalf how it came
about.

20 **CHAIRPERSON:** Yes.

COUNSEL FOR MR SODI: And to contextualise his
testimony.

CHAIRPERSON: Yes.

COUNSEL FOR MR SODI: So just to give you a brief
chronology, so you... which does also appear from his

statement but I just want to highlight a few dates.

CHAIRPERSON: Yes.

COUNSEL FOR MR SODI: Put a few things on record and then he... then we may commence with his testimony. So the first notice that he received in terms of Rule 3.3 to appear here was in relation to the evidence of Mr Dukwana on the 19th of August 2019.

He then received an email from the investigator requesting an interview on the 7th of October 2019. That
10 interview was attended by him and... at the offices of the investigators on the 22nd of October 2019.

There were then certain arrangements made and it was anticipated that he will be attending and testify on the 9th of December 2019. There were problems then but not on the account of Mr Sodi. It was caused by the legal team who were not available.

So it was then decided that on the 11th of December 2019, he would receive a summons which he did. That summons requested a date and no dates have been set in
20 stone but we then discussed the dates.

We were cooperating. There was a request for a statement from him on the 12th of February 2020. Unfortunately, we then went into the National Lockdown whilst we were in the midst of preparing that statement which commenced from the 27th of March 2020.

We worked through the lockdown Mr Chairperson and we have provided his statement that was his first statement on the 3rd of April 2020.08.07

We were, subsequently, faced with a request for further additional information on the 12th of May 2020 which we then undertook to provide.

It was difficult because of the lockdown and at the same time, and this is the major issue that I wish to place on record, was that on the 14th and the 15th of May 2020, we
10 were informed that there was a criminal docket opened and that the Free State HAWKS were investigating Mr Sodi which is the purpose of this address.

We then explained that we had the difficulty obtaining certain banking records. We were declined the records but then there was a process of negotiation and the Commission made some banking records available to us that would take us to the 15th of June 2020 when we have received that.

Subsequent to that, we have received several Rule 3.3 notices enable to prepare together with a request for further
20 information.

We were then told Mr Chairperson that we will be testifying at... sometime between the 1st to the 4th of September 2020 and we agreed dates and cleared our diaries for that.

We then had a meeting our attorneys' offices at

Fluxmans Attorneys with the investigators on the 10th of July 2020, and we... even at that meeting confirmed that it would fit in with the dates of the 4th to the... the 1st to the 4th of September 2020.

However, subsequent to that, the dates were brought forward as I am quite certain that you will be aware Mr Chairperson. So it was moved on the 14th of July 2020 to this week, the 3rd to the 7th of August. We agreed to the 7th of August and had to clear our diaries which we then did.

10 And the problem that we had, which does appear from the second statement which was provided, is not all of the information has been available or been made available to us in a short time because it was expedited.

But Mr Sodi will and you will hear it from him as well under oath, provide the further information as and when he is in a position to do so once he has those documents to hand.

20 Summons was served on the 20th of July 2020. What then happened is, I have no doubt that are aware, is that the Regulation 11 of the Regulations pertaining to Proclamation 4 of 2020 were amended to make that evidence now applicable.

Subsequent to that, on the 30th of July we received further Rule 3.3 notices that the people were attending. And then on the 4th of August 2020, which is Tuesday of this

week, we have provided Mr Sodi's additional affidavit where there are.

And I need to put on record, certain information and documents are still missing but we will make them available. What we wish to refer to, as clearly as you Mr Chairperson you would be aware, his rights in a criminal trial.

This is not a criminal trial. He has been made aware of the provisions of the regulations and most specifically 6, 8 and 11.

10 Six being his right to presentation, eight being his obligation to answer and eleven being that previously all this information was regarded a secret but now a provision is made for the sharing of information.

I need to record, unless to be criticised later on Mr Chairperson that should any criminal trial be instituted against Mr Sodi in due course, it is our instructions and it is his right to then rely on his constitutional rights as embodied in Section 35 of the Constitution which protects an accused, arrested and detained persons.

20 He will then fit into that category that here you can be rest assured and we have been assured in similar terms, Mr Sodi is here to fully cooperate and answer every question to the best of his ability on the information available and in the time available to prepare.

I thank you Mr Commissioner. May I ask one question

unrelated to that?

CHAIRPERSON: Yes, yes.

COUNSEL FOR MR SODI: And it is more and I... please, do not see it as an impertinence. There was a talk of either running late today or running on another date and the election was that we would run late today if possible, with the view to finalise and getting as far as we can. Until what time would that be just so that everyone can make necessary arrangements?

10 **CHAIRPERSON:** I have flexibility on my side. If we go beyond four o'clock, five o'clock, I am quite happy to go to see... I can go to seven but also it depends if we are not going to finish and even with those additional hours, then it will be necessary to come back. Then we could look at that at four o'clock or five o'clock

COUNSEL FOR MR SODI: Thank you.

CHAIRPERSON: And... but if there is preference that we try and finish today, from my side I certainly can go even up to seven. Ja.

20 **COUNSEL FOR MR SODI:** No, we are in a similar position. Thank you.

CHAIRPERSON: Yes, okay. Okay.

COUNSEL FOR MR SODI: Thank you Mr Chairperson.

CHAIRPERSON: Well, before you go. I just want to mention something. I certainly have not heard or I do not remember

that I have had any complaint of no cooperation from Mr Sodi or his lawyers recently.

But last year, in the second half of the year, I have had some complaints and the complaints were along the lines that while there had been cooperation in arranging interviews and so on.

And there were delays in the furnishing of his affidavits or statements despite certain undertaking having been made in terms of deadlines. I do recall that.

10 **COUNSEL FOR MR SODI**: I concede that.

CHAIRPERSON: Yes, yes.

COUNSEL FOR MR SODI: We had difficulty obtaining the documentation.

CHAIRPERSON: Yes, yes.

COUNSEL FOR MR SODI: And there were delays in December and similarly caused by the lockdown.

CHAIRPERSON: Yes.

COUNSEL FOR MR SODI: That is submitted on his part.

20 **CHAIRPERSON**: Yes. No, no, no. That is fine. So I just wanted to say ...[intervenes]

COUNSEL FOR MR SODI: Yes, it is fair. It has been put on record.

CHAIRPERSON: ...that there was some but I have not heard of any difficulty in cooperation recently.

COUNSEL FOR MR SODI: Thank you.

CHAIRPERSON: Ja. Thank you very much.

COUNSEL FOR MR SODI: Thank you. Thank you very much.

CHAIRPERSON: Thank you. We should have the oath administered now, hey?

ADV PRETORIUS SC: Yes, thank you Chair.

CHAIRPERSON: Or affirmation.

REGISTRAR: Please, state your full names for the record.

MR SODI: Peane Edwin Sodi.

10 **REGISTRAR:** Do you have any objection to taking the prescribed oath?

MR SODI: No objection.

REGISTRAR: Do you consider the oath to be binding on your conscience?

MR SODI: Correct.

REGISTRAR: Do you swear then that the evidence you will give, will be the truth, the whole truth and nothing else but the truth? If so, please raise your right hand and say, so help me God.

20 **MR SODI:** So help me God.

PEANE EDWIN SODI: (d.s.s.)

CHAIRPERSON: Thank you. I hope the transcribers heard the last part from Mr Sodi “so help me God”. It was quite soft.

STENOGRAPHER: [Indistinct]

CHAIRPERSON: They heard? Okay. Mr Pretorius, you may proceed.

EXAMINATION BY ADV PRETORIUS SC: Thank you, Chair. Mr Sodi, would you sit close to the microphone, please?

MR SODI: Okay.

ADV PRETORIUS SC: So that the stenographers can pick up what you say. Mr Sodi, you have made two affidavits for the purposes of the Commission's work. The first is in Bundle FS1 at page 375.

10 **MR SODI:** That is correct.

ADV PRETORIUS SC: Would you go to page 475, please?

MR SODI: Yes, I am there.

ADV PRETORIUS SC: Whose signature is that?

MR SODI: That is my signature.

ADV PRETORIUS SC: The affidavit appears to be have been attested to on the 3rd of April 2020.

MR SODI: That is correct Chair.

ADV PRETORIUS SC: As far as you are concerned, the contents of this affidavit, are they true and correct?

20 **MR SODI:** That is correct Chair.

ADV PRETORIUS SC: The second affidavit appears at page 152.

CHAIRPERSON: Of the same bundle?

ADV PRETORIUS SC: Sorry, I am incorrect. It is the same bundle.

MR SODI: Ja.

ADV PRETORIUS SC: It is at page 502.

CHAIRPERSON: Page 502?

ADV PRETORIUS SC: Yes, Chair.

CHAIRPERSON: Of...?

ADV PRETORIUS SC: Bundle FS1.

CHAIRPERSON: Okay.

MR SODI: Ja, I can see it Chair.

CHAIRPERSON: You have got it?

10 **MR SODI**: I have got it here.

ADV PRETORIUS SC: You would go through to page 520, please.

CHAIRPERSON: You did explain to him the black numbers and red numbers Mr Pretorius.

ADV PRETORIUS SC: I have not yet.

CHAIRPERSON: I am wondering whether ...[intervenes]

MR SODI: No, I got it.

ADV PRETORIUS SC: Yes, you are looking at the numbers at the top left-hand corner.

20 **MR SODI**: Ja.

ADV PRETORIUS SC: Ignore the red numbers in the top right-hand corner if you will.

MR SODI: That is fine. Which page are you going to?

ADV PRETORIUS SC: Sorry. Are you at page 520?

CHAIRPERSON: Five zero two. I think you just said five

zero two.

ADV PRETORIUS SC: Yes, five zero two. It is the beginning of the affidavit.

CHAIRPERSON: Oh.

ADV PRETORIUS SC: Five two zero is the page to which I am referring Mr Sodi.

CHAIRPERSON: Oh.

MR SODI: Okay I am there Chair.

ADV PRETORIUS SC: Is that your signature?

10 **MR SODI:** That is my signature Chair.

ADV PRETORIUS SC: That affidavit appears to have been attested to on the 4th of August 2020.

MR SODI: That is correct Chair.

ADV PRETORIUS SC: As far as you are concerned that the contents of that affidavit is true and correct?

MR SODI: That is correct Chair.

ADV PRETORIUS SC: Chair, that second affidavit should be marked Exhibit TT8.2. We will fix that up. But may I ask that the first affidavit at page...[intervenes]

20 **CHAIRPERSON:** Well, do you want me to finish with this one first? The second one or do you want us start with the first one?

ADV PRETORIUS SC: Well, I have not asked for either to be admitted.

CHAIRPERSON: Ja, that is what I want to do formally first.

ADV PRETORIUS SC: Yes.

CHAIRPERSON: The affidavit of mister... Is it Feane or Peane?

MR SODI: It is Peane.

CHAIRPERSON: Peane?

MR SODI: Ja.

CHAIRPERSON: Okay thank you. The affidavit of Mr Peane Edwin Sodi deposed to on the 4th of August 2020 and appearing at page 502 will be admitted and marked Exhibit

10 TT8 you said?

ADV PRETORIUS SC: TT2.

ADV PRETORIUS SC: TT2?

CHAIRPERSON: Two? Oh, not 8.2?

ADV PRETORIUS SC: No, TT2.

CHAIRPERSON: Oh, TT2. Okay it will be Exhibit TT2.

ADV PRETORIUS SC: I am sorry. No, I am incorrect.

CHAIRPERSON: H'm?

ADV PRETORIUS SC: It is 8.2. You are correct.

CHAIRPERSON: Ja, I thought that is what I had heard.

20 Eight... so that affidavit will be admitted and marked Exhibit TT8.2.

FIRST AFFIDAVIT OF MR EDWIN SODI IS HANDED UP AND MARKED AS EXHIBIT TT8.2

CHAIRPERSON: Okay?

ADV PRETORIUS SC: And then the one at page 375 of

FS1...

CHAIRPERSON: Yes?

ADV PRETORIUS SC: That should be admitted as Exhibit 8.1, TT8.1.

CHAIRPERSON: The affidavit of Mr Peane Edwin Sodi appearing at page 375 will be admitted and marked as Exhibit TT8.1.

SECOND AFFIDAVIT OF MR EDWIN SODI IS HANDED UP AND MARKED AS EXHIBIT TT8.1

10 **CHAIRPERSON:** Thank you, Chair. Mr Sodi, will you go to your first affidavit at page 375 of FS1?

MR SODI: I am there Chair.

ADV PRETORIUS SC: By now it is known to the Commission that you are a Director of Blackhead Consulting (Pty) Limited.

MR SODI: That is correct Chair.

ADV PRETORIUS SC: On the following pages you list your qualifications and your various business interest but unless the Chair wants to know more about that for present
20 purposes, they are matter of record. If we could go to page 377, please?

MR SODI: Okay I am there Chair.

ADV PRETORIUS SC: You say there in that paragraph that as far as you know there is no need to be registered to conduct asbestos audits.

MR SODI: That is correct Chair.

ADV PRETORIUS SC: You go on to say, however, there is however a need to be registered to handle and dispose of asbestos.

MR SODI: That is correct Chair.

ADV PRETORIUS SC: Then you say in the third sentence:

“Blackhead has not been appointed to, nor has it removed asbestos and/or disposed of it...”

MR SODI: That is correct Chair.

10 **ADV PRETORIUS SC**: That needs a qualification or a correction as far as we are concerned, at least, because in terms of the SAL of the Joint Venture, the Joint Venture was appointed to remove asbestos.

MR SODI: If I can just explain that Chair? The whole intention was to first of all to do Phase 1 which was the Audit and Assessment. The next phase after that would have been the Implementation Phase.

20 So our plan was, should we be successful and get appointed for the Eradication Phase, we would have to work with an entity that is accredited to handle asbestos.

So that was the plan. It is an arrangement that was happening in the past where if a particular entity is appointed to do something but they are not accredited, they can sub-contract someone who can actually do that work on that on that deal. So this is... this was the understanding.

ADV PRETORIUS SC: Well, let us just clarify that. If you go to page 458, please. It is a letter addressed to the Joint Venture dated 28 May 2014.

MR SODI: Okay.

ADV PRETORIUS SC: In fact, it is not a letter addressed to the Joint Venture. It is a letter addressed by the Joint Venture to the Department of Human Settlements dated 28 May 2014.

MR SODI: Ja, I am there Chair.

10 **ADV PRETORIUS SC:** Where your request is to be appointed on a risk basis for assessment and audit, as well as, handling and disposal of asbestos sheets.

MR SODI: That is correct. I am aware of it.

ADV PRETORIUS SC: And is it correct that at some stage in the Service Level Agreement, you undertook that you had the skills and the capacity to do the work for which you were later contracted?

MR SODI: Chair, the... I admit that we had the necessary skills and expertise to conduct the audit and assessment but
20 not to handle asbestos. For that, as I have indicated Chair, you need to be accredited.

Not anyone can handle asbestos. So the answer, the quickest answer to that is that we would not even have, you know, gone to that stage because we know we cannot handle asbestos due to the fact that we are not accredited.

ADV PRETORIUS SC: Well, the SLA ultimately entered into the... between the Department of Human Settlements, Free State and the Joint Venture. It appears at page 92. Sorry, page 466 of Bundle FS1.

MR SODI: Ja. Is that the Service Level Agreement?

ADV PRETORIUS SC: Yes, if I may refer you to for the moment, at least, to page 468 of FS1 paragraph 4.2?

MR SODI: I am there Chair.

ADV PRETORIUS SC: That reads and I will ask you to
10 comment on it, please.

“The service provider undertakes (that is 4.2.1) they have the capacity to and are able to enter into this agreement...”

MR SODI: H’m.

ADV PRETORIUS SC: 4.2.2:

“They have all the necessary experience skill and capability to render the service in accordance with the requirements and expectations of the department...”

20 We will come to the appointment of sub-contractors in the light of this clause here in due course but for the moment Mr Sodi.

Despite that undertaking and its interpretation may be a matter for debate and I invite you to comment on it, you were not licensed or certified to do the work for which you were

appointed at least insofar as it concerns the removal and disposal of asbestos.

MR SODI: Chair, unless it is a matter of perhaps, you know, misunderstanding but my interpretation of this particular clause that Mr Pretorius is referring to does not say anything with regard to being accredited.

It talks about the entity or the service provider having the necessary experience and skill to render the service. So service in this context would have been the first phase of the
10 project which is the Audit and Assessment.

Certainly Chair, with regards to the second phase, as I have indicated, which is the actual eradication of asbestos, we do not have the necessary skill experience simple because, as I have indicated, we are not accredited to handle asbestos.

So it could be that maybe you are reading it differently Chair but my understanding of what this clause is saying.

ADV PRETORIUS SC: Yes. Paragraph 4.2 also refers to capacity and capability but let us leave the wording aside.

20 **MR SODI**: Ja.

ADV PRETORIUS SC: If necessary, the lawyers can argue that in due course.

MR SODI: That is fine.

ADV PRETORIUS SC: Let us just look at the practical implications of Clause 4.2.

MR SODI: Okay.

ADV PRETORIUS SC: The department, the contracting department would surely want to know when it appoints a service provider that they are able to do all the work, not only from a skills and capacity and experience point of view, but they are permitted in terms of the law to do the work. Surely that is the purpose of that clause. Would you agree?

MR SODI: Well, I agree Chair that the client in this case, the department, wants law but we are talking two different
10 phases of the project. And even if Chair, the department had to say ...[indistinct] [coughing]...

CHAIRPERSON: I am sorry, Mr Sodi.

MR SODI: Ja.

CHAIRPERSON: The noise of the heater or aircon makes it really a bit difficult to... I do not know if it is making warm... making it warm but ...[intervenes]

ADV PRETORIUS SC: It is making it very cold Chair.

CHAIRPERSON: Ja. [laughs] Then they must switch it off if it makes it cold. But you could speak closer to the mic as
20 well.

MR SODI: Okay Chair.

CHAIRPERSON: Yes, please just ...[intervenes]

MR SODI: I am saying the department, obviously, in making the appointment would have made sure that whoever they are appointing as a service provider has the necessary skill

and capability to execute the project.

Chair, you would recall I mentioned but even if you had to be appointed for the eradication of asbestos, that is us in this case, we would not have done that ourselves.

So we would have had to find someone who is accredited and entered into some... whether some kind of a JV or a partnership and tell them to actually do the eradication.

But we certainly would not have gone ahead with the
10 eradication as it is because we are not accredited to do that. That is the point I am trying to pass across Chair.

ADV PRETORIUS SC: Ja. But the other point that I think becomes relevant in another course in due course. If the department knows that you have to sub-contract the work because you are not legally entitled to do the work then, surely, it would be better for it to go directly to that party rather than bear the cost of the sub-contractor arrangements?

MR SODI: Ja. Look, you are absolutely correct Mr
20 Pretorius. Chair, as it turned out in this case, as much as we signed the SLA, the IPW, which is an instruction to proceed with work, was issued subsequent to the SLA.

And that IPW is the actual contract. So and it was very specific that our appointment was limited to just the auditing and assessment. It never said anything about eradication.

So the IPW in this case, takes precedence over the SLA. So it becomes the binding document the service provider and the client.

ADV PRETORIUS SC: Yes. No, let us go back to page 458. To your letter to the department.

MR SODI: Okay.

CHAIRPERSON: Have you got it?

MR SODI: I have got it Chair.

CHAIRPERSON: The subject of that letter is the request for
10 appointment on Risk, Audit and Assessment, handling of hazardous materials, removal and deposal of asbestos, contaminated rubble in the Free State Province.

MR SODI: Correct.

CHAIRPERSON: Do you agree that even before you read the letter, reading that subject, tells you that the writer of this letter is requesting to be appointed to do all the things that are mentioned there?

MR SODI: That is correct Chair.

CHAIRPERSON: You agree with that?

20 **MR SODI:** That is correct Chair.

CHAIRPERSON: Okay. Then you begin the letter. You say:

“We have pleasure in submitting our request to be appointed on risk basis for the following:

1. Assessment/auditing houses roofed using asbestos material.

2. Handling and disposal of asbestos sheets to an approved designated disposal site...”

You agree that that reinforces the idea that you wanted to be appointed by the department to, amongst other things, handle and dispose of asbestos sheets to an approved or designed disposal. You agree with that?

MR SODI: Yes, correct. I agree with that Chair.

CHAIRPERSON: Yes.

MR SODI: Ja.

10 **CHAIRPERSON**: Now, how... now you have said that your company did not have the accreditation and, in fact, I think you went further to say even the skills, the skill or expertise to do the handling and disposal of asbestos sheets to an approved or designated disposal site. Alright.

MR SODI: That is correct Chair.

CHAIRPERSON: Alright now why do you ask the department to appoint you to do something that you know you do not have the expertise to do and that you know you do not have the accreditation to do and you know that you
20 would need accreditation to do?

MR SODI: Chair, the quick answer to that question, as I said, was we had anticipated, we made an application or request to be appointed for the two phases which is phase one and phase two, phase two being the eradication. Even if we did get appointed for phase two, we would have had to

find an accredited service provider to perform that service.
That is what would have happened.

You know, the question from what I am hearing from Mr Pretorius, why would the department not go directly to someone who is accredited?

CHAIRPERSON: Well, that is a later question.

MR SODI: Ja.

CHAIRPERSON: The first question is you are asking the department to appoint you to do something that you yourself
10 admit you have no expertise to do.

MR SODI: That is correct.

CHAIRPERSON: That you yourself admit you need accreditation to do.

MR SODI: Yes.

CHAIRPERSON: And you yourself admit you do not have accreditation. My question is, why do you ask the department to appoint you to do something that you do not have the expertise to do, you know requires accreditation, you know you do not have accreditation formally.

20 **MR SODI:** Okay. Chair, look, I will acknowledge that. In retrospect perhaps we should not have asked for the department to appoint us for phase two. And, like I said, as a tenderer, we were never appointed for phase two.

Let me perhaps just explain what happened previously. I think it was in Gauteng, with the same concept

where you have service providers who appear on the PRT panel and this is the panel where the department would go, you know, when there is a need for a service to be provided.

And what happened previously, in this instance was that they needed in Gauteng, specifically, they needed to appoint entities to do the eradication of asbestos.

However, on that panel there was not a single company that was accredited to handle asbestos. So what
10 they then did was to say look, because we have got no company that is accredited, we are going to have to appoint one of the – make some PRTs, okay, to do that but those PRTs would have then to go out to the market and find companies that are accredited, so that they can do the job and the reason for that, as I said, was because the whole PRT system all the panel system is to shorten the procurement process.

So what happened was they said look, we acknowledge that we have got no one on our panel who is
20 accredited but we will appoint some companies that will then have to subcontract and this was the thinking as well, from our side, you know, when we drafted this letter. It was the same thinking.

You know, it could be criticised and I understand where the criticism, Chair, is coming from and I admit to

that, you know, that, you know, it would be improper for anyone to be, you know, to be asked to be appointed to do something when you do not have the necessary, you know, skill or experience of capacity. I take that point, sir, and I ...[intervenes]

CHAIRPERSON: And it is ...[intervenes]

MR SODI: I concede to that, ja.

CHAIRPERSON: Because it is misrepresentation, is it not?

MR SODI: Yes, I concede to that, Chair.

10 **CHAIRPERSON:** Yes, yes.

MR SODI: Ja.

CHAIRPERSON: And did, as far as you know, do you know whether the department knew that for a service provider to handle and dispose of asbestos sheets they needed a service provider that would need to be accredited and so on, is that something you know whether they know themselves or whether they got to know?

MR SODI: I do not know.

CHAIRPERSON: You do not know.

20 **MR SODI:** I would not have, ja. I – no, I do not.

CHAIRPERSON: Yes. But you obviously must see the seriousness of this kind of misrepresentation.

MR SODI: Correct, correct, I admit, ja.

CHAIRPERSON: Particularly because you would know that quite often in the country there are complaints that

government departments give work to entities that have no experience, have got no knowledge.

MR SODI: Ja.

CHAIRPERSON: Of how to do the job.

MR SODI: That is correct, sir.

CHAIRPERSON: The next thing, they just take the money and go away, the job has not been done.

MR SODI: You are absolute correctly, sir.

CHAIRPERSON: And for that reason, it is critical that no
10 service provider should misrepresent what it can do and what it can do in terms of its skills, its capacity and its accreditation.

MR SODI: That point is taken, sir.

CHAIRPERSON: Yes.

MR SODI: I admit to that.

CHAIRPERSON: Yes and then, of course, the point that you alluded to earlier on then arises, you know, why should a government department appoint a service provider who does not have the skills, the experience and knowledge of
20 how to do the job.

MR SODI: Ja.

CHAIRPERSON: On the basis that they go and find somebody else.

MR SODI: Ja.

CHAIRPERSON: Rather than appoint the entity that has

got all of that.

MR SODI: Yes.

CHAIRPERSON: And then, if they say in order to transfer skills, in order to promote transformation, we would like you to work with another service provider.

MR SODI: Ja.

CHAIRPERSON: That I can understand but where the service provider that is appointed is the one that does not have any skills, does not have any knowledge of the job and
10 they are required to go and find - I have difficulty with that.

MR SODI: No, Chair, I understand.

CHAIRPERSON: Maybe you might be able to assist me.

MR SODI: No, no, I perfectly understand your point.

CHAIRPERSON: Yes, yes.

MR SODI: I admit to that.

CHAIRPERSON: Yes, yes.

MR SODI: Perhaps what I can just add and I do not want to labour on this or take too much time on this point but the Chair would probably be aware this whole asbestos thing
20 really started around late 2013/2014. I remember
...[intervenes]

CHAIRPERSON: Ja, that is what Mr Manyike said, ja.

MR SODI: Ja. I am talking about the actual eradication. Now I remember very well, around 2013 or 2014 there were about – Chair, about three companies in the whole country

that were accredited to handle asbestos. There were about I think four sites, landfill sites, if I am not mistaken, in the whole country that had the necessary permit to accept asbestos.

So it was a new thing and I can understand and I am not speaking on behalf of, you know, government official that, you know, we do not really have capacity in terms of service providers that are accredited, you know, to deal with this matter.

10 So I suppose then that is why there was, you know, a way of being creative, if you want to – for the lack of a better to say we have a crisis we need to deal with, there is probably about three, as I said about three service providers in the whole country that can do this. They are not going to be able to do this on their own, so you know, let us find a way that we can be able to assist.

 But I do remember vividly then that that was one of the challenges that government had. I do not know about now, that number may very well have increased but about
20 six, seven years ago it was – you would struggle to find one, actually. But I take the point, Chair, and I admit that, ja.

CHAIRPERSON: Of course the proper way to do this is that you should have disclosed to the department that the skills or experience that you have relates to assessment

and audit but that as for – as the handling and disposal of asbestos sheets is concerned you had a plan how to deal with that, namely ...[intervenes]

MR SODI: I take it.

CHAIRPERSON: ...we do not have the skills but this is what we will do in order to carry out the job properly. That would have been the proper way.

MR SODI: No, absolutely, Chair.

CHAIRPERSON: Yes.

10 **MR SODI:** And I do not want to talk about what could have happened.

CHAIRPERSON: Yes.

MR SODI: But had we arrived at that stage after the assessment we would have disclosed to the department. I know we should have done it at the beginning but we would have told them that guys, we do not have the credentials, you know, we are not accredited to handle asbestos. So we would have to go and, you know, find a partner.

CHAIRPERSON: Yes.

20 **MR SODI:** But I am sure that would have happened, Chair, I mean, you know...

CHAIRPERSON: Of course, what I also note is that your letter is dated 28 May 2014.

MR SODI: Ja.

CHAIRPERSON: And the service agreement is dated

...[intervenes]

MR SODI: It is later in the year.

CHAIRPERSON: Towards the end of the year.

MR SODI: Correct.

CHAIRPERSON: Which suggests to me that would have given you time to reflect and say you know what, what we said to the department is not true, maybe we should correct it. Well, I am just mentioning that that is what is my mind as I see this.

10 **MR SODI:** Okay.

CHAIRPERSON: To say there was enough time to reflect on it.

MR SODI: Yes, ja.

CHAIRPERSON: And correct it but it seems it was repeated in the service agreement.

MR SODI: I take the point, sir.

CHAIRPERSON: Okay. Mr Pretorius?

20 **ADV PRETORIUS SC:** Thank you, Chair. Mr Sodi, of course certification in this case is particularly important because we are dealing with a life threatening substance and therefore the particular skills required of someone who is handling that material and removing it and disposing of it of utmost importance.

MR SODI: Absolutely, Chair.

ADV PRETORIUS SC: Then, if we may go on, to page 466

of FS1, just to complete this topic.

CHAIRPERSON: What page Mr Pretorius?

ADV PRETORIUS SC: 466.

CHAIRPERSON: 466.

ADV PRETORIUS SC: It is the service level agreement.

CHAIRPERSON: Okay.

ADV PRETORIUS SC: And I want to draw the attention of Mr Sodi to page 467.

MR SODI: Okay.

10 **ADV PRETORIUS SC:** For a project for which you were appointed as defined in paragraph 1.1 as being:

“To assess/audit houses roofed using asbestos material, handling and disposal of asbestos sheets to an approved designated disposal site.”

That is the project which is the subject matter of the SLA.

MR SODI: Did you say page 467?

ADV PRETORIUS SC: 467, paragraph 1.1, definition of project.

20 **MR SODI:** Definitions and interpretations, okay. I do not see where you ...[intervenes]

CHAIRPERSON: Definition of project at the end of definitions, 1.1 at the end of it, there is the definition of projects there. Can you see it? Below payment of services.

MR SODI: Ah yes, okay. I see that.

CHAIRPERSON: Repeat the question, Mr Pretorius.

ADV PRETORIUS SC: The project includes in its definition:

“The handling and disposal of asbestos sheets to an approved designated disposal site.”

MR SODI: That is correct. That is correct, Chair.

ADV PRETORIUS SC: And in paragraph 2, under the head: Working Relationship at the bottom of page 467 of FS1 the working relationship is defined as follows:

10 “The department appoints the service provider to assess/audit houses roofed using asbestos material, handling and disposal of asbestos sheets to an approved designated disposal site.”

MR SODI: I see that, Chair.

ADV PRETORIUS SC: Now you in fact quoted a figure and that figure appears somewhere in your proposal for the removal and disposal of asbestos and I think it was in the region of R36 000 per house. So you in fact went so far as to quote yourself.

MR SODI: That is correct, Chair.

20 **ADV PRETORIUS SC:** Right. The point that we have been discussing, Mr Sodi, is relevant in another context. If one goes back to paragraph 4.2 on page 468 of FS1.

MR SODI: Ja.

ADV PRETORIUS SC: The undertakings that we have placed on record. At the time the contract was entered into

and when the terms and conditions of the contract were being discussed particularly the price, did you disclose to the department that you were intending to employ subcontractors?

MR SODI: Chair, I have to mention here that I never discussed or have any discussions with the department with regard to the contract. My late partner is the one who was having this kind of negotiations.

It may very well be that at some stage he may have
10 disclosed to the department that we are not accredited for asbestos and maybe that is why it will explain the reason that we only got an IPW – sorry, we got an IPW for the assessment and all that.

So with regard to the, you know, the discussions with the client, I have never had discussions with them. The only time that I got to interact with the client and specifically one individual, who is the HOD, was when the project was already being implemented and my interaction really was more to find out if the deliverables are indeed
20 what they are looking for and if we are, you know, meeting the level of standard that they are expecting.

So, Chair, to answer the question, I do not know if that discussion ever took place.

CHAIRPERSON: One, it certainly did not happen with you but you do not know whether your late partner had such a

discussion.

MR SODI: Ja, I do not, ja.

ADV PRETORIUS SC: Do you concede then – well, this is not really a concession, would you agree, Mr Sodi, that had your partner disclosed the fact that you intended appointing subcontractors which was known quite early on and in fact before the project was entered into, project agreement was entered into. That would have given the department an opportunity to interrogate what the project was costing them
10 and what the project was costing in relation to the appointment of subcontractors and to make its own calculations and decisions in that regard.

Had Mr Mpambani made full disclosure to the department of the fact that you were appointing subcontractors and the cost of those subcontractors, had that been disclosed it would put the department in a position to assess whether this contract was a contract was cost-efficient or cost-effective.

MR SODI: Chair, I would not know if, you know, it would
20 have given the department the opportunity to interrogate the price, I unfortunately cannot speak on behalf of the department certainly with regard to that aspect.

ADV PRETORIUS SC: Well perhaps as a partner one should have ensured that there was full disclosure to the department so that they could conduct that exercise.

MR SODI: Like I said, I was not party to the discussions, Chair, and I cannot confirm if discussions every took place or never took place as I was never involved with, you know, discussing the contractual matters with the department. I would not know if that actually happened.

ADV PRETORIUS SC: Do you know whether the joint venture provided a full breakdown of its costs before the SLA was entered into?

MR SODI: Ja, look, we, Chair, we submitted – we
10 proposed at least in as far as phase one of the project is concerned, we proposed a fee, whatever it. In the initial – I think the initial letter or proposal that we submitted to the department – and I can speak to that because certainly I was involved, with the drafting of the proposal.

The initial figure that we proposed for the actual assessment was about 1 350. That is what we submitted to the department and it was submitted as a hard copy by my late partner.

Subsequent to that, he came back and said the
20 department has mentioned they cannot afford that rate and they settled on R850 per stand and that is what we eventually were appointed on, for phase one.

So ja, the discussion with regard to the fees was handled, as I said, by Mr Mpambani.

CHAIRPERSON: Before Mr Pretorius asks the next

question what was the initial amount based on, that of 1 350, what was it based on? There seems to be quite a big difference ...[intervenes]

MR SODI: It is a big difference, ja.

CHAIRPERSON: and 800 and something.

MR SODI: Ja. And maybe, Chair, if you can allow me maybe two or three minutes.

CHAIRPERSON: Yes.

MR SODI: Just to give a context to this thing, maybe to
10 assist us with some of those questions.

CHAIRPERSON: And I will be very brief, I do not want to waste anyone's time on this.

CHAIRPERSON: Yes, no that is fine, ja.

MR SODI: So in late 2013, there was a huge storm in Gauteng which destroyed a lot of houses. This was around December of 2013. The department of human settlements appointed contractors to go and fix these houses.

What was discovered was that a lot of these houses that were damaged were actually roofed with asbestos.
20 Because it was roofs that were blown away and, you know, and so forth. So that is what led to the department say hold on, why do we not take stock and understand the nature of the problem that we are dealing with because most of these houses are asbestos roofed houses and this would be houses that would have been constructed pre-1994. This is

now what led to the actual, you know, assessment to say we need to plan, we want to plan, and we also want to eradicate and the only way that we can be able to understand what is on the ground, what the problem is, is to actually get people to go literally door to door, street by street and verify and come back and tell us, say Department of Human Settlements, you have got so many houses in Gauteng that are roofed with asbestos.

That would have enabled them obviously to then
10 plan, you know, to make sure that they put the necessary, you know, budgets in place and start with the eradication because they would not have able to put a budget without knowing what sort of quantities they are talking about. So that is what led to this assessment and audit project which started in late – sorry, I think it started in 2014.

Now what happened then was the department appointed eight contractors from their panel.

CHAIRPERSON: Yes, I think I have heard that part of the background.

20 **MR SODI:** So it is taking me to – and it is important that I mention this.

CHAIRPERSON: Yes.

MR SODI: Because it is taking me to the question that you asked.

CHAIRPERSON: Yes, yes.

MR SODI: Now that appointment – those appointments were very specific. Department said listen guys, we are appointing you to go out there and do an audit and come back and tell us what we are sitting with or what we are dealing with. You are going to be appointed at this rate, all of you. Okay, you either take it or you leave it and also, do not come back and tell us that you need variation, this is a price that we are giving.

CHAIRPERSON: Ja.

10 **MR SODI:** All of you.

CHAIRPERSON: They said do not come back and say you need what?

MR SODI: Like a variation, you cannot come back and say.

CHAIRPERSON: Oh, amend, ja okay.

MR SODI: Ja. For instance, this then audit 50 houses.

CHAIRPERSON: Yes.

MR SODI: And you find 100 houses.

CHAIRPERSON: Ja.

20 **MR SODI:** You cannot come back and say guys, I found an additional 50 houses, please pay me for those houses.

CHAIRPERSON: Oh, okay, okay.

MR SODI: So that is what is what I am referring to.

CHAIRPERSON: Okay, okay.

MR SODI: So that was very clear to say this is the rate, it has been predetermined and we – there is a way that they

said we determine this rate which obviously we would not have known but, I mean, they would have used ...[intervenes]

CHAIRPERSON: So they determined it unilaterally, as it were, is that correct?

MR SODI: That is correct, so ...[intervenes]

CHAIRPERSON: And was that rate 1 300 and ...[intervenes]

MR SODI: No, no, it was R650.

10 **CHAIRPERSON:** How much?

MR SODI: It was R650.

CHAIRPERSON: Oh, okay, okay.

MR SODI: Per house.

CHAIRPERSON: Yes.

MR SODI: So that is the rate that was given to all of us.

CHAIRPERSON: Yes, okay.

MR SODI: I mean, at that point in time, I mean – so we get disappointments, I do not know whether I am going to make money or lose money and we accept - you know, we take
20 the rate and we – obviously this is the first time, so this has never been done at least in government. So it is really trial and error but we know what needs to be done, so we acquire the necessary gadgets, the necessary software, we employ, you know, the fieldworkers, we do what needs to be done and that is what happened.

CHAIRPERSON: Yes, I do not want you to take too long.

MR SODI: Ja.

CHAIRPERSON: Then you quote a rate that is about double in the Free State, what is – why did you make it double to the – double the rate of Gauteng?

MR SODI: Okay, so now – and this is the point that I want to make to you, Chair. Two things. One is, in Gauteng we were appointed for certain parts of Soweto and it is easier to get in and out. Logistically it is not a problem, you know,
10 there is not much travelling, you know, that is going to happen, you do not need to be booking accommodation for people that are going to be working there, especially your technical people because we are in the province, you know, so we are working here so it makes it easy.

The Free State, on the other hand, we are now appointed for the entire province and as you may know, Chair, you can travel from one township to the next, you know, it can take you up to three hours. Those are the dynamics that we did not have in Gauteng. There were a lot
20 of unknowns that we factored in.

Give you another example, in Gauteng we were appointed to – I think it was about 250 000 units. We ended up auditing about 200 000 more but we were only paid for the 250 000 and now here we are talking the Free State and we are told that you are going to audit 300 000 structures,

the whole province.

Knowing what we knew already, we anticipated that the chances are that we are going to find more, that is what we thought, we thought if just in one township we did 200 000 more, now we are talking the entire province. So there is a bigger chance based on that experience but we could end up maybe doing double that number or even triple that number. So this is sort of what influenced that.

CHAIRPERSON: So basically, it was the experience you
10 have had in Gauteng and bearing in mind the scope or the area you had to cover in the Free State.

MR SODI: Absolutely, absolutely.

CHAIRPERSON: Okay. Mr Pretorius?

ADV PRETORIUS SC: For the record, because it may become relevant later, if you would go to bundle 8 please, it is behind you, marked on the side.

CHAIRPERSON: Bundle FS8.

ADV PRETORIUS SC: FS8 at page 163.

MR SODI: What page is that?

20 **ADV PRETORIUS SC:** 163. this appears to be the proposal of the joint venture dated 28 May 2014 which later gave rise to the conclusion of the service level agreement, am I correct?

MR SODI: Correct.

ADV PRETORIUS SC: If you would go please to page 166,

it is in that document that you say that your rates are as follows for the door to door assessment, R1 350 per house excluding VAT and then you say removal and disposal to an approved designated site and you actually quote not R35 000 but R32 760 excluding VAT.

MR SODI: That is correct.

CHAIRPERSON: I must say, Mr Sodi, each time I see where you refer to the removal and disposal of the asbestos I keep on saying but why are you saying this when you know
10 you cannot do it.

MR SODI: Yes, it is the ...[intervenes]

CHAIRPERSON: I know we have dealt with it but I am just letting you know each time I see it because I see here you have made it clear the door to door assessment will be R1 350 per house excluding VAT. So that you know you can do.

MR SODI: Yes.

CHAIRPERSON: Then you say removal and disposal to an approved designated site R32 760 excluding VAT. So as I
20 read it I say but he knows that they cannot do that, why is he saying [inaudible – speaking simultaneously]

MR SODI: I conceded to that one, sir.

CHAIRPERSON: Okay, no that is fine. Mr Pretorius continue.

ADV PRETORIUS SC: To return to the point we were at a

few minutes ago, Mr Sodi, the service level agreement undertaking in paragraph 4 regarding your skills, capacity and experience is important in another context too and that is insofar as subcontractors are concerned.

We agreed that the purpose of that clause, which we were discussing, is that the department can be assured that you can do the work and presumably that you will do the work.

MR SODI: You are referring to the first bundle, am I right?

10 **CHAIRPERSON:** I am sorry, I am also trying to follow, are you on another bundle now?

ADV PRETORIUS SC: I am back at the service level agreement.

MR SODI: Okay.

CHAIRPERSON: That is FS1? That is the bundle we had earlier.

ADV PRETORIUS SC: Ja, we are back at bundle FS!, I apologise.

CHAIRPERSON: Yes.

20 **MR SODI:** Okay, is it page 468?

CHAIRPERSON: Yes, that is where 4.2 is.

MR SODI: Okay.

CHAIRPERSON: You had asked a question, Mr Pretorius.

ADV PRETORIUS SC: I am getting there, Chair. Give me a moment Chair, I need to find that document.

CHAIRPERSON: Do you want to share with me what document you are looking for, I might have seen it.

ADV PRETORIUS SC: I am looking for that clause that we were discussing earlier.

CHAIRPERSON: Which says what?

ADV PRETORIUS SC: Paragraph 4, 4.1.2 that paragraph that contains the undertaking.

CHAIRPERSON: It is at 468, page 468, black numbers. Mr Sodi and I have found the page.

10 **ADV PRETORIUS SC:** Yes, there is another SLA but let us just go with 468, paragraph 4.2. That is the clause where you undertake that you have the capacity to and are able to enter into this agreement, and that you have all the necessary experience, skill and capability to render the service. I thought we were agreed, Mr Sodi, from your previous answer that the purpose of that clause, the intention behind that clause is to assure the Department that you, the joint venture can do the work.

MR SODI: That's correct Chair.

20 **ADV PRETORIUS SC:** And are prepared to do the work.

MR SODI: That's correct.

ADV PRETORIUS SC: But what happened in this case is that all or certainly the material portion of the work was sub-contracted, not once but twice, we know that.

MR SODI: That's correct.

ADV PRETORIUS SC: Now for the present, the question is, did you ensure or take any steps to ensure that full disclosure was made to the Department that you would sub-contract the work, not once but twice?

MR SODI: Chair, I certainly did not inform the Department that we were going to sub-contract the work. I, Chair, was more concerned about being able to deliver on the project, that was my primary focus. Again, like I said, I wouldn't know, if my partner, who was instrumental in engagement
10 with the officials on contractual matters, would have disclosed but from my point of view, personally, I did not have that discussion with anyone in terms of that.

ADV PRETORIUS SC: The related question is, did you ever give the Department a breakdown of the costs that you would incur as a joint venture in executing the project?

MR SODI: No, we did not give the department a breakdown of the costs. What happened, Chair, was, we agreed with the Department on the rate payable per house and that is where it ended with the Department but we
20 didn't say, to them, you know, this is how the 850, for instance is broken down, no we didn't go that far.

CHAIRPERSON: And just to complete something that you said earlier on, the rate that was ultimately agreed upon, per house, did you say that came from the Department because you had quoted a higher amount?

MR SODI: So the feedback, Chair, that I got from Mr Mpambani was that he came back and he said that the Department had indicated that they will not afford the rate that we proposed, which was R1350, he said they negotiated and agreed and settled on R850.

CHAIRPERSON: Okay.

ADV PRETORIUS SC: It would have been one of the duties of the Department in relation to this contract to ensure that it was cost effective. Now, I would understand
10 that the appointment of sub-contractors, the breakdown of costs and expenses contemplated in the project would be the type of information that would be contained in a competitive bid process so that there can be a fair assessment of whether there's value for money or cost effectiveness in the project. Full disclosure of the costing would be required, wouldn't it?

MR SODI: Chair, I'm not sure if I understand this question, do you want to...

ADV PRETORIUS SC: It would seem that in a competitive
20 bidding process, there would certainly be substantial information that would have to be provided in regard to the costing of the project, you agree with me, and here there was no competitive bidding process.

MR SODI: There was no competitive bidding process yes, I agree with that.

ADV PRETORIUS SC: Alright we needn't take that any further unless you want to answer it.

MR SODI: No, no, I agree with – that there was no competitive bidding at least when it comes to the Free State appointment.

CHAIRPERSON: I take it that the department, as far as you know, never asked the joint venture, before appointing it to produce documentation to show that they have the expertise and the skills necessary to do the handling and
10 disposal of the asbestos, as far as you know?

MR SODI: Ja, Chair, certainly with – as far as I know that was never requested or – because that is a scope that fall in phase 2 but they were certainly comfortable that we had the necessary skill and expertise to execute phase 1 of the project, which is the whole reason why the Treasury Regulation 16(A) 6.6 was utilised because they were aware that we had done a similar project.

CHAIRPERSON: Of course, I haven't checked throughout, but it doesn't look like the Service Level Agreement talks
20 about phase 1 and phase 2, is that right or does it? This Service Level Agreement I haven't checked whether it does talk about phase and phase 2 of the project...[intervenes].

MR SODI: I'm not sure, it may...[intervenes].

CHAIRPERSON: It may, it may not?

ADV PRETORIUS SC: Ja.

CHAIRPERSON: Okay, alright, thank you Mr Pretorius?

ADV PRETORIUS SC: I may just, again for the record Chair, simply say that the project is defined as including both aspects of the project.

CHAIRPERSON: Yes, so probably – well certainly there's no definition of phase 1 and phase 2.

ADV PRETORIUS SC: No.

CHAIRPERSON: And the project for which the joint venture was appointed was the entire project.

10 **ADV PRETORIUS SC:** Correct.

CHAIRPERSON: Ja, okay, alright...[intervenes].

ADV PRETORIUS SC: As was the proposal.

CHAIRPERSON: You accept that the project for which you were appointed as the joint venture was the entire project?

MR SODI: No, I...[intervenes].

CHAIRPERSON: You don't accept it?

MR SODI: I don't accept that sir. I accept that the Service Level Agreement that was signed between the two parties referred to both phase 1 and phase 2 but the instruction to
20 do work was only phase 1, which is what I said is the actual contractual document between the Department and the service provider which supersedes the SLA.

CHAIRPERSON: Okay, no, no that's fine. Let's take it step by step. As far as the Service Level Agreement, do you accept that your appointment was in respect of the

whole project?

MR SODI: Yes, correct ja.

CHAIRPERSON: Yes but you are saying there's something else which suggests otherwise?

MR SODI: That's correct.

CHAIRPERSON: Okay, alright.

ADV PRETORIUS SC: Well I understand your answer but it needs clarification. The Service Level Agreement is an actual contract, it's a binding agreement between the parties and in its own terms is the whole agreement between the parties.

MR SODI: Well, Chair, I probably have a different understanding and I'm certainly not disagreeing with Mr Pretorius or...[intervenes].

CHAIRPERSON: Yes.

MR SODI: But, you know, that's my layman's understanding that the actual binding document between us and the Department, which was very specific, in terms of how much was going to be paid, what services were expected to be performed, what sort of deliverables were expected by the client, you know, and how the payment was going to be structured, all those were contained in the IPW, that's why I'm saying from my own layman's understanding, the IPW would supersede SLA because it is very specific in terms of what ought to happen and how it's

suppose to happen but I certainly take Mr Pretorius' point as well, I'm not saying that I'm...[intervenes].

CHAIRPERSON: Ja you are giving your understanding?

MR SODI: Yes, ja, that's right.

CHAIRPERSON: Okay.

ADV PRETORIUS SC: I don't want to be technical with you, I'm sure you're sick and tired of lawyers who argue legal or find legal points with you but I must put it to you, that the service legal agreement is a binding agreement, it
10 must be read together with the instructions to perform work which gives more detail as to what you must do for what cost.

MR SODI: Thank you for the education.

ADV PRETORIUS SC: You agree with that?

MR SODI: Ja.

ADV PRETORIUS SC: Let's go to what happened in Gauteng please. You deal with that in your affidavit and the relevance of what happened in Gauteng has already become apparent but will become more apparent in due
20 course. At paragraph 9.1 on page 377...[intervenes].

MR SODI: This is the first Bundle?

ADV PRETORIUS SC: Yes.

CHAIRPERSON: I'm sorry Mr Pretorius, I missed that, is it another Bundle we are looking at?

ADV PRETORIUS SC: Ja we are back in Bundle 1, FS1 at

page 377.

MR SODI: Okay.

ADV PRETORIUS SC: We're going to paragraph 9.1, there you tell us...[intervenes].

CHAIRPERSON: I'm sorry, 377?

ADV PRETORIUS SC: 3-7-7 yes.

CHAIRPERSON: Okay, alright continue.

ADV PRETORIUS SC: There you tell us, Mr Sodi, what happened in 2009. What happened in 2009?

10 **MR SODI:** So, Chair, in 2009 the Department of Local Government and Housing...[intervenes].

ADV PRETORIUS SC: That is Gauteng?

MR SODI: That is Gauteng, issued out an invitation to bid for Engineering firms to be on their panel for professional resources. We, Chair, it was a bid that was out in the newspapers, we responded to the bid and we submitted our bid. It was, obviously, you know, evaluated and we were appointed on the panel. I think that appointment happened about 2010 and the duration of that panel was three years,
20 effective from around 2010 but I do know that it was extended from time to time right up to, I think, about 2014 or so, that's my understanding.

ADV PRETORIUS SC: Then let's look please at that particular Service Level Agreement which is at ES1, that's red tab 1 page 406 of FS1.

MR SODI: Okay.

ADV PRETORIUS SC: Now, I don't want to take the Commission through the whole of this document but this Service Level Agreement doesn't contain any provision as to which particular work should be done and at what particular rates it should be done, correct, it's a general Service Level Agreement which contemplates, as you said earlier, further agreements which would then incorporate terms and conditions of contract such as price and scope
10 of work and the like?

MR SODI: This is exactly, Chair, in line with what I said was my understanding with Service Level Agreement was that, often, like in this case it is broad, it's not specific in terms of what kind of service must be offered. Those kind of details will then be produced in an instruction to proceed with work. So, I admit that this Service Level Agreement which was signed in 2010 is very broad, it doesn't talk to what ought to happen, that gets to be produced elsewhere.

20 **ADV PRETORIUS SC:** And this Service Level Agreement would have been entered into by all the members of the panel, the professional resource team panel. Several would have been appointed and each one would have been issued with an SLA and signed the SLA and then later on, particular contracts would have been entered into for

particular work, particular scopes of work and at particular rates, do I understand it correctly?

MR SODI: That’s absolutely correct Chair.

ADV PRETORIUS SC: So just by way of example, if one looks at page 433, paragraph 18.1,

“The consultant shall receive remuneration in terms of the various stages in which the consultant is engaged in by the Department through an authorised IPW”,

10 That’s an instruction to perform work, that’s for later.

MR SODI: Right.

ADV PRETORIUS SC: You say that during the period 2010, I understand now, onwards, you performed various services for the Department including, for example, construction supervision and monitoring services. Do I understand it correctly that the 2009/2010 Service Level Agreement was for general construction work, not asbestos in particular?

20 **MR SODI**: These – let me explain it this way. So, Chair, we are talking here about a panel for the Department of Human Settlements. So, essentially, what that means is that if the Department choose to create a panel, they are saying, anything that has to do with Human Settlement will be contained in broad terms in the SLA. The specifics of

what needs, or ought to happen will then be produced through an IPW but anything else related to Human Settlement will then be covered in the SLA, as I said, in broad terms. So, you would find that the composition of your PRT, for instance, to give you an example, would be Civil Engineers, would be Structural Engineers, Town Planners, which would be Environmentalists, it would be Geo Technical Engineers. So that would typically, what would consist a professional resource team. So if you look
10 at, Chair, a lot of the PRT's you'll find that, not one company, in most cases – very few companies that go on their own and say we are a PRT on our own. You'd find that in most cases you would have to then, you know, get into a partnership with other entities that can provide services within Human Settlement.

To give you an example, when we submitted this bid in 2009, we wouldn't have met the requirements if we went in purely as Blackhead Consulting because at that point in time, we only had Civil Engineers, we had Project
20 Managers and I think we had Structural Engineers. The bid was very specific in terms of the requirements that you need to have a full suite of all those services. So, when they do their adjudication when the client does the adjudication, Chair, they will say, okay fine we see there is a Blackhead Consulting PRT and if you are the leading

PRT you can just use your name. For instance, we were the leading member of the consortium if you want to call it that but the thing with consortium there were other companies that formed part of our bid which provided services that we did not have in-house. So when you then get to be appointed, the adjudication will be based on whether or not you meet that criteria and you are able to demonstrate that you have all those other services that are required.

10 So this SLA, Chair, would not have been specific that one of the things that you do, for instance is asbestos eradication. It also wouldn't have been specific but one of the things that you would do is, maybe, Geo Technical Investigation, that will come along should there be a need for such a service and the only reason why the Department of Human Settlement would have dealt with this asbestos matter, is because it is within Human Settlements, the roofs are on houses which is Human Settlement. So this SLA would not have been specific to that extent Chair to
20 specify that you know you need to have, for instance, expertise in handling asbestos or at least in the assessment of it.

ADV PRETORIUS SC: Well again, your answer needs to be qualified to this extent, that the SLA about which we are talking now, the 2010 Gauteng SLA expressly incorporates

the provisions for the services of others such as consultants and specialists and if I can refer you to page 415 of FS1 para 5.2.

MR SODI: I'm there Chair.

ADV PRETORIUS SC: You look at 5.2 it says,

10 “The consultant, shall, at its cost engage and be responsible for such other consultants and specialists as may be necessary for the proper completion of the project. The Department shall cooperate with such consultants and specialists but shall not be responsible for them or for their performance”,

 There's another clause, clause 5.5 which deals, in detail, with the right of the Department to appoint other additional consultants to perform the services through the project. What is instructive, however, is that the SLA in the Free State contained no such provision.

MR SODI: That's correct, that's correct Chair.

20 **ADV PRETORIUS SC:** Right then we go back, then to page 378 now of FS1...[intervenes].

CHAIRPERSON: Maybe I can say this Mr Sodi, it's correct, I guess you admit, that the Free State SLA Agreement didn't contain anything else like this but when you answer the way you have answered you are also admitting that, I think Mr Pretorius said, it's strange or

something like that. So, I just want you to appreciate that you are also accepting that, what he said. So, if your intention is to admit that it doesn't contain but you don't think it's strange or something like that, you need to make that clear. I just thought that I must highlight that to you but if your intention was to say, I admit it's not the same and I accept that it's strange, I don't think he used strange but he used some – he said something about the fact that, in the SLA applicable to Free State that this kind of provision wasn't there. So, I'm just mentioning, you can stay with your answer it's fine, I just want to be sure that you appreciate what you are admitting.

MR SODI: Okay Chair.

CHAIRPERSON: Yes, okay, alright thank you.

ADV PRETORIUS SC: Let's then deal with the hailstorm that you spoke about, earlier in your evidence Mr Sodi. You deal with that in your statement at page 378 of FS1.

CHAIRPERSON: 3-7-8?

ADV PRETORIUS SC: Yes, before we get there, the panel that you refer to in paragraph 9.1, this panel of service providers who were then employed to do particular work at particular rates in terms of other contractual arrangements, how many service providers constituted that panel?

MR SODI: Gee, Chair, this was like ten years ago, so I wouldn't...[intervenes].

ADV PRETORIUS SC: Just a – you don't have to be accurate.

MR SODI: I think it was – I won't be accurate but it was anywhere between 50 and 100.

ADV PRETORIUS SC: Alright, fairly described as plenty.

MR SODI: Ja they usually are.

ADV PRETORIUS SC: Then in paragraph 9.3...[intervenes].

CHAIRPERSON: Mr Pretorius I'm sorry to interrupt you,
10 don't lose your point, I forgot this question earlier and I don't want to forget it again.

ADV PRETORIUS SC: Okay.

CHAIRPERSON: Do you know whether your late partner had any expertise or knowledge or experience or his company even in regard to the door – the audit and assessment part of the job?

MR SODI: Chair, as far as I know, no, he didn't have ...[intervenes].

CHAIRPERSON: He did not have, yes. Do you know
20 whether he knew that for purposes of the handling and disposal of asbestos there needed to be accreditation, do you know whether he knew that or no?

MR SODI: Chair, his – I mean I can safely say that his knowledge of the asbestos matter was very limited.

CHAIRPERSON: Yes.

MR SODI: But I'm certain...[intervenes].

CHAIRPERSON: It's not something that you shared with him?

MR SODI: Ja but I certainly can't rule out the fact that he may have known he was a very smart, intelligent man so it's possible that he may have known.

CHAIRPERSON: Yes, but you don't remember that you shared that with him, to say...[intervenes].

MR SODI: I don't remember that discussion.

10 **CHAIRPERSON:** Yes.

MR SODI: It may, very well have happened Chair, but I don't seem to remember.

CHAIRPERSON: Yes.

MR SODI: Events that, you'd appreciate Chair, happened many years ago.

CHAIRPERSON: Yes, no I accept that.

MR SODI: So some of the things we may recall some – ja, so I don't want you – make a conclusive...[intervenes].

CHAIRPERSON: Ja, no I understand. Okay Mr Pretorius.

20 **ADV PRETORIUS SC:** Thank you, let's get back to the hailstorm Mr Sodi. You say in December 2013 a hailstorm ravaged certain parts of Gauteng and this required certain work to be done for the Department of Human Settlements and then 9.8 you say what occurred from an appointment of service provider point of view, would you tell the Chair

about that please?

MR SODI: Are you referring to 9.8, do you want me to comment on 9.8?

ADV PRETORIUS SC: Yes please just tell the Chair what that says and any comment you may wish to add.

MR SODI: I've – Chair I think...[intervenes].

CHAIRPERSON: You mentioned it already.

MR SODI: I mentioned it already.

CHAIRPERSON: Ja he did, he did Mr Pretorius.

10 **ADV PRETORIUS SC:** Yes, well you say in the second sentence,

“The Department of Human Settlements then appointed a number of entities to conduct an assessment of the houses in Gauteng to determine whether they had asbestos in their roofs”,

Correct, so the hailstorm gave rise to damage to certain houses, it was discovered they had asbestos roofs when the damage was inspected and then the Department of Human Settlements decided, well, we're going to appoint
20 entities to conduct an assessment of the houses in Gauteng to determine whether they had asbestos in their roofs, how did that happen?

MR SODI: Chair, I remember this period very well because I had never seen anything like that, I mean, the storm that happened in December of 2013 was hectic and a

lot of the houses, a lot of the roofs were blown away and this was during the festive period and it continued raining and people had nowhere, because now the roofs are blown away and it was a disaster for a lot of the residents.

I mean I remember visiting one township I think it was in Kagiso something like that. It was – it was too painful to watch you know. And it continued raining and obviously people could not stay in those houses. Now this is what led to – as I said this is what led to the department to say, if we
10 look – if we do an assessment of most of the houses that are damaged here probably about 90% of them were roofed with asbestos. So you would find that if you walk street by street you would find a house with a roof blown away that was used – you know that was asbestos roof. But next door for instance it is a house which is tiled and nothing has happened to it. And this is why they said, look clearly because of I suppose the age of some of the houses and the asbestos roofs this is a problem and we do not want to be caught off guard again you know and expose our residents to
20 things like this. So we need to be proactive. Obviously, there were reactive as a result of what happened you know but then they decided, listen instead of being reactive in future let us plan properly okay? Apart from the fact that – like I said some of these houses are very old I mean the majority of them if not all were built prior to 1994. There

was a health problem you know that you actually exposing people that are living in those properties to health – to you know health issues. And I think it was – it was a cautious decision which in my view was the right decision to make to say, guys let us deal with this problem once and for all. I do not know if Chair if they have been able to eradicate asbestos in all the houses but I do know that certainly there was an effort from the department's point of view to say, let us deal with this issue and deal with it once and for all.

10 Obviously there would be budgetary constraints so – but I think the idea was that for – if we can afford it or depending on the resources that you know the amount of resources that we put let us deal with it and make sure that this problem is sorted once and for all.

ADV PRETORIUS SC: Do those events lead to the appointment of I think it was eight?

MR SODI: Correct, correct Chairperson.

ADV PRETORIUS SC: Service providers to do an audit and assessment of houses at the rate of R650.00 per house?

20 **MR SODI:** That is correct Chair that is what led to that process. As I have indicated it was obviously preceded by the contractors who were then appointed to fix the roofs as a matter of urgency. And then said, look now that this is done now that we – our people are okay, they have gone back to their houses, the roof – you know the roofs are sorted let us

now do this thing properly. And that is what led Chair to the appointment of these eight contractors to say, guys please go out there in all the townships and come back – come back and tell us what we sitting with or what we dealing with? So that we will then be able to plan and budget properly based on the information that we have got. And that was the whole idea for the exercise to conduct the audit.

ADV PRETORIUS SC: And did that appointment of the eight service providers take place during 2014 – the early months
10 of 2014?

MR SODI: If my memory serves me well Chair it was around that ja – around 2014 ja.

ADV PRETORIUS SC: And what process was involved in the appointment?

MR SODI: Well Chair what I do know was that I certainly speak for – for ourselves at Blackhead but I think this is what happened with all the other eight contractors we were basically called to a meeting and said, guys you have been selected from the panel okay. Here are the IPW's you go out
20 and do what you need to do. So that is – that is the process that was followed Chair.

MR SODI: The process as I understand it was by reference to an existing panel.

MR SODI: Ja. So...

ADV PRETORIUS SC: That was the panel of between fifty

and 100.

MR SODI: Absolutely, absolutely Chair.

ADV PRETORIUS SC: Certain service providers were summonsed and you were told you were going to be appointed and you are going to do the work at R650.00 per house and this is what you are going to do.

MR SODI: That is correct Chair.

ADV PRETORIUS SC: Alright just to confirm that would you go to Bundle 8 again please at page 88? You might not have
10 seen this document before but it does seem to reflect a process similar to that which you are describing and in fact by all accounts is the same process.

MR SODI: I am seeing this document for the first time Chair.

ADV PRETORIUS SC: Yes I am sure. But this is a memorandum which gave rise to the appointments which I will show you in a moment. But if you go to page 90.

MR SODI: Yes.

ADV PRETORIUS SC: It says and this is to do with asbestos. If you look at the third paragraph on that page.
20 “The objective of the assessment phase is to undertake a structural assessment and quantify the entire stock of house accommodation roofed with asbestos in Gauteng.”

That is the project we speaking about.

MR SODI: That is correct Chair.

ADV PRETORIUS SC: The second last paragraph on that

page says:

“The assessment phase is envisaged and will be carried out in March and April 2014. The expiration of the PRT contracts at the end of March should not have an effect on the assessment and is to be viewed as work in progress.”

And then if you go over the page financial implications at page 91 of FS8 third last paragraph reads:

“Professional rates for assessment will be applied in line with the department’s IPW fee structure at R650.00 per
10 house. This will be a fixed rate and the department will not accept any variations from this.”

That aptly describes or you aptly describe that as the take it and leave it approach – take it or leave it approach.

MR SODI: Ja Chair unfortunately my file does not have that page but I appreciate that you read it out I do not have it here.

ADV PRETORIUS SC: Yes and then over the page, page 92.

CHAIRPERSON: Why does your file not have the...

MR SODI: It does not have page 91 but I think I am fine
20 Inkosi.

CHAIRPERSON: No but we need to make sure we have the same thing otherwise there might be - we might be – there might be confusion. Is it a page missing or?

MR SODI: Ja there is a page missing.

CHAIRPERSON: Hm.

ADV PRETORIUS SC: My apologies Mr Sodi.

CHAIRPERSON: Well ...

ADV PRETORIUS SC: You now have page 91.

MR SODI: Ja I have got it now.

ADV PRETORIUS SC: There at the bottom of the page is the R650.00 per house. This will be a fixed rate and the department will not accept any variations from this.

MR SODI: I see that.

ADV PRETORIUS SC: You say that is consistent with your
10 view of that price being a take it or leave it price?

MR SODI: That is correct.

ADV PRETORIUS SC: And if you go over the page to page 92 the recommendations were to approve attached terms of reference and approve the appointment of eight PRT's for the assessment. And as I understand your evidence you were one of the eight or Blackhead was one of the eight appointees.

MR SODI: That is correct Chair.

ADV PRETORIUS SC: And then if one goes over the page
20 one looks at the Terms of Reference which are referred to in the document we have just discussed. That is at page 94 which motivates the establishment of the project. And if you go to page 98 paragraph 5.1 do you have that?

MR SODI: I have got it Chair.

ADV PRETORIUS SC: 5.1 says:

“The scope of the assessments as follows:

- a. The identification and quantification of affected houses.
- b. Assessment of structural integrity or load bearing walls in each house via a competent person or possible added loads with new roof cover.
- c. Measurement of the size of affected houses by a competent person or new roof designs.”

Why do you think the requirement was for the appointment of a competent person to assess structural integrity of load bearing walls?
10

MR SODI: Well Chair you would need someone competent and qualified I may add to make a conclusive opinion on the structural integrity of the house. And that would typically be an engineer. And so I would agree with that that we need a competent to do that.

ADV PRETORIUS SC: Yes and the explanation is contained at least in part in sub-paragraph B because you are going to take off quite a light roof made of asbestos – it is not a heavy material and you are going to replace it with a new roof cover presumably heavier, am I correct?
20

MR SODI: That is correct.

ADV PRETORIUS SC: And so you need to look very carefully at what the walls can bear.

MR SODI: That is correct.

ADV PRETORIUS SC: Otherwise there is a risk of you doing

quite a lot of damage when the house collapses.

MR SODI: That is correct Sir. So you need to get a competent person to make a determination that if you removing asbestos and perhaps replacing that with a tiled roof that the you know the load bearing walls would be – you know adequate enough to be able to carry that structure because otherwise you might just be creating another problem if you have not made that assessment. And that cannot just be made by anyone. It has got to be – and this
10 is why it qualified here but it has got to be a competent person.

ADV PRETORIUS SC: And if one looks at 5.1.c. – 5.1 sub c. The measurement of the size of the affected house in order for a roof to be designed for that house must also be done by a competent person.

MR SODI: I am – yes and no. I am saying perhaps no because we pretty much know the standard or the sizes of these houses. You know a lot of them are exactly the same size. If you look at for instance the RDP houses maybe 90%
20 of them are all 40 square meter houses. So if you know the size of the house already it would be pointless to go and get someone to still come and measure it because it is already given. The plan will tell you that these are 40 square meters so you do not really need someone to come and verify. You can verify but you know it is – if the plan is there and it tells

you the size that is sufficient and therefore an engineer can then based on the size that can be able to design the roof of that particular house.

ADV PRETORIUS SC: The document goes on to describe in fact two more phases with what I wanted to ask you for the present purposes Mr Sodi you recall this as being the scope of work which applied in Gauteng when you did the work?

MR SODI: That is correct Chair.

ADV PRETORIUS SC: If you could go back to your
10 statement please. Paragraph 9.10 you confirm what you have just told the Chair that when the asbestos audit came up in Gauteng at the beginning of 2014 Blackhead was one of the six entities, we now know it was eight entities appointed from the panel to conduct the asbestos audit in Gauteng.

CHAIRPERSON: Hang on Mr Pretorius.

ADV PRETORIUS SC: Sorry 379 of Free State 1 – FS1.

CHAIRPERSON: 379? FS1.

ADV PRETORIUS SC: 379.

20 **CHAIRPERSON:** Okay. Yes okay. You may proceed.

ADV PRETORIUS SC: Thank you. Paragraph 11 we have covered and unless there is anything you wish to add or comment on Mr Sodi we can move on?

MR SODI: We can move on Chair.

ADV PRETORIUS SC: Paragraph 11.4 you say you audited

200 000 more houses than the estimated 300 000 that you were contracted to audit.

MR SODI: That is correct Chair.

ADV PRETORIUS SC: And that you were paid for 300 000 not 500 000? That is what you told the Chair earlier.

MR SODI: Ja that is what I mentioned to the Chair earlier and again I do not want to re-emphasise this point but I just want you – again coming back to the issue that the question that you raised and it has been raised many times about the
10 rate that we charged specifically in the Free State. Was because we knew we had the experience of what we encountered in Gauteng we had to put that in mind when we approached the Free State. And this was one of them. Because like I said it was very – it was made very clear and very specific in no uncertain terms by Gauteng but guys you are – your appointment is for x number of houses. If you come back and you have done more – it does not matter how much more or how many more it is neither here nor there you will still be paid for the original scope that we paid. It was
20 an experience that we had and we said, look because now you have an experience you are applied for future which is what you know you would normally do in any circumstances. You learn – you learn from the past so that you can be able to apply lessons for the future. So – so we had to factor that in Chair because of this – of this discrepancy here.

CHAIRPERSON: Hm. Was not one of the differences between the project in the Free State and the project in Gauteng that in the Free State there was – you knew in advance how many houses needed to be audited and assessed namely 300 000.

MR SODI: No.

CHAIRPERSON: I am not sure whether in Gauteng you had but I seem to think that if you had the same arrangement you would not get into this problem of doing 250 houses but or
10 doing 300 or 400 or 500 houses but only being paid for 250.

MR SODI: Ja.

CHAIRPERSON: So if you knew these are the houses it is 300 then you would say this is what we will charge you to do these and you would know where they are therefore even how much travelling would be involved you would be able to factor that in.

MR SODI: Ja. Chair it is an exercise that had to be done in the Free State but even then, it was inaccurate. Because what ended up happening was that the number of houses
20 that were audited actually exceeded that 300 000. I cannot remember the exact number. So one had to be careful there to say, what we have is the minimum number of houses that they know these ones are definitely there. But you may very well find that there is more than that.

CHAIRPERSON: If you find more.

MR SODI: Ja.

CHAIRPERSON: And you have no contractual obligation to do the new ones that you find you do not do them until there is an agreement that you may do them and you – there is an agreement on what you would charge.

MR SODI: Chair we would have preferred that because – because then otherwise you know you just focus on your scope. But as we had learnt in Gauteng it was not the case. It was – if they say go to this particular township. According
10 to our records we have 100 000 houses okay and that is what we are appointing you for. So you go there and do the audit. If you find 200 000 houses for instance and because maybe their records might be old or inaccurate.

CHAIRPERSON: Hm.

MR SODI: So if you find more, they made it very clear.

CHAIRPERSON: You must do it.

MR SODI: That is your problem.

CHAIRPERSON: Hm.

MR SODI: But you must still audit them.

20 **CHAIRPERSON:** Hm.

MR SODI: But you are not going to be paid for them.

CHAIRPERSON: Hm.

MR SODI: You understand Chair.

CHAIRPERSON: Okay.

MR SODI: So that was the whole thing.

CHAIRPERSON: Okay. Mr Pretorius. I see we are at to four?

ADV PRETORIUS SC: Yes I was going to say Chair there is simply no possibility of us finishing today at whatever hour we finish and so if we are going to go on for any time you could let us know.

CHAIRPERSON: I am – I am...

ADV PRETORIUS SC: But then we would like a break now.

CHAIRPERSON: Yes.

10 **ADV PRETORIUS SC:** We are not going to finish Chair.

CHAIRPERSON: Okay. I am quite happy even if we are not going to finish for us to do as much as we can up to a certain point. Maybe we can agree up to what point then we can take a break now. I appreciate that Mr Pretorius you have been standing the whole day.

ADV PRETORIUS SC: The whole week Chair.

CHAIRPERSON: So maybe what we should do we should take a break now and then you and the legal or counsel for Mr Sodi can see me in my temporary chambers we talk about
20 how much more time we can add today and then take it from there.

ADV PRETORIUS SC: And we see you at what time Chair?

CHAIRPERSON: Quarter past?

ADV PRETORIUS SC: Quarter past four.

CHAIRPERSON: Quarter past four.

ADV PRETORIUS SC: We will come to see you in chambers.

CHAIRPERSON: Yes.

ADV PRETORIUS SC: Thank you.

CHAIRPERSON: Okay right. We will adjourn now Mr Sodi and then we will return soon after I finished with them. They will see me at quarter past four. We adjourn.

REGISTRAR: All rise.

INQUIRY ADJOURNS

INQUIRY RESUMES

10 **CHAIRPERSON:** We have agreed that we will go on up until six o'clock this evening, and we know that we are not going to finish and another date will be determined. That is the one point.

The second is that it has been brought to my attention that the recording might not have captured the oath properly. So for the record, I just want to say that the oath was administered for this witness. Okay. So we will not repeat it but the record will reflect ...[intervenes]

20 **COUNSEL FOR MR SODI:** Insofar as necessary, we confirm the oath. We were present and we confirm that it took place. We have no issue with that.

CHAIRPERSON: Yes. Yes, thank you. Thank you.

COUNSEL FOR MR SODI: Thank you.

CHAIRPERSON: Okay. Alright. We proceed.

ADV PRETORIUS SC: Thank you, Chair. Mr Sodi, we are at

page 381 of FS1. And we had completed matters related to Gauteng and the Asbestos Projects there, at least for the moment. Do you have page 381 there?

MR SODI: I have got it Chair.

ADV PRETORIUS SC: At the bottom of the page, you described in your affidavit your first meeting with Mpambani. For the record, we know that you and Mr Mpambani together through your respective entities formed a Joint Venture for the execution of the Free State Project. Where did you meet
10 Mr Mpambani?

MR SODI: Chair, it must have been around 2010/2011. Somewhere around there.

ADV PRETORIUS SC: And was that at a function in Welkom?

MR SODI: Ja, it was at a function. So Mr Mpambani and his ex-partner... I cannot remember his name Chair. But they... at an event, it was an annual event which happened every December. It was quite popular.

There is one December, I cannot recall exactly which
20 December it was, but I got tempted to go and check it out and I drove there and that is where I met him. We exchanged numbers and kept in touch, you know, on the odd occasion right up to 2014 when we now officially met.

I cannot describe that kind of relationship as being friendship because it is someone that I just knew as a

businessperson who have this... what at the time seemed to be quite a successful event taking place. Ja, that is...

ADV PRETORIUS SC: Yes. Was he a well-connected person in the Free State?

MR SODI: That is how it came across. He came across because I recall that at that event Chair when I was there, I saw a few couple of faces. You know, I cannot recall exactly who they were but the people... the faces that I saw there and I concluded that he is highly-network based on my
10 observations there.

ADV PRETORIUS SC: What happened at the beginning of 2014 between you and Mr Mpambani?

MR SODI: Sorry, what was the question again?

ADV PRETORIUS SC: Sorry?

MR SODI: Can you just repeat the question Mr Pretorius?

ADV PRETORIUS SC: At the beginning of 2014
...[intervenes]

MR SODI: Ja?

ADV PRETORIUS SC: ...and in relation to the Asbestos
20 Audit in the Free State, what happened between you and Mr Mpambani?

MR SODI: Chair, I received a call. I think it was around February 2014. I received a call from Mr Mpambani and he asked if he could come and see me. And of course, I knew him and I said, "Ja, sure. Come and see me".

I was at my house. He came to my house. And he said, “Look, I am aware that you are busy with this Asbestos Auditing in Gauteng. I would want to go and pitch the idea for a similar exercise in the Free State”.

And this was someone that I could see that he knew what he was talking about because he said to me that I am aware that this eventually... this is supposed to be a national project. It is supposed to be done in all the provinces where there are houses that have roof asbestos. And I knew that
10 myself.

And he said, “Look, because you are already doing it here, you have got experience. Do you mind if we partner together for the Free State?”

My answer was I do not have a problem with that because I also knew that at some stage the provinces were going to follow suit.

Gauteng happened to be the pioneer. It had not been done by any other province. So Gauteng was the pioneer. But I knew that eventually it was going to... it is going to be
20 rolled out in other provinces because there was...

I also knew about a cabinet decision that was taken many years ago pertaining the use of asbestos and eradicating asbestos.

So I was aware about these things and being a businessperson, I thought this is an excellent opportunity.

Here is this person who comes to me. I never thought of going to the Free State.

But he says, “Look, I am from there. I grew up there. I know for a fact that there are so many houses that are roofed with asbestos. So I think there is opportunity. Do you mind if I, you know, go and pitch the idea and see if the Free State government is keen or interested”.

Of course, my answer Chair was “go ahead”. And that is what happened. He told me that he went to the Free State.
10 In his own words he spoke to the relevant officials. I did not want to ask the names because I could see that he was keeping that to himself that these, you know, relevant officials.

“Do not worry about who they are but I have spoken to relevant officials”. And he came back and he said, “Look, the suggestion is that we must submit a report”. Okay.

And that is what led to the initial letter, I think that we wrote Chair. It could have been February. Sorry, my dates might be mixed there but there was... subsequent to that
20 meeting when he came back, we wrote a proposal and submitted it.

He took it and hand delivered in the Free State. And that was the beginning stage of the Free State Project. It started there. And he, obviously, engaged with whoever that he was engaging with.

So from February, when we first wrote the letter Chair, the process, the entire process really leading to our appointment and the signing of the SLA was taking about ten months, give or take because it was only around, I think, around October, somewhere around there when the SLA was signed.

But there were to-and-from letters and so forth and so on. So I was under the impression that this process that is being followed is the right process, you know, and hence it is
10 taking so long.

And of course, I was aware about the letters that we have written for instance the Free State, addressing the letter to Gauteng, to... I was aware. I saw some of those correspondence.

So in my mind, that was a process and they had to make sure that it is followed properly. Hence, it took so long for the JV to be ultimately appointed.

But during that process, it was him, Mr Mpambani who was, you know, running around and meeting with whoever he
20 was meeting to make sure that things happen.

ADV PRETORIUS SC: Alright. I understand from your answer that the arrangement, at that stage, between yourself and Mr Mpambani was that he would speak to officials and that he would, together with those officials, make the necessary arrangements for the project to proceed in due

course.

MR SODI: That is correct, sir. He did mention that he is speaking to relevant officials in the Free State and that is where it ended.

ADV PRETORIUS SC: You use the word in your affidavit in paragraph 17 on page 382 of FS1 that he told you he may be in a position to... and I quote “unlock the opportunity”. What does that mean?

MR SODI: Chair, I actually used his exact words here. You
10 know, he said, “I will try and unlock this opportunity in the Free State”. My understanding of what he meant was that he was going to engage and pitch the idea, you know, so that it ... that could then lead our appointment. That was my understanding.

But as I say, I use his exact words which is what he said to me. But my understanding was that he was going to pitch the idea, engage with them and which is what I believed what happened Chair ultimately.

CHAIRPERSON: In other words, he would convince them of
20 the need that you get appointed?

MR SODI: Ja, because... absolutely Chair.

CHAIRPERSON: Ja.

MR SODI: Because he said in one meeting that he engaged them and they appreciated that he did. There is a problem with asbestos. He also mentioned, if I recall correctly Chair,

that their concern was that, as much as they want to implement this programme, it was not in their budget for that financial year.

He mentioned that and he said that there is a process which they mentioned will be undertaking but it is going to be a lengthy process.

I did not mind whether it is was going to be ten months or twelve months because I was busy in Gauteng. I was busy with another project. So I allowed him to do what he
10 was supposed to do.

CHAIRPERSON: Okay.

ADV PRETORIUS SC: So is it fair to say, in summary then, that not only would Mr Mpambani speak to people to persuade them to take on the project but also to remove any obstacles that may be in the way of the project going ahead?

MR SODI: Chair, I do not know about removing the obstacles but what he said to me ...[intervenes]

CHAIRPERSON: But he would unlock locked doors?

MR SODI: [laughs] This unlock...

20 **CHAIRPERSON:** [laughs]

MR SODI: I do not want to entertain that much. But this is the interesting thing. So what he said when he came, he said, “Look, when I brought this topic, when I mentioned this thing, immediately they said we know, we are aware”.

So it does not look like there was any convincing that

happened there Chair because already they knew. And I think they would have known, I would assume, that for instance a province like Gauteng is busy with a similar project.

I mean, these are all, you know, sort of departments reporting to the same ministry and I know that they have got this quarterly meetings, you know.

They call them... I think it is called Min-MEC. So ministers and MEC's. So they will meet, I think, every
10 quarter.

And a minister for a particular department would meet with the MEC's for those departments from the various provinces and that is where information would be shared, exchanged, you know, seeing what other provinces are doing and so forth.

So I would imagine that the Free State would have known that there are other provinces that are... there is another project.

CHAIRPERSON: Well, just the one thing that is clear if you
20 are right that that is the phrase he used "unlock the opportunity" or opportunities or whatever he said. It was, at least, that is how he perceived it that there were opportunities that were difficult to access because they were locked. He wanted to unlock those opportunities. What do you say to that understanding?

MR SODI: Chair ...[intervenes]

CHAIRPERSON: If I say that is my understanding?

MR SODI: It... you could.... ja, it... you could very well be right Chair.

CHAIRPERSON: Ja. Yes.

MR SODI: You could very well be right.

CHAIRPERSON: Ja.

MR SODI: I ...[intervenes]

CHAIRPERSON: What it would translate to at a practical
10 level might be a different thing.

MR SODI: Yes, exactly.

CHAIRPERSON: Ja.

MR SODI: Exactly. And just adding onto that Chair. I know that he not only went to Free State. He went to other provinces. I know he went to Mpumalanga. He went to the Northern Cape because he came and told me. You know, I have got meetings there.

Like I said, this was... he was a smart guy and like I said he was highly-networked. So he was able to criss-cross the
20 country and...

And I found that that is one thing that I admired about him because it was like, you know, there is something that I can learn from this guy, you know?

CHAIRPERSON: H'm.

MR SODI: And I took a liking to him, you know. That is why

for me it was not a difficult thing Chair to just work because I could that he see that he possessed something that I did not have.

So the unlocking this aspect for me was to say, “Listen, I am able to jump certain hurdles for instance and go to the decision-makers”.

I, you know, I would not have to go and speak to a junior official who has to speak to his boss and speak to a boss.

CHAIRPERSON: Yes.

10 **MR SODI:** I can go speak to someone.

CHAIRPERSON: To the real decision-makers.

MR SODI: That is how I understood it.

CHAIRPERSON: Yes.

MR SODI: That I can go and speak to someone who has got authority to say yay or nay.

CHAIRPERSON: H’m. Okay.

MR SODI: You know, that is how I understood it Chair.,

CHAIRPERSON: Ja, okay.

20 **ADV PRETORIUS SC:** I would understand that you being a businessperson and Mr Mpambani also being a businessperson that the object of the exercise at that stage in unlocking the opportunity was not only to pursue the department in the Free State to take on the Asbestos Project but also to secure your appointment as the service provider.

MR SODI: Chair, that was the intended objective. Like I

have indicated, the other provinces where you... you were not appointed.

At least three or four provinces that he went to, only one province was a success. Let me put it that way. So that would have been the intended goal Chair, you know, to get appointed eventually, you know.

ADV PRETORIUS SC: And insofar as obstacles might exist which might have to be removed, you yourself mentioned that if there was no budget reallocation for that money that
10 would have to dealt with.

MR SODI: So again Chair, what I understood by that was that because he has got access to the key decision makers, he is able to get quicker answers. You know, if something was going to, I am sure they will be able to tell them straight away but this is going to work or this is not going to work.

You know, if perhaps the obstacle in this case may be related to budget, then they would have told him: “Listen, for this financial year maybe we did not budget for this”. You know.

20 Yes, we acknowledge that there is a need for this to be done. However, we do not have the funds. Maybe we can look into the next financial year. So that is the context in which I understood it.

ADV PRETORIUS SC: You then, according to your statement on the 10th of August 2014, concluded a Joint

Venture Agreement. Who represented who in that Joint Venture Agreement?

MR SODI: Sorry, who represented who?

ADV PRETORIUS SC: Who represented who? In other words, who were the parties to the agreement?

MR SODI: Oh, okay. Chair, it was myself as a director of Blackhead Consulting and Mr Ignatius Mpambani as the Director of Diamond Hill.

ADV PRETORIUS SC: Alright. There is a copy of the Joint
10 Venture Agreement which appears as Annexure ES2. It is at page 453 of FS1. And the terms and conditions applicable to the Joint Venture Agreement appear at pages 455 and 456 of FS1. That is the Joint Venture Agreement, is it?

MR SODI: That is correct Chair.

ADV PRETORIUS SC: I want to draw Chair's attention to paragraph 2 of the Joint Venture Agreement. It reads:

“The consulting/construction works, if awarded, will be split between the parties on a fifty-fifty basis...”

And then it goes on to say:

20 “Each party will complete their own part of the work separately at its own risk or if both parties agree, will be outsourced to sub-contractors, contractors that are jointly agreed...”

Correct?

MR SODI: Correct.

ADV PRETORIUS SC: What would Blackhead do for its 50% of the fruits of the contract and what would Diamond Hill Trading do for its 50%?

MR SODI: Chair, this is what I envisaged right at the beginning when we started having this discussion. With regard to the contract, Blackhead executed... when I say Blackhead, I mean Blackhead employees executed that problem.

We only appointed one person from outside the
10 company, Mr Zwane to, you know, to lead the technical team, you know, based on his technical experience but we used our own internal resources to execute the project.

We acquired the gadgets that we need, the software and so forth. When I had the discussion with Mr Mpambani, I already knew... because it was not something that he hid from me.

I knew that he had never done this before and he was upfront about it and he did not have the expertise to do it. And that is, I would imagine sir, the only reason why he
20 would have come to me. He could have gone to anyone else but he came to me because he knew that we already doing this project in Gauteng.

What... and this again illustrates my point which I will come to later but this MasterTrade thing came much later. In actual fact, I was very reluctant even go that route.

You know, he came to me and said to me, “Look, I have got this friend. He has done this kind of work before. His business is slow at the moment and he needs some kind of work to keep him going”. You know.

This was probably Chair in the last quarter. Probably maybe around October or so when he came with this idea. It was all along.

The plan was that we would execute this project. I would still do it the same way that we have done in Gauteng.
10 But what would happen, maybe to answer this question quickly and come to the MasterTrade thing, was that we would... we would obviously factor in all the costs associated with the implementation.

So if I was going to use all my resources for instance, we would charge time and... you know, on the expenses and whatever costs that are associated ultimately on the project.

And whatever then remains after having taken out all the costs, whatever then remains will then be shared equally between the two parties.

20 That was the intention. It was that we will do... remember, he came and presented the opportunity to me and I was quite happy to go on a fifty... on an equal, you know, sharing of the project with him.

But I knew that we were going to do most of the work, and like I have said, ultimately the intention was that we

would then the draw out the costs or take out all of the costs and whatever remains and then share with him.

I did not anticipate that he was going to bring any meaningful resources to the project really, except that we could have said for instance, you know, where we need... as an example Chair but if we go to one particular township and we say that we must employ field workers.

Let us say we employ fifty. We could have got into an arrangement where we say, you know, if it is fifty, thirty-five is, you know, it is from... it is your cost and the other twenty-five is my cost. You know, we could have done it that way. But that was not... I did not want to complicate things that way.

I was quite happy that we would do the work, we will draw the cost of doing business and whatever remains.

CHAIRPERSON: Yes, yes.

MR SODI: Ja.

CHAIRPERSON: Okay Mr Pretorius.

MR SODI: Do you mind Chair if I just finish on that point, the point that I touched on MasterTrade?

CHAIRPERSON: Mr Pretorius ...[intervenes]

MR SODI: Or is it maybe... is it premature?

CHAIRPERSON: ...it depends on whether it relates to Mr Pretorius' question.

ADV PRETORIUS SC: No, he must be able to answer

completely.

CHAIRPERSON: Okay. Alright.

MR SODI: Okay. So I was saying, just to finish it off, if you do not mind. That... so ultimately what happened was towards just before we could actually start with the implementation of the project in the Free State, he then comes to me and convince me to listen to this MasterTrade. To listen to the presentation and be there. And I said, "Well, it is okay. Let me go and listen to the presentation". And
10 the presentation happened from MasterTrade represented by Mr Radebe and Mr Manyike who was here and they certainly at that point in time represented themselves to be both coming from MasterTrade so it was never disclosed to me but actually these are two different contracts. They said we are from MasterTrade, we have done this work before, we can demonstrate what we have done and you make your decision and they presented and I was convinced that they could do the work.

The one thing that was a big concern for me and
20 this is what I said to Ignatius after the meeting because I did not want to raise it during that meeting. After the meeting I said to him I am worried that these guys will not be able to execute this project on that cost proposal that they presented, which was R44 million. I said to him, I said I do not think – I have my doubts and I am talking

from experience, so I want you because Sidi is your friend, I want you to go speak to him and verify that and just make hundred percent sure that they will be able to execute the project.

And that is what happened, he went to him and he came back, he said this guy says they can do the job and I then said well, look, we already, you know, given our – agreed on a rate with the department I think at that time and here these guys are saying they can do this thing for
10 44. Look, as a businessman I said to them like, you know, what do we do, do I go back to the department and say hey, that rate is too high, reduce it because we have got someone who can do it here for, you know, far much less? I will be honest, I did not do that. But what I did, I brought in Martin who was the late in the project that we did in Gauteng. I said Martin, I want you to be my eyes and ears, I want you to oversee this project.

Yes, we are appointing a subcontractor but I want to be comfortable that we will still be - I am convinced I can
20 do the job but I want you to be there and monitor, so everything else that happens they must be accountable to you, they must report to you and nothing should go out without you verifying.

And this is where this whole, you know, thing, this is how it happened. It was only much later, Chair, some

months down the line, when I was told that there is a dispute between ORI and MasterTrade.

I am like but who is ORI? You know? Who is ORI? And they said ORI is – it is Kgotso and MasterTrade is Sidney, I said but hold on, I am under the impression these people work for the same entity. Said no, it is not the case and I took issue with my late partner. I took issue with him, I said but why were you not honest with me about this arrangement? You will see later on as well, Chair, that

10 ...[intervenes]

CHAIRPERSON: Were you confronting Mr Mpambani about that?

MR SODI: I confronted Mr Mpambani about that.

CHAIRPERSON: Oh, about that.

MR SODI: Ja and asked him why were you not honest about this arrangement, surely, I mean, Sidney is your best friend. They were best friends with Sidney from MasterTrade. I am sure you knew all along that these people are from different entities and his answer was like,
20 well, I did not think it was necessary to disclose that information and that is where I started picking up the dishonesty coming from my partner but as you will see later on as well, Chair, that I discovered even, you know, worse, that this guy was the wrong person to even start working with and that is why, you know, we went into civil

action with this company, details of which, you know, are before court as we speak.

But I just wanted to paint that scenario, Chair, so that you understand because I was concerned. First of all, I was concerned about the cost proposal from MasterTrade and I raised it because I just did not – I did not think that they were going to be able to execute the project [indistinct – dropping voice]

ADV PRETORIUS SC: Mr Sodi, I am going to for the sake
10 of progress try and ask questions that are capable of a more brief answer. I will do my best.

MR SODI: I know you are tired, Mr Pretorius.

ADV PRETORIUS SC: You say that the whole issue of subcontractors and particularly MasterTrade came much later. You heard the evidence this morning of Mr Manyike who said that there were discussions between himself, Mr Mpambani and Mr Radebe long before the joint venture was ...[intervenens]

MR SODI: Correct, I heard those today for the first time,

20 **ADV PRETORIUS SC:** And we are dealing here with a partnership and partners decisions and actions are attributable to the partnership but that is nothing that we need to deal with now. I just seems that there was a situation between the partners where there was no full disclosure.

MR SODI: I would say so, certainly so, Chair, that from my side I was as honest as I could be with Mr Mpambani. I mean, even when he approached me, if I was not an honest person I could have simply said to him listen, you do not have the skill or the experience to do this project, you know, maybe for your efforts take 20 percent of the – I could have done that, you know? But I am a fair person and I consider myself to be a fair person and most partnerships that I get into, I – it is mostly equal basis,
10 50/50 or 49/51. So but I realised much later that I was in partnership with someone who was not honourable.

ADV PRETORIUS SC: Well, you are in litigation with Mr Mpambani's estate at the moment, I understand.

MR SODI: That is correct, ja.

ADV PRETORIUS SC: It seems though for his 50% share, however that was expressed ultimately in the joint venture agreement, that his job was to do two things. Well, three things, in summary. The first was to speak to the officials and persuade them or arrange that the outcome of those
20 engagements at least was that the Free State Department of Human Settlements take on the asbestos project, firstly. You have said it now.

MR SODI: That was his initial role to pitch the idea and sell, you know ...[intervenens]

ADV PRETORIUS SC: The second one, obviously as a

businessman representing in a partnership, interested in business and doing business with the Free State was to secure the – insofar as possible to secure the work for the joint venture.

MR SODI: As I said earlier on, Chair, that was the intended objective.

ADV PRETORIUS SC: And insofar as there were any obstacles in the way those would also have to be dealt with and it would be, amongst other things, his job to do so.

10 **MR SODI:** That is – again, it talks to the second point that if there were issues in between, you know, if maybe there are - for instance, if there is more than maybe one decision-maker – let us say there is two or three, that he would make sure that maybe he goes to all of them, you know, and get the buy-in, you know, that is how I understood it.

ADV PRETORIUS SC: And as said in paragraph 19 on page 383 Mr Mpambani did not disclose to you the names of the particular officials with whom he met.

20 **MR SODI:** That is correct, Chair.

ADV PRETORIUS SC: You must have come to know of those names in due course surely?

MR SODI: I came to know of people in the department who were looking after the project, so this project manager and the chief engineer. I never met them but I knew from

Martin that the reports are presented to the chief engineer, who was – I think he said he is Mr Makeba, but I never met these officials even to this day. I have never met them.

ADV PRETORIUS SC: You were in correspondence with some of the officials.

MR SODI: Chair, I think I was in – the correspondence was with one official, it was just the HOD.

ADV PRETORIUS SC: Who was that?

MR SODI: Mr Tim Mokhesi and I never met Mr Mokhesi up
10 until the project started running. So the correspondence was – it was letters, I think it was – you know, it was a few letters that were exchanged between I think Mr Mokhesi and myself but physically we had never met, right up until the project started, that is when I got to meet him. But beyond Mr Mokhesi, I have never met any other official from the department from the Free State.

ADV PRETORIUS SC: Page 384 in paragraph 20.1 after your meeting with Mr Mpambani did, he come back to you with any report? What did he say to you?

20 **MR SODI:** So, I have – Chair, I have alluded to this point that after our meeting, you know, he indicated that he was going to meet the relevant officials in the Free State and then he came back and he said that we should submit a proposal, that is what he was advised, that we should

submit a proposal and that started the whole chain of events for the next ten months almost.

ADV PRETORIUS SC: So he is tasked, according to the understanding between yourself and himself, Mr Mpambani is tasked with approaching the officials in order to in general terms unlock the opportunity in particular to persuade the officials to embark upon the Free State project and to secure your appointment and he comes back to you and he says in the words of – in your words at 20.1,
10 he reports to you that he had engaged with the government officials in the Department of Human Settlements in the Free State and that they had requested that the JV submit a proposal. Success on two counts.

MR SODI: That is what he said, Chair.

ADV PRETORIUS SC: Was a proposal prepared?

MR SODI: It was prepared, Chair.

ADV PRETORIUS SC: And was that submitted to the Department of Human Settlements in the Free State?

MR SODI: That is correct, Chair, he took a hard copy and
20 delivered it himself

ADV PRETORIUS SC: Right is that the proposal at annexure ES3 of the attachments to your statement and it appears at page 457 of the first one. You know this document.

MR SODI: I know this document, Chair.

ADV PRETORIUS SC: Yes, you would have looked at it at the time, I presume.

MR SODI: Ja, I know it.

ADV PRETORIUS SC: And you know it now particularly because you are involved in litigation.

MR SODI: Yes.

ADV PRETORIUS SC: About these issues, I take it.

MR SODI: That is correct, Chair.

ADV PRETORIUS SC: But if you look at page 457, this is
10 the proposal submitted to the Department of Human
Settlements Free State Province and there it is dated the
28 May 2014 for attention of Mr Mokhesi, Mr Tim Mokhesi.

MR SODI: That is correct, that is correct, Chair.

ADV PRETORIUS SC: And it is submitted by the joint
venture.

MR SODI: That is correct.

ADV PRETORIUS SC: Is that correct?

MR SODI: That is correct.

ADV PRETORIUS SC: So on the 28 May 2014 Mr Mokhesi
20 knew that the joint venture was the instance which was
presenting the proposal.

MR SODI: That is correct, Chair.

ADV PRETORIUS SC: And that is the proposal we
referred to earlier in your evidence today dated the 28 May
2014, it appears at page 458 and following. That is the

document in which you request to be appointed to do the assessment and audit and the handling and disposal of asbestos. That is confirmed in several places including at page 461 under the heading Objective and under the rate per house consistently throughout. The proposal at least is that you would be appointed for the assessment and audit as well as the handling and disposal and in fact you go so far as to say, in fairness to you, Mr Sodi, that the scope of work describes the asbestos removal and disposal as being undertaken in accordance with the Occupational Health and Safety Act and Regulations 85 of 1993. That appears on page 462, correct?

MR SODI: That is correct.

ADV PRETORIUS SC: It was some three weeks later that Mr Mokhesi then addressed a letter to you confirming the appointment or making the appointment.

MR SODI: Are you on page 464?

ADV PRETORIUS SC: I am on page 384 now and if you look at paragraph 20.4. What happened on the 19 June 2014?

MR SODI: Page 384?

CHAIRPERSON: Well, it refers to the letter that is on the page you were mentioning, Mr Sodi.

ADV PRETORIUS SC: 464, we will get there.

CHAIRPERSON: The letter from Mr Mokhesi.

MR SODI: Okay, okay.

CHAIRPERSON: Ja.

MR SODI: Alright.

CHAIRPERSON: But Mr Pretorius wants you to say what you say in that paragraph, page 24.

MR SODI: No, I think I am lost, which page are we at now?

ADV PRETORIUS SC: Let us go back to page 384, paragraph 20.4.

10 **MR SODI:** Okay, I am there.

ADV PRETORIUS SC: What happened on the 19 June 2014?

MR SODI: Okay, we received a letter from the Free State appointing Blackhead as PRT to the department.

ADV PRETORIUS SC: Alright, let us go the letter and see what it says.

MR SODI: Okay, which page is the letter ...[intervenies]

ADV PRETORIUS SC: We will deal with other correspondence both before and after this time in due
20 course, perhaps not today because it is quite cumbersome process but what is interesting is that three weeks after the joint venture proposal Mr Mokhesi appoints Blackhead Consulting as a PRT to the department. I would like to understand what that means and we can do that by reference to bundle FS1 at page 463. Take a moment to

look at that document.

MR SODI: Okay, I have gone through it.

ADV PRETORIUS SC: Okay, let us go to the addressee, that is yourself, the CEO of Blackhead Consulting (Pty) Ltd, not the joint venture.

MR SODI: That is correct.

ADV PRETORIUS SC: Okay. And the subject matter of the letter reads:

10 “Appointment of professional resource team to a departmental panel and municipal planning and implementation support to the Human Settlements Departments and municipalities with specific regional areas.”

Now we have not heard of and I doubt that there was any panel appointed. You were appointed.

MR SODI: Chair, what I understand this letter – this is my understanding of what this letter is all about, is if you look at the heading. This heading is similar to the appointment that we got from the National Department of Human
20 Settlements, appointing was onto their panel. So my understanding is that what this letter seeks to do is to extend thereupon and it says there in bullet point number one that”

“The department wishes to extend your current contract secured by National Department of Human

Settlements in line with Treasury regulations.”

So this is what the Free State department had done secure but our contract must be extended from national to the provincial Department of Human Settlements.

ADV PRETORIUS SC: Proposition I put to you and it was so worded as to be capable of a brief answer, Mr Sodi.

MR SODI: I will try and be brief.

ADV PRETORIUS SC: Do not worry, please do not take that personally. No panel was appointed in the Free State,
10 correct?

MR SODI: Not as far as I know, Chair.

ADV PRETORIUS SC: Alright. You whether in the guise of Blackhead Consulting (Pty) Ltd or the joint venture, let us leave that confusion aside for the moment, but a single appointment was made in the Free State, correct?

MR SODI: Exactly, that is my understanding, Chair, that, you know, our contract from national was extended to the province.

ADV PRETORIUS SC: Well, Mr Mpambani would have
20 spoken to Mr Mokhesi to say listen, facilitate this and what transpires, quite frankly, is a great deal of confusion and we will go each step of that confusing process in due course but paragraph 1 says – and I am not talking about numbered point one, I am talking about the first paragraph under the heading:

“The above has reference to your proposal submitted to this department.”

That is the proposal of three weeks earlier, presumably, there was no other proposal at that time, correct?

MR SODI: H'm.

ADV PRETORIUS SC: Where you say we, as a joint venture seek appointment, correct? And your appointment by the National Department of Human Settlements, that would appear to be some other appointment, correct?

10 **MR SODI:** That is correct, Chair.

ADV PRETORIUS SC: But it there it says:

“Note has been taking of the above and we wish to request your approval as follows:

1. That the department wishes to extend your current contract secured by the National Department of Human Settlements in line with Treasury Regulation 16A 6.6 of 2005.”

Now you understandably say, and these are complex Treasury regulations.

20 **MR SODI:** That is correct.

ADV PRETORIUS SC: To some are complex, that you are not an expert in this and I do not expect nor will the Chair expect any detailed legal analysis of the provisions of 16 A 6.6, that is for another time and maybe to be dealt with with the account officer in the Free State, but for the

present what contract is being talked about here, in practical terms?

MR SODI: Chair we - at a contract we are appointed onto the panel at National Department of Human Settlements, so the contract would refer in this instance to us as Blackhead Consulting together with the department.

ADV PRETORIUS SC: The National Department?

MR SODI: The National Department, to be on the panel.

ADV PRETORIUS SC: Oh, so that “contract” that is being
10 talked about there is an appointment to a National Panel of service providers?

MR SODI: That’s correct Chair.

ADV PRETORIUS SC: It is not a service level agreement or an instruction to perform work which comprises particular terms and conditions, prices, scope of work and the like?

MR SODI: That is correct

ADV PRETORIUS SC: When was that panel arrangement entered into with the National Department?

20 **MR SODI:** Chair my memory is probably going to fail me here.

ADV PRETORIUS SC: More or less.

MR SODI: I think it was around 2013, I could be wrong, but that letter ...[intervenes]

CHAIRPERSON: But more or less the year before?

MR SODI: Ja, I think it would have, ja I think it was the year before, if my memory serves me well I think it was the year before, but it will be easy to find that appointment letter, so that at least we are sure about the actual date.

ADV PRETORIUS SC: Would you have that appointment letter?

MR SODI: I would have it.

ADV PRETORIUS SC: And perhaps the investigators can obtain that for you so we can get some clarity in this
10 matter.

MR SODI: Chair I think, I could be wrong, but I think you dealt with this letter yesterday when Mr ...[intervenes]

CHAIRPERSON: Yes, there was a letter from National from the National DG.

MR SODI: Yes, that's the letter. That is the one, you dealt with it yesterday.

CHAIRPERSON: Yes, we – that is when we looked at this one as well Mr Pretorius because you compared both.

ADV PRETORIUS SC: Yes.

20 **CHAIRPERSON:** Ja, and you had quite some discussion with Mr Zulu about and he was quite adamant that you know an appointment to a panel is not an appointment on the basis of which you can ...[intervenes]

ADV PRETORIUS SC: Perhaps I should follow my own advice in regard to clarity and brevity Chair. What I was

intending to secure amongst the documentation were – was the content of that appointment, what was that appointment.

CHAIRPERSON: The actual contract as opposed to the letter?

ADV PRETORIUS SC: Yes.

CHAIRPERSON: Because we were looking at the letter.

ADV PRETORIUS SC: Yes.

CHAIRPERSON: But was there a contract other than a
10 letter?

MR SODI: Chair there would have been an SLA I think.

CHAIRPERSON: There would have been an agreement.

MR SODI: Ja.

ADV PRETORIUS SC: Was the SLA similar to the Provincial one with general terms?

MR SODI: I cannot say for sure, you know but ...[intervenes]

CHAIRPERSON: But there was some agreement of sorts?

MR SODI: No definitely, there definitely would have been
20 an SLA, because typically what happens is when you get appointed ...[intervenes]

CHAIRPERSON: To a panel?

MR SODI: To a panel you will sign a service level agreement, so I am sure that a service level agreement can be found.

CHAIRPERSON: Okay, yes. Do you think you might have it in the office or at home somewhere?

MR SODI: I will look for it, but ...[intervenes]

CHAIRPERSON: Alright.

ADV PRETORIUS SC: But what is clear that that would have been a service level agreement similar to the panel appointment in Gauteng where general provisions are made but the sale terms and conditions of work and payment and rates would be in a later document.

10 **MR SODI:** That is correct, that is correct Chair.

CHAIRPERSON: So just to get some clarity on that kind of broad agreement, is my understanding correct that what you are saying is you when you have been appointed to a panel and there is in existence that kind of broad agreement you don't perform any services and claim any payment on the basis of that broad agreement, there would need to be another instrument.

MR SODI: You are absolutely correct Chair.

CHAIRPERSON: Yes, yes okay, ja.

20 **ADV PRETORIUS SC:** Paragraph reads:

“Your appointment will await a concurrent approval of the National Department of Human Settlements.”

So ...[intervenes]

CHAIRPERSON: That's paragraph 3 of the letter ...[intervenes]

ADV PRETORIUS SC: From 464, Free State 1464, the letter from Mr Mokhesi to the CEO Blackhead Consulting Pty Limited, Mr Sodi. So that person is Mr Zulu we know. His approval was required, at least in terms of what is going on here.

MR SODI: No absolutely yes, that is correct. That is correct Chair.

ADV PRETORIUS SC: And then 4, that your appointment will be subject to your company securing funds to roll out
10 the project in line with your proposal. Now the meaning of that sentence you deal with later, correct?

MR SODI: Yes.

ADV PRETORIUS SC: You have to say yes because the stenographer needs it.

MR SODI: Yes, yes, sorry about that.

ADV PRETORIUS SC: It is signed by Mr M Mokhesi but that is the person you have referred to as Tim Mokhesi is that right?

MR SODI: That is correct Chair.

20 **ADV PRETORIUS SC:** Then over the page, page 465, is the accompanying letter that requires to be sent in terms of the Treasury Regulation 16(a) 6.1, it is addressed to Mr Zulu, also from Mr Mokhesi.

MR SODI: I see that.

ADV PRETORIUS SC: The Free State Department of

Human Settlements in terms of paragraph 3 or 2 of that letter says hereby requests your department, the National Department, to extent – it should read extend – the services of Blackhead Consulting Pty Limited in line with Treasury Regulation 16(a) 6 of March 2005.

Now what is instructed apart from anything else that we might or might not deal with, but what is being dealt with here is a contract with Blackhead Consulting Pty Limited, contemplated on the one hand, and a panel arrangement between Blackhead Consulting Pty Limited and the National Department of Human Settlements, is that a fair assessment of what's going on here?

MR SODI: Chair maybe I should try and ...[intervenes]

CHAIRPERSON: Would you like him to repeat the question?

MR SODI: Exactly.

ADV PRETORIUS SC: And again I was trying to put it briefly.

MR SODI: Ja, it is late in the afternoon.

20 **ADV PRETORIUS SC:** The document at page 464 is addressed to Blackhead Consulting Pty Limited.

MR SODI: That is correct Chair.

ADV PRETORIUS SC: That is the entity that was involved in the panel arrangement with the National Department of Human Settlements.

MR SODI: That is correct Chair.

ADV PRETORIUS SC: Not the joint venture?

MR SODI: That is correct Chair.

ADV PRETORIUS SC: Similarly, on page 465 mention is made of Blackhead Consulting Pty Limited and not any joint venture?

MR SODI: That is correct Chair.

ADV PRETORIUS SC: As you describe it in paragraph 20.4, and that is why we started with paragraph 20.4, what
10 is being sought here it appears is the appointment of Blackhead as a PRT, professional resource team, to the department.

MR SODI: Can you just assist me with the page where we are now?

CHAIRPERSON: Well I think he is still in the letter, on the page with the letter addressed to the CEO of Blackhead or the letter addressed to the DG of National?

ADV PRETORIUS SC: Well I am really going back to the ...[intervenes]

20 **CHAIRPERSON:** The affidavit?

ADV PRETORIUS SC: ...the understanding in paragraph 20.4.

CHAIRPERSON: So that is page 384.

ADV PRETORIUS SC: Correct Chair.

CHAIRPERSON: Your affidavit again.

MR SODI: Okay, alright. 20.4 you said?

ADV PRETORIUS SC: Yes. 20.4 the whole objective, this correspondence and what's going on here is for Blackhead's appointment as a PRT to the department, correct? In other words as a member of some panel in the department.

MR SODI: That's correct Chair.

ADV PRETORIUS SC: But that's not what happened? The joint venture was appointed as the only contractor for
10 asbestos removal and assessment in the province, correct?

MR SODI: That is correct Chair.

ADV PRETORIUS SC: Alright. And we dealt with the statement in paragraph 20.5 so we can go to 20.6 because the next step that you refer to in your affidavit is the step that took place on 1st of October 2014. What happened on that day? Page 385 Mr Sodi.

MR SODI: Okay, so we got on the 1st of October received a letter appointing the JV as a service provider for the asbestos eradication.

20 **ADV PRETORIUS SC:** As you say appointing it, that is the JV, as the service provider, there is no question of any panel being appointed?

MR SODI: I take it.

ADV PRETORIUS SC: Let us move on then to 20.7, what happened as described in that paragraph?

MR SODI: So we are saying here that between the 1st of October Chair 2014 and the 2nd December of 2014 the JV conclude an SLA with the Free State Department in terms of which the Free State Department appointed the JV to carry out the asbestos audit.

ADV PRETORIUS SC: Then it is the appointment of a JV, a single entity?

MR SODI: Just repeat the question.

ADV PRETORIUS SC: What the SLA provided for was the
10 appointment of a single entity, the joint venture?

MR SODI: That is correct.

ADV PRETORIUS SC: We have been through it earlier today but I would like to draw your attention and the Chair's attention for later, the paragraph 4.3.6 on page 469 of FS1. It reads, if I may:

20 "The service provider's invoice shall be submitted together with a report by the service provider clearly evidencing the service rendered as per the approved instruction to perform work which invoice and report shall be to the satisfaction of the department."

This is under the heading on the previous page setting out the provisions relating to payment for services, paragraph 4.3. It seems that payment, the provisions regarding payment and the rendition of invoices require the

submission of a report, clearly evidencing service rendered as per the approved instruction to perform work, do you see that?

MR SODI: I see that.

ADV PRETORIUS SC: In other words you weren't to be paid, well you weren't even to invoice, let alone be paid, but you weren't to invoice and you weren't to be paid unless you provided a detailed report, telling the Department what you had done in terms of the instruction
10 to perform work, correct?

MR SODI: Ja, Chair can I just maybe explain the mechanics of you know IPW and how they're structured, especially relating to the payments, so the – IPW's are very specific in terms of how payment is supposed to happen, it says 40% of the total value of the project shall be paid to a service provider, up front, and the balance of the 60% shall be paid to the service provider upon the completion of the project and the reports and deliverables being submitted. So that is how they structured, I am not
20 sure about now, but I mean certainly having done you know extensive work in Gauteng, which I got to later understand was the pioneer in terms of setting up this IPW structure. That is how it worked.

The requirement usually upfront would be at least submit a programme implementation plan. If there is an

inception report on the project that you are doing you submit that and so forth, but the nature of it was that 40% would be up front and then the balance would be paid once the work is complete.

So to give you an example, there are projects for instance, that we certainly did, which could take up to two years to be completed, and I think that is how it was conceptualised, to say look you know there are certain things that you have got to understand that it would take
10 time, not because the service provider is slow, or maybe they don't know what they are doing, but because maybe these other inter-dependants, maybe there is another department that must approve, so there was a realisation that it was structured in such a way that to ease the cash flow of the service providers we assist them with the payment for the 40% upfront, and then only once they have done with the work or the project they can claim for the balance.

To give you another example if you had to let's say
20 establishing a township, you know a lot of things require EIA, the environmental impact assessment, that process to get you now a report finalised on average takes anything between 12 an 24 months, so for instance you could be appointed now, they say go to an EIA on this project, and you do whatever you have to do, the investigations, and

you get specialists to come and assist you, but you only get paid once the report comes out, and that process can take very long, and I think that's why this model was put in place to say we want to be fair to the service providers and assist them with the cash flow. And that is the whole idea Chair for the payments to be structured in that way.

ADV PRETORIUS SC: The payments as I understand it would allow a contractor without financial muscle to bid and receive work and do work to facilitate the engagement
10 of a contractor without much capital.

MR SODI: Well that could very well be Chair, ja.

ADV PRETORIUS SC: We could go please to page 386, we have dealt with the preceding paragraphs already, paragraph 22.1.

MR SODI: Okay, I am there.

ADV PRETORIUS SC: Do you recall we spoke earlier of the budgetary issues?

MR SODI: That is correct Chair.

ADV PRETORIUS SC: And here you explain the provision
20 in the joint venture proposal that you would be appointed on a risk basis and that you would be obliged in terms of the Service Level Agreement to sort out the finances. If you – I am happy that, or I am sure the Chair would not mind, it being late in the day, you read the contents of this paragraph.

MR SODI: Ja, I understand what the paragraph means and I can explain it Chair.

ADV PRETORIUS SC: Please.

CHAIRPERSON: Ja.

MR SODI: Ja, so when Mr Mpambani came back to give me feedback about these engagements that he has been having he said look the feedback is that we could be appointed, or we will be appointed, however the department at that point in time had not made provision
10 budget-wise for these particular aspects. He went on further to say they had impressed upon him to say that look we will start the process, okay, of making sure that the item is in the business plan, so you can start working on risk using your own files but bearing in mind that there is a possibility that the business plan might not be approved, and if you had gone ahead and rendered services and used your own funds, and the business plan is not approved don't come back and say you are going to sue us, you are doing it on a risk basis, so if you spend
20 money and we don't succeed in getting the business plan approved that is your own baby, it is your own problem and you deal with it.

That is my – that is exactly what the understanding was, and it so happened that when we started, actually started with the project, at that point in time, I think it was

October, you know we can always check the dates, the business plan had not been approved, and I can demonstrate with evidential proof that we injected funds, I think it was about, just over R4million, into the project but we knew, and I knew specifically, I was – this was emphasized to me that if they come back and say look sorry guys we didn't get the approval you would have lost your money and that was my understanding.

CHAIRPERSON: Mr Pretorius I know that we said six
10 o'clock, but you do look tired.

MR SODI: He is asking me long questions Chair, he expects me to give him short answers.

ADV PRETORIUS SC: I am trying my best to look tired
Chair.

CHAIRPERSON: And Mr Sodi on the other side seems to have more energy. So no I just wanted to say we can go to six o'clock but if you feel too tired

ADV PRETORIUS SC: Chair I would appreciate 20
minutes off.

20 **CHAIRPERSON:** Okay, alright, no I think it is fine.

ADV PRETORIUS SC: Thank you Chair.

CHAIRPERSON: Okay let us stop here, we will arrange another date Mr Sodi your counsel and Mr Pretorius have discussed with me you will be notified of another date, we are going to try and make sure that it does not take too

long before you come back, but early next week we should be able to fix another date for you to come back..

MR SODI: As long as it is any day except Monday to Friday Chair, that is fine.

CHAIRPERSON: [laughing]

ADV PRETORIUS SC: [laughing]

CHAIRPERSON: So I suspect that you are challenging Mr Pretorius to continuing tomorrow and Saturday. Okay.

ADV PRETORIUS SC: We get on well, but not that well.

10 **CHAIRPERSON:** Thank you very much to everybody that we – everybody cooperated for us to go beyond normal time to try and make use of the time. We are going to adjourn for the day and another date will be determined early next week.

We adjourn.

REGISTRAR: All rise.

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