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Media Statement

22 April 2025

Re: R2 million Procurement of 22 Laptops

Attention Editors and News Reporters

The State Information Technology Agency (SITA) supports the call for an investigation into the procurement of 22 laptops at a cost of approximately R2 million “through the SITA contract” by the Mpumalanga Department of Basic Education. The investigation must shed light on many procurement related questions that have yet to be answered.

The Agency is responsible for the establishment of the transversal panel (RFB740) for government departments and does not financially benefit out of it. This panel enables government departments to source laptops from suppliers.

A transversal panel is a list of pre-approved suppliers who have been vetted and met requirements set out to respond to customer needs expressed in a bid that falls within a specified scope of commodities. These suppliers form part of National Treasury and SITA’s procurement mechanisms to ensure compliance, competitiveness, and fair opportunity.

“We established the transversal procurement panels to build the capacity of the state, and not to destroy it. We find it extremely concerning that notwithstanding the existence of this transversal panel, which has both national and provincial reach, the department paid an outrageously exorbitant cost for those laptops. This attracts curiosity and must invite an investigative process to understand what really happened”, said Tlali Tlali, Head of Corporate Affairs at SITA.

SITA was not involved in the procurement process of the 22 laptops. Furthermore, there is no record of such a transaction on SITA’s systems.

Section 217 of the Constitution of the Republic of South Africa provides that the contracting of goods and services must amongst other things, be done in a manner that is “fair, equitable, transparent, competitive and cost-effective”. There are similar provisions in other laws and Regulations which must be followed by those who make procurement decisions. These legal prescripts that amplify the position in the constitution include the following:

1. The State Information Technology Agency Act, No. 88 of 1998 (as amended),
2. The Public Finance Management Act (PFMA), No. 1 of 1999.

Non-Executive Directors:

Ms Sedsani Mudau(Chairperson), Mr Willie Vukela, Mr Willie Mathebula, Adv. Johannes Collen Weapond,
Mr Omega Shelembe

Executive Directors:

Mr. G Reddy (Managing Director Acting), Mr. MK Kgauwe (Chief Financial Officer)

Company Secretary:

Ms. B Laka

3. The Preferential Procurement Policy Framework Act (PPPFA), No. 5 of 2000, and
4. The National Treasury Regulations.

Price reasonability is one of the factors embedded in the cost-effectiveness requirements of all bids. The transversal contract SITA put in place has an engagement mechanism which provides parameters for a mark-up on products sourced by distributors from the Original Equipment Manufacturers. The unit price which these laptops were sold at to the client has exceeded the threshold for a mark-up permitted under this transversal contract.

SITA remains committed to ensuring that government ICT procurement is fair, transparent, and cost-effective.

“We will be meeting with officials in the office of the Premier of Mpumalanga on Wednesday, 23 April 2025 to discuss and/or share information on the matter. SITA will request information from the client as to who the supplier was and consider taking necessary steps”, concluded Tlali.

Ends.

Media Contact

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