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Zondo commission – Confinements deal continues to haunt Singh

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Did the four confidential confinements to McKinsey, awarded in March and April 2014 for four separate projects, have Transnet's best interests at heart? Former CFO of Transnet Anoj Singh once again failed to convince the state capture commission that they did.

Singh appeared on Monday evening. He had asked the commission to give him time to study documents that recorded the process followed at the time of the awards for coal, iron ore and manganese management contracts, re-negotiated with McKinsey. Four confinements were approved over as many days by Brian Molefe, who was the GCEO of Transnet at the time.

The commission's interest in the deals was piqued by the urgency with which the four awards appeared to have been handled, over just four days, to the same company, when they could have been grouped together owing to their similarity in scope.

In Singh's explanation of the confinements, he told the commission that they were entered into on the requirement of Transnet's group commercial division, which led the process. All the necessary steps were taken in terms of the Procurement Policy Manual, a working document that governs procurement practices within the parastatal, and a final memorandum Singh compiled for Molefe's approval.

But what was the need for the confidentiality in the process, asked evidence leader Advocate Anton Myburgh.

"Mr Chair, if you look at the confinement document itself, it does allude to the confidential or proprietary information that McKinsey had in terms of, for example, the coal line," said Singh.

Myburgh asked if Singh's response meant that his team had to protect McKinsey's interests, and not necessarily Transnet's, by going the confidential route.

"The only way for Transnet to understand, and actually get to evaluate the value of the proprietary information that McKinsey had or did not have, was through a procurement process. The procurement process that was then adopted was this confidential confinement process, in terms of not getting all of the signatures that were required," Singh replied.

"We didn't want to go through an entire process and then figure out that this proprietary information that they purport to have, they actually did not have."

Commission chairperson Deputy Chief Justice Raymond Zondo wanted to know if Singh himself was satisfied that the memorandum he was requested to sign at the end of the procurement process was in order, given that he had not looked at the request for proposal initially sent to McKinsey by the group commercial team.

“Mr Chair, that’s the reason we have the procurement teams as well as the business representatives. In this case, you would see that group commercial would be involved ... the owners of this process are the group commercial.”

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