

Mkhize defends R18m spending on Covid-19 communication

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Cape Town - The R18 million paid to service provider Digital Vibes to provide communication services on Covid-19 pandemic following a deviation with consent of the National Treasury was not irregular expenditure.

This was part of the response from Health Minister Zweli Mkhize to a parliamentary question from DA MP Lindy Wilson, who had asked for full details of the contract with Digital Vibes in light of the fact that the Covid-19 lockdown only started at the end of March.

The late auditor-general Kimi Makwetu flagged as irregular the R18m paid to Digital Vibes, which was initially contracted for communication services on the National Health Insurance (NHI), during the 2019-20 financial year.

The R18m was part of the total R166m the department incurred in irregular expenditure during 2019-20, up from R112m recorded in the prior financial year.

In his response, Mkhize said Digital Vibes was appointed on November 15 last year through a deviation process to provide communication services in relation to the NHI Bill.

“A closed tender process for the appointment was followed and supported by the National Treasury,” he said.

The minister also said the department extended the scope of work of Digital Vibes to include Covid-19 in March.

“This deviation was supported by the National Treasury in a letter dated June 24, 2020 in terms of emergency procurement. It must however be recalled that the National Institute for Communicable Diseases confirmed the first positive case of Covid-19 in the country on the 5th of March from patients who had entered the country on the 1st of March.”

Mkhize also said even though President Cyril Ramaphosa had made a formal announcement of lockdown on March 23, his department had already started with the groundwork of curbing the spread of the virus, which included information dissemination, education, public awareness and media communication on Covid-19 long before the lockdown started.

“The irregular expenditure identified by AGSA is still to be investigated as per irregular expenditure framework. The department maintains that the transaction in question was not irregular as there was a contract already in place,” he insisted.

The minister also said the contract with Digital Vibes was supposed to come to an end last month.

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“However, due to logistical arrangements, National Treasury was requested to extend the contract on a month-to-month basis for a period not exceeding four months while

procurement process to appoint a new service provider who will provide the same service for all health programmes like HIV, TB etc is in progress.

“The requested and approved extension will end on March 31, 2021.”

Mkhize also said the appointment of Digital Vibes was based on activity-based costing – meaning as and when services were required.

The company has to date been paid a total of R82 471 856.80.

He stated that the department had entered into a service-level agreement with Digital Vibes after being appointed through a deviation process to provide communication services in relation to the NHI Bill.

“The scope of the contract was expanded to include information dissemination, education, public awareness and media communication on Covid-19.”

Mkhize said a deviation from normal procurement processes was followed after a July 3 Cabinet meeting recommended that there should be a clear media strategy at the time that the NHI Bill was released by Cabinet to Parliament as the bill would be in the public domain.

“The National Department of Health was required to prepare this plan within a very short time frame and a skilled professional in this area of work was required immediately.

“This led to the department requesting the National Treasury for a deviation from normal procurement processes.”