



MEDIA STATEMENT

TRANSNET UPDATE ON SECURITY TENDER

[Johannesburg, 14 August 2024] Transnet SOC Ltd. ("Transnet") has noted with concern articles about the prevention focused Outcomes Based Security (OBS) solution to combat theft and vandalism on the Transnet Freight Rail (TFR) rail network.

In a move to turn the tide against theft and vandalism of essential infrastructure across the organisation's logistics network, TFR awarded security contracts to five Security Service Providers (SSPs) to service its Corridors. The state-of-the art security offering supports TFR's ability to provide consistent and dependable service to its customers. Security and vandalism of infrastructure and assets leads to loss of revenue and increased security and maintenance costs for critical infrastructure for operations.

Transnet followed an open and competitive bidding process and subsequently underwent a comprehensive bid evaluation procedure in the awarding of the contract.

On 10 August 2022, Transnet issued a Request for Proposals (Number HOAC-HO-38271), inviting open and competitive bid submissions for the provision of security services. The process of bid evaluation and award is conducted through various governance committees and is not determined by any single individual.

In recent weeks, there have been media reports casting doubt on the integrity of the OBS tender process that resulted in the Fidelity Group being appointed as one of the OBS SSPs.

In view of allegations made by the African Security Congress (ASC), in correspondence to Transnet and in the media, Transnet has, as a measure of diligence, commissioned an investigation to determine the facts and associated circumstances with regard to the allegations pertaining to the award of the tender. It will be premature to comment or ascribe any accountability prior to the completion of the investigation.

The peddled narrative that the cancellation of a 2021 tender for the manufacturing of a Contact Wire Reflector (CWR) device on behalf of Transnet was motivated to allow for the award of the Fidelity Group as one of the OBS SSPs is regrettable in the least.

The scope of services of the CWR and OBS tenders are entirely unrelated. The CWR tender called for the manufacturing of the CWR device developed and patented by Transnet whereas the OBS tender calls for real-time prevention and detection of theft and vandalism in TFR operations.

Notably, an independent investigation into the CWR tender commissioned by Transnet in 2022 confirmed that Fidelity did not respond with a bid to the Request for Proposals regarding the manufacturing of the CWR device.

Transnet has zero tolerance for collusion and corruption and therefore should Transnet be presented with factual evidence of such conduct, Transnet will reopen the matter.

ENDS.

Issued on behalf of Transnet SOC Ltd

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