

Secret meeting on tender allocation

Seven major construction and engineering firms met secretly in 2006 to allocate tenders on World Cup stadium projects and to agree on a 17.5% profit margin, the Cape Times reported on Tuesday (16 July)



The activities of Grinaker LTA, WBHO, Murray & Roberts, Group Five, Concor, Basil Read and Stefanutti were reportedly revealed in settlements and fines the companies agreed to pay the Competition Commission after its probe into collusion in the sector.

According to the Cape Times, the companies reached an agreement in respect of the construction of the 2010 Fifa World Cup stadia, in terms of which they agreed to allocate the Mbombela, Peter Mokaba, Moses Mabhida, Soccer City, Nelson Mandela Bay and Green Point stadia tenders among themselves and to exchange cover prices.

The newspaper reported that several companies including Group Five, Murray & Roberts, Stefanutti Stocks and Aveng, also set up a group called the Western Cape Building Market to share out contracts for three major construction projects in the province.

These were the R4.5bn stadium in Cape Town, the R87m Graca Machel Hall at the University of Cape Town and the "flagship" Berg River water project in Franschhoek.

In total, 15 companies had reportedly admitted to rigging 300 projects nationwide, but had been penalised for only 145 projects as the others fell within a period outside the commission's investigation.

Source: Sapa via I-Net Bridge