Black-owned garages say govt fleet repair work slowing

MIFA says work has dwindled since Afrirent took over, but Treasury says RT46 complaints are premature

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The Motor Industry Federation of Associations claims that the RT46 tender for the repair and maintenance of government vehicles, including police vans, has shifted work away from black merchants since a new supplier was appointed. Picture: (Randell Roskruge)

A fresh storm has erupted over the tender to maintain and repair the government fleet, with an association of black-owned warehouses claiming members have seen business dwindle since a new supplier was appointed.

However, National Treasury, which is responsible for the tender, says the transfer of the tender from WesBank to Afrirent Holdings is still recent and that any complaints would be premature.

Still, James Ngubeni, chairperson of the Motor Industry Federation of Associations (MIFA), says the transfer of the contract — which he already had issues with under WesBank — went from bad to worse after Afrirent took over in June.

“Due to the number of complaints from associations and departments, Treasury, which is the custodian of the RT46, decided not to award the contract to WesBank. The winner was Afrirent, who was announced last year. As the winner of the RT46 tender contract, it is ending at the end of March. They said they will extend it up until the end of June, so at least they’ve got about six months. Afrirent had six months to prepare itself for the new contract.”

The RT46 is divided into five categories:

Category A, maintenance, handled by Afrirent;

Category B, fuel, oil and toll, handled by Bidvest;

Category C, on-board cameras and driver management, handled by Mix Telematics;

Category D, vehicle condition, booking and fine management, handled by Fleet Sync; and

Category E, auctioneering services, handled by High Street.

Ngubeni said Category A had a legacy backlog of about 20,000 vehicles that needed maintenance and repair; historically disadvantaged persons (HDI) in the system were not receiving vehicles to work on.

“If you used to get about six cars, now you’re getting one, and some have got zero. Now, on the first of July, we were told by Afrirent that WesBank actually gave them a backlog of about 20,000 jobs, which was inherited by Afrirent from WesBank.”

He said that before Afrirent started the contract on July 1, none of the merchants from all associations had a merchant code, which is given to a merchant supplying in Category A after passing inspection. “Then they began to issue merchant codes on the eve, after I sent an email to Afrirent, [where] I copied Treasury and Scopa [the parliament’s standing committee on public accounts]. Then they reacted to my email.

“Now, they issued merchant codes to everyone on that day, on the 30th, up until July 1. But the biggest mistake they’ve [made is that] they even issued merchant codes to merchants that were not inspected.”

WesBank told Business Times its contract to provide fleet management services to government under the RT46 Transversal contract concluded on June 30 2026, in line with the agreed transition process, referring questions to Afrirent.

Afrirent told Business Times that many merchants anticipated an automatic transition of their merchant profiles from the previous service provider, WesBank, to Afrirent.

“The new tender advertised by National Treasury introduced mandatory contractual obligations that require all merchants to be thoroughly vetted, registered on the Central Supplier Database (CSD), and submit to inspection of their physical premises to safeguard public assets and uphold service standards. These essential safety and compliance checks were not historically enforced in previous iterations of the contract.”

Afrirent said to date it has successfully onboarded 7,960 merchants, more than 50% of which are HDI, with active merchant codes, and has sent invitations to a further 3,634 merchants who have not yet responded. The closing date is December 31.

Given that the contract commenced on July 1, and remains in its implementation phase, Treasury and Afrirent continue to monitor merchant participation, onboarding progress and work allocation trends, the company said. “At contract commencement in July, the verified fleet database started low at [about] 56,000 records before rapidly ramping up to over 126,000 vehicles by August as complete department data was loaded.

“System processing of merchant and job codes is actively running to clear inherited repair bottlenecks. Demonstrating our commitment to transformation, more than 45% of the total spend paid out in July went directly to HDI merchants.”

National Treasury told Business Times that it had received concerns from the MIFA regarding a range of issues relating to the RT46 Category A contract, both under WesBank and the newly appointed Afrirent.

“Among the concerns raised are allegations relating to the allocation of work to HDI-owned merchants. The allegations against Afrirent appear premature, particularly given that the contract commenced on July 1.

“Of the merchants onboarded by Afrirent to date, more than 50% are HDI-owned. The service provider remains actively engaged in onboarding additional merchants and verifying the information submitted by participating merchants.”

National Treasury said since the commencement of the contract, Afrirent has allocated than 45% of all work to merchants within the HDI category and that Treasury intends to continue obtaining and analysing operational data from the service provider regularly.

“This will not only assist in monitoring contract performance but will also enable the verification of allegations and concerns raised by various merchant associations. National Treasury further urges merchant associations to refrain from placing undue pressure on the service provider during the implementation and establishment phase of the contract.”

Treasury stressed that care should be taken to avoid creating the perception that merchants are not receiving work solely due to the appointment of a new contractor.

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