

When tenders are **not** so open

DOWN 2 EARTH

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THE goings-on in the Social Security Organisation (Socso) are worrying indeed. Here we have an institution, which is responsible for the welfare of 14 million workers, getting embroiled in procurement processes that leave room for speculation.

Its insistence on a RM30 million disaster recovery centre which was front-paged in this paper yesterday had begged the question if the organisation is taking chances with contributors' money.

While many contributors will vouch that getting a successful claim from Socso is almost like winning the lottery, Socso seems to be less than prudent in spending millions in its members' contributions.

It does not seem to bat an eyelid in spending RM30 million on a system which it may not need, but is careful when dishing out a few thousand ringgit to blue-collar contributors who were maimed or injured in the course of their work. Those who have had their claims rejected by the appeals board can attest to this.

While one cannot claim to be an expert in the systems that run Socso, concerns arise when the auditor-general feels that there is no need for such extravagance. So why did Socso go ahead with its plans?

If the recommendations of the auditor-general are thrown out the window, what purpose does the auditor-general serve? Are not Tan Sri Ambrin Buang's

observations meant to save taxpayers' money? Isn't he supposed to be the check and balance of government agencies to ensure there is no leakage?

If his 2009 recommendation can be easily defied, then the question to ask is this: Is the recommendation of the auditor-general binding on the agencies or is it merely that – a recommendation? To be used as a guideline, not necessarily to be followed.

If that is the case, then here is another case of a toothless agency.

Now, Socso's chief executive explains that the systems provider has the agency by the ****s. How Socso allowed itself to be party to such an agreement is something for it to answer.

The whole tender process for the server upgrades leaves a bitter taste in the mouth. This is because tenders are being called for a system that is provided by only one source. The fact that Unisys is mentioned in the tender document is a giveaway to those in the loop of who the eventual winner would be.

Instead of going for a direct negotiation as is the case when there is only one supplier, why the need for tenders? Socso claims that as a government agency it has no choice. So is it saying that the whole tender process is merely for cosmetic purposes?

One cannot fault the public for

thinking that this is another instance of an Ali Baba arrangement.

A letter from Unisys to Socso shows that Unisys is privy to the tender process as it seeks Socso's clarification if Company A is authorised to bid for the tender. It is clear – and by Socso's own admission – who's calling the shots here.

A questionnaire sent by the company to the other bidders also seems to indicate that the whole process is a flawed attempt at portraying that a transparent and level-playing field is in place for the Socso contract.

This is not the first time Socso's procurement practices have come under the spotlight. In 1999, its first ICT revamp was awarded to Lityan. Socso had paid RM15 million or 90% of monies to Lityan but claims the system was never delivered and the case is now under litigation.

It also spent close to RM30 million for its current registration and contribution system by Unisys, and splurged another RM30 million on another system for claims, managed by IBM/Mesiniaga.

Problem is – both systems do not talk to each other and has been fingered as a possible reason why claims seem to take forever. The failure over this integration forced Socso to look for a new supplier.

In 2005, then Human Resources Minister Datuk Dr Fong Chan Onn had said that since 1996, when Socso embarked on the computerisation project, the supplier had failed to integrate the project with other existing systems in Socso's operations.

This was also noted in the Auditor-General's 2004 report, which found a discrepancy of RM98 million between the figures in the fund's electronic processing system and its books. There were also discrepancies of RM1.27 million in 2003 and RM4.5 million in 2002.

In 2007, on the orders of the Treasury, Socso had embarked on direct negotiations with Precision Portal for the RM152 million ICT "core system". This was in contradiction to the views of Socso's own procurement board.

The change in the country's leadership also saw the end of Precision Portal's hopes of securing the contract for the ICT revamp. It is understood that new players are now in the ring, hoping to get a piece of the pie.

Meantime, the authorities should fix their antennae on this never-ending issue, which has taken a huge chunk out of contributors' funds. Funds which are meant to care for the most vulnerable of our workforce.

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