



national treasury

Department:

National Treasury

REPUBLIC OF SOUTH AFRICA

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Mr Ayanda Kanana
Chief Executive Officer
Land Bank
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0001

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Dear Mr A Kanana

**REQUEST FOR DEVIATION: SINGLE SOURCE APPOINTMENT: AGRISEKER
ONDESKRYWINGSBESTUURDER (PTY) LTD**

1. The National Treasury acknowledges receipt of your letter dated 15 July 2021.
2. Your letter request approval for deviation from competitive bidding process in the appointment of Agriseker Onderskrywingsbestuurder (Pty) Ltd for provision of binder functions. The appointment is for a period of 3 years with an option to extend for 2 years, effective from 1 July 2021.
3. The deviation was endorsed by the Chief Executive Officer on 14 July 2021.
4. The reasons provided for this deviation are that there is currently one independent Crop UMA, namely Agriseker Underwriting Managers (Agriseker) that owns a fully functional crop insurance system within borders of South Africa. Other Insurers use a hybrid of internal capacity and selected outsourcing of other function to various underwriting managers with smaller capacity. Which leaves only Agriseker as an independent crop UMA registered with the FSCA (Formerly the FSB).

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5. The reasons provided for this deviation are not justifiable, as the Institution has indicated in its application that there are other possible alternative.
6. National Treasury support the deviation for a period of two (2) years from date of approval to allow the Land Bank to follow and finalize a competitive bidding process in the acquisition of this services. Any expenditure incurred prior to the approval of the request will be deemed irregular
7. The Institution has an obligation to ensure that any contract for goods and services is in accordance with a system that is fair, equitable, transparent, competitive and cost effective.
8. The award must be published on the e-tender portal.

Kind regards,

MR MOLEFE-ISAAC FANI
ACTING CHIEF PROCUREMENT OFFICER
DATE: