



national treasury

Department:

National Treasury

REPUBLIC OF SOUTH AFRICA

Private Bag X115, Pretoria, 0001

Enquiries: Hulisani Negovha **Tel:** (012) 315 5449 **Email:** Hulisani.Negovha@treasury.gov.za

Ms. P. Khoza
Chief Executive Officer
South African Civil Aviation Authority
Private Bag X73
HALFWAY HOUSE
1685

Email: SeedatA@caa.co.za

Dear Ms. Khoza

REQUEST FOR CONTRACT EXTENSION: APPOINTMENT OF ACADEMY BED & BREAKFAST

1. The National Treasury acknowledges receipt of your letter dated 14 June 2021.
2. South African Civil Aviation Authority (SACAA) requests National Treasury to approve the lease contract extension awarded to Academy Bed & Breakfast in the amount of R414 000.00 (VAT included) for a period of 12 months from 01 July 2021. The contract had already been extended twice in the respective amounts of R521 520.00 (VAT included) and R622 380.00 (VAT included) from 01 April 2019 to 30 June 2021. The original contract was in the amount of R536 234.92 (VAT included) for a period of 12 months from 01 April 2018. This amounts to the total variance of R1 557 900.00 (VAT inclusive), 290%.
3. The submission was signed by Chief Financial Officer on 14 June 2021.
4. The reason provided for the extension is that SACAA has signed a new lease agreement with Airports Company of South Africa (ACSA) to move SACAA head office to the new building, however, the building is not ready for occupation.
5. The reason provided is justifiable because it is beyond SACAA control to get the building completed.
6. National Treasury supports the lease extension for a period of 12 months from 01 July 2021 to 30 June 2022, in the amount of R414 000.00 (VAT included).

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7. Your Institution has an obligation to ensure that any contract for goods and services is in accordance with the system which is fair, equitable, transparent, competitive and cost-effective.
8. The award must be published on the e-tender portal.

Kind Regards,

ESTELLE SETAN
ACTING CHIEF PROCUREMENT OFFICER
DATE: 30 June 2021