



FROM: Mr L Dube, Tel: 012 315 5423, Email: Lindani.Dube@treasury.gov.za

Mr. Andrew Matseke
Chief Executive Officer (CEO)
Broadband Infraco SOC Limited (BBI)
Private Bag X26
Sunninghill
2157

Dear Mr Matseke

DEVIATION FROM THE NORMAL COMPETITIVE BIDDING PROCESS: APPOINTMENT OF CZ KAROO EIENDOMME BK

1. National Treasury acknowledges receipt of your letter dated and received on 09 March 2022.
2. Your Institution is requesting approval to deviate from the normal competitive bidding process and appoint CZ Karoo Eiendomme BK for the leasing of office space in Western Cape for a period of thirty-six (36) months (01 April 2022 to 31 March 2025) in the amount of R 275 921,92 excl. VAT.
3. The deviation request was recommended by the Chief Financial Officer on 09 March 2022.
4. The reasons provided for the deviation request are that the office is situated in an area where it allows the regional team to function effectively in terms of attending to network failures in the surrounding areas of Beaufort West and other neighbouring towns in the Western Cape province. It will be cost effective for Broadband Infraco to remain at the CZ Karoo Eiendomme premises as no additional relocation costs associated with moving the office to a different location will be incurred. Remaining at the CZ Karoo Eiendomme premises will additionally allow continuity of business without any interruptions such as the lead times associated with the physical relocation, set up and change of landline phones and IT related set ups due to relocation of the office.



DEVIATION FROM THE NORMAL COMPETITIVE BIDDING PROCESS: APPOINTMENT OF CZ KAROO EIENDOMME BK

Remaining at the CZ Karoo Eiendomme premises also assist Broadband Infraco in terms of cost saving, such as the cost of procuring new office space which includes upfront payment, setup cost to ensure that the office is renovated to suit the needs of the staff, the relocation of the assets to a new office and costs to reinstate the current building to the original condition in which the organisation initially found it. Furthermore, it is very difficult to acquire an office space in the Beaufort West area that meets the needs and specifications of Broadband Infraco. The market analysis results indicated that there are no listings in Beaufort West that match the search criteria.

5. The reasons provided to deviate are justifiable.
6. National Treasury supports the deviation.
7. The Institution has an obligation to ensure that any contract for goods and services is in accordance with a system which is fair, equitable, transparent, competitive and cost-effective.
8. This award must be published on the e-tender portal.

Kind Regards,

MOLEFE-ISAAC FANI
ACTING CHIEF PROCUREMENT OFFICER

DATE: 2022/03/31