



national treasury

Department:

National Treasury

REPUBLIC OF SOUTH AFRICA

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Dr. V. Munsami

Chief Executive Officer

South African National Space Agency (SANSA)

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Dear Dr. Munsami

DEVIATION FROM THE COMPETITIVE BIDDING PROCESS: - APPOINTMENT OF MR JAWEN JACOBS

1. National Treasury acknowledges receipt of your letter received on 22 July 2021.
2. South African National Space Agency (SANSA) requests support from National Treasury to deviate from the competitive bidding process for the appointment of Mr. Jawen Jacobs for weekly Declination/Inclination (DI) observations required at Keetmanshoop Geomagnetic Station in Namibia. The services are needed for three (3) years at an amount of R45 843.00.
3. The deviation was requested by the Acting Chief Financial Officer on 21 July 2021.
4. The reason for the deviation is that Mr. J Jacobs is the only person trained to take the observations in Keetmanshoop that has access to the airport and experience to carry out the tasks remotely. SANSA has contracted with Mr. Jacobs to conduct the weekly observations for the past 16 years. SANSA wishes to engage the services of Mr. Jacobs for a further period of 3 years. These services are critical to the continued operations of the agency. The DI measurements are required 2-3 times a week on non-adjacent days to provide the necessary baseline values for data corrections. The

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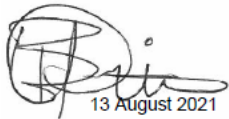
DI procedure is critical to the operations of the observatory, and the loss of the definitive data from the observatory would result in a failure to achieve INTERMAGNET Standards (thereby putting the accreditation in jeopardy), a failure to reach research project objectives, thereby resulting in SANSA's inability to deliver on its mandate.

5. In the meeting held between National Treasury and SANSA on 05 July 2021, SANSA advised that only Mr. J Jacobs was trained to observe Keetmanshoop Geomagnetic Station in Namibia and that the area is isolated with limited resources. SANSA also indicated that they conduct the training.
6. The reason provided in clause four above for the deviation is not justifiable because the reasons of Mr. Jacobs being the only person trained to take the observations in Keetmanshoop Geomagnetic Station cannot be substantiated. It is not clear why training was not extended to other potential service providers around the area. The services of Mr. J Jacobs have been utilised for 16 years, and there is no clear indication of the cost paid to date for these services. It is also unclear why SANSA did not request an extension before the contract expiry (31 May 2021) instead of the deviation. Paragraph 3.6 of National Treasury Instruction No. 9 of 2017/2018 states that Foreign suppliers with neither South African tax obligations nor the history of doing business in South Africa must complete the questionnaire on the SBD1. A recommendation for awarding a bid has been made to a foreign bidder, accounting officers, and accounting authorities must submit the bidder's completed SBD1 to the South African Revenue Service. The South African Revenue Service will issue a confirmation of tax obligations letter to the accounting officer or accounting authority confirming whether or not the foreign entity has tax obligations in South Africa. It is unclear whether Paragraph 3.6 of National Treasury Instruction No. 9 of 2017/2018 has been dealt with.
7. National Treasury supports the deviation for twelve (12) months, from the signature date of this letter, on the basis that there is documentary evidence to indicate that Mr. J Jacobs is the only person to take observations in Keetmanshoop Geomagnetic Station in Namibia and that the tax matters in terms of paragraph 3.6 of the National Treasury Instruction Note 9 of 2017/2018 are complied with.

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8. SANSA 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.
9. The award must be published on the e-tender portal/tender bulletin.

Kind regards,



13 August 2021

ESTELLE SETAN
ACTING CHIEF PROCUREMENT OFFICER
DATE: 13 AUGUST 2021