



national treasury

Department:

National Treasury

REPUBLIC OF SOUTH AFRICA

Private Bag X115, Pretoria, 0001 - Tel: (+27 12) 315 5111

Enquiries: Kwena Ngoetjana Tel: (012) 406 9018 Fax: (012) 315 5343 Email: Kwena.Ngoetjana@treasury.gov.za

Dr. V. Munsami
Chief Executive Officer
South African National Space Agency (SANSA)
PO Box 484
SILVERTON
0127

Email: anodali@sansa.org.za/tmothoa@sansa.org.za

Dear Dr. Munsami

DEVIATION FROM THE COMPETITIVE BIDDING PROCESS: - APPOINTMENT OF GOVERNMENT TECHNICAL ADVISORY CENTRE

1. National Treasury acknowledges receipt of your letter received on 24 June 2021 and additional information/clarity received 29 July 2021.
2. South African National Space Agency (SANSA) requests for National Treasury approval to deviate from the competitive bidding process for the appointment of Government Technical Advisory Centre (GTAC) for the review and development of SANSA's Compliance Frameworks, Policies, and Microstructure at an estimated contract value of R1 592 640.00 for a period of 12 months.
3. The deviation was approved by the Chief Executive Officer on 23 June 2021.
4. The reason provided for the deviation is to allow for appropriate disclosure of information to a service provider with insight to handling sensitive information, as SANSA has several contracts and agreements requiring non-disclosure. In addition to this there are discussions in progress with the Department of Science and Innovation regarding opportunities relating to taking over the Assembly, Integration and Testing Facility that currently reside within Denel and looking at South Africa's launch capability, both of which could be classified as matters of national security. National Space Programmes in general are, by its nature, considered as core for the national security of the country. Given GTAC's initial involvement in the Business Modelling/Macro Design exercise

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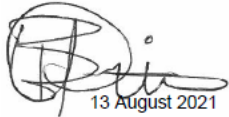
and their inherent understanding of the SANSA context gleaned from this exercise, the excellent work concluded on this front, and for the sensitivities cited above, GTAC is a natural entity to take on the additional work relating to the SANSA's Compliance Frameworks, Policies and Micro-Structure related to the proposed Business Model/Macro-Structure of the Agency. To assess competitiveness, GTAC consultancy rates per hour was compared to the Department of Public Service and Administration (DPSA) and Auditor General South Africa (AGSA) guidance on consultancy rates per hour for projects performed on behalf of government. GTAC rates are affordable than that of DPSA and AGSA.

5. In the letter 27 July 2021, National Treasury indicated that the reasons provided are not verifiable, and that the confidentiality around the requirement is not understood therefore it is not clear why section 217 of the Constitution cannot be complied with. It is also not clear what confines SANSA to only approach GTAC for the services. In response to National Treasury, SANSA, in the letter dated 28 July 2021 indicated the following.
 - i. Part of SANSA's core business is geared towards the national security of the country. SANSA is the National Key Point and undertake contractual work for the South African National Defence Force (SANDF), Defence Intelligence (DI), the South African Navy, ARMSCOR, and more recently have been engaging with the State Security Agency (SSA) on matters of national and regional security.
 - ii. Given the abovementioned sensitivity, GTAC already has full sight of the business of SANSA, including full suite of products and services, through the Business Model/Macro Structure exercise. Any new service provider would need to understand this business environment, including the abovementioned sensitivities.
6. The reasons provided in paragraph 4 and 5 above are justifiable.
7. National Treasury supports the deviation, from date of signature of this letter, on condition that GTAC will not outsource the services and will provide the services utilizing the officials in the employ of GTAC and the reasonableness of the costs is determined.
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.

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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