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## **MEDIA RELEASE**

### **TELKOM AND GOVERNMENT COOPERATION SAVES GOVERNMENT HUNDREDS OF MILLIONS OF RANDS PER YEAR**

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#### **Major initiative to strengthen the national fiscus**

The National Treasury and Telkom through Business Connexion (BCX) have successfully concluded negotiations on the existing contract for fixed-line telecommunication services to government for national and provincial departments. The renegotiated contract will save hundreds of millions of rand per year, in the next two years.

National Treasury has over the past year, concentrated efforts to effect greater efficiencies in government procurement. To this end the Office of the Chief Procurement Officer (OCPO) has been in negotiations with the Top 100 suppliers to government, with a view to reduce costs, thereby strengthen the fiscus.

Telkom, (BCX), has thrown its weight behind this worthy effort and has offered the government discounted prices for fixed-line telecommunication services. The Minister of Finance announced during the Medium Term Budget and Policy Statement that fiscal consolidation in government spending will be required. BCX's collaboration with government is a bold and practical step towards putting the South African economy back on track.

"In the current tough economic climate many businesses are reviewing their ICT spend. As the continent's leading provider of end-to-end ICT solutions, we are able to look at the total picture and then identify the areas where greater efficiencies are possible. These skills were used to great effect with the government and we are pleased to have been able to come to an agreement," said BCX CEO, Isaac Mophatlane.

Kenneth Brown, the Chief Procurement Officer, expressed his satisfaction with the agreement. Commenting on the conclusion of the agreement, Brown says,

“Under the leadership of Minister Pravin Gordhan, we unwaveringly pursue efficiencies in government procurement, to effect major savings. I am delighted that BCX supports this endeavour in word and deed. I call on Government’s other top suppliers to follow BCX’s sterling example.”

The first leg of the Treasury’s negotiations focuses on the travel industry, followed by construction, ICT, telecommunications and leases.

## **BACKGROUND ON THE OCPO**

The Office of the Chief Procurement Officer (OCPO) was established in February 2013, to:

- Modernise government procurement
- Put systems in place that will help to curb leakage in public expenditure and
- Ensure that government realises maximum value on the R500 billion spent on goods and services annually.

The work of the OCPO is to give expression to section 217 of the Constitution, which requires that the procurement of goods and services be fair, transparent, competitive and cost effective. The proposed Procurement Bill, which is still in draft stage, will further define the role of the OCPO.

## **ABOUT TELKOM BUSINESS CONNEXION (BCX)**

BCX is Africa’s premier ICT solutions and service provider with the technology, capability and skills to deliver end-to-end digital solutions for large and medium enterprises in the public and private sectors. BCX leads with an unrivalled ICT solutions embedded on the foundation of unmatched Data Centre and Network Infrastructure and include world class solutions in ICT consulting and digital readiness assessments; a complete range of managed solutions that include both LAN and WAN; unified communications and connectivity solutions. In addition, cloud computing technologies underpinned by best in class security solutions and a host of value added services that include enterprise mobility services and analytics software with a specialised competency in the IOT (Internet of Things) and big data solutions.

BCX is a leader in service excellence and boasts the largest pool of ICT skills in Africa, unparalleled geographic reach and points of network presence across the continent. Our strategic vendor relationships with leading multinationals enable BCX to deliver best in class solutions across industry verticals with skills and expertise seamlessly deliver integrated services to our customers. BCX is committed to providing ICT solutions that reduce the cost of doing business, increase overall business productivity and empower businesses to use technology as a competitive advantage.

**Issued on behalf of National Treasury**

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