

**NATIONAL ASSEMBLY**  
**QUESTION FOR WRITTEN REPLY**  
**QUESTION NUMBER: 3333 [NW3983E]**  
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**3333. Mr N F Shivambu (EFF) to ask the Minister of Finance:**

In light of the widely reported travel of the Deputy President, Mr Cyril Ramaphosa, on a state visit to Japan in a plane hired from a company owned by the Gupta family and Mr Duduzane Zuma, the son of the President, Mr Jacob G Zuma, and with which company the National Treasury manages an RT-61 contract, (a) what circumstances led to the hiring of an aircraft plane from the specified business, (b) were proper procurement processes followed in hiring the aircraft from the specified business and (c) what are the further relevant details?

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**REPLY:**

- (a) The Deputy President needed to travel to Japan and due to unavailability of a long range jet with the capacity to fly to Japan with a single refuelling stop, the South African Air Force (SAAF) used Contract RT61, a transversal contract for chartering of aircraft and helicopters for VIP and VVIPs administered centrally by National Treasury in which ExecuJet is one of the duly appointed suppliers.
- (b) The procurement process for putting together transversal term contracts is outlined below. The same procurement process was followed for putting together Contract RT61.

- *Demand planning*

National Treasury identifies strategic cross-cutting and commonly used commodities or goods and services of a repetitive nature. Government institutions are thereafter requested to indicate their institution's specific requirements in terms of their strategic objectives. This may include, among others, quantities, technical specifications and indication of budget allocation over MTEF or terms of the contracts.

- *Acquisition process*

During acquisition process, a cross-functional team (Bid Specification Committee) constituted from all participating government institutions put together bid documents based on the requirements of participating institutions. National Treasury plays a facilitation role to ensure compliance with all relevant SCM prescripts and to ensure that technical specifications and special conditions are not written around a specific potential bidder.

Once a bid document has been put together, it is then processed for consideration and approval by the Bid Specification Policy Committee chaired by National Treasury prior to publication. This committee also involves end users and other institutions responsible for ensuring that broader government socio-economic objectives and other policy initiatives find expression in bid documents prior to publication.

Once a bid document has been approved, it is then published in the Government Tender Bulletin and e-Tender Portal with a specified closing date and time. Potential bidders can access bid documents through the e-Tender Portal or collect them from our Tender Information Centre. To save costs, we cut CD's and potential bidders can print at their own costs. Potential bidders can either submit hard copy bids or bid electronically through the e-tendering system.

After closing, hard copy bids are captured manually through the e-tendering system. A cross-functional Bid Evaluation Committee (BEC) constituted from participating government institutions is put together to commence with evaluation and recommendation. It is important to note that the BEC members are appointed in terms of sections 44 and 56 of the PFMA by their respective accounting officers. National Treasury facilitates the bid evaluation process. This is to ensure joint decision making whenever recommendations are made.

The BEC compiles a memorandum for consideration and approval of the Bid Adjudication Committee (BAC) which is also cross-functional.

- *Publication of the results*

Once a bid is awarded, formal written notifications are then sent to all winning bidders. In addition, names of winning bidders, prices and preference points scored by each winning bidder are published on National Treasury website, e-Tender Portal and Government Tender Bulletin.

Further, end-users are notified through a contract circular which contains the same information as above, including addresses and contact details of winning bidders and all terms and conditions of contract.

- *Execution of contract*

Once this process has been finalised, end-users are expected to make use of this contract and comply with its terms and conditions. Participating institutions are prohibited from procuring same or similar goods or services during the tenure of such a transversal contract.

Accounting Officers of participating government institutions are responsible for management of the contract by placing orders, receiving services, paying for services rendered and monitoring supplier performance against the transversal contract. National Treasury does not get involved in this process.

However, should there be queries such as poor performance, issues of fraud, cancellation of the contract, restriction of suppliers litigation or other similar administrative issues, National Treasury then takes the lead to ensure that the necessary corrective action is taken.

Should the appointed suppliers not be in a position to render the required services in terms of the contract, participating government institutions are allowed, in terms of the contract to procure services outside the contract to meet their requirements.

(c) SAAF did not only approach ExecuJet but also first approached Fortune Air which is the first ranked supplier in terms of this particular line item on Contract RT61. However, Fortune Air could not provide an aircraft meeting the requirements for this flight. To ensure value for money, SAAF requested other quotes outside of Contract RT61. These quotes were, however, more expensive than the rates offered by ExecuJet on Contract RT61. SAAF therefore decided to use ExecuJet.