



## **national treasury**

Department:  
National Treasury  
**REPUBLIC OF SOUTH AFRICA**

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Ms. Priya Lutchman  
Chief Financial Officer  
National Treasury  
Private Bag x115  
**PRETORIA**  
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Dear Ms. Priya Lutchman

### **REQUEST FOR APPROVAL OF CONTRACT EXTENSION WITH CALANDRIA 159 t/a NEWSPAPER DIRECT SOUTH AFRICA**

1. The Chief Directorate SCM; Governance, Monitoring and Compliance acknowledges receipt of your letter dated 03 February 2021.
2. Your Chief Directorate is requesting approval for contract extension with Calandria 159 t/a Newspaper Direct South Africa as a sole supplier to render online subscription and newspaper distribution to the National Treasury for a period of one (1) year. The initial contract was awarded to Calandria 159 t/a Newspaper Direct South Africa for a period of one (1) year commencing from 01 March 2019 to 28 February 2020 at a total value of R282 445.00. The first contract extension was for a period of one (1) year commencing from 01 March 2020 to 28 February 2021 at a total value of R312 900.00 at a variance of 10.78% against the original contract value. The new request for contract extension is for a period of one (1) year commencing from 01 March 2021 to 28 February 2022 at a total value of R309 950.00 and a variance of 9.73% against the original contract value.
3. The request was endorsed by the Chief Financial Officer on 03 February 2021.
4. The reasons for this contract extension are that the Chief Directorate: Communications have not considered a three (3) year contract as part of the renewal process due to the fact that the newspaper houses are currently in a process of developing their online platforms for subscriptions and these

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respective agreements (sole provider or other) may be in place as yet. To avoid subscription disruption and to allow time to obtain adequate industry related information, the Chief Directorate have opted for a one (1) year renewal only with the current service provider Calandria 159 t/a Newspaper Direct.

5. The reasons provided for this extension are justifiable.
6. National Treasury supports the contract extension for a period of one (1) year commencing from 01 March 2021 to 28 February 2022 at a total value of R309 950.00.
7. The institution has an obligation to ensure that any contract for goods and services is in accordance with a system of procurement which is fair, equitable, transparent, competitive and cost effective.
8. Please be advised that this award must be published on the e-tender portal.

Kind regards,

**ESTELLE SETAN  
ACTING CHIEF PROCUREMENT OFFICER  
DATE:**