

Mr Mark Barnes
Group Chief Executive Officer
South African Post Office SOC Ltd
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Eco Park
CENTURION

Per E-mail: Mark.barnes@postoffice.co.za

BID NO: SASSA RFP: 01/17/SP: PROVISION OF PAYMENT SERVICES AND SYSTEMS FOR SOCIAL ASSISTANCE

Dear Sir

1. Your letter dated the 20 October 2017 in response to the SASSA award letter of the 06 October 2017 is hereby acknowledged.
2. In response to the said letter, SASSA would like to detail the process followed and the justification for such process. The details will provide clarity outlining the position of SASSA informed by the SCM process followed.
3. Having considered the provisions of the Intergovernmental Relations Framework Act, that provide for the principle of co-operative governance as enshrined in Chapter 3 of the Constitution read together with Section 238 of the Constitution, which provides for an organ of state to delegate any power or function that is to be exercised or performed in terms of legislation to any other executive organ of state, provided the delegations is consistent with the legislation in terms of which the power is exercised or performed.
4. SASSA requested guidance from National Treasury with respect to which process to follow on a government to government collaboration. The guidance was sought against the background that SASSA is procuring a service and therefore the PFMA prevails in this regard.
5. The National Treasury advised SASSA as per the attached letter, whose contents advocate compliance with the PFMA and its Regulations. To that effect, SASSA requested approval from National Treasury to deviate from the open tender process, which was duly approved as per attached letter.
6. Upon approval by the NT, the specifications/TOR were compiled by the Bid Specification Committee and approved by the Bid Adjudication Committee.

South African Social Security Agency

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The approved Request for Proposal was then given to SAPO to respond to. SAPO's proposal was evaluated and adjudicated against this very RFP and the due diligence exercise, undertaken for the sole purpose of establishing and verifying SAPO's ability and capability to execute all the elements of the intended contract. This is a normal and objective process followed to evaluate and adjudicate the proposal received from SAPO. It should be further mentioned that during this process SAPO was engaged on various occasions by the Bid Evaluation Committee.

7. The outcome of the Evaluation Committee was presented to the Bid adjudication committee which made a final recommendation for the CEO's approval and Minister's concurrence.
8. The SAPO in principle acceptance of the award but with the following condition: "We believe and submit that items 4.2 (Card Body Production & Distribution and 4.3 (Banking Services) falls squarely within SAPO's core competencies and capabilities, and should be awarded to SAPO together with item 4.3 of the RFP 01/17/SP", is not acceded to by SASSA.
9. The cause of the non-acceptance of SAPO's conditions are as follows:
 - 9.1 The technical/functionality capability evaluated on the basis of the bid documents submitted, the presentation and due diligence indicated SAPO falls short of achieving expected standards in a number of respects for
 - 9.1.1 4.2 (Card Body Production & Distribution);
 - 9.1.2 4.3 (Banking Services).
 - 9.2 The procurement Committees (Evaluation and Adjudication) recommendations endorsed by myself as the Acting Chief Executive office stand.
 - 9.3 Paragraph 3 in the RFP 01/17/SP document state that "SASSA reserves the right to award the contract in full or in part to one or more Bidder/s"
10. Having followed this procurement process, SASSA is therefore not in a position of compromising or interfering with this process as that will lead to an act of irregularity.
11. Furthermore paragraph 1.2.1 of the award letter stipulated that "SAPO confirms that the required (SASSA integrated grant payment system) can still be undertaken even though SAPO has not been awarded the other components of the bid", therefore SASSA understands paragraph 3 of the SAPO letter dated the 20 October 2017 to be confirming that SAPO cannot undertake this service (SASSA integrated grant payment system).
12. It has to be stated that earlier in the year while paving a way for government to government collaboration, SASSA invited SAPO for discussions that included amongst others meetings that culminated into a workshop. These interactions

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