

Agrément South Africa
Corporate Services Department
P.O. Box 72381, Lynwood Ridge, 0040
Tel: 012 841 3008
SMolete@agrément.co.za
10 December 2020

The Acting Chief Procurement Officer
National Treasury
Private Bag X115
PRETORIA
0001
For attention: The Acting Chief Procurement Officer

REQUEST TO CONTINUE WITH CSIR LEASE AGREEMENT

The National Treasury Instruction Note 3 of 2016/17, prescribe measures for Public Entities listed in Schedule 3A and 3C to the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) to promote economy, efficiency, effectiveness and transparency in the use of state resources.

The purpose of the submission is to request the National Treasury to approve the deviation of going on tender for office space for Agrément South Africa.

1. Background

Agrément South Africa (ASA) was enacted as a Schedule 3A entity under the National Department of Public Works and Infrastructure (NDPWI) as from 1 April 2017. Agrément South Africa (ASA) has been previously housed and managed within the CSIR and became an independent entity on 1 April 2018.

During the transition period, ASA identified new office space to lease from CSIR. The lease took effect in April 2018 after renovations done by ASA to ensure suitability for occupation.

2. Deliberation:

The current lease with CSIR is expiring at the end of February 2021. ASA made an investment in excess of R2 million for renovating the current office space and procured new furniture in 2019. The core business of ASA is technical assessments of innovative construction products and systems, which requires ASA to have a testing site to conduct its work. The test site is also at the CSIR Campus and forms part of the lease agreement.

With the reasons for the background stated above, ASA would like to continue operating from the CSIR campus for another three (3) years as it has a fully established test site as well as access to CSIR's Fire Lab, which ensures effective service delivery to ASA's clients.

3. Financial implications:

The deviation from the Public Finance Management Act (No 1 of 1999), Preferential Procurement Policy Framework and National Treasury Regulations is hereby sought.

4. Operational implications:

Due to the service efficiency as a result of having a test site and Fire Lab at CSIR campus, ASA's is able to provide its clients with cost-effective service, without incurring additional costs of testing at different sites.

5. Legal implications:

Deviations on the applicable Preferential Procurement Policy Framework, Public Finance Management Act (No 1 of 1999) and National Treasury Regulations.

6. Recommendation:

It is recommended that the National Treasury approves the deviation to go out on tender for new office space, which includes a test site.



Sincerely

L. Magalo

Acting CEO - Agrément South Africa