



national treasury

Department:

National Treasury

REPUBLIC OF SOUTH AFRICA

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Ref: 43/1/2/5/1

Mr. Yaseen Asmal
Acting Chief Executive Officer
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Dear Mr Asmal

REQUEST FOR EXTENSION OF LEASE AGREEMENT IN EXCESS OF THE PRESCRIBED THRESHOLD: APPOINTMENT OF GROWTH POINT

1. National Treasury acknowledges receipt of your letter dated 11 November 2019 and received on 12 November 2019.
2. Your Institution is requesting approval for extension of lease agreement with Growth Point. The original contract was for a period of three (3) years from 01 March 2017 to 29 February 2020 in the amount of R5,842,930.00. The new extension is for a period of five (5) years 01 March 2020 to 28 February 2025 in the amount of R6,999,630.00 at a variance of 119.79%.
3. The extension of contract was endorsed by the Acting Chief Executive Officer on 11 November 2019.
4. The reason provided for extension of this lease agreement contract is that MDDA conducted market analysis and realised that current building still meets MDDA's operation. MDDA further negotiated competitive rates that are below the current Rode report recommended costs. MDDA has invested a lot of money into the current premises and it is not cost effective to move out now.
5. The reason provided for this extension is justifiable.
6. National Treasury support the reason to extend the lease agreement.
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,


WILLIE MATHEBULA
ACTING CHIEF PROCUREMENT OFFICER

DATE: 21/2/19