

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: 1569**

**DATE OF PUBLICATION: 06 JUNE 2017**

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| **1569.      Ms N W A Mazzone (DA) to ask the Minister of Public Enterprises:**   |  |  | | --- | --- | |  | (1)   What are the full details of each contract that Denel signed with a certain company namely VR Laser South Africa in terms of (a) the contents, (b) the date on which each contract was signed, (c) what each contract is for and (d) what amount each contract is worth;  (2)    Whether each contract complied with the National Treasury requirements; if not, in each case, why not; if so, what are the relevant details in each case?                                                        NW1770E | |

**REPLY:**

1. Denel SOC Ltd has three (3) divisions that do business with VR Laser South Africa: Denel Vehicle Systems (DVS, Denel Land Systems and LMT. The details of the work contracted are indicated in the table attached hereto and marked as **Annexure “A”**.
2. We confirm all contracts comply with the National Treasury requirements. Placement of each Purchase Order is compliant with the CSD registration processes. As DVS was acquired in the middle of 2015, Denel applied that DVS be exempted from complying to the PFMA for a period of 1 year being until 31 March 2016

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| **ANNEXURE “A”** | | | |
| Denel Divisions and Products | Contract Date | Description of Services | Value of the Transaction |
| Denel Vehicle Systems (DVS)   * Armoured vehicles (RG31, RG32, N35 and Casspir) and Gear Ratio systems | 01/04 to 18/12/2015 | * Cutting and bending of specialised steel (quenched and tempered) * Vehicle sub-assembly fabrication including cutting and bending of specialised still. | R2 175 935.00 |
| 12/2016 to date | R9 797 856.83 |
| 12/2016 to date | Power Pack sub-assembly fabrication –Gear Ratio | R11 594 033.28 |
| Denel Land Systems   * Casspir vehicle * Badger (Hoefyster) * Supplier of armoured steel | 10/2003 to 05/2017  (historical contracts | Industrialisation of the Casspir vehicle | R176 467 542.79 |
| 2016/2017  (current contracts) | Industrialisation of the Casspir | R16 437 626.62 |
| 05/08/2014 to  21/10/2016 | Fabrication of the Badger hulls | R235 858 970.57 |
| 27/08/2009 to 05/06/2017 | Approved single source supplier of armoured steel | R98 902 847.38 |
| LMT Products (Pty) Ltd (LMT)   * Armoured vehicles (LM8, LM13, Ford F550 and armoured vehicle components) | 05/2013 to 08/2016 | VR provides LMT with:   * services to cut, bend, tap and drill of components and parts for armoured vehicle * Hull assemblies or sub-assemblies of the vehicles * Specialised armoured steel supply | R55 148 736.39 |
| **T O T A L** | | | R 516 382 785.86 |