

**MINISTRY OF DEFENCE & MILITARY VETERANS**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**1687**. **Mr S J F Marais (DA) to ask the Minister of Defence and Military Veterans:**

(1) With reference to her reply to question 1280 on 24 May 2016, (a) what was the total cost of appointing a certain consulting firm (name furnished) to facilitate, adjudicate and make recommendations to the Armaments Corporation of SA (Armscor) and her department for the intended lease of a BBJ VVIP aircraft, (b)(i) why was the specified consulting firm appointed and (ii) what distinguished it from other companies, (c) why was it necessary to appoint the specified consulting firm and not rely on Armscor’s expertise solely and (d) were any additional costs incurred above the R65 million fee already paid to the specified consulting firm;

(2) whether she is aware that a certain person (name and details furnished) is a former board member of the specified consulting firm; if not, why not; if so, what is the position in this regard;

(3) whether she has put any measures in place to ensure that any undue influences (a) have not been present to date and (b) will not be present in the future process to procure new VVIP aircraft; if not, why not; if so, what are the relevant details? NW1900E

**REPLY**

1. FeverTree Consulting has not been appointed to facilitate, adjudicate and make recommendation to Armscor for the intended lease of the BBJ VVIP aircraft.
2. (i) if not, why was the specified consulting firm appointed

***Reply:***

FeverTree Consulting is a Management Consulting company specialising in organisational turnarounds. The company was appointed to assist Armscor in the co-management of its turnaround.

(ii) what distinguished them from other companies

***Reply:***

The company was appointed through an open tender process conducted in accordance with applicable legislation and was the only company that complied with all of the criteria as specified in the tender documents.

(b) why was it necessary to appoint the specified consulting firm and not rely on Armscor’s expertise solely

**Reply:**

Armscor does not have the expertise in turnaround strategies.

(c) was any additional costs incurred above the R65 million fee already paid to the specified consulting firm;

***Reply:***

Armscor has not signed a contract worth R65 million with FeverTree Consulting and has not paid the said amount. Any amount that would be paid will be paid against the invoices received and verified deliverables

1. Whether she is aware that the Deputy President of the Republic, Mr. M Cyril Ramaphosa, is a former Board Member of the specified consulting firm; if not, why not; if so, what is the position in this regard;

***Reply:***

I am aware that he is a **former** Board Member.

1. Whether she has put any measures in place to ensure that any undue influences (a) have not been present to date in and (b) will not be present in future process to procure new VVIP aircraft; if not, why not; if so, what are the relevant details?

***Reply:***

Any procurement process must take place within the prescripts of the PFMA and National Treasury Regulations and such has been communicated to all role players at all times.