**DEPARTMENT: PUBLIC ENTERPRISES REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY QUESTION FOR A WRITTEN REPLY**

**QUESTION 2080**

# 2080. Ms O M C Maotwe (EFF) to ask the Minister of Public Enterprises:

With reference to his department’s appearance before the Portfolio Committee on Public Enterprises on 19 August 2020, where the Director-General indicated that Rand Merchant Bank has been appointed as transaction advisors to ensure that the best option of securing funding is chosen, what (a) process was followed to appoint Rand Merchant Bank as the transaction advisors, (b) is the contract value of the specified agreement, (c) are the deliverables in the agreement and (d) are the timelines of the contract?

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# Reply:

1. The Rand Merchant Bank had been appointed as transaction advisor to oversee the Strategic Equity Partner (SEP) transaction of Air Chefs by SAA, the Department of Public Enterprises (DPE) expanded the scope in line with procurement prescripts to include a similar scope on the SAA group, in line with Treasury Regulation 16A6.6.
2. The contract value is capped at R12 million as retainer fee and R25 million as success fee for concluding a partnership for SAA.
3. The deliverables are;
	1. Initial evaluation
	2. Due diligence and agreeing heads of agreement
	3. Final Due Diligence, definitive Transaction agreements, Transaction approvals and closing
4. The timeline for the contract is 12 months. But the project may be concluded earlier due to the urgency of the matter, and the Department of Public Enterprises (DPE) has an option of exiting within 15 days, a month’s notice or by mutual agreement.