

**MINISTRY OF DEFENCE & MILITARY VETERANS**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**2780. Mr S J F Marais (DA) to ask the Minister of Defence and Military Veterans:**

With reference to Broad-based Black Economic Empowerment (BBBEE) targets of new outsourced contracts at Armscor, (a) on what legal provisions did her department and/or Armscor rely when setting the target of 45% to be awarded to BBBEE service providers belonging to military veterans, (b) what will constitute justified exceptions to this rule and (c) why are the management obliged to implement the specified target? NW3073E

REPLY:

Both the Department of Defence (DOD) and Armscor apply the Preferential Procurement 2017 Regulations (PPR) as promulgated. Wherein the 80/20 and 90/10 preference point system is applied as provided for in the Regulations and Guidelines. The 30% threshold for subcontracting applies to all designated groups where feasible. There is no special arrangement of 45% targeted for award to BBBEE service providers belonging to military veterans.