**PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION NO: 3942**

**DATE OF PUBLICATION: 1 December 2017**

**QUESTION PAPER NO: 47**

**DATE OF REPLY:**

**Mr C MacKenzie (DA) to ask the Minister of Telecommunications and Postal Services:**

With reference to his reply to question 3371 on 13 November 2017, (a) what are the relevant details of the building that the SA Post Office is leasing in Bloemfontein in terms of (a) where exactly are the premises located, (b) what are the terms of the lease, including the (i) period of the lease, (ii) name of the landlord and (iii) rental amount for each month and (c) what processes were followed by the SA Post Office before contracting the lease?

**REPLY:**

**I have been informed by SAPO as follows:**

(a) The premises is located at the Mr Price Building, a sub-division of Plot 6, Vredenhof Smallholdings, No 2708, Langenhovenpark, Nelson Mandela Drive, Langenhovenpark, Bloemfontein.

(b)(i) Period of lease was 3 years

(ii) The Michael Family Trust

(iii) Rental amount per month as follows:

* Outlet size: 3,956m²
* Lease costs per m2 (3-year lease) : R62 m²
* **Basic monthly** rental (excl VAT) for duration of lease agreement:

 Year 1: Rental R 245 272.00, plus R2,250.00 for 15 basement parking bays

 Year 2: Rental R 264,893.76, plus R2,250.00 for 15 basement parking bays

 Year 3: Rental R 286,085.26, plus R2,250.00 for 15 basement parking bays

(c) No proposal or request for tender was issued because the feasibility analysis to determine the availability of suitable buildings to house the Postbank Operations Centre in the Bloemfontein area, was conducted internally.

Following further discussions between SAPO Properties Division and the Managing Director (MD) of the Michael Family Trust, Postbank recommended that a lease agreement for the Langenhovenpark premises be entered into as a temporary site, while a new long term accommodation is explored. Approval was therefore, granted by the Group Chief Executive Officer (GCEO), for a lease agreement of three years with the Michael Family Trust as a single source procurement, which was within the Procurement Framework and Delegation of Authority.

**Approved/ not approved**

**Dr Siyabonga Cwele, MP**

**Minister of Telecommunications and Postal Services**

**Date:**