



defence

Department:
Defence
REPUBLIC OF SOUTH AFRICA

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24 December 2008

Mr T. GODI
Parliament of the RSA
SCOPA Chairperson
P. O Box 15
CAPE TOWN
8000

Dear Mr Godi,

SCOPA REVIEW OF THE JOINT INVESTIGATION TASK TEAM (JIT) RESOLUTIONS ON THE STRATEGIC DEFENCE PROCUREMENT PACKAGES

1. SCOPA letter dated 01 December 2008 has reference.
2. Chapter 14 of the Joint Investigation Team (JIT) of 2001 report on the forensic audit of the Strategic Defence Package (SDP) acquisition programme contains 25 key findings and 15 recommendations, which emanated from the investigation. These findings and recommendations were analysed by the Department of Defence (DOD) and in conjunction with Armscor developed specific policies, which addresses the JIT recommendations applicable to the DOD and Armscor. These policies are attached and is flagged and tagged for easy reference.
3. Recommendation 14.2.1. The ACQ1/98 the then Acquisition policy and the VB1000, the then Armscor Policy documents were replaced by one acquisition policy document applicable to both DOD and Armscor and comprises the following:
 - a. MODD/ACQ/000001/2004 (Edition 1); Ministerial Directive Addressing the Acquisition of Armaments in the DOD.

Lefapha la Bolphemelo . Umnyango wezokuVikela . Kgoro ya Tshireletso lSebe lezoKhuselo . Department of Defence . Mhasho wa Tsiriledzo UmNyango WezokuVikela . Ndzawulo ya swa Vusirheleni . Lefapha la Tshireletso . Departement van Verdediging . UTitiko leTekuvikela

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- b. DODI/ACQ/000005/2003 (Edition 2); Policy on the Acquisition of Armaments in the DOD. This document superseded DODI/ACQ/00005/2003 (Edition 10 dated 03 November 2003).
 - c. JDP/ACQ/00002/2004 (Edition 1); Process and procedures for the Acquisition of Armaments in the DOD – **DAP 1000**
4. The Defence Materiel Division presents Project Officer Courses on a regular basis. DOD and Armscor designated project managers and project officers attend these courses that are based on the contents of the acquisition policy.
 5. The new concept of foreign acquisition is addressed in DAP 100, page 36 par 14 – 27 (reference 1).
 6. Recommendation 14.2.2. The needs determination aspect is addressed on page 13, par 17 – 19 (Reference 2). During the entire acquisition process the status of the user requirement is monitored and is validated during the final Operational Testing & Evaluation (Commissioning Phase) as described on page 97 (Reference 3).
 7. Recommendation 14.2.3. The tender Adjudication Process is addressed on page 35, par 7 – 10 (Reference 4).
 8. Recommendation 14.2.4. Life Cycle Costing (LCC) and associated risks are addressed on page 31, par 46 (Reference 5) and page 57, par 26 – 42 (Reference 6).
 9. Recommendation 14.2.5. National Industrial Participation (NIP) is managed by the DTI.
 10. Recommendation 14.2.6. The functions of the Acquisition Governance Forums are explained on page 49, par 29 – 33 (reference 7) and the Constitutions of the forums are appended to the DAP 1000 as Appendixes E, F & G (References 8, 9 & 10 respectively).
 11. Recommendation 14.2.7. The tender Adjudication Process is addressed on page 35, par 7 – 10 (Reference 4).
 12. Recommendation 14.2.8. The tender Adjudication Process is addressed on page 35, par 7 – 10 (Reference 4).

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13. Recommendation 14.2.9. This recommendation is noted and has already been implemented. An example thereof is the present GBADS programme where the Armscor Board of Directors and the Armaments Acquisition Steering Board (AASB) have approved the program team's Terms Of Reference (TOR) and mandated for negotiations with the preferred supplier respectively and where a comprehensive negotiation strategy has been formulated prior to the commencement of negotiations.

14. Recommendation 14.2.10. The concept of a Consolidated Operational Effectiveness Impact Analysis (COEIA) to be performed prior to the reduction or enhancement of any functionality is addressed on page 30, par 44 – 45 (Reference 11).

15. Recommendation 14.2.11. The Contracting during acquisition aspect has been captured on page 39, par 28 – 34 (Reference 12).

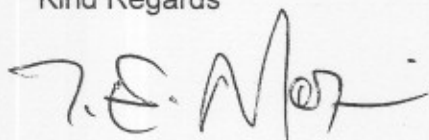
16. Recommendation 14.2.12. Rules regarding Conflict of Interest are addressed on page 58, par 45 – 54 (Reference 13). Senior Officials of the DOD and Armscor are obliged to complete and sign declaration form in this regard. The Armscor Act, Act No 51 of 2003 addresses this aspect in par 14 of the Act. During meetings members are also obliged to declare their status in this regard.

17. Recommendation 14.2.13. Security Clearance audits is regularly done as a matter of procedure within Armscor and the DOD (Dev Mat Div).

18. The abovementioned policy was effective on 01 September 2004, and has been complied with in all the acquisition decision-making forums of Armscor and the DOD.

19. I trust that you will find this to be in order

Kind Regards



(T.E. MOTUMI)

ACTING SECRETARY FOR DEFENCE: DEPUTY DIRECTOR-GENERAL