



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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Ref: 43/1/2/5/1

Ms T. Mpshe
Acting Chief Executive Officer
South African Airways
Private Bag X13
KEMPTON PARK
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Dear Ms Mpshe

SOUTH AFRICAN AIRWAYS NOMINATED BLACK SMALL BUSINESS FOR GROOMING, TOILET AND WATER SERVICE CONTRACT

I refer to your letter dated 23 September 2015.

Your letter indicates that currently all procurement decisions are made within the framework of the Supply Chain Management Policy and that the Board resolved to set aside 30% of key procurement transactions for black owned businesses.

Decisions that are taken by the Board to encourage transformation in procurement are commendable; however, the SAA Board must not operate outside the procurement legal framework.

The resolution of the Board to set aside the 30% in its current form is not supported by any procurement legal framework and must be stopped with immediate effect.

You are kindly requested to advise the Board not to take procurement decisions that brings the name of SAA and National Treasury into disrepute.

Kindly update me on the development around the 30% set aside of key procurement transactions.

Kind regards.

KENNETH BROWN
CHIEF PROCUREMENT OFFICER

DATE: 28/9/2015