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2 RFQ ISSUE APPROVAL

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Dr. Alistair Ruiters
Director General
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Dear Colleague

TREASURY AUTHORISATION DTI SERVICED ACCOMMODATION

We received a feasibility study relating to the DTI's serviced accommodation proposal on the 3rd July 2001. My department has now had an opportunity, in line with the requirements of the PFMA and the Treasury Regulations, to review the feasibility study for the above-mentioned project.

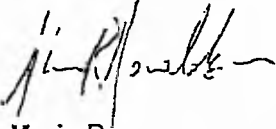
I would like to stress that the involvement of National Treasury in this project is as a result of the innovation nature of PPPs, and the inherent risk facing any department in this respect.

We are of the view that sufficient work has been done by your department to sign off on the feasibility study, and to permit RFQ documents to be issued, on the following conditions:

- While Treasury approval to proceed has been granted, the DTI bears ultimate responsibility for the data underlying the feasibility study, and hence for ensuring that the project is in fact affordable in terms of the budget.
- The PPP Unit continues to play a role in providing technical assistance, to ensure that the RFP document is appropriately specified.
- The PPP Unit participates in the drafting of the contract with the preferred service provider, to ensure that appropriate risk transfer takes place.
- The signing of the contract with the service provider is dependent upon final Treasury approval of all budgetary commitments, which must not deviate significantly from what is contained in the original feasibility study.

I thank you for the most co-operative manner in which you have assisted my staff, particularly those in the PPP Unit, and I look forward to a successful conclusion to this public-private partnership project.

Yours faithfully

PP 

Maria Ramos
Director General

Date: 25/7/2001