



**MINISTRY OF TOURISM  
REPUBLIC OF SOUTH AFRICA**

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**NATIONAL ASSEMBLY:**

**QUESTION FOR WRITTEN REPLY:**

**Question Number: 455**

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**NA IQP Number: 10**

**Date of reply: 14 May 2020**

**Mr M S F De Freitas (DA) to ask the Minister of Tourism:**

455. Mr M S F de Freitas (DA) to ask the Minister of Tourism:

With reference to the tenders awarded whilst the Chief Executive Officer of SA Tourism was on suspension, (a) what tenders were awarded, (b) what was the value of each tender, (c) what process was followed in awarding each tender, (d) who signed off on each tender, (e) on what date does each tender (i) commence and (ii) terminate, (f) how will each tender be monitored in each case and (g) what penalties are in place should a tender not meet tender specifications? NW636E

**REPLY:**

**What tenders were awarded whilst the Chief Executive Officer of SAT was on Suspension?**

<b>What tenders were awarded</b>	<b>(b)Value of each tender</b>	<b>(c ) what process was followed in awarding each tender</b>	<b>(d) who signed off on each tender</b>	<b>(e) on what date does each tender (i) Commence and (ii) terminate</b>	<b>(f) How will each tender be monitored</b>	<b>(g) What penalties are in place should a tender not meet tender specifications</b>
SAT148/19- Departure and Domestic Survey	R 85 201 938.92	Competitive Bidding Process	The Board	(i) 15 July 2019 (ii) 15 July 2022	Monthly Report	Parties agreed on the following penalties to be applies in respect of the service provider's performance: <ul style="list-style-type: none"> <li>• Timelines</li> <li>• Data quality and Data Weight.</li> </ul>
SAT 157/19- Land Market Research	R 3 481 713.00	Competitive Bidding Process	Bid Adjudication Committee	(i) 30 October 2019 (ii) 31 March 2020	Site visits during the field work. Report on progress and achieved milestones	Failure to deliver as per the timelines SA Tourism can terminate the contract immediately and appoint another service provider to provide similar services.
SAT 142/19 - Design And Construction Of International Exhibitions Stands	R 29 776 912.39	Competitive bidding process	Bid Adjudication Committee	(i) 1 November 2019 (ii) 31 October 2022	All services rendered by the supplier, its personnel, agents or sub-contractors will be subject to an on-going evaluation to determine the effectiveness.	If either party commits a material breach of this agreement which goes to the root of the agreement and fails to remedy the material breach

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						within 21 business days of written notice from the aggrieved party shall require a remedy to the breach, failure to do so will result in the aggrieved party being entitled to cancelling/terminate this agreement.
SAT USA 001/19 - Integrated Marketing Agency: Public Relations, Social Media & Activations for the North America Hub	USD 1 026 000.00	Competitive bidding process	Bid Adjudication Committee	(i) 15 October 2019 (ii) 15 October 2022	All services rendered by the Bidder, its personnel, agents or sub-contractors will be subject to on-going evaluation to determine its effectiveness.	Performance management monitored continuously to ensure that products/services are delivered in accordance with the conditions of the contracts. The preferred bidders will be required to submit performance reports, i.e. through a progress tracking report monthly until closure of the contracts and failure to do so will result in

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						the termination of the agreement.
SAT 162/19- Marketing and Communication Agency- <b>Strategy</b> *	Estimated budget amount for a period of five years R 48 390 674.54	Competitive bidding process	The Board	(i) 26 February 2020 (ii) 26 February 2025	<ul style="list-style-type: none"> <li>• Clauses in the contract that manage the relationship are as follows: <ul style="list-style-type: none"> <li>· Clause 6 on Quarterly meeting on performance and scope of work</li> <li>· Annual performance and relationship review by an independent 3rd party</li> </ul> </li> <li>• Performance metrics determined on a 40:40:20 scale to be carried by all agencies and in place April 2020 as follows: <ul style="list-style-type: none"> <li>○ 40% SAT APP</li> <li>○ 40% score of the relationship and performance survey</li> <li>○ 20% individual KPI's dependent on the specialist service the agency is delivering</li> </ul> </li> <li>• Dispute resolution on non-delivery (with rectification within 15 days) clause 34 <ul style="list-style-type: none"> <li>○ operating model presentation which was due to be implemented 1 April, however will</li> </ul> </li> </ul>	Clause 33 covers termination of the agreement giving us 4 options: <ul style="list-style-type: none"> <li>i. Termination for cause</li> </ul> Detailed history of non-performance in a rolling 3-month period <ul style="list-style-type: none"> <li>ii. Termination for convenience</li> <li>iii. Termination for change of control</li> <li>iv. Termination for breach</li> </ul>

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					<p>now be delayed to 17 April</p> <ul style="list-style-type: none"> <li>○ 90 day notice period for termination and/or reduction or change of services</li> </ul>	
SAT 162/19- Marketing and Communication Agency- <b>Creative Agency *</b>	Estimated budget amount for a period of five years R419 487 997.64	Competitive bidding process	The Board	<ul style="list-style-type: none"> <li>(i) 26 February 2020</li> <li>(ii) 26 February 2025</li> </ul>	<ul style="list-style-type: none"> <li>• Clauses in the contract that manage the relationship are as follows: <ul style="list-style-type: none"> <li>· Clause 6 on Quarterly meeting on performance and scope of work</li> <li>· Annual performance and relationship review by an independent 3rd party</li> </ul> </li> <li>• Performance metrics determined on a 40:40:20 scale to be carried by all agencies and in place April 2020 as follows: <ul style="list-style-type: none"> <li>○ 40% SAT APP</li> <li>○ 40% score of the relationship and performance survey</li> <li>○ 20% individual KPI's dependent on the specialist service the agency is delivering</li> </ul> </li> </ul>	<p>Clause 33 covers termination of the agreement giving us 4 options:</p> <ul style="list-style-type: none"> <li>i. Termination for cause</li> <li>ii. Termination for convenience</li> <li>iii. Termination for change of control</li> <li>iv. Termination for breach</li> </ul> <p>Detailed history of non-performance in a rolling 3-month period</p>

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SAT 162/19- Marketing and Communication Agency- <b>Media Agency</b> *	Estimated budget amount for a period of five years R40 228 879.41	Competitive bidding process	The Board	(i) 26 February 2020 (ii) 26 February 2025	<ul style="list-style-type: none"> <li>• Clauses in the contract that manage the relationship are as follows:               <ul style="list-style-type: none"> <li>· Clause 6 on Quarterly meeting on performance and scope of work</li> <li>· Annual performance and relationship review by an independent 3rd party</li> </ul> </li> <li>• Performance metrics determined on a 40:40:20 scale to be carried by all agencies and in place April 2020 as follows:               <ul style="list-style-type: none"> <li>○ 40% SAT APP</li> </ul> </li> </ul>	Clause 33 covers termination of the agreement giving us 4 options: <ol style="list-style-type: none"> <li>i. Termination for cause Detailed history of non-performance in a rolling 3-month period</li> <li>ii. Termination for convenience</li> <li>iii. Termination for change of control</li> <li>iv. Termination for breach</li> </ol>

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					<ul style="list-style-type: none"> <li>○ 40% score of the relationship and performance survey</li> <li>○ 20% individual KPI's dependent on the specialist service the agency is delivering</li> <li>● Dispute resolution on non-delivery (with rectification within 15 days) clause 34</li> <li>○ operating model presentation which was due to be implemented 1 April, however will now be delayed to 17 April</li> <li>○ 90 day notice period for termination and/or reduction or change of services</li> </ul>	
SAT 162/19- Marketing and Communication Agency- <b>Digital Agency</b> *	Estimated budget amount for a period of five years R198 170 931.96	Competitive bidding process	The Board	(i) 26 February 2020 (ii) 26 February 2025	<ul style="list-style-type: none"> <li>● Clauses in the contract that manage the relationship are as follows: <ul style="list-style-type: none"> <li>· Clause 6 on Quarterly meeting on performance and scope of work</li> <li>· Annual performance and relationship review by an independent 3rd party</li> </ul> </li> </ul>	Clause 33 covers termination of the agreement giving us 4 options: i. Termination for cause Detailed history of non-performance in a rolling 3-month period

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SAT 162/19- Marketing and Communication	Estimated budget amount for a period of five years R81 313 973.43	Competitive bidding process	The Board	(i) 26 February 2020	<ul style="list-style-type: none"> <li>• Clauses in the contract that manage the relationship are as follows:</li> </ul>	Clause 33 covers termination of the agreement giving us 4 options:



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Agency- <b>Brand PR</b> *				(ii) 26 February 2025	<ul style="list-style-type: none"> <li>· Clause 6 on Quarterly meeting on performance and scope of work</li> <li>· Annual performance and relationship review by an independent 3rd party</li> <li>• Performance metrics determined on a 40:40:20 scale to be carried by all agencies and in place April 2020 as follows: <ul style="list-style-type: none"> <li>○ 40% SAT APP</li> <li>○ 40% score of the relationship and performance survey</li> <li>○ 20% individual KPI's dependent on the specialist service the agency is delivering</li> </ul> </li> <li>• Dispute resolution on non-delivery (with rectification within 15 days) clause 34 <ul style="list-style-type: none"> <li>○ operating model presentation which was due to be implemented 1 April, however will now be delayed to 17 April</li> <li>○ 90 day notice period for termination and/or</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>i. Termination for cause Detailed history of non-performance in a rolling 3-month period</li> <li>ii. Termination for convenience</li> <li>iii. Termination for change of control</li> <li>iv. Termination for breach</li> </ul>

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					reduction or change of services	
SAT 162/19- Marketing and Communication Agency- <b>Corporate PR</b> *	Estimated budget amount for a period of five years R61 008 554.70	Competitive bidding process	The Board	(i) 26 February 2020 (ii) 26 February 2025	<ul style="list-style-type: none"> <li>• Clauses in the contract that manage the relationship are as follows: <ul style="list-style-type: none"> <li>· Clause 6 on Quarterly meeting on performance and scope of work</li> <li>· Annual performance and relationship review by an independent 3rd party</li> </ul> </li> <li>• Performance metrics determined on a 40:40:20 scale to be carried by all agencies and in place April 2020 as follows: <ul style="list-style-type: none"> <li>○ 40% SAT APP</li> <li>○ 40% score of the relationship and performance survey</li> <li>○ 20% individual KPI's dependent on the specialist service the agency is delivering</li> </ul> </li> <li>• Dispute resolution on non-delivery (with rectification within 15 days) clause 34 <ul style="list-style-type: none"> <li>○ operating model presentation which was due to be implemented</li> </ul> </li> </ul>	Clause 33 covers termination of the agreement giving us 4 options: <ul style="list-style-type: none"> <li>i. Termination for cause</li> <li>ii. Termination for convenience</li> <li>iii. Termination for change of control</li> <li>iv. Termination for breach</li> </ul> Detailed history of non-performance in a rolling 3-month period

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<p>SAT 162/19- Marketing and Communication Agency- <b>B2B Direct Marketing*</b></p>	<p>Estimated budget amount for a period of five years R80 763 536.29</p>	<p>Competitive bidding process</p>	<p>The Board</p>	<p>(i) 26 February 2020 (ii) 26 February 2025</p>	<ul style="list-style-type: none"> <li>• Clauses in the contract that manage the relationship are as follows: <ul style="list-style-type: none"> <li>· Clause 6 on Quarterly meeting on performance and scope of work</li> <li>· Annual performance and relationship review by an independent 3rd party</li> </ul> </li> <li>• Performance metrics determined on a 40:40:20 scale to be carried by all agencies and in place April 2020 as follows: <ul style="list-style-type: none"> <li>○ 40% SAT APP</li> <li>○ 40% score of the relationship and performance survey</li> <li>○ 20% individual KPI's dependent on the specialist service the agency is delivering</li> </ul> </li> </ul>	<p>Clause 33 covers termination of the agreement giving us 4 options:</p> <ol style="list-style-type: none"> <li>i. Termination for cause</li> </ol> <p>Detailed history of non-performance in a rolling 3-month period</p> <ol style="list-style-type: none"> <li>ii. Termination for convenience</li> <li>iii. Termination for change of control</li> <li>iv. Termination for breach</li> </ol>

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\*Marketing and Communication Agency tender is actually one tender split into 7 marketing disciplines across the marketing and advertising ecosystem.

They are all interlinked although separately awarded as SA Tourism took a “best-in-breed” approach” where the services, because of their nature, have the same measures of monitoring (section F) and penalties (section G) which are standard with these types of commodities.

All 7 disciplines in essence relate to marketing and communications services.