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The National Department of Transport

Mr Mlungisi Maphanga and Mr Andries Schoeman

**Copy to: The Member of Coordinating Committee of Government Motor Transport (CCGMT),
National and Provincial Departments**

Private Bag X193

Pretoria

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18 February 2014

Dear Sirs

**BID NUMBER RT46/2014: THE APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION
OF VEHICLE FLEET MANAGEMENT SERVICES TO THE STATE FOR A PERIOD OF FIVE YEARS,
1 APRIL 2014 TO 31 MARCH 2019 ("TENDER")**

1. With reference to the recent appointment by National Treasury of ourselves as the contractor to deliver on the Tender, we would like to take this opportunity to thank you for your support and we are excited to have been selected as the State's partner to deliver the relevant service. We will be communicating with yourselves on a regular basis and commence with an introduction to our bid as well as to initiate open and transparent communication to ensure that the State's requirements in terms of the Tender are met in the timelines given for implementation.
2. As an introduction to our bid Transit Solutions (Proprietary) Limited ("Transit") submitted its bid as 51% black-owned entity, which serves to introduce greater participation by black shareholders. Transit submitted its bid with Standard Bank as its banking subcontractor who will process and assume settlement risk on all the fuel, toll and maintenance transactions procured by the State's fleet. We are particularly looking forward to working with Standard Bank Fleet Management who bring added controls and management features to the fuel, oil and till cards, as well as managed maintenance. Other subcontractors for licensing, VIT fitments and other services were also noted in our bid submission.

3. Due to the fact that a new banking party will be introduced to the State under this contract and the incumbent bank has held the Tender for close on 20 years, the transition from the outset will initially be challenging and a significant ramp up of staff, procedures and systems will be required. In addition, all the engagement documents and procedures have to be done afresh with Transit Solutions.
4. The three key service deliverables under the contract are the following:
 - i. The supply of a fuel, oil and toll card (SAPS and Government fleets)
 - ii. The supply of VIT services (Government fleets)
 - iii. The supply of managed maintenance services (currently Government fleets only but SAPS will also require this service).
5. The implementation of the new tender contract is administered by the Transit Solutions and Standard Bank Project Offices. The project office meets twice a week to review the progress of implementation. The Project Definition Report, Project Plan and Open Action Item Lists are updated daily and progress reports will be forwarded to yourselves on a weekly basis.

Standard Bank has also appointed an Executive Steering Committee that oversees the project inside the bank and to streamline business process that will ensure a balance between compliance, performance and risk management is achieved without burdening the State users with unnecessary paper work. Transit Solutions attends all these meetings and have full visibility of the progress inside the bank.

Project Management	-	Vicus Luyt
Operations and Service Delivery	-	Helga de Villiers
Account Management	-	Mangaliso Maphisa

6. Transit Solutions will, prior to and during implementation, visit the various users and stakeholders together with our banking representatives to establish contact, define specific user requirements and communicate the outline of the proposed services.
7. In order to bring the State onto the financial records of the new financial institution, we require some information from yourselves such as the completion of the Engagement Mandates and opening of vendor accounts.

We would like to express our sincere appreciation for the assistance afforded by yourselves and your offices in obtaining the above critical information.

Yours Sincerely

Vicus Luyt