



**MINISTRY: PUBLIC SERVICE AND ADMINISTRATION  
REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: 1239**

**Mr A P van der Westhuizen (DA) to ask the Minister of Public Service and Administration:**

- (1) (a) What are the (i) circumstances and (ii) time lines that led to the Public Service Commission (PSC) head office currently being based in temporary office accommodation, (b) what is the term of the lease for the current offices and (c) when is the PSC expected to move into more suitable office accommodation;
- (2) (a) what was the once-off cost to relocate the PSC to its current temporary office accommodation, including the costs (i)(aa) to move office furniture, (bb) to install computer networks and (cc) to refurbish office space, (ii) of estate agents and (iii) any other relevant expenditure in this regard, (b) what is the total current monthly cost of the rental of the temporary office accommodation, including all levies and costs related to parking bays and (c) how does this expenditure compare to the monthly rental of the PSC's previous office accommodation;
- (3) what would the monthly costs have been if the PSC moved to the office accommodation identified by the Department of Public Works? NW1387E

**REPLY**

The Public Service Commission (PSC) is an independent Constitutional body, and its budget is appropriated via the Minister of Public Service and Administration.

1(a)(i) The Public Service Commission, forwarded a request to the Department of Public Works (DPW) on 29 October 2010 for the extension of the lease agreement for a period of five (5) years as the building (Commission House in Arcadia, Pretoria) was still suitable and met the requirements of the PSC. The PSC experienced challenges with the renewal process.

Seeing that there were delays with the renewal of the lease as well as the fact that the PSC had reached the optimal occupancy of the building, the PSC requested the DPW to procure alternative office accommodation in July 2012.

In order to allow the DPW to commence with the procurement process of the alternative accommodation, the PSC agreed that the lease agreement be renewed for a further period of eighteen (18) months to ensure that PSC relocates into the new alternative office building on 1 April 2014.

A building was identified as suitable alternative accommodation for the PSC and a lease agreement was signed. However, during tenant installation process there were concerns raised by the PSC e.g. additional costs to be borne by the PSC relating to tenant installation. This resulted in the process being suspended by the DPW. Due to the dispute, the PSC did not take occupation of the building.

The PSC forwarded another request to DPW in June 2015, after receiving notice to vacate Commission House, to commence with the sourcing alternative accommodation.

1(a) (ii) The PSC requested DPW on 1 June 2015 to re-advertise the bid as the PSC was notified of the refurbishment of the building (Commission House) taking into account that the building was supposed to be already vacant then (the PSC was supposed to have vacated the building in 2014).

(b) The term of the lease for the current offices is for a period of 24 months, with an exit clause after 18 months.

- (c) The PSC has requested DPW to source permanent accommodation. The process will be completed by no later than January 2017.
- 2(a) The PSC paid R1.2 million once off costs towards the relocation to temporary accommodation (Absa Towers) for IT network infrastructure.
- 2(i)(aa) The PSC did not incur costs to move furniture. The Department of Public Works absorbed 50% of the relocation costs and the current landlord paid 50%.
- 2(i)(bb) The PSC paid R1.2 million for IT network infrastructure costs.
- 2(i)(cc) The PSC did not incur costs for refurbishing office space. The costs were covered by the tenant installation allowance paid by the landlord.
- 2(ii) The PSC did not pay estate agents fees.
- 2(iii) There is no other expenditure that was incurred.
- 2(b) The total current monthly cost of the rental of the temporary office accommodation is R1 407 312.79 for 8907 square metres.
- 2(c) The rental for the previous office accommodation was R523 087.00 per month for 6533.75 square metres. The rental for previous accommodation was not market related as ever since the PSC took occupation of the building in 1997, the ownership of the building changed 4 times without the annual rental escalation affected. The current monthly rental expenditure is high compare to the previous monthly expenditure on office accommodation.
- (3) The monthly costs would have been lower if the PSC would have moved to the office accommodation identified by the Department of Public Works

The monthly rental for the office accommodation identified by the DPW would have been R 1 361 352.36 for 8907 square metres including parking.