

THE ABC'S OF ARMSCOR

Presentation to the National Press Club

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- **Armaments Corporation of South Africa**
- **Arm Scor**
- **Arm Scor Act**
- **Acquisition Organisation**

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- **Born in 1948**
 - **Business element since 2001**

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- Care to be taken not to confuse pre 1992 Armscor with current Armscor

- Denel – Ministry of Public Enterprises
- Armscor – Ministry of Defence
- Defence Industrial Participation
- Defence Materiel Disposal
- DASO (Defence Acquisition Support Organisation)


- Established under the new Act (Act No 51 of 2003)
- Engineering galore into the acquisition process

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- From Arms manufacturing to Arms acquisition

- Governance – is what Armscor believes in
- Over R8 billion in funds used to procure
- No qualified audit report for the past ten years and beyond

- History of Armscor to be noted and not used against it.
- No different from other government Departments
- In constant transformation to meet the challenges of our fledgling democracy
- No Hidden agenda as some quarters want to believe.

- Included in our acquisition function is the disposal function


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- **Joint** effort between Armscor Programme Manager, the DoD's Project Officer and the Contractor
 - This ensures professionally done projects with final products which meet the client's needs

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- Krygkor is what we used to be called pre 1992

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- Long history of the establishment of the defence-related industry

- The Military is our business

- Non-profit making organisation
- Receives a transfer payment from the DOD
- Naval Dockyard our new responsibility

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- Obsolete stock from the DOD is what we deal with
 - We sell as is or
 - Refurbish and sell or
 - Cut up into pieces and sell to scrap metal dealers

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- Procurement agency of choice
 - We are not just buyers
 - We add engineering expertise to the process


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- Quality equipment is what we supply to our client.

- Risk management organisation
- Risk reduction organisation for the DOD
- The acquisition process starts from defining the need to disposal of obsolete stock
- This ensures that the correct equipment is acquired
- **Remember** – equipment has to be used for 30 years before replacement or upgrading

- **Service Level Agreement** is how we regulate our operational relationship with the client
- This is the requirement of the PFMA
- Armscor is a Service organisation for the DOD

- Tried and tested in the military acquisition business

- **Unity** between DOD, industry is what keeps us going
- **Undeniably** the acquisition organisation of choice by the DOD
- **Uncompromising** on quality

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- Value for money
 - Armscor's robust processes give the client value for money

- **Waste** – Armscor does not waste taxpayers' money
- **No wasteful expenditure** takes place
- **If it does, it is dealt with and reported**

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- Xcellence is one of our values

- Yanked some of the Yankee military technology and punished for it (History)
- Yesterday were associated with oppression
- Today Armscor is regarded as a national asset by government

- **Zeal** – in our management of projects safeguards taxpayers' money
- **Zenith** of Armscor's existence was with the procurement of the strategic defence packages
- **Zoom** into the future – Armscor will be the only acquisition organisation of choice for the DOD

QUESTIONS

- QUESTIONS?
- DIPOTSO?
- IMIBUZO?
- VRAE?