

Govt to save millions in new fixed-line deal with Telkom

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The Treasury said on Monday it had renegotiated its fixed-line telecommunications contract with Telkom and its subsidiary Business Connexion, a move that will save the government hundreds of millions of rand per year over the next two years.



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The government spends R3.2bn annually on both fixedline and mobile communications services. Of this, R2.2bn is spent on fixed-line while the remainder is on mobile.

The deal came a few months after Vodacom's announcement that it had won an estimated R5bn government contract for the supply of data and voice services to as many as 1.3-million government employees for four years.

The contract encompasses enterprise voice, data and all mobility services to assist in increasing government's accessibility and to help expedite its digitisation and automation initiatives, Vodacom said earlier.

The Treasury, through its office of the chief procurement officers, aims to save about R25bn in the course of the next three years by rationalising government spending on travel, construction, information and communications technology (ICT), and leases. The office has so far been in negotiations with the top 100 suppliers to government, with a view to reduce costs.

According to the Treasury, Telkom and Business Connexion have offered the government discounted prices for fixed-line

telecommunication services.

Business Connexion's CEO Isaac Mophatlane said that in the current tough economic climate many businesses were reviewing their ICT spend.

Source: Business Day

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