

**DADP enquiries regarding the Pilatus Aircraft Ltd. Offer ref.
MLC/LOG/RFO/ELGS 99/856/0001 .**

In reply to the enquiries and recommendations the following is relevant:

- 1a: Reference to Brainware in our submission was changed, as suggested by DAPD, to Brainware ILC Pty. Ltd.
- 1b: We will appreciate the participation of a member of DAPD during negotiations. Col. J. de Klerk was already informed of tentative arrangements for negotiations to commence on 12 June 2000.
- 1c: The amendments to K-STD-0020 proposed by Pilatus Aircraft Ltd. are acceptable to the Armscor/SAAF Pilatus Astra management team. Deviations from K-STD-0020 will be negotiated and cleared with our legal department before an order is placed. Note that Denel Aviation proposed many more deviations, which are not acceptable to the Armscor/SAAF Pilatus Astra management team.
- 1d: Ground support equipment can be maintained by the relevant manufacturers, or in the case of hydraulic test rigs, by local (Western-Cape) industry, and oxygen system components by the OEM where Denel is not capable of performing the necessary maintenance.
- 1e: Pilatus Aircraft Ltd. quoted fixed price amounts for PHS&T.
- 1f: There is no problem with quotes in Swiss Franks.
- 1g: The funds which will leave the country will be \pm the same whether the contract is awarded to either of the two contenders.
- 1i: The OSIS component will be managed and maintain by Brainware ILC Pty. Ltd.
- 1j: The price quoted by Pilatus Aircraft Ltd. for S&T for year 1 is R1 124 676 which compares favourably with the R 1 420 062 offered by Denel Aviation for year 1. Pilatus Aircraft Ltd. quoted R 1 094 731 and R 1 141 872 for years 2 and 3 respectively where Denel Aviation quoted TBA for years 2 and 3.