

# **NELSON MANDELA BAY METROPOLITAN MUNICIPALITY**

## **ADJUDICATION COMMITTEE**

### **SUPPLEMENTARY AGENDA**

**(Meeting – 24 August 2018)**

8. SUPPLEMENTARY REPORT BY ACTING EXECUTIVE DIRECTOR : CORPORATE SERVICES (circulated herewith)

**N XHEGO (MS)  
ACTING EXECUTIVE DIRECTOR :  
CORPORATE SERVICES**

23 August 2018

**REPORT BY  
ACTING EXECUTIVE DIRECTOR :  
CORPORATE SERVICES**

# NELSON MANDELA BAY MUNICIPALITY

## Report For Bid Adjudication Committee

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<b>Demand #</b>	:	1756
<b>Contract #</b>	:	SCM/15-113/S
<b>Description</b>	:	ENTERPRISE RESOURCE PLANNING SYSTEM(SCOA COMPLIANT)
<b>Directorate</b>	:	CORPORATE SERVICES
<b>Project Manager</b>	:	MS. PUMEZA SUME
<b>Contact Details</b>	:	0415061317
<b>Email</b>	:	psume@mandelametro.gov.za
<b>Contract Duration</b>	:	12 Months
<b>File No.</b>	:	
<b>Estimated Value No.</b>	:	8100000.00

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### 1. PURPOSE OF REPORT

The purpose of this report is to request the Bid Adjudication Committee to approve a deviation in terms of Section 36 (1)(a)(v) to re-appoint the service provider (SEBATA) based on the fact that they are the service provider for the Enterprise Management Solution for NMBM and as a result have understanding of all requirement necessary to proceed with the work. An appointment for a period of 12 months commencing from 1<sup>st</sup> September 2018 is sought.

### 2. BACKGROUND

#### 2.1 Tender

With the announcement of Municipal Gazette No. 37577 dated 22 April 2014 in respect of the implementation of a Standard Chart of Accounts (mSCOA), the NMBM was necessitated to acquire an Enterprise Resource Planning (ERP) system.

Tenders were called for the implementation of an ERP and a two stage bidding process was utilized with the process being as follows:

- Specification Meeting (1<sup>st</sup> Stage) : 03 December 2014
- Date Advertised : 18 December 2014
- Closing of Tender (1<sup>st</sup> Stage) : 08 January 2015
- Specification Meeting (2<sup>nd</sup> Stage) : 19<sup>th</sup> January 2015
- Bidders Invited for Technical Proposals : 20<sup>th</sup> January 2015
- Clarification Meeting : 30<sup>th</sup> January 2015
- Tender Closing Date : 27<sup>th</sup> February 2015
- Functional Evaluation by BEC : 9<sup>th</sup> and 10<sup>th</sup> March 2015
- Technical Evaluation of Bids : 12 March 2015
- BEC Meeting : 27 March 2015

- BAC Meeting : 10 April 2015
- BAC Final Approval : 17 April 2015
- BAC Meeting (10% Disbursements) 07 August 2015
- Tender Validity and : 120 Days
- Expiry Date : 120 DAYS – Expiry: 27 June 2015
- Contract Period : 36 months
- Tender Fee Payable : R 170.00

Attached as Annexure “C”, Annexure “D” & Annexure “E” are the items submitted to BAC previously. NMBM’s ICT Strategy is to converge all the systems and thus operate from a single platform.

## 2.2 Tenders received:

Ten (10) potential service providers responded to the enquiry at the closing date and time.

- BCX
- Bytes Universal System
- Camelsa Consulting Group
- EOH Mthombo (PTY) LTD
- Ernest and Young
- Gijima Holding Pty LTD
- Oracle Corporation (SA)
- Sebata Municipal Solutions
- Vesta Technical Solutions
- Zimele ERP IT Service

Sebata Municipal Solution was the successful bidder approved by BAC on the 10<sup>th</sup> April 2015.

### **3. SCOPE OF WORK**

The scope of work that they will undertake will focus on the finalisation of gaps that were not completed in the original period. Parallel to this the SITA process will guide NMBM on the way forward to this project. The report from SITA will assist NMBM with a water tight contract between Sebata and NMBM.

In addition to the re-appointment of Sebata a licencing renewal fee will become due for the period 1 September 2018 to 31 August 2019. A copy of the same is attached as Annexure “C”.

### **4. MOTIVATION**

#### **REASON FOR RE-APPOINTMENT REQUEST**

It must further be noted that the service provider has in-depth knowledge and understating of

NMBM Business processes which is vital for the immediate continuation of this project. Commencing with a new tender process will not be cost effective as well as it will cause delays in implementing mSCOA fully, as currently we are at about 95% on the implementation of this Legislative requirement.

**5. ITEM DETAIL**

**Item No. 1**

**ENTERPRISE RESOURCE PLANNING SYSTEM(SCOA COMPLIANT)**

<b>Bidder Name</b>	<b>PM</b>	<b>Price</b>	<b>PM Comment</b>
SEBATA MUNICIPAL SOLUTIONS	<input checked="" type="checkbox"/>	8,162,574.65	

## 6. FINANCIAL PROVISION

Financial Year	Vote No		Job Code	Allocated Amt
	Org Code	Item Code		
2018-2019	0615	0274		8000000.00
2019-2020	0615	0274		1000000.00
0				0.00
	Total (Vote No) 9000000.00		Total (Job Code)0	(Total) 9000000.00

### Budget and Treasury

The Directorate confirms that the necessary budget provision is available for this tender

Remark: Budget availability is confirmed, subject to compliance with SCM Policies and Legislations and clarity provided on the issues listed below. - The tax invoice 700INV0011346 attachd is for the period July 2018 to June 2019 and not a quote as stated in the recommendation. - The recommendation states: That the quote be accepted for the payment of licence fees as received from SEBATA whilst the SITA process is in progress from 1st September 2018 for value R 7 097 891.00 (Excl)

Signature: *Elaine Bosch*

Date: 22/08/2018

Name: Ms. Elaine Bosch - Signed in SCMS

### Head of the Department

Department Head approves the use of the funds for this project

Remark: As advised by the Acting Director: MIS

Signature: *Nosipho Xhego*

Date: 22/08/2018

Name: Ms. Nosipho Xhego - Signed in SCMS

## **7. COMMENTS**

## **8. RECOMMENDATIONS**

That it be recommended to the Bid Adjudication Committee that:

- That the deviation request in terms of Section 36 (1)(a)(v) to re-appoint of SEBATA be approved,
- That the re-appointment be made for a period of 12 months commencing from 1 September 2018.
- That the quote be accepted for the payment of licence fees as received from SEBATA whilst the SITA process is in progress from 1<sup>st</sup> September 2018 for value R 7 097 891.00 (Excl.).