

SEDIBENG

# PUBLIC NOTICE

Sedibeng District Municipality

[www.sedibeng.gov.za](http://www.sedibeng.gov.za)

## PUBLIC NOTICE IN TERMS OF SECTION 21A OF THE MUNICIPAL SYSTEMS ACT, 32 OF 2000

The Sedibeng District Municipality hereby invite the public and other potential suppliers to the Bid Adjudication Public Meeting to consider the recommendation to appoint **Messrs. Telkom/Business Connection for the procurement of a complete E-financial system (SOLAR)**, as provided for in terms of Municipal Finance Management Act, 56 of 2003, Supply Chain Management Regulation 37.

**Please be advised that a Bid Adjudication Public Meeting has been scheduled as follows:**

**Date:** Tuesday, 18 April 2017

**Time:** 10:00

**Venue:** Vestibule, Middle Hall, Vereeniging,  
Corner Leslie and Beaconsfield.

Enquiries can be directed to Ms. Sophy Ntjepela at 016 450 3131/3000

Acting Municipal Manager:  
Thomas Mkaza





# SEDIBENG DISTRICT MUNICIPALITY

MEETING OF THE PUBLIC

EDUCATION

ADJUDICATION

COMMITTEE TO BE HELD

AT THE

VESTIBULE MIDDLE

HALL AT 10:00.

CONFIDENTIAL AGENDA





Sedibeng District Municipality  
Corner Leslie and Beaconsfield Avenue, Vereeniging  
PO Box 471, Vereeniging, 1930  
Gauteng, Republic of South Africa  
Tel: +27 16 450 3110  
Fax: +27 86 743 0692  
Email: shenaza@sedibeng.gov.za  
Website: www.sedibeng.gov.za

## Supply Chain Management Unit

Sedibeng District Municipality

NOTICE IS HEREBY GIVEN OF THE PUBLIC BID ADJUDICATION COMMITTEE MEETING TO BE HELD ON TUESDAY THE 18 APRIL 2017 AT THE VESTIBULE MIDDLE HALL AT 10:00.

### A G E N D A

1. OPENING & WELCOME
2. APPLICATION FOR LEAVE OF ABSENCE
3. ATTENDANCE REGISTER AND DECLARATION OF INTEREST AND CONFIDENTIALITY.
4. REPORTS:
  - 4.1 UNSOLICITED BID FOR A COMPLETE E-FINANCIAL SYSTEM (SOLAR) BY MEANS OF MFMA SCM REGULATION 37.

5. CLOSURE

CHAIRPERSON: MS.KAJAL WIESE

BID ADJUDICATION COMMITTEE

DATE: 13 APRIL 2017



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## **Supply Chain Management Unit**

Sedibeng District Municipality

**REPORT TO BE CONSIDERED BY**

# **BID ADJUDICATION COMMITTEE**

**FOR THE:**

**Unsolicited Bid**

**for**

**a Complete E-Financial System (SOLAR)**

**by means of application of**

**MFMA SCM Regulation 37**



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## Supply Chain Management Unit

Sedibeng District Municipality

### 1. PURPOSE:

This report serves to seek the approval of the Committee to proceed with MFMA Supply Chain Regulation 37 procurement processes as prescribed for unsolicited bids for the acquisition of the complete E-Financial System SOLAR.

### 2. BACKGROUND:

At bid Adjudication Committee held on the 23 of January 2017 at the Municipal Managers Boardroom, the Committee noted the following legislative prescripts:-

2.1. MFMA Supply Chain Regulation 37, as per GN 868 gazetted 30 May 2005 in GG No. 27636, allows for the municipality to consider an unsolicited bid, provided that:-

- (a) *The product or service offered in terms of the bid is demonstrably or proven unique innovative concept;*
- (b) *The product or service will be exceptionally beneficial to, or have exceptional cost advantages for the municipality;*
- (c) *The person who made the bid is the sole provider of the product or service; and*
- (d) *The reasons for not going through the normal bidding processes are found to be sound by the accounting officer.*

2.2. The Committee is referred to the attached certificate of confirmation that said service provider is the sole supplier/ distributor of the product.

**(refer to correspondence attached as Annexure A)**

### 3. DISCUSSION:

3.1. The Committee had resolved at abovementioned BAC to:-

3.1.1 That the Committee note the contents of this report as per the discussions above and supported by the annexure;

3.1.2 That the product and service offering as per the unsolicited bid has demonstrated to the satisfaction of the Committee that:-

3.1.2.1 The product and service offering is demonstrably or proven unique innovative concept;

3.1.2.2 The product and service offering will be exceptionally beneficial to the municipality;





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## Supply Chain Management Unit

Sedibeng District Municipality

- 3.1.2.3 The product and service offering has exceptional cost advantages for the municipality; and
- 3.1.2.4 The vendor is the sole supplier / distributor of the product and service offering.
- 3.1.3 That the Committee approve the reasons cited by the user cluster to be put forth to the accounting officer for not following the normal bidding processes;
- 3.1.4 That the municipality make public its decision to consider the unsolicited bid together with reasons as to why the bid was not open to other competitors, the potential benefits for the municipality, and extend an invitation to the public on the municipal website for a period of thirty (30) days to submit their comments within thirty (30) days of such notice;
- 3.1.5 That once the Committee has received written comments pursuant to Recommendation 3.1.4 above, such comments and written responses from the unsolicited bidder shall be submitted to the National Treasury and Gauteng Provincial Treasury for their comment and recommendation, in accordance with MFMA Supply Chain Regulation 37(4);
- 3.1.6 That the Committee shall reconvene after receipt of abovementioned comments and recommendations to consider the unsolicited bid and to make award, and that such meeting will be open to the public in accordance with MFMA Supply Chain Regulation 37(6); and
- 3.1.7 That the user department, demonstrate to the Committee at such meeting to be held pursuant to Recommendation 3.1.6 above that Messrs. Business Connection's tax matters are in order in compliance with MFMA SCM Regulation 43 and, that a signed declaration that none of the directors / managers / principal shareholders or stakeholders are persons in the service of the State is provided in compliance with MFMA SCM Regulation 44.

**(Refer to Centralised Supplier Database summary report attached as Annexure B)**

- 3.2 A public notice was placed on the municipal website from 10 February 2017 until 10 March 2017.

**(Refer to public notice attached as Annexure C)**

- 3.3 No comments were received from the public. Hence, no comments were sought from National and Provincial Treasuries.
- 3.4 A notice of this Bid Adjudication Committee was placed on the municipal website inviting interested members of the public to attend.

**(Refer to Annexure D)**

#### 4. FINANCIAL IMPLICATIONS:

The estimated cost received from Messrs. Telkom Business Connexion is R2 868 501 VAT inclusive (refer to quotation received from Business Connexion attached as Annexure E).



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The estimate is inclusive of all site establishment costs, cost of training and capacitation of Staff as well as acquisition of compatible hardware. The project is estimated to run for duration of Three (3) months from establishment through to implementation and commissioning. There will be an annual maintenance agreement of R1,063,562.00 to be determined in accordance with a Service Level Agreement.

A total amount of R6, 400,000 has been budgeted for the project with R3, 200,000 reserved for the 2016/2017 financial year and R3, 200,000 in the 2017/2018 financial year.

Description of Vote	Vote Number	2016/2017	2017/2018
Capital Projects – Finance Cluster Admin	430101 403 0004	R3,200,000	R3,200,000

### 5. RECOMMENDATION:

It is recommended:

- 5.1. That the Committee note the contents of this report as per the discussions above and supported by the annexures;
- 5.2. That the product and service offering as per the unsolicited bid has demonstrated to the satisfaction of the Committee that:-
  - 5.2.1. The product and service offering is demonstrably or proven unique innovative concept;
  - 5.2.2. The product and service offering will be exceptionally beneficial to the municipality;
  - 5.2.3. The product and service offering has exceptional cost advantages for the municipality; and
  - 5.2.4. The vendor is the sole supplier / distributor of the product and service offering.
- 5.3. That the Committee approve the reasons cited by the user cluster to be put forth to the accounting officer for not following the normal bidding processes;
- 5.4. That the Committee shall submit to the Auditor-General South Africa their recommendation to award Messrs. TELKOM/BUSINESS CONNECTION for the procurement of a complete E-Financial System (SOLAR) in accordance with MFMA Supply Chain Regulation 37(8).
- 5.5 That the value of the software upgrade implementation shall not exceed *two million eight hundred and sixty eight thousand, five hundred and one rand (R2, 868,501.00 )* and an annual maintenance agreement of *one million sixty three thousand and five hundred and sixty two*





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## Supply Chain Management Unit

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**rands (R1,063,562.00)** vat inclusive as quoted by Messrs. TELKOM/BUSINESS CONNECTION.

- 5.6 That the duration of the contract shall be for a once off installation period of (3) three years and annual maintenance agreement renewable annually;
- 5.7 That the user cluster must conclude a Service Level Agreement as per the terms of reference, applicable rates as per the pricing matrix submitted with the original quotation document and general conditions of contract, in conjunction with Legal Services;

And,

- 5.8 The user cluster must complete a purchase requisition as per the transaction/ job requirement for the purpose of issuing a purchase order in accordance with Council approved SCM policy.

**MRS.KAJAL WIESE**  
**CHAIRPERSON: BID ADJUDICATION COMMITTEE**

Date: 13 APRIL 2017

The following documents have been attached for your reference:

TYPE	ANNEXURE
1. Certificate of Confirmation that Messrs Telkom/Business Connexion is the sole supplier/ distributor of the complete E-SOLAR system.	A
2. Centralised Supplier Database Summary Report for Messrs. Telkom/Business Connection	B
3. Public Notice inviting comments 10 February 2017	C
4. Public Notice invitation to Bid Adjudication Committee 18 April 2017	D
5. Quotation received from Messrs.Telkom /Business Connection	E





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## **Supply Chain Management Unit**

**Sedibeng District Municipality**

# **ANNEXURE “A”**

Certificate of Confirmation that Messrs Telkom/Business Connexion is the sole  
supplier/ distributor of the complete E-SOLAR system



20 January 2017

The Municipal Manager  
Sedibeng District Municipality  
P.O. Box 471  
Vereeniging  
1930

Glenfield Office Park  
Block F  
Cnr Oberon Ave & Glenwood  
Rd, Faerie Glen, Pretoria  
P O Box 35015  
Menlo Park, 0102  
Tel +27 (0) 12 427 0300  
Fax +27 (0) 86 577 8324  
[www.bcx.co.za](http://www.bcx.co.za)  
ISO 9001 Certificated

**Attention:** Me K.Z. Wiese

Dear Me Wieze

**Sole Provider of the Venus Financial System.**

With reference to your e-mail request regarding sole provider status of the Venus Financial System the Following:

It is here with confirmed that Telkom|Business Connexion is the sole provider and vendor of the Venus Financial System as well as the support of the software.

If there is any other enquiries, please contact me per mail at [Andries.fourie@bcx.co.za](mailto:Andries.fourie@bcx.co.za) or on 082 337 2454.

Kind Regards



Andries Fourie  
Senior Manager

ISO 9001 certified

Business Connexion Proprietary Limited Reg. No. 1993/003683/07

Directors: DJ Fredericks (Chairman) BC Armstrong LM de Villiers ME Ettling^ PSC Luthuli LI Mophatlane (CEO)  
R Nkabinde (CFO) AC Ruiters ^ British

Company Secretary: J de Koker





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## Supply Chain Management Unit

Sedibeng District Municipality

# ANNEXURE “B”

Centralised Supplier Database Summary Report for Messrs. Telkom/Business  
Connection





## CSD REGISTRATION SUMMARY REPORT

### SUPPLIER IDENTIFICATION

Supplier number	MAAA0001820	Business status	In Business
Is supplier active?	Yes	Country of origin	South Africa
Supplier type	CIPC Company	South African company/CC registration number	1993/003683/07
Supplier sub-type	Private Company (Pty)(Ltd)	Have Bank Account	Yes
Legal name	BUSINESS CONNEXION	Registration date	05 Jul 1993 00:00:00:000
Identification type	South African Company/Close Corporation Registration Number	Restricted Supplier	No
Government breakdown	Private Companies (Pty) (Ltd)	Restriction Last Verification Date	11 Apr 2017 13:33:17:730

### REGISTERED CONTACT

Contact type	Administration	Email address	theophelus.letsoalo@bcx.co.za
Name(s)	Theophelus Letsoalo	Telephone number	0112665354
Identification type	South African Identification Number	Cellphone number	063 652 7682
Prefer communication via email	Yes		

### REGISTERED ADDRESS

Address type	Physical	Municipality	City of Johannesburg
Address line 1	Business Connexion Park	City	Midrand
Address line 2	789 16th road Randjespark	Postal code	1685
Suburb	Randjespark	Country	South Africa
Province	Gauteng		

### REGISTERED ACCOUNT

Account type	Current Accounts	Account holder	BUSINESS CONNEXION (PTY) LTD
Bank	ABSA BANK LIMITED	Bank Verification Status	Verification Succeeded
Branch number	632005	Is this a preferred account?	Yes
Branch name	ABSA ELECTRONIC SETTLEMENT CNT	Edit date	04 Oct 2016 16:14:13:210
Account number	4054387676	Is the identifier linked at the bank	Yes

### Overall Tax Status

Tax Compliant	VAT Status	Compliant tax status Verified
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**CENTRAL SUPPLIER  
DATABASE  
FOR GOVERNMENT**

Report Date:

11 Apr 2017 01:34:29 PM

Report Ran By:

sophyk@sedibeng.gov.za

## CSD REGISTRATION SUMMARY REPORT

Income Tax Status	Compliant tax status Verified	Is this supplier a VAT vendor?	Yes
VAT number	4310143088	Last validation date	11 Apr 2017 13:33:00:000
<b>SUPPLIER DIRECTOR MEMBERS</b>			
Is there any director whom is restricted?	No	Is there any director who is a government employee?	TBC
<b>SUPPLIER COMMODITIES</b>			
Commodity family	Components for information technology or broadcasting or telecommunications;		
<b>B-BBEE INFORMATION</b>			
B-BBEE Status Level Of Contributor	Level 3 Contributor	B-BBEE Certificate Issue Expiry Date	03 Jul 2017 00:00:00:000
<b>DEMOGRAPHIC INFORMATION</b>			
Gender demographics available?	No	Youth demographics available?	No
Military veteran demographics available?	No	Disabilities demographics available?	No



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA





## CSD REGISTRATION SUMMARY REPORT

### Tips and Frequently Asked Questions (FAQ)

#### Identifier

CSD cannot electronically verify the identity of a supplier other than a South African Individual / Sole Proprietor (through Home Affairs) or a company registered at the Companies and Intellectual Property Commission (CIPC). For this reason, a disclaimer is displayed for supply chain practitioners to obtain supporting documentation to verify the identity and legitimacy of a supplier in these cases.

#### Bank

For help on how to resolve bank failures click here: [I received an email stating the bank information I captured on the CSD was sent for bank account validation and could not be validated. The response received from the bank contains an error message.](#)

The various possible error messages received from the bank are highlighted in red. Search for the applicable message and follow the detailed steps associated with that error message.

#### Tax

##### Tax Compliance Status

For help on how to deal with tax status differences between CSD and the tax clearance certificate click here: [What should a supplier do if the tax status on CSD difference from the tax clearance certificate?](#)

##### Tax Compliance Expiry Date

For help on how to deal with tax status differences between CSD and the tax clearance certificate click here: [How does CSD determine the tax compliance expiry date?](#)

#### CIPC

Should the director/member information reflected on the CIPC registration report differs to that reflected on CSD for help click here: [The active Directors/Members are not being populated on the CSD Directors/Members screen as they appear at CIPC, how can I rectify this?](#)

#### State Employee

For more information pertaining to government employment status click here: [Will there be verification done to identify if a supplier is a government employee?](#)



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## **Supply Chain Management Unit**

Sedibeng District Municipality

# **ANNEXURE “C”**

Public Notice inviting comments 10 February 2017.





## **PUBLIC NOTICE IN TERMS OF SECTION 21A OF THE MUNICIPAL SYSTEMS ACT, 32 OF 2000**

The Sedibeng District Municipality hereby invite the public and other potential suppliers to submit written comments or representations to the municipality in respect of the municipality's decision to consider an unsolicited bid, as provided for in terms of Municipal Finance Management Act, 56 of 2003, Supply Chain Management Regulation 37, details as follows:-

1. At the Bid Adjudication Committee held at 10am on 23 January 2017, the municipality resolved to consider an unsolicited bid received from Messrs. Telkom | Business Connexion for the procurement of the SOLAR enterprise resource management (ERM) system.

2. The accounting officer has, in terms of MFMA SCM Regulation 37(2)(d), has found the reasons for not following normal bidding processes to be sound, as in accordance with MFMA SCM Regulation 37(2)(a – c), summarised as follows:-

a. Is the product or service offered in terms of the bid demonstrably or a proven unique innovative concept?

The system SOLAR, is the intellectual property of Telkom Business Connexion who have developed a comprehensive enterprise resource management system. The system has been programmed as a bespoke system solely for municipal management, and can be described as a unique and innovative concept designed to address the information management needs of the municipality.

At this stage, the municipality is currently running on the predecessor to SOLAR, the VENUS financial system, and the service offering to configure the existing cost code structure over to the Municipal Standard Chart of Accounts (MSCOA) structure can only be performed for the municipality by Telkom | Business Connexion or their appointed agents, and none of their competitors can perform this service, hence making the service offering a unique concept.

b. Will the product or service be exceptionally beneficial to, or have exceptional cost advantages for the municipality?

As the municipality is currently operating on the predecessor to SOLAR, the VENUS financial system, the process of upgrading to SOLAR will be considerably less than that of purchasing and implementing a new system. This saving to be realised will provide a cost advantage to the municipality.

A further benefit that is currently being offered to the municipality is, as part of the MSCOA configuration on VENUS, the municipality will be assured to be MSCOA compliant by 01 July 2017, as stipulated by National Treasury.

c. Is the person who made the bid the sole provider of the product or service?

Correspondence has been received from the supplier attesting and affirming that Telkom | Business Connexion is the sole provider of the system (copy available on request from the municipality's PAIA Officer).

3. The public and other potential suppliers are invited to submit their written comments and/or representations to the municipality:

**The Municipal Manager**  
**File Reference: 8/2/3/1 – 2017**  
**Sedibeng District Municipality**  
**P.O. Box 471, Vereeniging, 1930**

4. All submissions received shall be forwarded to National Treasury and Gauteng Provincial Treasury for their recommendations.

5. The Bid Adjudication Committee shall reconvene to consider the submissions received from the public and other potential suppliers as well as the recommendations of National Treasury and Gauteng Provincial Treasury, before making their recommendation to the accounting officer.

**6. Closing date for submissions is Friday, 10 March 2017 at 12h30.**



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## **Supply Chain Management Unit**

**Sedibeng District Municipality**

# **ANNEXURE “D”**

**Public Notice invitation to Bid Adjudication Committee 18 April 2017**





# PUBLIC NOTICE

Sedibeng District Municipality

[www.sedibeng.gov.za](http://www.sedibeng.gov.za)

## PUBLIC NOTICE IN TERMS OF SECTION 21A OF THE MUNICIPAL SYSTEMS ACT, 32 OF 2000

The Sedibeng District Municipality hereby invite the public and other potential suppliers to the Bid Adjudication Public Meeting to consider the recommendation to appoint **Messrs. Telkom/Business Connection for the procurement of a complete E-financial system (SOLAR)**, as provided for in terms of Municipal Finance Management Act, 56 of 2003, Supply Chain Management Regulation 37.

**Please be advised that a Bid Adjudication Public Meeting has been scheduled as follows:**

**Date:** Tuesday, 18 April 2017

**Time:** 10:00

**Venue:** Vestibule, Middle Hall, Vereeniging,  
Corner Leslie and Beaconsfield.

Enquiries can be directed to Ms. Sophy Ntjepela at 016 450 3131/3000

Acting Municipal Manager:  
Thomas Mkaza

Corner Beaconsfield & Leslie Streets, Constitutional Square, Vereeniging |  
PO Box 471, Vereeniging, 1901, South Africa



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## **Supply Chain Management Unit**

Sedibeng District Municipality

# **ANNEXURE “E”**

Quotation received from Messrs.Telkom /Business Connection





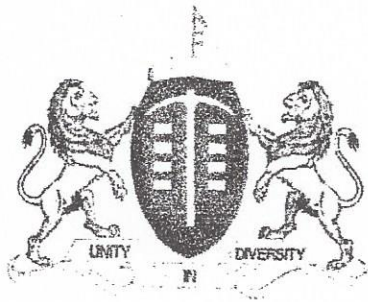
**SOLAR Upgrade Quote for Sedibeng District Municipality.**

07-Mar-17

Sedibeng District Municipality			
Description	Initial Cost One-Off		Annual Maintenance Starting on Delivery Date
e-Venus Core Financials	R	3 955 440	R 731 315
Reporting Services	R	176 860	R 51 304
Budget Toolset	R	279 400	R 59 400
Dashboard Toolset	R	226 080	R 37 680
Business Process Management Toolset (101 users)	R	266 150	R 53 250
Implementation and Training	R	151 200	R -
Testing and Parallel Runs	R	756 000	R -
Transform and Normalise	R	660 539	R -
<b>Less Upgrade Discount</b>	R	<b>- 2 808 440</b>	R -
<b>Sub-Total: Software (VAT Exclusive)</b>	R	<b>2 516 229</b>	R <b>932 949</b>
<b>Sub-Total: Software (VAT Inclusive)</b>	R	<b>2 868 501</b>	R <b>1 063 562</b>

**Notes:**

1. Implementation of the baseline Budget Toolset is included. Any customisation will be based on Time and Material.
2. The implementation of the Business Process Toolset in only the installation of the software. Customisation will be based on Time and Material when Process Mapping is done.
3. Travel Time and Kilometres travelled is not included in Price quote above.



# **GAUTENG PROVINCE**

PROVINCIAL TREASURY  
REPUBLIC OF SOUTH AFRICA

## **MUNICIPAL**

## **SUPPLY CHAIN MANAGEMENT FRAMEWORK**

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<p><b>Reference:</b> National Treasury: MFMA Circular Number 33 – Municipal bidding document: declaration on abuse of the supply chain management system (MBD 8)</p>	<p>section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).</p> <p>14.2. Therefore, the municipality or municipal entity must require that bidders complete MBD 8, sign the declaration and submit with each bid. The information furnished by the bidder should be used to ensure that when goods and services are being procured or disposed, all reasonable steps are taken to combat the abuse of the supply chain management system.</p>
<p><b>15 EXCEPTIONS FROM NORMAL PROCUREMENT PROCESSES</b></p>	<p>15.1. Procurement of the following goods and services is exempted from normal procurement processes:</p> <ul style="list-style-type: none"> <li>• Water from the municipality / municipal entity,</li> <li>• Electricity from the municipality / municipal entity,</li> <li>• Membership fees payable to professional bodies,</li> <li>• Purchase of license fees,</li> <li>• Tuition and enrolment payable through bursaries.</li> </ul> <p>15.2 In an event that institutions intend to include other commodities that should be exempted from normal procurement processes, they should seek Gauteng Provincial Treasury's approval prior to exempting such commodities from normal procurement processes.</p>
<p><b>16 DEVIATIONS FROM NORMAL PROCUREMENT PROCESSES</b></p>	<p>16.1. In instances when it is impractical to invite competitive bids, MSCMR 32 and 36 allows Accounting Officers to dispense with competitive bidding processes to procure goods or services.</p> <p>16.2. MSCMR 32 allows Accounting Officers to procure goods and services under contracts secured by other organs of state provided that the following conditions are adhered to:</p> <p>16.2.1. The contract has been secured by the other organ of state by means of a competitive bidding process applicable to that organ of state. Accounting Officers should satisfy themselves that the applicable procurement processes were followed by obtaining any other information, including but not limited to,</p>