

13. CONTRACT SC 1701A/2016: PROPOSED AMENDMENT: SOFTWARE AND WEBSITE FOR CARAVAN PARK /CAMPING RESERVATIONS FOR A CONTRACT PERIOD ENDING 30 JUNE 2020.

8/2/2

**J van Asperen
15 May 2017**

(028) 313 8959

Corporate Head Office

1. Executive Summary

The purpose of this report is to provide the necessary information and motivation on the proposed amendment of CONTRACT NUMBER SC1701/2016: SOFTWARE AND WEBSITE FOR CARAVAN PARK / CAMPING RESERVATIONS FOR A CONTRACT PERIOD ENDING 30 JUNE 2020, in terms of the enabling provisions of Section 116(3) of the Local Government: Municipal Finance Management Act, Act No. 56 of 2003 (MFMA), to enable Council to make an informed decision whether to consent to the amendment of the contract.

2. Service Delivery and Budget Implementation Plan - IGNITE

Directorate: Management Services
Department: Information Communication Technology
Directorate: Community Services
Department: Deputy Director: Operational Services

3. Compliance with Strategic Priorities

Provision of democratic, accountable and ethical governance
Provision and maintenance of municipal services

4. Delegated Authority

None

5. Legal Requirements

Local Government: Municipal Finance Management Act, 2003(Act 56 of 2003)
Overstrand Municipality Supply Chain Management Policy, as amended
Overstrand Municipality Contract Management Policy, as amended
MFMA Circular No. 73 issued by National Treasury

6. Background/Discussion/Evaluation/Conclusion

Background

Our key business system contract with CIMSO for the InnKeeper system for managing the Onrus and Palmiet Caravan park bookings expires 30 June 2017.

ICT's role with regards to the business systems contracts is 3-fold:

- being the budget holder for the licenses;
- providing specialist advice on infrastructure requirements for business systems, and
- providing specialist advice, support on analysis on processes and market trends with regards to business systems.

A meeting was set up to discuss the way forward with all the relevant Senior Managers in conjunction with the Contract Management and Supply Chain office. During this meeting the previous process was reflected on, financial status was reported and the options going forward, being either looking at alternatives or following a Section 116 process was discussed. It was noted that the key driver, specifically for all financial related systems, is mSCOA compliance required.

Section 116(3) of the MFMA provides as follows:

“(a) the reasons for the proposed amendment have been tabled in the council of the municipality or, in the case of a municipal entity, in the council of its parent municipality; and
 (b) the local community-
 (i) has been given reasonable notice of the intention to amend the contract or agreement; and
 (ii) has been invited to submit representations to the municipality or municipal entity.”

The proposed amendment of contract SC1701/2016 was advertised for public comment as follows:

Date of Advertising: 24 March 2017
 Method of Advertising: Die Burger, Cape Times, Overstrand Website & Municipal Notice Boards
 Closing Date for Comments: 24 April 2017

No comments were received by the closing date of 24 April 2017.

Section 116 (3) of the MFMA should however be read together with MFMA Circular No. 73 issued by National Treasury, May 2013. In terms of the said circular, the following power/duty was conferred to Council which is cited as follows:

‘Considering the reasons for the proposed amendment of a contract or agreement and any representations that may have been received regarding the proposed amendment of a contract or an agreement procured through the supply chain management policy of the municipality and deciding whether to consent to the amendment of the contract or agreement.’

The municipality should ideally have a single business system with a single database and workflow. Considerations to introduce such a strategy for business systems should however always be assessed carefully against initial investment costs for such ventures, as well as the potential risks if the anticipated operational

efficiencies and return on investments are not realized - this is done by the ICT Steering Committee.

Migration strategies for local government institutions must remain aligned with architectures and technologies of selected manufacturers as well as trusted relationships with selected service providers. Investments made by local government institutions in business system architectures and trusted relationships with service providers are seen as long term investments which cannot readily be changed without exposing the municipality to continuity and contingency risks.

Discussion

a) Regulatory requirements from National Treasury

Recent statements of direction from National Government implies a more strategic approach must be introduced by all local government entities to migrate its existing portfolio of legacy ICT services and systems to a business systems architecture that will enable improved data access and reporting capabilities to all stakeholders.

MFMA Circular 57 dated 20 October 2011: issued by National Treasury states: "It is imperative that municipalities operate effectively and utilise financial applications optimally to present credible information on a timely basis for internal and external use." The mSCOA project undertaken by National Treasury and supported by the outcomes of the Consolidated Auditor General Report (2009/2010) on local government include amongst others:

- i) "Research and assessment into various financial applications and related software systems in use by municipalities.
- ii) Minimal dependency on service providers, central coordination, guidance and specialist support offered in a cost-effective and efficient manner.
- iii) That guidelines be issued on minimum standards for financial systems which would minimise excessive or duplicate systems, examine critical integrated IT solutions to maximise capabilities and achieve cost effectiveness while addressing associated maintenance costs"

It was observed that municipalities have in the past diluted the benefits of financial applications by choosing to implement certain 'components' or altering the application to meet their specific requirements or utilising an application that was not integrated with the financial system.

b) Business Systems Alignment with Strategic Objectives

The ability to remain constantly aligned with the strategic goals and objectives of the municipality as well as the statements of direction from National Government are inhibited by two major factors:

- i) Legacy Business Systems

Various business systems with similar functionalities are deployed in the Overstrand Municipality, resulting in on-going increases in, and payment of

annual licensing fees and support fees without receiving any substantive value added services or functionalities as part of the existing Agreements. On-going data integration between disparate business systems results in increased complexities whilst attempting to maintain data integrity between systems.

ii) **Multiple Vendor Contracts**

The day-to-day management of vendor business systems contracts remains a major challenge for all municipalities. Vendor contracts are usually very one-sided and do not properly mitigate the potential risks, legally or otherwise, to which municipalities might be exposed to during the term of such contracts.

c) Contractual Considerations with Service Providers

It is proposed that business system contract SC1701/2016 terminating on 30 June 2017, be amended to remain in effect for a period of three financial years from 2017/2018 to 2019/2020, for the following reasons:

- i) To limit the administrative costs of following Supply Chain Management processes to request deviations and funding over the short term, specifically taking into account the strategic intent and requirement to be mSCOA compliant.
- ii) For the agreement with the service provider, the proviso is that the Overstrand Municipality may terminate the Agreement at any time and is bound to give at least 6 months prior notice.
- iii) To make a once-off provision for the required funding for a period of three years.

The intent is to follow a holistic approach to ensure that the strategic intent of the Municipality to integrate the similar functionalities into the core financial system can be optimized to its full potential during the next three years. The contract is tariff based - the total expenditure (calculated over the last 3 years), as per the SAMRAS financial system as well as the estimated expenditure for the 3 year amendment is indicated in the table below:

Ref no	SC1701/2016
Service Provider name	CIMSO Business Solutions Africa (Pty) Ltd
Description	Software and website for caravan park / camping reservations
Responsible For Service Level Agreement	D Kearney D Lakey
Responsible For Software Licenses	D Arrison J v Asperen
Total Contract Value 2016 – 18/04/2017 (Excl. VAT)	R 30 891.60
Total Estimated expenditure (Excl. VAT)	R 254 773.92

The purpose of displaying the above information motivates that a Section 116(3) process of the Local Government: Municipal Finance Management Act, Act No. 56 of 2003 (MFMA) was followed, instead of a Circular 62 process. Details of how the estimated expenditure was calculated (where applicable) are given in Annexure F.

Conclusion

It remains the strategic intent of the Municipality to assimilate similar functionalities from the other business systems deployed in the municipality into the Samras Financial System or at the least build the integration of the functionalities to the Samras Financial System where it is cost effective and functionally viable and is mSCOA compliant. Due to the complexities inherent to such business system conversions and integration, a phased approach will be followed. Priorities and time-lines to do the conversions and integration will be dependent on business needs and available funding over the next three years.

7. Financial Implications

(Values calculated based on schedule of rates as per Annexure D and calculations as per Annexure F).

Source of funding: Operational budget

LICENSE AND SUPPORT FEES			
YEAR	Budget 2017/2018	Budget 2018/2019	Budget 2019/2020
SCOA Description	OperCost:Ext Comp Serv-Software Licence		
SCOA Cost Account	20150212015956	20150212015956	Not available – draft budget in process
SCOA Unique Key	10660204370000	10660204370000	
Budget Provision	R 3 363 747.00	R 3 531 648.00	R 3 815 192.00
Balance Available	R 3 363 747.00	R 3 531 648.00	R 3 815 192.00
Total Estimated Expenditure (excl VAT)	R 80 026.99	R 84 828.61	R 89 918.32
Total Estimated Expenditure Extension (excl VAT)	R 254 773.92		
Escalation (if any)	CPI		
Escalation date	Anniversary date of implementation of the contract		

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations**Contract Management Office**

It is confirmed that contract SC 1701/2016 is still active and the proposed extension of the contract is supported. This is the first extension to the existing contract and a Section 116(3) amendment as required by the MFMA is being followed. The successful amendment of this contract is subject to Council's consent to the proposed amendment of the contract

10. Annexures

Annexure A: Public notice of intention to amend the Contract

Annexure B: Addendum to the Contract (intent to amend)

Annexure C: SCM compliance checklist

Annexure D: Confirmation of schedule of rates

Annexure E: ICT Steering Committee Agenda item and Minutes

Annexure F: Calculations of estimated expenditure

Annexure G: BAC Minutes of 12/05/2017

RECOMMENDATION TO THE COUNCIL:

1. that **cognisance be taken** of the reasons for the proposed amendment of **Contract 1701A/2016 for Software and Website for Caravan park / Camping reservations for a contract period ending 30 June 2020**, in terms of the enabling provisions of Section 116(3) of the Local Government: Municipal Finance Management Act 2003 (Act 56 of 2003), and that the amendment be consented to; and
2. that **cognisance be taken** that no recommendations or representations were received from the local community by closing date, 24 April 2017.

RESPONSIBLE OFFICIAL :

**D KEARNEY
D LAKEY
J VAN ASPEREN
M POTGIETER**

TARGET DATE FOR IMPLEMENTATION :

1 JULY 2017



NOTICE IN TERMS OF SECTION 116(3) OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003 (ACT 56 OF 2003) FOR THE PROPOSED AMENDMENT OF THE EXISTING AGREEMENT SC1701/2016 WITH CIMSO BUSINESS SOLUTIONS AFRICA (PTY) LTD FOR THE PROVISION OF SOFTWARE AND WEBSITE FOR CARAVAN PARK/CAMPING RESERVATIONS.

Notice is hereby given in terms of Section 116 (3) (a) and (b) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) that it is the intention of the Overstrand Municipality to amend the existing contract SC1701/2016 with CIMSO Business Solutions Africa (Pty) Ltd. The proposed amendment of the contract is for the provision of software and website services of the Caravan park bookings, for the period of three years, effective from 1 July 2017 to 30 June 2020.

Notice is hereby further given in terms of Section 21 and 21A of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) that the local community and affected parties are invited to submit comments or representations on the proposed amendment of the contract. Such comments or representations must be submitted by not later than Monday, 24 April 2017 at 12:00.

Comments or representations must be submitted in a sealed envelope clearly endorsed "SC1701/2016: COMMENTS ON NOTICE OF AMENDMENT OF EXISTING AGREEMENT FOR THE SOFTWARE AND WEBSITE OF CARAVAN PARK BOOKINGS WITH CIMSO BUSINESS SOLUTIONS AFRICA (PTY) LTD" and be deposited in tender box no. 7.

All submissions must be addressed to:

The Municipal Manager
Tender box no.7
Overstrand Municipality
Magnolia Avenue
Hermanus
7200

Persons who are physical disabled or who cannot read or write but wish to participate in the process, may come during office hours to the Municipal Offices, Magnolia Avenue, Hermanus where a staff member will assist that person to transcribe that person's comments or representations.

Coenie Groenewald
Municipal Manager

Annexure B: Public Notice



Enquiries: Morné Potgieter/Johnet van Asperen
Date: 07 March 2017

OFFICES OF THE DIRECTOR:
COMMUNITY SERVICES AND
MANAGEMENT SERVICES

ADDENDUM – INTENT TO AMEND A CONTRACT

The parties agree to the following intention to amend the existing contract SC1701/2016, which were signed between them on 29 November 2016 and record this was done freely and willingly, without any coercion whatsoever from any one party:

The parties agree to the amendment of the contract end date, regarding the abovementioned agreement to the 30 June 2020 on the same terms and conditions.


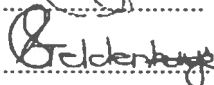
The supplier acknowledges that they do have the capacity to fulfil the obligation as set out in the terms and conditions.

The parties agree that the amendment of the contract is subject to the completion of a Supply Chain Management process, including completing a process as prescribed by section 116(3) of the Municipal Finance Management OR Circular 62 from National Treasury.

The parties further agree to commit to this amendment of contract after the date of completion of the prescribed Supply Chain Management process.

Thus done and signed at Somerset West this 13th day of March 2017 in the presence of the undersigned witnesses

WITNESSES:

1. 
2. 


.....
for and on behalf of CIMSO Business Solutions Africa
Pty) Ltd;

NAME: Johan Marais

(Position: Marketing Manager



Thus done and signed at HERMANUS this Day of 2017 in
the presence of the undersigned witnesses

WITNESSES:

1.
2.

.....
.....
for and on behalf of Overstrand Municipality: Roderick
Williams, Director: Community Services.

.....
.....
for and on behalf of Overstrand Municipality: Desireé
Arrison, Director: Management Services.

Overstrand Municipality Evaluation in terms of the Preferential Procurement Regulations Compliance Check of Tender No. SC 1701A/2016 Tender Name: Software and Website for Carnian Park / Camping Reservations for a contract period ending 30 June 2020		
Rank number of tenderer (in opening order)	Max Points	1
Name of tenderer Authority to sign bid Valid Tax Clearance Certificate provide expiry date TCC Number VAT Registration provide number Declaration of Interest Declaration of Past SCM Practices Certificate for Payment of Services Municipal Account Suppliers database registration National Treasury Registrar for Tender Defaulters National Treasury Database for Restricted Suppliers E-Mail address NOTES	CIMSO Business Solutions Africa (Pty) Ltd Authorized 2017/07 9 0770212016.A000238433 4280139959 9100533021 Declared Declared order 1804 Not listed Not Listed markesimaza@scimso.com	
Certification: It is hereby certified that the abovementioned information have been compiled from the applicable tender documents and that verifications required in terms of the Supply Chain Management Policy have been undertaken and that the recommended tenderer(s) comply in all respects, except if and where specifically indicated otherwise.		
Compiled by: (SCM Office)	N Barnard Name	 Signature 2017/05/04 Date
Verified by: (SCM Office)	A Moore Name	 Signature 2017/05/04 Date



Customer Centric Integrated Management Software

Business Solutions Africa (Pty) Ltd

Co. Reg. No. 1993/06285/07 - Directors: P J Roux BA LLB N/A P J Le Riche M Eng

PO Box 2514
Somerset West
7129 South Africa

E: adminza@cimso.com

W: www.cimso.com

T: +27 21 852 2388

F: +27 21 852 2674

Ms Johnet van Asperen
Office of the Director:
Community Services and Management Services
Overstrand Municipality
P.O. Box 20
Hermanus
7200

13 March 2017

Dear Ms van Asperen,

Extension of current license and service agreement between Cimso Business Solutions Africa and Overstrand Municipality

SC1701/2016:

Cimso Business Solutions Africa hereby confirms the above quotation (SC1701/2016) to be relevant and applicable for the time period from 1 July 2017 to 30 June 2020.

The same pricing schedule will be applicable as per SC1701/2016 quotation plus CPI per annum for the period.

Best Regards

Johan Marais
CIMSO Business Solutions, Africa



MINUTES OF THE BID EVALUATION COMMITTEE MEETING HELD AT 14:00 ON THURSDAY, 23 JUNE 2016

A2

4.2 QUOTATION NO. SC 1701/2016: SOFTWARE AND WEBSITE FOR CARAVAN PARK/CAMPING RESERVATIONS FOR A CONTRACT PERIOD ENDING 30 JUNE 2017

RESOLVED TO RECOMMEND TO THE DIRECTOR: MANAGEMENT SERVICES

- 1.1 That as they submitted the only quotation and whereas their quotation is considered realistic and market related Quotation No. SC 1701/2016: Software and Website for Caravan Park and Camping Reservations for a contract period ending 30 June 2017 be awarded to:

Service Provider / Supplier:		PSD Distribution Africa (Pty) Ltd		SCM Supplier #	1904
Service / Goods Provided:		Software and Website for Caravan Park and Camping Reservations			
Vote:	Item Description	OperCost:Ext Comp Serv- Software Licence	CARAVAN PARK LICENSES FEES	Cost Code	n/a
	Cost Account	20150212015956	Not yet allocated - Budget in progress		
	Unique Key	10660200437000	Not yet allocated - Budget in progress		
Amount (Excl. VAT):		Rates as per schedule below		Contingency:	n/a
Escalation Percentage:		n/a	Escalation Date:	n/a	
Contract Owner:		D Arrison R Williams		Contract Champion:	D Keamey D Lakey F Myburgh J van Asperen
CONTRACT PERIOD:					
Implementation date:	Date of signing of contract	End date:	30 June 2017	Period:	12 months or part thereof

PRICING SCHEDULE

#	Description	Measurement	Amount (Excl. VAT)	VAT	Total Amount (Incl. VAT)
1	Onrus Caravan Park: 180 Caravan stands, 70 semi-permanent stands and 1 plett house (currently existing booking system no website)				
(a)	Software				
(i)	License fee	Per month	R1 690.00	R 236.60	R1 926.60
(ii)	Concurrent user fee	Per month	R 0.00	Included in 1(a) (i) above	
(iii)	Installation	Per hour	R 0.00		
(iv)	Configuration/Set up	Per hour	R 0.00		
(v)	Data transfer/import of existing data (clients / venue information, stand information etc.)	Per hour	R 0.00		
(vi)	Database management	Per hour	R 0.00	Included in 1(a) (vi) below	
(vii)	Support fees (on-site and remote).	Per month	R1 769.09	R 251.45	R2 050.54

MINUTES OF THE BID EVALUATION COMMITTEE MEETING HELD AT 14:00 ON THURSDAY, 23
JUNE 2016

A3

#	Description	Measurement	Amount (Excl. VAT)	VAT	Total Amount (Incl. VAT)
(b)	Internet portal (web)				
(i)	License fees (if applicable)	Per month	R 0.00	Included in 1(a) (i) above	
(ii)	Web hosting fees (if applicable)	Per month	R 0.00		
(iii)	Concurrent license fee (if applicable)	Per month	R 0.00		
(iv)	Installation	Per hour	R 0.00		
(v)	Configuration/Set up	Per hour	R 0.00		
(vi)	Support fees (on-site and remote)	Per month	R 0.00		
(vii)	Server (if required)	Once-off	No additional server (server to be on spec)		
(viii)	Photo and video and information loading (bulk upload)	Per hour	R 0.00	Training of staff included in 1 (a) (i) above	
(ix)	Payment Portal	Per transaction	R 0.00	Zero transaction fee	
2	Palmiet/Kleinmond Caravan Park: 254 Caravan stands (currently existing booking system, no website)				
(a)	Software				
(i)	License fee	Per month	R1 142.00	R 159.88	R1 301.88
(ii)	Concurrent user fee	Per month	R 0.00	Included in 2 (a) (i) above	
(iii)	Installation	Per hour	R 0.00		
(iv)	Configuration/Set up	Per hour	R 0.00		
(v)	Data transfer/import of existing data (clients / venue information, stand information etc.)	Per hour	R 0.00		
(vi)	Database management	Per hour	R 0.00	Included in 2 (a) (vii) below	
(vii)	Support fees (on-site and remote)	Per month	R 843.32	R 118.06	R 961.38
(b)	Internet portal (web)				
(i)	License fees (if applicable)	Per month	R 0.00	Included in 2 (a) (i) above	
(ii)	Web hosting fees (if applicable)	Per month	R 0.00		
(iii)	Concurrent license fee (if applicable)	Per month	R 0.00		
(iv)	Installation	Per hour	R 0.00		
(v)	Configuration/Set up	Per hour	R 0.00		
(vi)	Support fees (on-site and remote)	Per month	R 0.00		
(vii)	Server (if required)	Once-off	No additional server (server to be on spec)		
(viii)	Photo and video and information loading (bulk upload)	Per hour	R 0.00	Training of staff included in 3 (a) (i)	
(ix)	Payment Portal	Per transaction	R 0.00	Zero transaction fee	
3	Hawston Day Camping (if required in future): 110 stands (currently no existing booking system or website)				
(a)	Software				

MINUTES OF THE BID EVALUATION COMMITTEE MEETING HELD AT 14:00 ON THURSDAY, 23
JUNE 2016

A4

#	Description	Measurement	Amount (Excl. VAT)	VAT	Total Amount (Incl. VAT)
(i)	License fee	Per month	R1 073.00	R 150.22	R1 223.22
(ii)	Concurrent user fee	Per month	R 0.00	Included in 3 (a) (i) above	
(iii)	Installation	Per hour	R 0.00		
(iv)	Configuration/Set up	Per hour	R 0.00		
(v)	Data transfer/import of existing data (clients / venue information, stand information etc.)	Per hour	R 0.00		
(vi)	Database management	Per hour	R 0.00	Included in 3 (a) (vii) below	
(vii)	Support fees (on-site and remote).	Per month	R 843.32	R 118.06	R 961.38
(b)	Internet portal (web)				
(i)	License fees (if applicable)	Per month	R 0.00	Included in 3 (a) (i) above	
(ii)	Web hosting fees (if applicable)	Per month	R 0.00		
(iii)	Concurrent license fee (if applicable)	Per month	R 0.00		
(iv)	Installation	Per hour	R 0.00		
(v)	Configuration/Set up	Per hour	R 0.00		
(vi)	Support fees (on-site and remote).	Per month	R 0.00		
(vii)	Server (if required)	Once-off	No additional server (server to be on spec)		
(viii)	Photo and video and information loading (bulk upload)	Per hour	R 0.00	Training of staff included in 3 (a) (i) above	
(ix)	Payment Portal	Per transaction	R 0.00	Zero transaction fee	
4	Gansbaai Caravan Park (if required in future) : 59 stands (currently no existing booking system or website)				
(a)	Software				
(i)	License fee	Per month	R 835.00	R 116.90	R 951.90
(ii)	Concurrent user fee	Per month	R 0.00	Included in 4 (a) (i) above	
(iii)	Installation	Per hour	R 0.00		
(iv)	Configuration/Set up	Per hour	R 0.00		
(v)	Data transfer/import of existing data (clients / venue information, stand information etc.)	Per hour	R 0.00		
(vi)	Database management	Per hour	R 0.00	Included in 4 (a) (vii) below	
(vii)	Support fees (on-site and remote).	Per month	R 493.79	R 69.13	R 562.92
(b)	Internet portal (web)				
(i)	License fees (if applicable)	Per month	R 0.00	Included in 4 (a) (i) above	
(ii)	Web hosting fees (if applicable)	Per month	R 0.00		
(iii)	Concurrent license fee (if applicable)	Per month	R 0.00		
(iv)	Installation	Per hour	R 0.00		

MINUTES OF THE BID EVALUATION COMMITTEE MEETING HELD AT 14:00 ON THURSDAY, 23 JUNE 2016

A5

#	Description	Measurement	Amount (Excl. VAT)	VAT	Total Amount (Incl. VAT)
(v)	Configuration/Set up	Per hour	R 0.00		
(vi)	Support fees (on-site and remote)	Per month	R 0.00		
(vi)	Server (if required)	Once-off	No additional server (server to be on spec)		
(vii)	Photo and video and information loading (bulk upload)	Per hour	R 0.00	Training of staff included in 4 (a) (i) above	
(ix)	Payment Portal	Per transaction	R 0.00	Zero transaction fee	
5.	Please also quote on additional service rates (should it be required by the Overstrand)				
(a)	Training/Handholding	Per hour	R 531.00	R 74.34	R 605.34
(b)	Project management	Per hour	R 648.00	R 93.72	R 738.72
(c)	Data transfer/import	Per hour	R 531.00	R 74.34	R 605.34
(d)	Software development / customization	Per hour	R 997.00	R 139.58	R 1136.58
(e)	Software testing	Per hour	R 531.00	R 74.34	R 605.34
(f)	Software integration	Per hour	R 531.00	R 74.34	R 605.34
(g)	Installation	Per hour	R 531.00	R 74.34	R 605.34
(h)	Configuration/Set up	Per hour	R 648.00	R 93.72	R 738.72

Certified as correct by:



Mr. R de Jager
Senior Admin Officer: SCM (Chairperson)

24 JUNE 2016

Date

Recommendation approved/not approved:



Ms. D Arrison
Director: Management Services

27/6/2016

Date

Meeting adjourned: 14:18

Compiled by: S Immelman

MINUTES OF THE BID EVALUATION COMMITTEE MEETING HELD AT 14:00 ON THURSDAY, 28 JULY 2016

4.1 TENDER NO. SC 1701/2016: SOFTWARE AND WEBSITE FOR CARAVAN PARKS/CAMPING RESERVATIONS FOR A CONTRACT PERIOD ENDING 30 JUNE 2017: ADJUSTMENT OF AN ADMINISTRATIVE OVERSIGHT

RESOLVED TO BE RECOMMENDED TO THE DIRECTOR: MANAGEMENT SERVICES:

- 1.1 That, it be noted that due to an administrative oversight an error was made when the Support fees (on-site and remote) for the Palmiet- and Kleinmond Caravan parks payable to the successful tenderer, to wit Messrs. PSD Distribution Africa (Pty) Ltd was captured;
- 1.2 that it be further noted that the Support fees (on-site and remote) for the Palmiet- and Kleinmond Caravan parks under paragraph 9.3 and the recommendation as contained in the original quotation evaluation report that served before the Bid Evaluation Committee held on 23 June 2016 was amended to read as follows:

#	Description	Measurement	Amount (Excl. VAT)	VAT	Total Amount (Incl. VAT)
2	Palmiet/Kleinmond Caravan Park: 254 Caravan stands (currently existing booking system, no website)				
(a)	Software				
(i)	Support fees (on-site and remote)	Per month	R1 653 34	R 232 87	R1 896 21

- 1.3 that the minutes of the proceedings of the meeting of the Bid Evaluation Committee held on 23 June 2016 be amended accordingly.

Certified as correct by:



Mr. R de Jager
Senior Admin Officer: SCM (Chairperson)

28 JULY 2016

Date

Recommendation supported/not supported::



Mr. M Polgieter
Acting Deputy Director: Finance & SCM

28/7/2016

Date

Recommendation approved/not approved:



Ms. D Arison
Director: Management Services

29/7/2016

Date



ICT STEERING COMMITTEE MEETING

BUSINESS SYSTEMS AND PROCESSES

PROGRESS REPORT

20 FEBRUARY 2017

Author:	J. van Asperen
Version:	1.0
Date:	20/02/2017



TABLE OF CONTENTS

1. CONTRACTS	3
1.1. CONTRACT EXPIRING	3
1.1.1. BACKGROUND	3
1.1.2. MOTIVATION	4
1.1.3. PROPOSAL	5
1.1.4. CONCLUSION	6
1.2. RECOMMENDATION	6

I



1. Contracts

1.1. Contract expiring

1.1.1. Background

Our key business system contract with CIMSO for the InnKeeper system for managing the Onrus and Palmiet Caravan park bookings expires 30 June 2017.

ICT's role with regards to the business systems contracts is 3-fold:

- being budget holder for the licenses;
 - providing specialist advice on infrastructure requirements for business systems;
 - providing specialist advice, support on analysis on processes and market trends with regards to business systems

Meetings were set up to discuss the way forward with all the relevant Senior Managers in conjunction with the Contract Management and Supply Chain office.

During these meetings the previous process was reflected on, financial status was reported and the options going forward, being either looking at alternatives or following a Section 116 was discussed. It was noted that the key driver, specifically for all financial related systems, is SCOA compliance required.

Section 116(3) of the MFMA provides as follows:

- “(a) the reasons for the proposed amendment have been tabled in the council of the municipality or, in the case of a municipal entity, in the council of its parent municipality; and
 (b) the local community-
 (i) has been given reasonable notice of the intention to amend the contract or agreement; and
 (ii) has been invited to submit representations to the municipality or municipal entity.”

The municipality should ideally have a single business system with a single database and workflow. Considerations to introduce such a strategy for business systems should however |



always be assessed carefully against initial investment costs for such ventures, as well as the potential risks if the anticipated operational efficiencies and return on investments are not realized - this is done by the ICT Steering Committee.

Migration strategies for local government institutions must remain aligned with architectures and technologies of selected manufacturers as well as trusted relationships with selected service providers. Investments made by local government institutions in business system architectures and trusted relationships with service providers are seen as long term investments which cannot readily be changed without exposing the municipality to continuity and contingency risks.

1.1.2. Motivation

Recent statements of direction from National Government implies a more strategic approach must be introduced by all local government entities to migrate its existing portfolio of legacy ICT services and systems to a business systems architecture that will enable improved data access and reporting capabilities to all stakeholders.

MFMA Circular 57 dated 20 October 2011: MFMA Circular 57 Issued by National Treasury states: "It is imperative that municipalities operate effectively and utilise financial applications optimally to present credible information on a timely basis for internal and external use".

The mSCOA project undertaken by National Treasury and supported by the outcomes of the Consolidated Auditor General Report (2009/2010) on local government include amongst others:

- "Research and assessment into various financial applications and related software systems in use by municipalities.
- Minimal dependency on service providers, central coordination, guidance and specialist support offered in a cost-effective and efficient manner.
- That guidelines be issued on minimum standards for financial systems which would minimise excessive or duplicate systems, examine critical integrated IT solutions to maximise capabilities and achieve cost effectiveness while addressing associated maintenance costs"



It was observed that municipalities have in the past diluted the benefits of financial applications by choosing to implement certain 'components' or altering the application to meet their specific requirements or utilising an application that was not integrated with the Financial system.

The ability to remain constantly aligned with the strategic goals and objectives of the municipality as well as the statements of direction from National Government are inhibited by two major factors:

Various business systems with similar functionalities are deployed in the Overstrand Municipality, resulting in on-going increases in, and payment of annual licensing fees and support fees without receiving any substantive value added services or functionalities as part of the existing Agreements. Also, on-going data integration between disparate business systems results in increased complexities whilst attempting to maintain data integrity between systems.

The day-to-day management of vendor business systems contracts remains a major challenge for all municipalities. Vendor contracts are usually very one-sided and do not properly mitigate the potential risks, legally or otherwise, to which municipalities might be exposed to during the term of such contracts.

1.1.3. Proposal

It is proposed that the business system contract terminating on 30 June 2017, be amended to remain in effect for a period of three financial years from 2017/2018 to 2019/2020, for the following reasons:

- To limit the administrative costs of following Supply Chain Management processes to request deviations and funding over the short term, specifically taking into account the strategic intent and requirement to be mSCOA compliant.
- For all such agreements with service providers, the proviso is that the Overstrand Municipality may terminate the Agreement at any time and is bound to give at least 6 months prior notice.
- To make a once-off provision for the required funding for a period of three years.



The intent is to follow a holistic approach to ensure that the strategic intent of the Municipality to integrate the similar functionalities into the core financial system can be optimized to its full potential over the next three years.

1.1.4. Conclusion

It remains the strategic intent of the Municipality to assimilate similar functionalities from the other business systems deployed in the municipality into the Samras Financial System or at the least build the integration of the functionalities to the Samras Financial System where it is cost effective and functionally viable and is mSCOA compliant. Due to the complexities inherent to such business system conversions and integration, a phased approach will be followed. Priorities and time-lines to do the conversions and integration will be dependent on business needs and available funding over the next three years.

1.2. Recommendation

That the status of the contracts in progress and completed be noted and that the status of the key business contract expiring and subsequent processes to be followed, be approved.]



OVERSTRAND

MUNISIPALITEIT/UMASIPALA/MUNICIPALITY

SPECIAL MEETING OF THE ICT STEERING COMMITTEE

MINUTES

22 February 2017

**Supply Chain Management Committee
Room,
Municipal Offices, Hermanus**

OVERSTRAND**MUNICIPALITY/MUNISIPALITEIT/U-MASIPALA**

**MINUTES OF A SPECIAL MEETING OF THE ICT STEERING COMMITTEE HELD
IN THE SUPPLY CHAIN MANAGEMENT COMMITTEE ROOM, HERMANUS,
ON WEDNESDAY, 22 FEBRUARY 2017 AT 08:30**

PRESENT:**Councillors:**


Cllr R de Coning
Ald. D Coetzee

Officials:

Mr. C Groenewald
Mr. R Williams
Mrs. D Arrison
Mr. C Le Roux
Mr. S Muller
Mr. N Michaels
Mr. C Johnson
Me. J van Asperen
Mrs. S Reyneke-Naude

MINUTES/...

**ATTENDANCE REGISTER
SPECIAL ICT STEERING COMMITTEE MEETING ON 23 FEBRUARY
2017 AT 08H30 IN THE SUPPLY CHAIN COMMITTEE ROOM**

Name & Surname	Directorate	Signature
G. Craenewalle	MM	
M. A. Michaels	Prod Serv	
D.P. Coetzee	Ello	
R. DE COCKING	CCR	
D. SARRISON	Man Serv	
R. Williams	Common Serv	
J. A. Spier	Sr. Bus Arch	
C. Johnson	Sys. Dev Mgt	
C. Le Roux	Finance	
S. Mulla	Info & Plan	
S. Depierre-Blonde	Finance	

1. OPENING AND WELCOME

The Municipal Manager welcomes all the representatives at the Special ICT Steering Committee Meeting.

2. APOLOGIES

None

3. BUSINESS SYSTEMS AND PROCESSES**3.1 PROGRESS REPORT****1. Contract expiring (~~UnoKeeper~~)****Recommendation**

That the status of the contracts in progress and completed be noted and that the status of the key business contract expiring and subsequent processes be followed, be approved.

4. NEXT MEETING**Recommendation**

- 13 March 2017

Meeting adjourned at 08h36.

Annexure F
1/1

#	Description	Measurement	Amount (Excl. VAT)	VAT	Total Amount (Incl. VAT)
1	Onrus Caravan Park: 180 Caravan stands, 70 semi-permanent stands and 1 plett house (currently existing booking system, no website)				
(i)	License fee	Per month	R1 690.00	R 236.60	R1 926.60
(ii)	Support fees (on-site and remote).	Per month	R1 796.09	R 251.45	R2 050.54
2	Palmiet/Kleinmond Caravan Park: 254 Caravan stands (currently existing booking system, no website)				
(i)	License fee	Per month	R1 142.00	R 159.88	R1 301.88
(ii)	Support fees (on-site and remote).	Per month	R1 663.34	R 232.87	R 1 896.21
Total per month			R 6 291.43	R 880.80	R 7 172.23
Total per annum (2016/2017)			R 75 497.16	R 10 569.57	R 86 066.73
Total per annum (2017/2018) – CPI estimated at 6%			R 80 026.99	R 11 203.75	R 91 230.74
Total per annum (2018/2019) – CPI estimated at 6%			R 84 828.61	R 11 875.97	R 96 704.58
Total per annum (2019/2020) – CPI estimated at 6%			R 89 918.33	R 12 588.53	R 102 506.85
Total over 3 years			R 254 773.92	R 35 668.24	R 290 442.17

APPENDIX 1

MUNICIPALITEIT **OVERSTRAND** MUNICIPALITY

BID ADJUDICATION COMMITTEE MEETING

ATTENDANCE REGISTER & UNDERTAKING OF CONFIDENTIALITY AND IMPARTIALITY

Date: 2017.05.12

I, the undersigned, hereby declare:

- that all information, documentation and decisions regarding any matter before the committee are confidential and undertake not to make known anything in this regard
- that I will treat all providers and potential providers equitably and will not purposefully favour or prejudice anybody
- that I will make known details of any private or business interest which I, or any close family member, partner or associate may have in any proposed procurement or disposal process of, or in any award or contract and that I will immediately withdraw from participating in any manner whatsoever

NAME	DEPARTMENT / SECTION MUNICIPALITY	SIGNATURE
SG. Keyako-Nande	Finance	
Clint Le Roux	SCM	
Ivin Witbooi	SCM	
Juan Apapane	Man Services	
Marné Potgieter	SCM	
Stephan Müller	Infra & Plan	
DESIREE ARRISON	Man Serv	
M.S. Michaels	Port Dev	
D. Lakey	Community Services	
N. Bernard	SCM	
S. Thondran	SCM	
R. DE JAGER	SCM	

CR

Minutes of the Proceedings of a Meeting of the Bid Adjudication Committee held in the SCM Committee Room, Hermanus Administration, on Friday, 12 May 2017 at 08:00.

6. ADJUDICATION OF TENDERS/AMENDMENT OF CONTRACTS

6.1 CONTRACT NO. SC 1701A/2016: PROPOSED AMENDMENT: SOFTWARE AND WEBSITE FOR CARAVAN PARK/CAMPING RESERVATIONS FOR A CONTRACT PERIOD ENDING 30 JUNE 2020

The Director: Management Services, Ms. D Arrison vacated her chair as committee member of the Bid Adjudication Committee for the duration of the adjudication of this item.

Upon a proposal by the Director: Protection Services, Mr. N Michaels duly seconded by the Director: Infrastructure & Planning, Mr. S Müller, it was

RESOLVED TO RECOMMEND TO THE ACCOUNTING OFFICER:

- 1.1 That it be noted that no representations were received from the local community against the intention to amend contract SC1701/2016.
- 1.2 That the reasons provided for the proposed amendment of contract SC1701/2016 be regarded as acceptable and valid and it be recommended to Council to consent to the amendment of the said contract.
- 1.3 That Contract number SC1701/2016: SOFTWARE AND WEBSITE FOR CARAVAN PARK /CAMPING RESERVATIONS FOR A CONTRACT PERIOD ENDING 30 JUNE 2017 be amended as Contract number SC1701A/2016: SOFTWARE AND WEBSITE FOR CARAVAN PARK /CAMPING RESERVATIONS FOR A CONTRACT PERIOD ENDING 30 JUNE 2020, as summarized in the Schedule of Rates below.
- 1.4 That the contract be amended to include a condition to the effect that the Overstrand Municipality may terminate the agreement at any time with six months written notice.

Service Provider / Supplier:		CIMSD Business Solutions Africa (Pty) Ltd		SCM Supplier #	1904
Service / Goods Provided:		Software and website for caravan park / camping reservations.			
Vote:	Item Description	OperCost Exp, Comp Serv, Software Licence			
	Unique Key	10660204370000	Cost Account	20150212015956	
Amount (Excl. VAT):		Rates as per schedule below	Contingency:	N/A	
Escalation Percentage:		CPI	Escalation Date:	Date of signing of contract and subsequent years on anniversary date of the contract	
Contract Owner:		(a) R Williams (b) D Arrison	Contract Champion:	(a) D Keamey & O Lahey (b) J van Asperen	
CONTRACT PERIOD:					
Implementation date:	1 July 2017	End date:	30 June 2020	Period:	36 months or part thereof

Minutes of the Proceedings of a Meeting of the Bid Adjudication Committee held in the SCM Committee Room, Hermanus Administration, on Friday, 12 May 2017 at 08:00.

SCHEDULE OF RATES					
CIMSO BUSINESS SOLUTIONS AFRICA (PTY) LTD					
SC1701A/2016: SOFTWARE AND WEBSITE FOR CARAVAN PARK/CAMPING RESERVATIONS FOR A CONTRACT PERIOD ENDING 30 JUNE 2020					
#	Description	Measurement	Amount (Excl. VAT)	VAT	Total amount (Incl. VAT)
1	Onrus Caravan Park: 180 Caravan stands 70 semi-permanent stands and 1 pletti house (currently existing booking system, no website)				
(a)	Software				
(i)	License fee	Per month	R1 690.00	R 236.60	R1 926.60
(ii)	Concurrent user fee	Per month	R 0.00		
(iii)	Installation	Per hour	R 0.00		
(iv)	Configuration/Set up	Per hour	R 0.00		
(v)	Data transfer/import of existing data (clients / venue information, stand information etc.)	Per hour	R 0.00		
(vi)	Database management	Per hour	R 0.00		
(vii)	Support fees (on-site and remote)	Per month	R1 769.09	R 251.45	R2 050.54
(b)	Internet portal (web)				
(i)	License fees (if applicable)	Per month	R 0.00		
(ii)	Web hosting fees (if applicable)	Per month	R 0.00		
(iii)	Concurrent license fee (if applicable)	Per month	R 0.00		
(iv)	Installation	Per hour	R 0.00		
(v)	Configuration/Set up	Per hour	R 0.00		
(vi)	Support fees (on-site and remote)	Per month	R 0.00		
(vii)	Server (if required)	Once-off	No additional server (server to be on spec)		
(viii)	Photo and video and information loading (bulk upload)	Per hour	R 0.00		Training of staff included in 1(a) (i) above
(ix)	Payment Portal	Per transaction	R 0.00		Zero transaction fee
2	Palmiet/Kleinmond Caravan Park: 254 Caravan stands (currently existing booking system, no website)				
(a)	Software				
(i)	License fee	Per month	R1 142.00	R 159.88	R1 301.88
(ii)	Concurrent user fee	Per month	R 0.00		
(iii)	Installation	Per hour	R 0.00		
(iv)	Configuration/Set up	Per hour	R 0.00		
(v)	Data transfer/import of existing data (clients / venue information, stand information etc.)	Per hour	R 0.00		
(vi)	Database management	Per hour	R 0.00		
(vii)	Support fees (on-site and remote)	Per month	R1 663.34	R 232.87	R 1 896.21
(b)	Internet portal (web)				
(i)	License fees (if applicable)	Per month	R 0.00		
(ii)	Web hosting fees (if applicable)	Per month	R 0.00		
(iii)	Concurrent license fee (if applicable)	Per month	R 0.00		
(iv)	Installation	Per hour	R 0.00		
(v)	Configuration/Set up	Per hour	R 0.00		
(vi)	Support fees (on-site and remote)	Per month	R 0.00		
(vii)	Server (if required)	Once-off	No additional server (server to be on spec)		
(viii)	Photo and video and information loading (bulk upload)	Per hour	R 0.00		Training of staff included in 3(a) (i)

Minutes of the Proceedings of a Meeting of the Bid Adjudication Committee held in the SCM Committee Room, Hermanus Administration, on Friday, 12 May 2017 at 08:00.

SCHEDULE OF RATES					
CIMSO BUSINESS SOLUTIONS AFRICA (PTY) LTD					
SC1701A/2016: SOFTWARE AND WEBSITE FOR CARAVAN PARK /CAMPING RESERVATIONS FOR A CONTRACT PERIOD ENDING 30 JUNE 2020					
#	Description	Measurement	Amount (Excl. VAT)	VAT	Total amount (Incl. VAT)
(ix)	Payment Portal	Per transaction	R 0.00	Zero transaction fee	
3	Hawston Day Camping (If required in future): 110 stands (currently no existing booking system or website)				
(a)	Software				
(i)	License fee	Per month	R 1 073.00	R 150.22	R 1 223.22
(ii)	Concurrent user fee	Per month	R 0.00		
(iii)	Installation	Per hour	R 0.00		
(iv)	Configuration/Set up	Per hour	R 0.00		Included in 3 (a) (i) above
(v)	Data transfer/import of existing data (clients / venue information, stand information etc.)	Per hour	R 0.00		
(vi)	Database management	Per hour	R 0.00		Included in 3 (a) (v) below
(vii)	Support fees (on-site and remote)	Per month	R 843.32	R 118.06	R 951.38
(b)	Internet portal (web)				
(i)	License fees (if applicable)	Per month	R 0.00		
(ii)	Web hosting fees (if applicable)	Per month	R 0.00		
(iii)	Concurrent license fee (if applicable)	Per month	R 0.00		
(iv)	Installation	Per hour	R 0.00		
(v)	Configuration/Set up	Per hour	R 0.00		
(vi)	Support fees (on-site and remote)	Per month	R 0.00		
(vii)	Server (if required)	Once-off		No additional server (server to be on spec)	
(viii)	Photo and video and information loading (bulk upload)	Per hour	R 0.00		Training of staff included in 3(a) (i) above
(ix)	Payment Portal	Per transaction	R 0.00	Zero transaction fee	
4	Gansbaai Caravan Park (If required in future): 59 stands (currently no existing booking system or website)				
(a)	Software				
(i)	License fee	Per month	R 835.00	R 116.90	R 951.90
(ii)	Concurrent user fee	Per month	R 0.00		
(iii)	Installation	Per hour	R 0.00		
(iv)	Configuration/Set up	Per hour	R 0.00		Included in 4 (a) (i) above
(v)	Data transfer/import of existing data (clients / venue information, stand information etc.)	Per hour	R 0.00		
(vi)	Database management	Per hour	R 0.00		Included in 4 (a) (v) below
(vii)	Support fees (on-site and remote)	Per month	R 493.79	R 69.13	R 562.92
(b)	Internet portal (web)				
(i)	License fees (if applicable)	Per month	R 0.00		
(ii)	Web hosting fees (if applicable)	Per month	R 0.00		
(iii)	Concurrent license fee (if applicable)	Per month	R 0.00		
(iv)	Installation	Per hour	R 0.00		
(v)	Configuration/Set up	Per hour	R 0.00		
(vi)	Support fees (on-site and remote)	Per month	R 0.00		
(vii)	Server (if required)	Once-off		No additional server (server to be on spec)	
(viii)	Photo and video and information loading (bulk upload)	Per hour	R 0.00		Training of staff included in

CUP

Minutes of the Proceedings of a Meeting of the Bid Adjudication Committee held in the SCM Committee Room, Hermanus Administration, on Friday, 12 May 2017 at 08:00.

SCHEDULE OF RATES					
CIMSO BUSINESS SOLUTIONS AFRICA (PTY) LTD					
SC1701A/2016. SOFTWARE AND WEBSITE FOR CARAVAN PARK /CAMPING RESERVATIONS FOR A CONTRACT PERIOD ENDING 30 JUNE 2020					
#	Description	Measurement	Amount (Excl VAT)	VAT	Total amount (Incl VAT)
				4(a) (i) above	
(u)	Payment Portal	Per transaction	R 0.00	Zero transaction fee	
5. Please also quote on additional service rates (should it be required by the Overstrand)					
(a)	Training/Handholding	Per hour	R 531.00	R 74.34	R 605.34
(b)	Project management	Per hour	R 648.00	R 90.72	R 738.72
(c)	Data transfer/import	Per hour	R 531.00	R 74.34	R 605.34
(d)	Software development / customization	Per hour	R 697.00	R 139.58	R 1136.58
(e)	Software testing	Per hour	R 531.00	R 74.34	R 605.34
(f)	Software integration	Per hour	R 531.00	R 74.34	R 605.34
(g)	Installation	Per hour	R 531.00	R 74.34	R 605.34
(h)	Configuration/Set up	Per hour	R 648.00	R 90.72	R 738.72

Certified as correct by:



Mr C Le Roux
Deputy Director: Finance & SCM

Date

15 May 2017



Ms SG Reyneke-Naude
Director: Finance (Chairperson)

Date

16/5/2017

Recommendation approved/~~not approved~~:



Mr C Groenewald
Accounting Officer

Date

17.05.2017