

D/SM 20/24

DEVIATION: TENDER FOR DEBTOR MANAGEMENT SOFTWARE AND ADMINISTRATIVE SUPPORT



MEMORANDUM

REVENUE AND EXPENDITURE

CHECK BEFORE SUBMISSION	YES	NO
REGISTERED ON CSD DATABASE		
LETTER - SOLE SUPPLIER if applicable.		
QUOTE/INVOICE ATTACHED		
BUDGET (SAMRAS)		
CASHFLOW		
SIGNATURES		

To Aan: MUNICIPAL MANAGER
From Van: MANAGER REVENUE
Date Datum: 28 June 2024
Re Insake: DEVIATION: TENDER FOR BILL PAYMENTS RECEIPTING SERVICES

1. PURPOSE

To obtain approval in terms of Supply Chain Management Policy, to deviate from the official procurement process in terms of section 36 of the approved SCM Policy

REASON FOR DEVIATION: (Mark with x where applicable)		
1.	Emergency. "Emergency dispensation" means emergency as referred to in paragraph 36(1)(a)(i) of this policy under which one or more of the following is in existence that warrants an emergency dispensation;	
a	The possibility of human injury or death;	
b	The prevalence of human suffering or deprivation of rights;	
c	The possibility of damage to property, or suffering and death of livestock and animals;	
d	The interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole;	
e	The possibility of serious damage occurring to the natural environment;	
f	The possibility that failure to take necessary action may result in the municipality not being able to render an essential community service;	X
g	The possibility that the security of the state could be compromised; or	
h	The prevailing situation, or imminent danger, should be of such a scale and nature that it could not readily be alleviated by interim measures, in order to allow time for the formal procurement process. Emergency dispensation shall not be granted in respect of circumstances other than those contemplated above.	
2.	Goods or services are produced or available from a single provider	
3.	Acquisition of special works of art or historical objects where specifications are difficult to compile.	
4.	Acquisition of animals for zoos and /or nature and game reserves	
5.	Exceptional case and it is impractical or impossible to follow the official procurement processes	X

NB! All deviations i.r.o the amount will be tabled at the BAC

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2. SUBSTANTIATE WHY SCM PROCESS COULD NOT BE FOLLOWED (TO BE REPORT TO COUNCIL)

A SCM process has been followed during April 2024, and two bidders, Pay At Services (Pty)Ltd and EasyPay (Pty)Ltd, submitted their bids. Both bidders have been responsive during the departmental evaluation process. However, during the final evaluation process the tax status of the recommended bidder (Pay At Services (Pty)Ltd) has been found as non-compliant in terms of the SCM regulations.

3. BACKGROUND

Stellenbosch Municipality sent out on an invitation for the procurement for **APPOINTMENT OF A SUITABLY QUALIFIED PROFESSIONAL SERVICE PROVIDER FOR BILL PAYMENTS RECEIPTING SERVICES FOR STELLENBOSCH MUNICIPALITY WC024** for the period until 30 June 2027.

The requirements were put out on Tender B/SM 101/24. Both two bidders (Pay At Services (Pty)Ltd and EasyPay (Pty)Ltd) have been responsive during the evaluation process and the Department recommended that Pay At Services (Pty)Ltd be further evaluated, as the company is the bidder with the lowest tariffs.

4. DISCUSSION

Stellenbosch Municipality sent out on an invitation for the procurement for **APPOINTMENT OF A SUITABLY QUALIFIED PROFESSIONAL SERVICE PROVIDER TO PROVIDE BILL PAYMENTS AND RECEIPTING SERVICES FOR STELLENBOSCH MUNICIPALITY WC024** for the period until 30 June 2027. The tender process started in March 2024 and the Bid Specification Committee approved the specifications during April 2024. The tender has been advertised on 18th May 2024 and closing time for bidders to submit their bids closed on 18 June 2024.

During the evaluation process by the Department, both the two bidders (Pay At Services (Pty)Ltd and EasyPay (Pty)Ltd) have been responsive, and a recommendation has been made to further evaluate the tender in respect of PAY AT SERVICES (Pty)Ltd as the company has been the lowest tariffs. During the final evaluation process, it has been found that the company's tax clearance is not in order. The company do have seven days to submit their tax clearance documentation, however it seems that the company may have to lodge an objection and an appeal process which may be finalise between 21-60 business days. (See attached letter from the company's aditors) To ensure service delivery continue and clients can pay their accounts at all electronic platforms, it is recommended that the second bidder, EasyPay (Pty)Ltd be appointed on a month-to-month basis for the following two months.

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5. FINANCIAL IMPLICATIONS

Provision has been made under the following U-Key for each financial year:

U-key Number: 20220630078093

2024/2025 Financial Year – R 3 857 000

2025/2026 Financial Year – R 4 049 850

2026/2027 Financial Year – R 4 252 343

6. RECOMMENDATION

It is hereby recommended that, that EasyPay (Pty)Ltd be appointed, on a month-to-month basis for the following two months, from 01/07/2024, to deliver the services for Bill Payment Receipting at the current tariffs as per their tender document B/SM 078/21.

7. VALUE FOR MONEY (OTHER RATES/VALUES)

The extension of the current contract will have no increases in tariffs because the tariffs as applicable on the current Tender B/SM 078/21 will apply. The current service provider is always willing to assist and has an excellent record of good service delivery.

8. IT IS RECOMMENDED THAT:

That EasyPay (Pty)Ltd be appointed, on a month-to-month basis for the following two months, from 01/07/2024, to deliver the services for Bill Payment Receipting at the current tariffs as per their Bid B/SM 078/21 tender document.


**MANAGER REVENUE
FINANCE DEPARTMENT**

Date: 28/06/2024.


**SENIOR MANAGER REVENUE AND EXPENDITURE
FINANCE DEPARTMENT**

Date: 28/06/2024


**CHIEF FINANCIAL OFFICER
FINANCE DEPARTMENT**

Date: 28/06/2024

NB! All deviations i.r.o the amount will be tabled at the BAC

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7. SUPPLY CHAIN MANAGEMENT COMMENTS:

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8. APPROVAL:

REQUEST SUPPORTED / NOT SUPPORTED BY THE STELLENBOSCH MUNICIPAL BID ADJUDICATION COMMITTEE		
Name	Signature	Date
S Chandaka	Online	28/6/2024
A de Beer	online	28/6/2024
C Kitching	online	28/6/2024
D Jacobs	<i>[Signature]</i>	28/6/2024
Comments: <i>Supported</i>		
CHAIRPERSON: <i>[Signature]</i>		DATE: <i>28/06/2024</i>
RECOMMENDATION FROM BID ADJUDICATION COMMITTEE APPROVED BY THE ACCOUNTING OFFICER		
Comments: <i>Appointment Approved as per recommendation.</i>		
ACCOUNTING OFFICER: <i>[Signature]</i> (A.P. Baines)		DATE: <i>28/6/2024</i>

Adley

Our ref./Ons verw./CG Marx/AVD/KOR
Email address: iaan@ldp.co.za

07 June 2024

TO WHOM IT MAY CONCERN

Sir/Madam,

TAXPAYER: PAY AT SERVICES PTY LTD (REG NR: 2006/027951/07)

INCOME TAX REFERENCE NUMBER: 9207379166

VAT REFERENCE NUMBER: 4270243308

PAYE REFERENCE NUMBER: 7210765824

APPLICATION FOR TAX CLEARANCE:

We hereby confirm that we act as auditors and registered tax practitioners on behalf of the above-mentioned company.

The taxpayer was in receipt of a valid tax clearance issued by SARS during June 2023, which expired on 06 June 2024. On 09 May 2024 SARS issued additional assessments in respect of the taxpayer's VAT periods with no reasons for the assessments. These assessments were due for payment on 1 June 2024, resulting in the taxpayer's clearance certificate to be reflected as non-compliant.

The assessments received did not include detailed adequate reasons for the increase in standard rated supplies, and the vendor was not subject to any VAT audit verification during the period SARS issued the additional assessments.

In terms of Rule 6 promulgated under section 103 of the Tax Administration Act, 2011 (Act no. 28 of 2011), prescribing the procedures to be followed in lodging an objection and appeal against an assessment or a decision subject to objection and appeal referred to in section 104(2) of that act, procedures for alternative dispute resolution, the conduct and hearing of appeals, application on notice before a tax court and transitional rules, our firm has requested detailed, adequate reason for the assessments resulting in additional output VAT.

However, in terms of these Rules, SARS has 60 business days to supply the reasons for assessment, which will then allow our firm to lodge an objection against the assessments.

Our firm has requested SARS to re-evaluate the tax clearance and the taxpayer's overall compliance but were advised that this may take at least 21 business days to complete.

The taxpayer is therefore unable to obtain a valid clearance certificate even though the taxpayer was compliant before the issuing of the additional assessments and has no other returns or monies outstanding in respect of other taxes.

We therefore kindly request that you consider the taxpayer's overall compliance as well as the efforts made to ensure that all tax liabilities are brought up to date.

Once the clearance certificate is issued, we will provide you with a copy of the PIN letter.

We trust you will find the attached in order.

Your kind assistance in this regard will be appreciated. Should you require any additional information, do not hesitate to contact the writer in this regard.

Yours faithfully



LDP CHARTERED ACCOUNTANTS AND AUDITORS INCORPORATED

Per: CG Marx

PR No: PR-0008606

Pieter Wagener

From: Adele Wagenaar
Sent: 17 April 2024 02:17 PM
To: Pieter Wagener
Cc: Prudence Oerson
Subject: Budget

Good day Mr Wagener

Herewith below for the 3 financial years as per your request .

Please take note that the ukeys my change in the new financial year .

Directorate	Department	AM Item Type	Item Description	DRAFT BUDGET 2024/2025 INPUT	DRAFT BUDGET 2025/2026 INPUT	DRAFT BUDGET 2026/2027 INPUT
FINANCIAL SERVICES	FINANCIAL SERVICES: GENERAL EXPENDITURE / Contracted services		Expenditure: Contracted Services: Trading Agents and Debt Collectors	3 008 000.00	3 158 400.00	3 376 320.00
FINANCIAL SERVICES	FINANCIAL SERVICES: GENERAL EXPENDITURE / Operational costs		Expenditure: Operational Cost Commission: Third Party Vendors	3 857 000.00	4 049 850.00	4 252 343.00



Kind regards,

Adele Wagenaar

Administrative Officer

Financial Management Services

Financial Services

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