

D/SM 1/23

DEVIATION: APPOINTMENT OF EVOLUTION TECHNOLOGY GROUP (ETG) FOR PRINTING SERVICES ON A MONTH TO MONTH BASIS UNTIL THE RT3 2022 CONTRACT IS IMPLEMENTED.



MEMORANDUM

DIRECTORATE: CORPORATE SERVICES

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

*Original with Nicolene
Copy with me.*

To Aan: BID ADJUDICATION COMMITTEE

From Van: R. MOOIDEEN

Job Title: MANAGER: ICT INFRASTRUCTURE

Date Datum: 30 JUNE 2022

Re Insake: DEVIATION: APPOINTMENT OF EVOLUTION TECHNOLOGY GROUP (ETG) FOR PRINTING SERVICES ON A MONTH TO MONTH BASIS UNTIL THE NEW RT3 2022 CONTRACT IS IMPLEMENTED

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;	
	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

2020/2021

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

There is a current transversal tender in place until 30 June 2022 as per the BAC resolution of 18 April 2019. The new transversal tender only became available on 1 April 2022 with amendments running through into June 2022, and the municipality must still go through the processes to implement the transversal tender which we anticipate will take 4 to 5 months.

This is a critical service to the Municipality and as such the Municipality cannot be without the printing service. It is impractical to follow another procurement process due to the transversal tender we want to take part in. The printers that we currently used was provided by the proposed service provider. If we have to get a new service provider it will lead to a disruption in the service and it will only be for a few months until the new transversal tender can be implemented. This deviation ensure that there is no interruption in this critical service to the Municipality as the recommended service provider is the current service provider.

3. BACKGROUND

The Stellenbosch Municipality successfully applied and is currently participating in the RT3-2018 Transversal contract for Printing services. The commencement of this agreement was delayed by 6 months due to amendments which saw the agreement with the successful bidder being signed in December of 2019. The contract was signed for a duration of 36 months with an option to extend with 0% rental for an additional 12 months. This however means that the contract extends over more than three financial years and without the provisions of section 33 being complied with it will lead to irregular expenditure if we continue with the contract after 30 June 2022. The service provider has therefore been informed that we will terminate the contract on 30 June 2022 despite their disagreement.

4. DISCUSSION

The Municipality successfully participated in the RT3-2018 transversal contract. Evolution Technology Group was the approved service provider to provide a compliant proposal to the needs of the Stellenbosch Municipality with a lowest Total Cost of Ownership (TCO) and an optimised management print solution. ETG evidently recommended a decrease on the number of printing devices from 291 to 112 based on the assessment conducted.

The RT3-18 Transversal contract was approved at the BAC on 18 April 2019 for a period of 36 months. The contract was only signed 6 months later and are therefore in conflict with the BAC resolution and does not comply with section 33 of the MFMA. We informed the service provider that we will not continue with the contract signed in December 2019. We however need the service and as the implementation of the new transversal tender will take some months the best practical solution is to appoint Evolution Technology Group on a month to month basis whilst we implement the new transversal tender. It is impractical to go out on another process for the appointment of a service provider as it will interrupt services and it is only on a month to month basis for the next four to five months. The transversal tender provides the best prices for municipalities without municipalities having to go out on individual tender processes.

5. FINANCIAL IMPLICATIONS

The total cost for the appointment of Evolution Technology (ETG) for the provision of printing services to the Municipality over 5 months from 1 July to 30 November 2022 is **R2 763 362.61 inclusive of VAT**. The monthly cost is R552 672.52 inclusive of VAT. This includes the rental of the machines, the paper usage costs (black and white) and service and support (toner / ink cartridges included). The paper usage costs are based on a 6 month historical average against each printer machine.

The funding will be serviced from multiple UKEYs across the Directorates

6. RECOMMENDATION

Stellenbosch Municipality greatly relies on print services to fulfil its mandate of serving the public and thus cannot be without printers at any given time. It is therefore recommended that Stellenbosch Municipality enters into an agreement with Evolution Technology Group (ETG) on a month to month basis for no more than 5 months whilst the Municipality enters into and secures an agreement off the RT3-2022 Transversal contract.

7. IT IS RECOMMENDED THAT:

8.1 That it be noted that the municipality will not continue with the current contract in terms of the 2019 transversal tender after 30 June 2022

8.2 That a new contract be entered into on a month to month basis with Evolution Technology Group until the RT3-2022 agreement is implemented and for no longer than 5 months;

8.3 That the monthly rental and usage/consumption rates as per the attached proposal be approved;



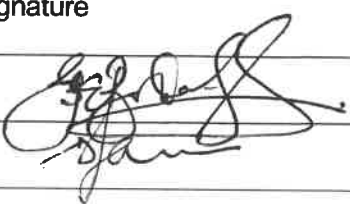
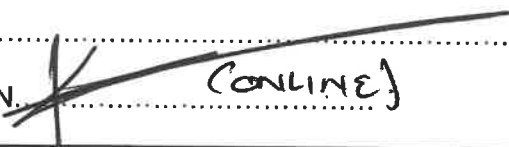
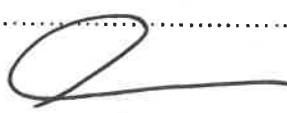
R. MOOIDEEN
MANAGER: ICT INFRASTRUCTURE

Date: 1 July 2022

7. SUPPLY CHAIN MANAGEMENT COMMENTS:

DEVIATION: APPOINTMENT OF EVOLUTION TECHNOLOGY GROUP (ETG) FOR PRINTING SERVICES ON A MONTH TO MONTH BASIS UNTIL THE RT3 2022 CONTRACT IS IMPLEMENTED.

8. APPROVAL:

REQUEST SUPPORTED / NOT SUPPORTED BY THE STELLENBOSCH MUNICIPAL BID ADJUDICATION COMMITTEE		
Name	Signature	Date
G. Boshoff		01 - 07 - 2022
D. Jacobs		01 - 07 - 2022
A. de Beer	ONLINE	01 - 07 - 2022
D. Louw	ONLINE	01 - 07 - 2022
Comments:		
CHAIRPERSON.  (ONLINE) DATE 01 - 07 - 2022		
RECOMMENDATION FROM BID ADJUDICATION COMMITTEE APPROVED BY THE ACCOUNTING OFFICER		
Comments: <u>Approved as per recommendation.</u>		
ACCOUNTING OFFICER.  DATE 01-07-2022		