

Request Details

PR No: 10250972 Type: ZCET - Contract Extension RQ
Cost Centre: 2000 - SAP CCC (FINANCE SUPPORT SERVICES: ERP CENTRE OF EXCELLENCE)
Vendor: 113074 - SYSTEMS APPLICATIONS PRODUCTS (SA)
Description: Contract Extension 4600001441
Contract No: 4600001441 Practitioner: 930 - LORNA MARTINS
Amount: 4,515,948.08 ZAR

BACKGROUND

Following a tender process, the SABC implemented SAP as its enterprise resource planning (ERP) solution in 2007. The SAP system currently supports various key SABC business processes including Finance, HR, Sales, Governance, etc.

The SABC also subsequently implemented the AP SuccessFactors system, with the following modules:

#Recruiting

#Performance < (> &<)> Goals

#Succession < (> &<)> Development

#Learning

The current SAP SuccessFactors subscription licences contract terminates on 31 March 2026.

REASON

SAP SuccessFactors Recruitment system addresses control gaps identified in previously used manual processes. Furthermore, the SAP SuccessFactors Talent Management modules (Performance < (> &<)> Goals, Succession < (> &<)> Development and Learning) which support implementation of the SABC#s Talent Management < (> &<)> Leadership Competency Framework and Performance Management Policy were also implemented.

The implemented SAP SuccessFactors modules ensure effective execution of talent management processes, through a user-friendly system that optimises productivity, efficiency and quality.

The SABC is currently in the process of reviewing its future ERP requirements. The continued use of the SAP SuccessFactors systems is recommended until the above review process has been completed.

SCOPE OF WORK

SAP SFSF Performance < (> &<)> Goals (Usage Metric = 1 Users | Usage

Metric Limitation = 3200)

SAP SFSF Learning (Usage Metric = 1 Users | Usage Metric Limitation =

3200)

SAP SFSF Succession < (> &<)> Development < (> &<)> Goals (Usage Metric = 1

Users | Usage Metric Limitation = 3200)

SAP SFSF Recruiting (Usage Metric = 1 Users | Usage Metric Limitation =

3200)

COST EFFECTIVENESS

The service is procured directly from the Original Equipment

Manufacturer, thus by-passing middlemen and avoiding reseller costs, R4

515 948.08 (excl. VAT). The SABC would have to pay more for the service

if it procured the service from resellers. Therefore, this extension

process is cost saving.

LEGAL IMPLICATIONS

None

RISK & MITIGATIONS

Non-availability of the SAP SuccessFactors and the SAP C4C Cloud systems

will require the SABC to revert to manual processes, which will weaken

the system of internal controls and increase risks.

The SAP SuccessFactors system are required to support key HR strategies.

Without the SAP SuccessFactors system, it will not be possible to

deliver on these strategies.

RECOMMENDATION

Based on the motivation provided, ERP CENTRE OF EXCELLENCE recommends

that:

* The BAC approve the extension request for the SAP SuccessFactors

subscription licences for a period of 21 months, from 01 April 2026 to 31

December 2027, at a total cost of R4 515 948.08 (excl. VAT).

- * The Head of SCM Governance will sign the letter of extension
- * Legal Service will draft the addendum

VENDOR SELECTION

SAP is the Original Equipment Manufacturer (OEM) for the SAP SuccessFactors.

PERIOD

01 April 2026 to 31 December 2027.

PURPOSE

The purpose of this submission is to request approval for an extension of contract 4600001441 with the Systems Applications Products (SAP) for the provision of SAP SuccessFactors for a period of 21 months, starting from 01 April 2026 to 31 December 2027. The request is at total cost of R4 515 948.08 excluding VAT.

The Initial contract value was R2,227,622.15 excluding VAT, and the first addendum contract value was R2,301,133.68 excluding VAT, the second addendum contract value was R2,301,133.68 excluding VAT. The cumulative amount is R11,345,837.59 excluding VAT. The request is 202,7% of the initial contract value.

Table 1: Summary of the Extension Request

Initial contract value -R2,227,622.15 excluding VAT
15% of the initial contract value-R 334,143,32 excluding VAT
Requested amount for extension-R4,515,948.08 excluding VAT
Amount in excess of 15%-R4,181,804.76 excluding VAT

APPROVERS AND REVIEWERS

Date Actioned	User Name	Actioned By Full Name
20.01.2026	KGWETET	NELSON THABANG KGWETE
20.01.2026	MANITSHANAB	BAKHE MANITSHANA
21.01.2026	MTHEMBUMS	MICHAEL SENZOSENKOSI MTHEMBU
30.01.2026	MTHEMBUMS	MICHAEL SENZOSENKOSI MTHEMBU
25.03.2026	LESEMELAIP	PRECIOUS ITUMELENG LESEMELA