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15/25

**DEVIATION: CERTIFICATE OF EMERGENCY: FAILED COMPUTER ROOM
AIRCONDITIONING (CRAC) UNITS V2 Effective 01 July 2024**



MEMORANDUM

CORPORATE SERVICES ICT

CHECK BEFORE SUBMISSION	YES	NO
REGISTERED ON CSD DATABASE		
LETTER - SOLE SUPPLIER if applicable.		
QUOTE/INVOICE ATTACHED		
BUDGET (SAMRAS)		
SIGNATURES		
SENT TO DEDICATED EMAIL ADDRESS?		

To : MUNICIPAL MANAGER
From : REGAN MOOIDEEN
Job Title : SENIOR MANAGER: ICT
Date : 28 November 2024
**Re : DEVIATION: REPAIR OF FAILED COMPUTER ROOM
AIRCONDITIONING (CRAC) UNITS**

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 and appoint a supplier to repair and secure cooling in the ICT Data Centre to prevent failure to key ICT hardware and services needed by the Municipality to run key services to the public.

REASON FOR DEVIATION: (Mark with x where applicable) (ONLY 1 CATEGORY, MOST 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;	X
	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	

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

Stellenbosch Municipality's ICT Data Centre experienced failures to 2 of the 3 units carrying out thermal management (cooling) needed to protect the critical hardware systems and services running Municipal applications required to service the public and its mandate. The 3rd unit was in an error state with continuous unit system alarms being presented on the management screen. The third unit has subsequently been repaired using parts of the 2 failed units. The weather in the upcoming months poses a huge threat to the temperatures in the server room as the only working unit currently was not designed to cool the area alone. The municipality has now on two occasions attempted to secure a service provider to repair the units by publishing tenders. On BSM 31/25 on 28 August 2024 and on closure (26/9/2024) we received 3 bids, none of which was compliant. On BSM 42/25 on 16 October 2024 and at closure (14/11/24) we only received 1 bid that was not compliant.

We requested a quote from the other two service provider who attended the compulsory clarification meeting, but who did not supply a bid in the second round. The same specification were used as was in the two tender rounds. A quote was received from ISF for the amount of **R336 475.00 excl. VAT** to repair the units.

If the current repaired unit fails the municipality will have to shut down all our systems and we would not be able to provide any service to the public. The interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole and the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service is a very real risk. The department has tested the market twice unsuccessfully and request that ISF be appointed urgently to repair the other two units.

3. BACKGROUND

The ICT Data Centre incorporates 3 high-end purpose-built Computer Room Air-conditioning units (CRAC) to perform thermal management for our critical ICT hardware and systems supporting the Municipality. In order to provide sufficient and correct cooling, 2 units are always on with the third (3rd) unit in standby offering us high availability and continuity. On the 8th of August, the Stellenbosch Municipal ICT Data Centre presented with higher than normal temperatures within the room. The finding was that 2 of the units were in a failed state and non-operational with the third (3rd) unit in a warning state. The single unit was unable to perform the needed thermal management to help prevent low humidity and water vapor from forming on the critical hardware housed in the Data Centre.

4. DISCUSSION

At 12:17 on the 8th August 2024, we made a decision to raise an emergency procurement process by contacting qualified and accredited service providers to assess and repair the 3 units within the Data Centre : Frigotech Cooling Solutions, NEC XON and Diesel Electric Services.

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On the 8th of August the fault problems were highlighted by the service technician given that the root cause of the problems on the units were failed parts, the service technician was unable to repair and advised that this assessment will be taken back to the office to obtain a proposal together with costing for the repair of the failed units. By the end of Thursday the 8th of August the 3rd unit was repaired at a **total cost of R5 964.19 incl. VAT**. It was confirmed by the Service provider that needed parts to carry out repairs would need to be obtained/ordered from outside of South Africa (Europe) where the units were originally manufactured.

The municipality has now on two occasions attempted to secure a service provider to repair the units by publishing tenders. On BSM 31/25 on 28 August 2024 and on closure (26/9/2024) we received 3 bids, none of which was compliant. On BSM 42/25 on 16 October 2024 and at closure (14/11/24) we only received 1 bid that was not compliant.

On the 28th August **BSM 31/25 REPAIR OF ICT DATA CENTRE AIRCONDITIONING UNITS** was advertised in "Die Burger", E-portal; the Stellenbosch Municipal website, and on the notice board, based on **80/20** preference point system. On the closing date of 26 September 3 offers were opened in public received from

- KADDON PROJECTS CC
- MARIFI TRADING ENTERPRISES and
- NEC XON SYSTEMS (PTY) LTD

None of these bidders complied with the specifications and was regarded as Non responsive.

On the 16th October 2024 **BSM 42/25 REPAIR OF ICT DATA CENTRE AIRCONDITIONING UNITS** was re -advertised in "Die Burger", E-portal; the Stellenbosch Municipal website, and on the notice board. A compulsory clarification meeting was held on the **8 November 2024** and attended by 3 prospective bidders namely;

- ISF Group
- Inline Services and
- NEC XON

On the closing date of 14 November 1 offer was received and again found to be non-response.

The ISF group was contacted to provide a quote. The quote provided by the ISF group provides 2 options

- Option A showing the repair of the Condensor and
- Option B providing for the replacement (new) Condensor

Both pricing options (**Annexure B**) provided by ISF are far more competitive than that provided by NEC XON in both cancelled tenders.

ISF is a certified partner with a Diamond Elite partnership level (highest level offered by the Manufacturer Vertiv). We have also contacted the third service provider In Line Sheet Metal Works that attended the clarification meeting on 8 November 2024. In Line Sheet Metal Works did not respond and they are not listed as a Manufacturer (Vertiv) approved company on the official website.

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5. FINANCIAL IMPLICATIONS

That the costs for the full repair of the failed units including needing parts, installation and configuration (Option 2) at **R336 475.00 excl. VAT** be serviced from **Ukey: 20230621063361**

6. RECOMMENDATION

As the status of the Data Centre cooling remains unchanged of being at a high risk of failing and we have gone out to market twice with no successful appointment being possible. If the current repaired unit fails the municipality will have to shut down all our systems and we would not be able to provide any service to the public. The interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole and the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service is a very real risk. The department has tested the market twice unsuccessfully and request that ISF be appointed urgently to repair the other two units. It is therefore recommended that the approval, for the repairs to the FAILED COMPUTER ROOM AIRCONDITIONING (CRAC) UNITS be granted in terms of the Municipality Supply Chain Management Policy 4.36.4. for a payment to ISF that amounts in total to **R336 475.00 excl. VAT.**

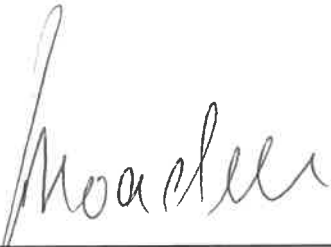
7. VALUE FOR MONEY (OTHER RATES/VALUES/...)

The current cost from ISF is lower than that of NEC XON. ISF holds the highest partnership level with the manufacturer Vertiv and is capable of carrying out the needed piece of work

8. IT IS RECOMMENDED THAT:

**8.1 ISF be appointed to carry out the needed work to the total value of
R336 475.00 excl. VAT.**

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R MOOIDEEN
SENIOR MANAGER: ICT

Date: 29/4/2024

7. SUPPLY CHAIN MANAGEMENT COMMENTS:

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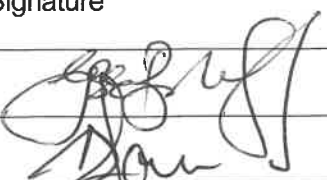
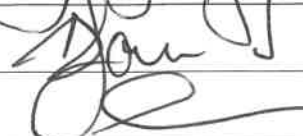
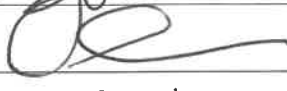
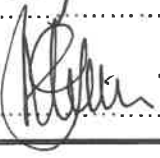
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8. APPROVAL:

REQUEST SUPPORTED / NOT SUPPORTED BY THE STELLENBOSCH MUNICIPAL BID ADJUDICATION COMMITTEE		
Name	Signature	Date
G. Boshoff		29/11/24
D. Jacobs		29/11/2024
A.P. Barnes		29/11/2024
A deBeer	Online	29/11/2024
S Chandaka	Online	29/11/2024
Comments:		
CHAIRPERSON:  DATE: 29/11/2024		
RECOMMENDATION FROM BID ADJUDICATION COMMITTEE APPROVED BY THE ACCOUNTING OFFICER		
Comments: Critical for operation of the computer room / server room which host key operational systems of the municipality		
ACCOUNTING OFFICER:  DATE: 29/11/2024		



ISF ICT INFRASTRUCTURE (PTY) LTD
15 PHILIPS STREET
FERNDALE
RANDBURG
2194

TEL: 087 150 2374
www.isfict.co.za
VAT NO: 4730283654
REG NO: 2014/283311/07

Customer: Stellenbosch Municipality
Date: Monday, 25 November 2024
Quotation Number: ICT24:11036 Rev A
Customer Contact:
ISF ICT Contact: Tebogo Ranyane,M: +27 78 120 3512
Subject: Stellenbosch Municipality Data Centre repairs

Item	Article Number	Qty	Description	Unit Price ZAR	Total Price ZAR
1			Compressor replacement CRAC 2 (Option 1 - Repaired Condenser)		185 151.00
1.1	148145	1	COMP/DIG.ZPD122KCE TFD455 R410	65 862.00	65 862.00
1.2	Services	1	Vacuum pump oil	520.00	520.00
1.3	Services	1	Reclaim cylinder	1 200.00	1 200.00
1.4	Services	1	Nitrogen	960.00	960.00
1.5	Services	1	R410a refrigerant	4 439.00	4 439.00
1.6	Services	1	Drier	592.00	592.00
1.7	Services	1	Burnout drier	856.00	856.00
1.8	Services	1	Welding	1 920.00	1 920.00
1.9	Services	1	Welding rods	480.00	480.00
1.10	Services	1	Silver solder rods	528.00	528.00
1.11	Services	1	Condenser Repairs	33 334.00	33 334.00
1.12	Services	1	Labour	42 600.00	42 600.00
1.13	Services	1	Travel time	7 900.00	7 900.00
1.14	Services	1	Mileage	3 960.00	3 960.00
2.15	FREIGHT	1	Estimated AirFreight to Cape Town	20 000.00	20 000.00
2			Compressor replacement CRAC 2 (Option 2 - New Condenser)		261 817.00
2.1	148145	1	COMP/DIG.ZPD122KCE TFD455 R410	65 862.00	65 862.00
2.2	Services	1	Vacuum pump oil	520.00	520.00
2.3	Services	1	Reclaim cylinder	1 200.00	1 200.00
2.4	Services	1	Nitrogen	960.00	960.00
2.5	Services	1	R410a refrigerant	4 439.00	4 439.00
2.6	Services	1	Drier	592.00	592.00
2.7	Services	1	Burnout drier	856.00	856.00
2.8	Services	1	Welding	1 920.00	1 920.00
2.9	Services	1	Welding rods	480.00	480.00
2.10	Services	1	Silver solder rods	528.00	528.00
2.11	Services	1	New Condenser - HCR42	100 000.00	100 000.00
2.12	Services	1	Labour	42 600.00	42 600.00
2.13	Services	1	Travel time	7 900.00	7 900.00
2.14	Services	1	Mileage	3 960.00	3 960.00
2.15	FREIGHT	1	Estimated AirFreight to Cape Town	20 000.00	20 000.00
3			CRAC1 EEV replacement		78 307.00
3.1	378858	1	VALVE EXP. EX5-U21 ALCO	12 833.00	12 833.00
3.2	Services	1	Vacuum pump oil	520.00	520.00
3.3	Services	1	Reclaim cylinder	1 200.00	1 200.00
3.4	Services	1	Nitrogen	960.00	960.00
3.5	Services	1	R410a refrigerant	4 439.00	4 439.00
3.6	Services	1	Drier	592.00	592.00
3.7	Services	1	Welding	1 920.00	1 920.00
3.8	Services	1	Welding rods	480.00	480.00
3.9	Services	1	Silver solder rods	528.00	528.00
3.10	Services	1	Labour	42 600.00	42 600.00
3.11	Services	1	Travel time	7 900.00	7 900.00
3.12	Services	1	Mileage	3 960.00	3 960.00
2.13	FREIGHT	1	Estimated Delivery to Cape Town	375.00	375.00
4			Scope of work: System		6 351.00
4.1	Services	3	Batteries	735.00	2 205.00
4.2	Services	1	3x Filters	2 726.00	2 726.00
4.3	Services	1	Labour 1.5 hours	1 420.00	1 420.00
Grand Total, ZAR EXCLUDING VAT				OPTION 1	269 809.00
Grand Total, ZAR EXCLUDING VAT				OPTION 2	336 475.00

COMMERCIAL TERMS AND CONDITIONS

- PRICING**
 - Prices quoted in ZAR and are excluding VAT
and ROE 1 EURO = ZAR 18.93960
and ROE 1 USD = ZAR 17.98030
 - If the conversion rate changes more than 3 %, ISF ICT can initiate a price negotiation.
 - ISF ICT reserves the right to adjust prices for battery products due to lead raw material price changes until the date of acceptance of Buyer's order on Seller's acknowledgement of order form, or until time of shipment.
 - Call-out Rates (price escalation 6% pa)
ZAR 1 256.00 per hour (NT)
ZAR 1 882.50 per hour (AH)
ZAR 2 510.00 per hour (Sundays & Public holidays)
ZAR 7.10 travel per kilometre
- VALIDITY OF QUOTATION** -
Quotation is valid up to - Wednesday, 25 December 2024
- TERMS OF PAYMENT** -
30 Days after date of invoice & invoiced upon delivery of service/ equipment.

