

Motivation: Single Source Procurement

TO:	Chief Executive Officer – Mr. Ishaam Abader
CC:	Executive IIS - Mr. Mnikeli Ndabambi Senior Manager SCM – Mr. George Jacobson Chief Financial Officer – Mr. Norman Mzizi
FROM:	Senior Manger ICT: Lungi Ngcingwana
SUBJECT:	Approval request for the procurement of CRAY HPC HW & SW Warranties through the single source procurement process.
DATE:	01 June 2022

1. Purpose

The purpose of the submission is to request the Chief Executive Officer to consider the approval request for single source procurement for the CRAY HPC HW and SW warranties renewal for 12 months.

2. Background

The Cray was procured by SAWS in 2013, and as SAWS models for the different areas increased, an upgrade was done in 2017/2018. The Cray system is a robust system which was designed by Cray specifically for the meteorological society internationally. The European Met offices are all users of the Cray system. The UK Met office has a signed contract with SAWS using their models and data forecast for the next 3 to 4 years.

The Cray software and hardware warranties and maintenance and support contract are expiring by 8th June 2022.

To keep the HPC system function optimally requires the procurement of software warranties for the next 12 months at a cost of **R 3, 284,413.80**.

3. Motivation

The Current system is at end of life with regards to the hardware and software on the Cray. The warranties issue is a critical one as the replacement parts are very difficult to procure and keep in stock. The software component support and Operating System must have a backward compatibility team to ensure that SAWS can always deliver services to the end users and citizens.

This **risk cannot be mitigated** as it is an essential component to the continuous lifeline of the current Cray system. Any component loss on the Cray without the warranties in place the system will essentially start shutting down and all the data collected on the system (1 petaflop) will be lost.

Approval request for the procurement of Cray HPC HW & SW Warranties through the single source procurement process.

When the new system is in place it will take us at least 6 to nine months to migrate all the data to the new system.

The HPC tender was declined on 23 May 2022 for readvertisement in this current financial year. This requires further procurement of system hardware warranties and extension of maintenance and support contract with Eclipse Holdings for further 12 months to ensure continuity of services.

The current end of system can be used for the testing of new Weather forecast model which can include sea currents. It would be advisable to the 12-month warranties option to cover the migration. The compatibility and migration to a new system (if we use Cray) will be seamless and will be a major advantage.

To avert SAWS reputational risk both locally and globally, an approval is hereby sought to procure the HPC software warranties effective 9th June 2022 to 8th June 2023

This will mitigate the possible delays of deploying a new functional HPC system and ensure that the business of SAWS will be kept running until a new HPC system is in place.

The Eclipse Holdings is the only company that partnership agreement with OEM and local support for the Cray system. (Letter is attached for reference).

RATIONALE

The National Treasury has issued guidelines and instructions or practice notes on various issues relating to procurement, the aim being to ensure uniform minimum norms and standards within government.

Treasury Instruction 16A6.4 as well as Paragraph 4.1 of National Treasury Supply Chain Management instruction note No. 3 of 2021/2022 stipulates that if in a specific case where it is impractical to invite competitive bids, the accounting officer or accounting authority may procure the required goods or services by other means, provided that the reasons for deviating from inviting competitive bids must be recorded and approved by the accounting officer or accounting authority.

Based on the above provisions, approval is sought to allow SAWS to procure / acquire the Cray HPC HW and SW warranties from 9th June 2022 to 9th June 2023.

4. Financial Implications:

The requested service is estimated to cost approximately **R3, 284,413.80** vat inclusive. Funds have been budgeted for and are available as follows-

Cost Centre: **480** Object account: **87150**

Approval request for the procurement of Cray HPC HW & SW Warranties through the single source procurement process.

5. Recommendation:

It is recommended that the CEO approve the single source procurement for the Cray HPC HW and SW warranties from Eclipse Holdings.

Compiled by:

Name & Surname: Ms Lungi Ngcingwana

Designation: Senior Manager / Regional Manager: ICT

Signature:

DocuSigned by:



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Recommendation Supported: Executive IIS

Supported

Not Supported

Supported amendments

Provide additional information below where applicable.

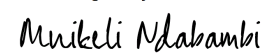
Supported

Name & Surname: Mr. Mnikeli Ndabambi

Designation: Executive: IIS

Signature:

DocuSigned by:



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Date:

02 June 2022 | 11:29 AM SAST

Recommendation Supported: Supply Chain Management (SCM)

Supported

Not Supported

Supported with amendments

Provide additional information below where applicable

Single source deviation to be reported
to NT and AGSA.

Name & Surname: Mr. George Jacobson

Designation: Senior Manager: SCM

Signature:

DocuSigned by:



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Date:

02 June 2022 | 11:37 AM SAST

Approval request for the procurement of Cray HPC HW & SW Warranties through the single source procurement process.

Recommendation Supported: Chief Financial Officer (CFO)		
Supported	Not supported	Supported with amendments
Provide additional information below where applicable. Supported, to be reported to NT & AGSA		
Name & Surname:	Mr. Norman Mzizi	
Designation:	Chief Financial Officer	
Signature:	DocuSigned by: 	
Date:	64C15F1F56EA436... 02 June 2022 11:54 AM SAST	

Approval: Chief Executive Officer (CEO)		
Approved	Not Approved	Approved with amendments
Provide additional information below where applicable Approved		
Name & Surname:	Mr. Ishaam Abader	
Designation:	Chief Executive Officer	
Signature:	DocuSigned by: 	
Date:	86EAA2275F1C4C8... 02 June 2022 3:05 PM SAST	

Document Reference Assigned:	
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