



Office of the Municipal Manager
Kantoor van die Munisipale E- en O-kerk

MEMORANDUM

Infrastructure Services

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: NOMBULELO ZWANE
Job Title: SENIOR MANAGER: ELECTRICAL SERVICES
Date Datum: 25 NOVEMBER 2024
Re Insake: DEVIATION: APPOINTMENT OF ONTEC SYSTEMS ON MONTHLY BASIS UNTIL 31 JANUARY 2025 TO READ METERS REMOTELY, VIA AUTOMATED METER READING (AMR) SYSTEM AND MANAGE METERING SERVICES FOR LARGE POWER USERS AND SMALL-SCALE EMBEDDED GENERATIONS CONSUMERS: STARTING FROM 1 DECEMBER 2024

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

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

The procurement process was initiated with the tender advertised on 03 August 2024 with a clarification meeting held on 23 August 2024. The evaluation process which included the practical demonstration by the bidders that complied with all the technical specification requirements was concluded and submitted to Supply Chain Management on 26 September 2024. During an informal BEC held on 15 October 2024, the BEC decided that Livewire Engineering & Consulting Pty Ltd be approached for an updated Operating Regulations for High Voltage Systems (ORHVS) certificate since the one that was submitted during tender submission expired. Livewire Engineering & Consulting Pty Ltd submitted the updated certificate on 17 October 2024 however the BEC at the meeting held on 29 October 2024 observed some discrepancies on the ORHVS certificate i.e. the certificate was not certified, the certificate looked different to the previous version. The BEC decided that SCM contact the training facility to verify the certificate. The validation was received from the training facility on 30 October 2024. Following the validation of the certificate, Livewire Engineering & Consulting Pty Ltd was deemed compliant with the requirements of the technical specifications. In line with the tender specifications, Livewire Engineering & Consulting Pty Ltd was requested to do a practical demonstration which took place on 14 November 2024 whereafter Livewire Engineering & Consulting Pty Ltd's practical demonstration was evaluated and found compliant by both Financial and Electrical Services Departments.

BSM 117/24 was awarded at the BAC meeting of 22 November 2024. The primary concerns are 1) there is no sufficient time to have the new service provider in place by 1 December 2024 pending the 21-day appeal period 2) The AMR service is currently rendered on a deviation basis which is D/SM 16/24 3). At least a 2-months set up period is required for a new service provider to be fully operational.

It should be noted that Livewire Engineering & Consulting Pty Ltd was previously (2019 - 2021) a successful service provider for the AMR services and therefore has an understanding of the AMR set up which will contribute to a smoother handover process

3. BACKGROUND

The procurement process was initiated with the tender advertised on 03 August 2024 with a clarification meeting held on 23 August 2024. The evaluation process which included the practical demonstration by the bidders that complied with all the technical specification requirements was concluded and submitted to Supply Chain Management on 26 September 2024. During an informal BEC held on 15 October 2024, the BEC decided that

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Five (5) offers were received and opened in public on the closing date of 09 September 2024 from the bidders mentioned below.

1. Ontec Systems Pty Ltd
2. Cigicell Pty Ltd
3. Livewire Engineering & Consulting Pty Ltd
4. Africa Utility Solutions
5. Pakamihle GIS & GSPING Solutions

4. DISCUSSION

The procurement process was initiated with the tender advertised on 03 August 2024 with a clarification meeting held on 23 August 2024. The evaluation process which included the practical demonstration by the bidders that complied with all the technical specification requirements was concluded and submitted to Supply Chain Management on 26

September 2024. During an informal BEC held on 15 October 2024, the BEC decided that Livewire Engineering & Consulting Pty Ltd be approached for an updated Operating Regulations for High Voltage Systems (ORHVS) certificate since the one that was submitted during tender submission expired. Livewire Engineering & Consulting Pty Ltd submitted the updated certificate on 17 October 2024 however the BEC at the meeting held on 29 October 2024 observed some discrepancies on the ORHVS certificate i.e. the certificate was not certified, the certificate looked different to the previous version. The BEC decided that SCM contact the training facility to verify the certificate. The validation was received from the training facility on 30 October 2024. Following the validation of the certificate, Livewire Engineering & Consulting Pty Ltd was deemed compliant with the requirements of the technical specifications. In line with the tender specifications, Livewire Engineering & Consulting Pty Ltd was requested to do a practical demonstration which took place on 14 November 2024 whereafter Livewire Engineering & Consulting Pty Ltd's practical demonstration was evaluated and found compliant by both Financial- and Electrical Services. Departments.

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In light of these circumstances, the Bid Adjudication Committee is urged to consider the extension of the deviation appointment (D/SM 16/24) of Ontec Systems until 31 January 2025 when the new procurement process to provide this service will be finalized. Ontec Systems

DEVIATION: B/SM 65/21

(Pty) has expressed in writing their willingness to continue providing the service at the existing tender rates should the extension of the deviation appointment be approved.

5. FINANCIAL IMPLICATIONS

The following rates as per the existing tender number B/SM 65/21 will continue should the deviation extension be approved.

Item No	Description	Unit Price (VAT Excl) (2023/2024)
1	Meter Reading Cost per meter per month	R 24,90
2	Additional Auditing of Low Voltage meter installation (per meter installation)	R 540,00
3	Additional Auditing of Medium Voltage meter installation (per meter installation)	R 622,00
5	Eskom Monthly Bill Reconciliation Services	R 676,00
6	Cost for a technician to program an electronic meter (Per meter visit)	R 432,00

Funds will be utilized from the following ukeys.

Maintenance of unspecified assets : 20220630078091 (Operational Ukey)

Budget amount in the ukey : R 3 175 752

and

Auditing of meters : 20220630077766(Operational Ukey)

Budget amount in the ukey : R 80 950

6. IT IS RECOMMENDED THAT:

- 6.1 An approval be granted to extend the deviation appointment of Ontec Systems (Pty) until 31 January 2025 on the same rates of contract number B/SM 65/21.

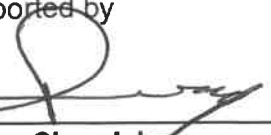
Compiled by



Nombulelo Zwane
Senior Manager: Electricity Services

Date: 25/11/24

Supported by



Shane Chandaka
Director: Infrastructure Services

Date: 25/11/24

7. SUPPLY CHAIN MANAGEMENT COMMENTS:

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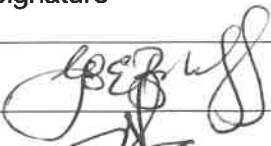
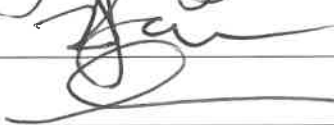
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8. APPROVAL:

REQUEST SUPPORTED / NOT SUPPORTED BY THE STELLENBOSCH MUNICIPAL BID ADJUDICATION COMMITTEE

Name	Signature	Date
G. Boshoff		29/11/24
D. Jaen		29/11/24
A. P. Barnes		29/11/2024
A De Beer	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:

Current Tender not finalized the appeal period runs out in next 2-3 weeks, deviation thus approved to cover this period.

ACCOUNTING OFFICER.....

DATE

29/11/2024