

D/SM 15/23.

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

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	



MEMORANDUM

DIRECTORATE: CORPORATE SERVICES

To Aan: BID ADJUDICATION COMMITTEE
From Van: R. MOOIDEEN
Job Title: SENIOR MANAGER: ICT
Date Datum: 30 JUNE 2023
Re Insake: DEVIATION: APPOINTMENT OF EVOLUTION TECHNOLOGY GROUP (ETG) FOR PRINTING SERVICES ON A MONTH TO MONTH BASIS

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

2022/2023

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

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

This is a critical service to the Municipality and as such the Municipality cannot be without the printing service for any space of time. This deviation will ensure that there is no interruption in this critical service that supports the service delivery services within the Municipality. The Municipality appointed Evolution Technology Group (ETG) for printing services on a deviation on 1 December 2022 for a maximum period of 6 months whilst the municipality ensures it's participation on the RT3- 2022 Transversal tender for printing services. The municipality decided to participate for a period longer than 3 years in the tender. Before than can be done the section 33 process in the MFMA must be followed including a contract that must be published with the information statement. The municipality went through the process of selecting a tenderer on the transversal tender and requested from the preferred bidder on the transversal tender a contract for the section 33 process. They have not been able to provide a contract to the municipality we are happy with and the period for the deviation that was entered into on 1 December 2022 has now lapsed.

The municipality has now resolved not to proceed with a contract not exceeding three financial years. The service provider needs about 4 months to implement the printers we require (136 printers across the WC024). It will be impractical to go out on another tender process given that the transversal tender is in place and we have followed all the processes to form part of the transversal tender.

3. BACKGROUND

The Stellenbosch Municipality successfully applied and is currently waiting to participate in the RT3-2022 Transversal contract for Printing services. As part of the options available within the contract, Managed Print Solutions (MPS) are services offered to optimize and manage Stellenbosch Municipality's document output. Among the main components covered are a needs assessment, selective or general replacement of equipment, redeployment/optimisation/movement of equipment if needed, service, parts and supplies needed to operate the new and/or existing equipment. The panel of suppliers will also track how the MFP fleet is being used, any problems/challenges, and end-user satisfaction. The municipality back in December 2022 wanted to participate in this contract for a period exceeding 3 years and for that reason had to publish an information statement. A contract had to accompany the information statement, which we have been unsuccessful to negotiate with the preferred service provider.

4. DISCUSSION

The Municipality successfully requested from all the accredited suppliers listed on the RT3-2022 transversal contract our needs. The Stellenbosch Municipality supplied an analysis questionnaire to all suppliers with request for an optimal managed printing solution including a buy back option to optimize the printing environment. Konica Minolta South Africa meets our full needs.

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

Konica Minolta continued to be engaged around drafting a formal contract based on our needs and in line with the Transversal contract for publication with the section 33 information statement. Availability of the smaller B6040 printer machines continue to be a delay and not being readily available at this stage in its entirety. The municipality has now resolved not to proceed with a contract not exceeding three financial years. The service provider needs about 4 (four) months to implement the printers we require (136 printers across the WC024). It will be impractical to go out on another tender process given that the transversal tender is in place and we have followed all the processes to form part of the transversal tender. We therefore needs to enter into a contract through a deviation with the current service provider ETG for this period until the new contract is rolled out as it is impractical to follow the normal supply chain process.

5. FINANCIAL IMPLICATIONS

The total cost for the appointment of Evolution Technology (ETG) for the provision of printing services to the Municipality over 4 months from 1 July 2023 to 31 October 2023 is **R1 080 012.22 inclusive of VAT**. The monthly cost is **R270 003.15** inclusive of VAT. The device rental of the machines is no longer applicable in line with the agreement conditions, the paper usage costs (black and white) and service and support (toner / ink cartridges included).

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 such service at any given time. It is impractical to follow the normal procurement processes and it is recommended that Stellenbosch Municipality enters into an agreement with ETG on a month to month basis for no more than 4 months whilst the Municipality finalises and implements the RT3-2022 Transversal contract.

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

EVOLUTION TECHNOLOGY GROUP (PTY) LTD submitted a TCO proposal of **R270 003.15** per month for a total of 112 devices for the past 5 months. This compared to a previous monthly with a TCO of R559 787.43 per month.

This will yield a savings of R289 784.36 (50% savings) per month which surmounts to a savings of R1 159 137,50 over a period of 4 months. ETG also recommended a rental copy charge of 4 cents per monochrome copy and 25 cents per copy on colour.

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

8. IT IS RECOMMENDED THAT:

8.1 That a new contract be entered into on a month to month basis for no longer than 4 months from 1 July 2023 to 30 October 2023 or as soon as the RT3-2022 agreement is implemented;

8.2 That the monthly rental and usage/consumption rates be approved;

8.3 That the new contract be approved for a total of no more than **R1 080 012.22 inclusive of VAT**

R. Mooideen

R. MOOIDEEN
SENIOR MANAGER: ICT

Date: 30 JUNE 2023

7. SUPPLY CHAIN MANAGEMENT COMMENTS:

.....
.....
.....
.....

8. APPROVAL:

REQUEST SUPPORTED / NOT SUPPORTED BY THE STELLENBOSCH MUNICIPAL BID ADJUDICATION COMMITTEE		
Name	Signature	Date
D-Jam	<i>[Signature]</i>	30/6/2023
S Chardaka	<i>[Signature]</i>	30/6/2023
A Barnes	<i>[Signature]</i>	30/6/2023
A de Beer	<i>[Signature]</i>	30/6/2023
S Boshoff	<i>[Signature]</i>	30/6/2023
Comments: <i>Supported, delay in finalizing process for entering into a contract beyond the three budget years IMPREF period. This process is in line with S33 of the</i> CHAIRPERSON: <i>[Signature]</i> DATE: <i>[Signature]</i>		

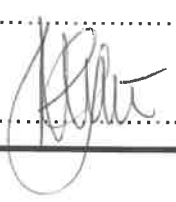
NB! All deviations i.r.o the amount will be tabled at the BAC MPMA.

2022/2023

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

RECOMMENDATION FROM BID ADJUDICATION COMMITTEE APPROVED BY THE ACCOUNTING OFFICER

Comments:
.....
.....

ACCOUNTING OFFICER.....

DATE30/06/2023.....