

D/SM 8/23

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



MEMORANDUM

DIRECTORATE: CORPORATE SERVICES

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	

To Aan: BID ADJUDICATION COMMITTEE

From Van: R. MOOIDEEN

Job Title: SENIOR MANAGER: ICT

Date Datum: 28 November 2022

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

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;	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	X

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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 looks to answer this by ensuring that there is no interruption in this critical service to the Municipality.

3. **BACKGROUND**

The Stellenbosch Municipality successfully applied and is currently participating 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 the Stellenbosch Municipality's document output. Among the main components covered are needs assessment, selective or general replacement of equipment, redeployment/movement/optimisation of equipment if required, 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.

4. **DISCUSSION**

The Transversal contract only became available for use as of 1 May 2022 with amendments currently applicable. To date and currently, National Treasury is yet to complete and finalise the pricing adjustment. As per Treasury, Suppliers are requested not to propose any leases on the unadjusted prices except suppliers who will keep the current prices and not adjust them. The transversal contract price adjusted will be effective retrospectively from 1 October 2022 to 31 March 2023

An email was sent out on the 17 August 2022 requesting permission and approval to participate in the contract. Directorates and user departments were engaged with to confirm their printer needs for the following 3 years.

An email was sent on the 27th September 2022 to all the accredited suppliers approved for Categories 1,2 and 3 namely Multifunction Printers – Monochrome, Multifunction Printers – Colour and Large format Printers (Plotters) listed on the Transversal Contract. The request was to carry out a site assessment and confirm our needs across the Stellenbosch Municipality. The needs analysis questionnaire was completed and shared with accredited suppliers to assist in finalising their quotations.

On the 10th of October 2022 a request was sent to the accredited bidders to kindly quote on our needs. Altron Document Solutions highlighted the delay in pricing adjustment from Treasury and reminded us that pricing would change

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come award phase. By the closing date of 19 October 2022 at 12noon, only 3 offers were received, with only one (1) service provider complying with the specifications.

The evaluation was carried out using the rental cost of the device and the cost of the paper copies which were further broken down and priced for black and white(B/W) and colour. An average monthly consumption of printing and copying added to the rental cost per device was used to obtain total pricing per month. This provided the platform to compare quotes fairly and equally.

5. FINANCIAL IMPLICATIONS

The total cost for the appointment of Evolution Technology (ETG) for the provision of printing services to the Municipality over 6 months from 1 December to 30 May 2022 is **R1 749 245,91 incl VAT**. The monthly cost is broken down as follows

- December 2022 - R 559 787,43 inclusive of VAT. This includes the rental of the machines, the paper usage costs (black and white) and service and support (toner / ink cartridges included).
- January 2023 - R237 891,70 inclusive of VAT. Device rental falls away and includes the paper usage costs (black and white) and service and support (toner / ink cartridges included).
- February 2023 - R237 891,70 inclusive of VAT. Device rental falls away and includes the paper usage costs (black and white) and service and support (toner / ink cartridges included).
- March 2023 - R237 891,70 inclusive of VAT. Device rental falls away and includes the paper usage costs (black and white) and service and support (toner / ink cartridges included).
- April 2023 - R237 891,70 inclusive of VAT. Device rental falls away and includes the paper usage costs (black and white) and service and support (toner / ink cartridges included).
- May 2023 - R237 891,70 inclusive of VAT. Device rental falls away and includes the paper usage costs (black and white) and service and support (toner / ink cartridges included).

The paper usage costs are based on a 6 month historical average against each printer machine.

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 therefore 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 6 months whilst the Municipality enters into and secures an agreement off the RT3-2022 Transversal contract.

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7. IT IS RECOMMENDED THAT:

8.1 That a new contract be entered into on a month to month basis for no longer than 6 months 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 749 245.91 incl**

VAT



**R. MOOIDEEN
SENIOR MANAGER: ICT**

Date:

1/12/2012

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


2022/2023

