

1.1 To request approval from the Head of Department to deviate from normal Supply Chain Management processes in line with Treasury Regulation 16A 6.4 and SCM Instruction Note 3 of 2021/22 – Enhancing compliance, transparency and accountability in supply chain management to appoint Gela Productions as a sole

1. PURPOSE:-

DATE	19 OCTOBER 2023
SUBJECT	REQUEST FOR APPROVAL TO DEVIATE FROM NORMAL SCM PROCUREMENT PROCESSES AND UTILIZE SINGLE-SOURCED QUOTATION FROM GELA PRODUCTION FOR DEPARTMENTAL BILLBOARD CAMPAIGN FOR 6 MONTHS.
FROM	MS ANGEL SIBISI DIRECTOR: COMMUNICATIONS AND MARKETING SERVICES
CC	MR KHAYA MTHETHWA CHIEF FINANCIAL OFFICER
CC	STHEMBISO KHANYI CHIEF DIRECTOR: CORPORATE SERVICES
CC	MR SILINDILE MQANA ACTING DIRECTOR: SUPPLY CHAIN MANAGEMENT
TO	DR THANDEKA ELLENSON ACTING HEAD OF DEPARTMENT FOR ECONOMIC DEVELOPMENT, TOURISM & ENVIRONMENTAL AFFAIRS

SUBMISSION

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DIRECTORATE:





service provider for the amount of R 17 250 000.00 to provide the billboard awareness campaign that will be directed at broadening and entrenching public awareness about the Department's diverse service and product offerings for a period of 6 months. This includes reflecting on the continuous delivery of new investment and developmental initiatives by some of the public entities that report to this Department.

1.2 Award a contract to Gela Productions, who is a sole provider for an amount of R 17 250 000.00 for the services of the Billboard campaign, which will be critical for the province as it's inundated by hordes of domestic and international visitors that feature potential investors whose attention would be drawn to a combination of the province's revered tourism attractions and investment sites.

2. BACKGROUND

2.1 The Communication and Marketing Directorate undertook a benchmarking study with other KwaZulu-Natal provincial departments and EDTFA Entities to determine and understand the strategic sites that have been utilised successfully in profiling the government's programme of action. One-on-one meetings were held with the KZN Department of Health, KZN Department of Cooperative Governance and Traditional Affairs and Tourism KwaZulu-Natal.

2.2 The KwaZulu-Natal Department of Health has consistently implemented a successful billboard campaign since the plight of COVID-19. Presently, the KZN Department of Health is currently driving the largest billboard campaign in the entire provincial government, which is underpinned by destigmatising the consumption of anti-retroviral treatment.

2.3 The KwaZulu-Natal Department of Cooperative Governance and Traditional Affairs is another department that has consistently led the billboard campaign centred around coordinating the effective functioning of local government and promoting integrated development planning.

2.4 Tourism KwaZulu-Natal, in partnership with the KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs, previously collaborated on a successful billboard campaign. Both the entity and the



Department led a six-month billboard campaign which targeted the tourists and travellers who visit the province during the festive season.

2.5 After undertaking the benchmarking study, this informed the commencement and became a starting point in terms of understanding the prominence of the location of various billboard sites and their strategic positioning.

2.6 Upon the completion of the benchmarking process, the Communications and Marketing Directorate initiated a submission for the Billboard campaign at the beginning of the 2023/2024 financial year; the submission was to request the Head of Department for approval and availability of funds for the activation of the Departmental Billboard Campaign.

2.7 The Head of Department subsequently approved the submission on the 13th of May 2023. Thereafter, the Communications and Marketing Directorate developed the Terms of Reference, which were to tabled at the BSC Meeting. The BSC was of the view that the going on the market to appoint a service provider to render the billboard campaign did not provide for competitive bidding; this is premised on the fact that Billboards are owned by a few companies but are leased or sub-contracted by sub-contractors. This, therefore, does provide for a fair bidding process.

2.8 The Communication and Marketing Directorate conducted research to understand and determine the availability of strategic billboard sites in the province. Clout Media, Outdoor Network and FaceTime Media were the main companies engaged. As a collective, these three companies own a vast geographic billboard footprint throughout the province and the country at large.

2.9 The response from Clout Media, Outdoor Network and FaceTime Media indicated that the billboards were leased by Gela Productions.

2.10 A communique was therefore sent to Gela Productions to enquire about the availability of the billboard sites. Gela Productions indicated that strategic sites are available for the utilisation of the departmental billboard campaign.

2.11 Due to the nature of the output, it is impractical to follow the normal quotation process since Gela Productions is the only company in the province of KwaZulu-Natal that has leased strategic billboard sites.



2.12 It is a common cause that the government, inter-alia, utilise the procurement of goods and services as a tool to achieve its mandate in line with the Supply Chain Management prescripts and frameworks. However, due to the nature of the services that are required to raise awareness in the various programmes led by the Department through the Chief Communicator, it makes it very difficult to procure the services of Gela Productions using the normal procurement processes.

2.13 Hence, approval is sought from the Accounting Officer to deviate from the normal procurement processes and appoint Gela Productions as the sole service provider for the provision of the EDTFA Billboard Campaign that will be an anchor for the Departmental Billboard Campaign. Also attached are the statement of exclusivity and sole supplier status letters from Clout Media, Outdoor Network and FaceTime Media confirming that Gela Productions is currently leasing the Billboard sites and is the service provider with exclusive rights to the listed Billboards.

2.14 Amid financial implications associated with the proposed publicity initiative, it is worth reiterating that investment in communicating government programmes is a statutory obligation covered under the provisions of the Promotion of Access to Information Act of 2000 that advances the right for all citizens to be provided with government information essential for their socio-economic empowerment and to enable them to participate in the consolidation of a democratic state actively. It is for that reason that as per the directive of the National Government Communication Policy (2018 Edition), communication should be treated as a strategic function; hence each Department should consider allocating not less than five percent (5%) of its annual budget.

2.15 This, therefore, implies that the Bill Boards, as one of the proven powerful media in magnifying public awareness about government service delivery initiatives, should be accommodated as a strategic conduit to communicate the government's developmental policies and programmes.

2.16 Certainly, these marketing items offer effective, reliable and sustained publicity, and certainly, their constant and imposing visibility couldn't be emphasised;



thereafter, organisations that remain in the hearts and minds of their target public often do invest equitably in this form of communication.

2.17 The Township Digital Billboards (10) will fully reflect the EDTFA content. The benefits of digital billboards is premised on the eligibility to interchange a wide narrative. This is due to the fact that they have no printing requirement.

The Billboards are as follows:

ROADSIDE BILLBOARDS

Type of Branding	Location of District Municipality	Quantity	Size	Orientation
Billboards Roadside	Zululand District Municipality	4		
	- Vryheid	1	4,5 x 18m	Landscape
	- Ulundi	1	6m x 4m	Portrait
	- Paulpietersburg	1	6m x 4m	Portrait
	- Nongoma	1	7m x 5m	Portrait
	Umkhanyakude District Municipality	6		
	- Mtubatuba	2	3m x 6m x 4m	Landscape
	- uMkhuze	1	6m x 4m	Portrait



- Jozini	6m x 4m	2	Portrait
- Jozini	6m x 4m	1	Portrait
- Hlabisa	6m x 4m	1	Portrait
Harry Gwala District Municipality		4	
- Ixopo	6m x 4m	1	Portrait
- uMzimkhulu	6m x 4m	2	Portrait
	7m x 5m		Portrait

- Kokstad	9m x 6m	1	Portrait
Ugu District Municipality		8	
- Port Shepstone	3m x 12m	2	Landscape
- uMzinto	9m x 6m	2	Portrait
	6m x 4m		Portrait
- Paddock	9m x 6m	1	Portrait
- Shelly Beach	3m x 6m	1	Landscape
- Gamalakhe	6m x 4m	1	Portrait
- Harding	3m x 6m	1	Landscape

GROWING KWAZULU-NATAL TOGETHER



	Umgungundlovu District Municipality	6			
	- Liberty Mall	1	3m x 6m	Landscape	
	- Mooi River	2	5m x 20m	Landscape	
	- Pietermaritzburg	3	13m x 6m 5m x 20m 6m x 4m	Portrait Landscape Portrait	

TOWNSHIP DIGITAL BILLBOARDS

Type of Branding	Location of District Municipality	Quantity	Size	Orientation
Township Digital Platforms	eThekweni Municipality	6		
	- Chesterville	1	3m x 2m	Portrait
	- Kwa-Mashu	1	3m x 2m	Portrait
	- New Germany	1	3m x 2m	Portrait
	- Durban Springfield	1	3m x 2m	Portrait
	- uMlazi	2	3m x 2m	Portrait
	Umgungundlovu District Municipality	4		
	- Imbali	1	3m x 2m	Portrait
	- Hlope Centre	1	3m x 2m	Portrait
	- Scottsville	1	3m x 2m	Portrait
	- Jasmine	1	3m x 2m	Portrait



VALUE ADD SERVICES

As part of the value-added service, Gela Productions will augment the billboard campaign with the cinema and ATM awareness campaigns. The ATM campaign will entail flighting of the EDTFA adverts on Express ATM machines.

The ATM campaign will be scheduled as follows:

District Municipality	Allocated the number of ATMs that will flight EDTFA Content
Zululand District	15
King Cetshwayo District	15
Ugu District	15
Umgungundlovu District	15
Uthukela District	15
EThekweni District	15

2.18 Additionally, as the second part of the value add is positioning EDTFA content as part of the Cinema awareness campaign, through the value-add package, the Department will also embark on the cinema. The cinema campaign will entail 15 departmental awareness videos at the beginning of movies across the eight malls. These short information videos will create awareness of the EDTFA's programme of action, such as Operation Vula Fund, SMMEs, Co-operatives, tourism recovery and destination marketing messages.

The Cinema campaign will be scheduled as follows:

Area/Mall	Cinema	Screen
Westville Pavilion	NuMetro	2x
Galleria	NuMetro	1x
Ballito	NuMetro	1x
Cornubia	NuMetro	1x



Watercrest	SterKinekor	1x
Gateway	SterKinekor	2x
Richards Bay Boardwalk	SterKinekor	1x
Shelly Beach	SterKinekor	1x

2.19 The above-listed billboard sites are strategically positioned to provide maximum exposure in terms of traffic volumes; these billboard sites will enable a wide reach of the targeted messaging that covers the outcome of the government's policy seeking to accelerate socio-economic reforms under the banner of Economic Recovery and Transformation Plan and commitment in enforcing business regulations for fair business practices that equitably benefit both entrepreneurs and consumers.

3. THE PRICE BREAKDOWN

3.1 The Service Provider has outlined the price breakdown quotation for the billboard campaign, which provides details for all the items for the billboard campaign. The billboard campaign will not exceed R 17 250 000.00 for a period of six months. The service level agreement will, therefore, determine the commencement period of the contract.

3.2 The Supply Chain Management Directorate independently conducted the due diligence assessment to conduct a prize comparison that the service provider submitted. The report for the market analysis indicated that the quotation submitted by the service provider was reasonable.

4. COMMUNICATION IMPLICATIONS:-

4.1 The Communication Directorate, working with the Office of the MEC, would be leading the process of preparing content and operating the EDTFA Billboard Campaign. The Communication and Marketing Directorate will further engage various Directorates and Public Entities that will be crucial in providing support such as content.

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DATE
22/10/23
