

Request Details

PR No: 10250971 Type: ZCET - Contract Extension RQ
Cost Centre: 2000 - SAP CCC (FINANCE SUPPORT SERVICES: ERP CENTRE OF EXCELLENCE)
Vendor: 113074 - SYSTEMS APPLICATIONS PRODUCTS (SA)
Description: Contract Extension - 4600001440
Contract No: 4600001440 Practitioner: 933 - BIANCA NOMAZWE NYAMENDE
Amount: 6,001,681.97 ZAR

BACKGROUND

Following a tender process, the SABC implemented SAP as its enterprise resource planning (ERP) solution in 2007. The SAP system currently supports various key SABC business processes including Finance, HR, Sales, Governance, etc.

The SABC also subsequently implemented the SAP Sales Cloud as one of its turnaround strategies aimed at improving efficiencies to increase revenue generation. The system is also used to record and track all employee queries logged with HR Shared Services and Payroll.

The current SAP C4C subscription licence contract terminates on 31 March 2026.

REASON

The SABC implemented SAP C4C Cloud to automate several manual sales processes and to provide management with real-time information regarding sales pipelines. Furthermore, the system is used by HR Shared Services and Payroll to record and track queries logged by SABC employees and independent contractors.

The current SAP C4C subscription licences contract terminate on 31 March 2026.

The SABC is currently in the process of reviewing its future ERP requirements.

The continued use of the SAP SuccessFactors SAP C4C systems is recommended until the above review process has been completed.

SCOPE OF WORK

SAP Sales and

Service Core (Usage Metric = 1 User | Usage Metric
Limitation = 300)

SAP CP

extention pckg

standard ed (Usage Metric = 1 Users | Usage Metric
Limitation = 300)

SAP Sales and

Service test

tenant (Usage Metric = 1 Tenant | Usage Metric
Limitation = 1)

SAP CP

Integration for

SAP cloud app (Usage Metric = % of net
recurring fee | Usage Metric
Limitation = 1)

COST EFFECTIVENESS

The service is procured directly from the Original Equipment

Manufacturer, thus by-passing middlemen and avoiding reseller costs, R6

,001,681.97 (excl. VAT). SABC would have to pay more for the service if it procured the service from resellers. Therefore, this

extension process is cost saving.

LEGAL IMPLICATIONS

None

RISK & MITIGATIONS

Non-availability of the SAP SuccessFactors and the SAP C4C Cloud systems will require the SABC to revert to manual processes, which will weaken the system of internal controls and increase risks.

RECOMMENDATION

Based on the motivation provided, ERP Centre of Excellence recommends that:

- # The BAC approve the extension request for the Systems Applications Products (SAP) for the provision of SAP C4C Subscription Licences for a period of 21 months, starting from 01 April 2026 until 31 December 2027.
- The request is at a total cost of R6,001,681.97 excluding VAT.
- # The Head of SCM Governance signs the letter of extension.
- # Legal Services will draft the addendum to this effect.

NATURE OF DEVIATION
Contract extension

VENDOR SELECTION
SAP AG is the Original Equipment Manufacturer (OEM) for the SAP C4C.

PERIOD
01 April 2026 to 31 December 2027.

PURPOSE
The purpose of this submission is to request approval for an extension of contract 4600001440 with the Systems Applications Products (SAP) for the provision of SAP C4C Subscription Licenses for a period of 21 months, starting from 01 April 2026 to 31 December 2027. The request is at total cost of R6,001,681.97 (excl. VAT).

The Initial contract value was R1,710,278.31 excluding VAT, and the first extension contract value was R3,296,631.53 excluding VAT, the second extension contract value was R3,511,447.90 excluding VAT. The cumulative amount is R14,520,093.71 excluding VAT. The request is 350.9% of the initial contract value.

Table 1: Summary of the Extension Request

Initial contract value	R1,710,278.31 excluding VAT
15% of the initial contract value	R256 541.74 excluding VAT
Requested amount for extension	R6,001,681.97 excluding VAT
Amount in excess of 15%	R5,745,140.23 excluding VAT

APPROVERS AND REVIEWERS

Date Actioned	User Name	Actioned By Full Name
20.01.2026	KGWETET	NELSON THABANG KGWETE
20.01.2026	MANITSHANAB	BAKHE MANITSHANA
21.01.2026	MTHEMBUMS	MICHAEL SENZOSENKOSI MTHEMBU