

D/SM/21/28

DEVIATION: APPOINTMENT OF ESRI SOUTH AFRICA (PTY) LTD FOR THE RENEWAL OF ANNUAL SOFTWARE MAINTENANCE FOR ESRI GEOGRAPHIC INFORMATION SYSTEM (GIS) LICENCES WITH TRAINING, MAINTENANCE, SUPPORT AND PROFESSIONAL SERVICES FOR A PERIOD ENDING 30 JUNE 2025.



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: REGAN MOOIDEEN
Job Title: SENIOR MANAGER: ICT (ACTING)
Date Datum: 27 MAY 2022
Re Insake: DEVIATION: APPOINTMENT OF ESRI SOUTH AFRICA (PTY) LTD FOR THE RENEWAL OF ANNUAL SOFTWARE MAINTENANCE FOR GEOGRAPHIC INFORMATION SYSTEM (GIS) LICENCES WITH TRAINING, MAINTENANCE AND SUPPORT FOR A PERIOD ENDING 30 JUNE 2025.

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	X
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	

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

2021/2022

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

The purpose of this report is to provide the necessary information and motivation on the proposed appointment of Esri South Africa (PTY) Ltd on the basis that the service provider is a single/sole provider for the renewal of the Enterprise License agreement (ELA) fee for the Geographic Information System (GIS) as well as maintenance, support and training of Stellenbosch Municipal staff from 1 July 2022 till 30 June 2025. Attached is a letter from Esri South Africa (PTY) Ltd and the South African Information Technology Agency (SITA).

3. BACKGROUND

Esri South Africa was contracted by the Stellenbosch Municipality (SM) to provide a Capped Enterprise License Agreement (ELA) in 2015. An open tender process was followed in 2021 to test the market to appoint a new service provider for a period of three years. We received only one tender that qualified – Esri South Africa. The tender was cancelled due to the insufficient funding for a three year period. Esri South Africa was contracted under deviation to supply software maintenance for a period of one year starting, July 2021 to June 2022.

Since the implementation of the Capped ELA and related services, the geospatial user base has expanded significantly and are now fully established as mission critical solutions in most municipal departments and sub-sections. These departments include Finance, Corporate Service, Community and Protection Services, Planning and Economic Development as well as Infrastructure Services.

4. DISCUSSION

The ESRI GIS Enterprise system has become a critically important information management system for the Stellenbosch Municipality as a whole. This includes the daily use of GIS viewer software deployed to desktops in the municipality, the maintenance and linkage of property to financial records, the maintenance of the Stellenbosch electrical network.

There is a large number of spatial data map layers containing information from vegetation to roads, to natural water systems and digital elevation models amongst others. The continued use and expansion of the GIS depends on the access to GIS licences and as Esri is the sole service provider of these licences and the training and support on the different modules currently used by the Municipality it is necessary that a new appointment is made for the services and Licence agreement.

During the 2020/21 financial year Esri SA designed, configured and implemented the Customer Care Portal (CCP) after undertaking extensive consultations and workshops with all departments in order to determine the service request categories and problem types to be utilised as part of the call centre operation.

During the ICT Steering Committee held on the 9th of March 2022 via Teams (online) approval was obtained to continue the services of ESRI SA as they are the only vendor that provides GIS Enterprise License agreement. With the Enterprise GIS solution, Stellenbosch Municipality has the ability to customise the software to meet our needs and to further develop special modules in the GIS environment. The procurement of the Enterprise License agreement further gives the Stellenbosch Municipality the secure, enterprise ready software that is easily integrated into existing systems.

The Enterprise version gives the Stellenbosch Municipality the power to design our own deployments to meet our exact needs.

The municipality is therefore dependant on the software to deliver services and cannot afford to be without the service from 1 July 2022.

5. FINANCIAL IMPLICATIONS

The total cost for the appointment of Esri SA (Pty) Ltd for the renewal of the annual ESRI Enterprise License Agreement (ELA) software licenses with maintenance and support from 01 July 2022 to 30 June 2025 is **R 7 014 445,90 (including VAT) for fixed costs plus an estimated cost of R 1 669 248,00 (including VAT) for support services, totalling R 8 683 693,90**

The cost includes Esri software annual licenses renewal fees for 3 years, monthly professional services, onsite technical support and AFLA professional services. Basic training is provided by the GIS section from the Planning and Economic Development and advanced SAQA training will be managed outside of this agreement.

The below tables provides a cost breakdown of the services to be included in the contract over the next 3 financial years.

1. SUMMARY OF TOTAL COST 1 JULY 2022 – 30 June 2025

Item	Description	Start Date	End Date	ELA License Esri	Monthly Professional Service	Tech Support Hours	AFLA Professional Service Hours	Total
1	Year 1	1-Jul-22	30-Jun-23	R 1 703 780,00	R 195 888,00	R 182 400,00	R 273 600,00	R 2 355 668,00
2	Year 2	1-Jul-23	30-Jun-24	R 1 822 532,20	R 207 648,00	R 193 344,00	R 290 016,00	R 2 513 540,20
3	Year 3	1-Jul-24	30-Jun-25	R 1 949 565,97	R 220 104,00	R 204 864,00	R 307 296,00	R 2 681 829,97
Sub Total								R 7 551 038,17
VAT								<u>R 1 132 655,73</u>
Total								<u>R 8 683 693,90</u>

2. ESRI LICENSES (FIXED COST)

Item	Description	Year 1	Year 2	Year 3
1	Esri Licenses	R 1 703 780,00	R 1 822 532,20	R 1 949 565,97
	Sub Total	R 1 703 780,00	R 1 822 532,20	R 1 949 565,97
	VAT	<u>R 255 567,00</u>	<u>R 273 379,83</u>	<u>R 292 434,90</u>
	Total	<u>R 1 959 347,00</u>	<u>R 2 095 912,03</u>	<u>R 2 242 000,87</u>

3. TECHNICAL SUPPORT HOURLY RATES @ 2 DAYS PER MONTH

Item	Technical Support Services	Yearly Hours	Term		Hourly Rate
			From	To	
1	Technical Support YR1	192	1-Jul-22	30-Jun-23	R 950,00
2	Technical Support YR2	192	1-Jul-23	30-Jun-24	R 1 007,00
3	Technical Support YR3	192	1-Jul-24	30-Jun-25	R 1 067,00

4. MONTHLY PROFESSIONAL SERVICES (FIXED COSTS)

Item	Description	Year 1	Year 2	Year 3
1	SG Approved & Registered Layer	R 195 888,00	R 207 648,00	R 220 104,00
	Sub Total	R 195 888,00	R 207 648,00	R 220 104,00
	VAT	<u>R 29 383,20</u>	<u>R 31 147,20</u>	<u>R 33 015,60</u>
	Total	R 225 271,20	R 238 795,20	R 253 119,60

5. AFLA PROFESSIONAL SERVICES HOURLY RATE @ 3 DAYS PER MONTH

Item	Technical Support Services	Yearly Hours	Term		Hourly Rate
			From	To	
1	AFLA Professional Services YR1	288	1-Jul-22	30-Jun-23	R 950,00
2	AFLA Professional Services YR2	288	1-Jul-23	30-Jun-24	R 1 007,00
3	AFLA Professional Services YR3	288	1-Jul-24	30-Jun-25	R 1 067,00

6. TRAINING SERVICE HOURLY RATES

Item	Training	Yearly hours	Term		Hourly Rate
			From	To	
	Training Hours Yr1	470	1-Jul-22	30-Jun-23	R 488,00
	Training Hours Yr2	470	1-Jul-23	30-Jun-24	R 517,00
	Training Hours Yr3	470	1-Jul-24	30-Jun-25	R 548,00

7. New Procurements /Solution Enhancements / Module Upgrades FIXED COSTS

Item	Description	Yr 1 2022/2023		Yr 2 2024/2024		Yr 3 2024/2025	
		New/ Upgrade	Total	New/ Upgrade AFLA v2.x	Total	New/ Upgrade AFLA v2.x	Total
3.3	Enhancement to ALFA		R 100 000,00		R 100 000,00		R 100 000,00
3.3	TPAMS			R 25 000,00			
3.3	BPAMS			R 25 000,00			
3.3	WAMS	R 25 000,00				R 25 000,00	
3.3	Cemeteries	R 25 000,00				R 25 000,00	
3.3	ITAM and Business Survey	R 25 000,00				R 25 000,00	
3.3	Billing Viewer			R 25 000,00			
3.3	AFLA/SAMRAS integration			R 25 000,00			
3.3	Tree Management (Treeworks)	R 25 000,00				R 25 000,00	
3.3	AFLA Property & Lease Management	R 155 000,00	R 155 000,00			R 25 000,00	R 25 000,00
3.3	Additional AFLA Add-in		R 330 000,00		R 385 000,00		R 70 000,00
3.3	Zoning Certificate	R 75 000,00				R 7 500,00	
3.3	Demolitions	R 75 000,00				R 7 500,00	
3.3	Illegal Advertising			R 75 000,00		R 7 500,00	
3.3	Contravention Notices			R 75 000,00		R 7 500,00	
3.3	Environmental Applications			R 75 000,00		R 7 500,00	
3.3	Infrastructure Online Application			R 80 000,00			
3.3	Public GIS Viewer	R 80 000,00				R 25 000,00	
3.3	Link with Collaborator Document Management System	R 25 000,00					

6. VALUE FOR MONEY (OTHER RATES/VALUES)

The proposed pricing reflects the 10% discount as negotiated by National Treasury and SITA for Esri GIS Licenses across government departments.

7. IT IS RECOMMENDED THAT:

- That the rates of Esri SA (Pty) Ltd as depicted in the below tables for the provision and renewal of the current ESRI GIS ELA licensing, maintenance, support, and professional services for the period starting 1 July 2022 till 30 June 2025, be approved and
- That the rates pertaining to the New Procurements /Solution Enhancements / Module Upgrades sit at the ICT Steering Committee and receive approval prior to SCM further processing these rates

1. LICENSES (FIXED COST)

Item	Description	Year 1	Year 2	Year 3
1	Esri Licenses	R 1 703 780,00	R 1 822 532,20	R 1 949 565,97
	Sub Total	R 1 703 780,00	R 1 822 532,20	R 1 949 565,97
	VAT	<u>R 255 567,00</u>	<u>R 273 379,83</u>	<u>R 292 434,90</u>
	Total	R 1 959 347,00	R 2 095 912,03	R 2 242 000,87

2. MONTHLY PROFESSIONAL SERVICES (FIXED COSTS)

Item	Description	Year 1	Year 2	Year 3
1	SG Approved & Registered Layer	R 195 888,00	R 207 648,00	R 220 104,00
	Sub Total	R 195 888,00	R 207 648,00	R 220 104,00
	VAT	<u>R 29 383,20</u>	<u>R 31 147,20</u>	<u>R 33 015,60</u>
	Total	R 225 271,20	R 238 795,20	R 253 119,60

3. TECHNICAL SUPPORT HOURLY RATES

Item	Technical Support Services	Term		Hourly Rate
		From	To	
1	Technical Support YR1	1-Jul-22	30-Jun-23	R 950,00
2	Technical Support YR2	1-Jul-23	30-Jun-24	R 1 007,00
3	Technical Support YR3	1-Jul-24	30-Jun-25	R 1 067,00

4. AFLA PROFESSIONAL SERVICES HOURLY RATE

Item	Technical Support Services	Term		Hourly Rate
		From	To	
1	AFLA Professional Services YR1	1-Jul-22	30-Jun-23	R 950,00
2	AFLA Professional Services YR2	1-Jul-23	30-Jun-24	R 1 007,00
3	AFLA Professional Services YR3	1-Jul-24	30-Jun-25	R 1 067,00

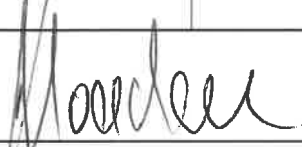
5. TRAINING SERVICE HOURLY RATES

Item	Training	Term		Hourly Rate
		From	To	
1	Training Hours Yr1	1-Jul-22	30-Jun-23	R 488,00
2	Training Hours Yr2	1-Jul-23	30-Jun-24	R 517,00
3	Training Hours Yr3	1-Jul-24	30-Jun-25	R 548,00

6. NEW PROCUREMENTS /SOLUTION ENHANCEMENTS / MODULE UPGRADES

Item	Description	Yr 1 2022/2023		Yr 2 2024/2024		Yr 3 2024/2025	
		New/ Upgrade	Total	New/ Upgrade AFLA v2.x	Total	New/ Upgrade AFLA v2.x	Total
3.3	Enhancement to ALFA		R 100 000,00		R 100 000,00		R 100 000,00
3.3	TPAMS			R 25 000,00			
3.3	BPAMS			R 25 000,00			
3.3	WAMS	R 25 000,00				R 25 000,00	
3.3	Cemeteries	R 25 000,00				R 25 000,00	
3.3	ITAM and Business Survey	R 25 000,00				R 25 000,00	
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3.3	AFLA Property & Lease Management	R 155 000,00	R 155 000,00			R 25 000,00	R 25 000,00

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3.3	Illegal Advertising			R 75 000,00		R 7 500,00	
3.3	Contravention Notices			R 75 000,00		R 7 500,00	
3.3	Environmental Applications			R 75 000,00		R 7 500,00	
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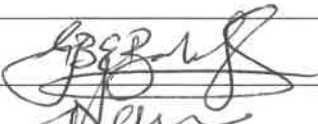
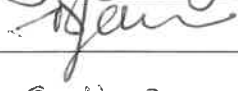

REGAN MOOIDEEN

Date: 24/6/2022

SUPPLY CHAIN MANAGEMENT COMMENTS:

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8. APPROVAL:

REQUEST SUPPORTED / NOT SUPPORTED BY THE STELLENBOSCH MUNICIPAL BID ADJUDICATION COMMITTEE		
Name	Signature	Date
G. BOSHOFF		24/6/2022
D. Jacobs		24/6/2022
A de Beer	Online	24/6/2022
J Boshoff	Online	24/6/2022
	Or	
Comments: CHAIRPERSON <u>K Carolus</u> online DATE <u>24/6/2022</u>		
RECOMMENDATION FROM BID ADJUDICATION COMMITTEE APPROVED BY THE ACCOUNTING OFFICER		

Comments: Appointment approved as Recommended

ACCOUNTING OFFICER:  (A.P. Barnes) DATE 24/6/2022