

TEMPLATE: SUBMISSION/MOTIVATION



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Motivation: Deviations above R500 000

Approval request to enter new SLA contract with Eclipse (Pty) Ltd from 1 March 2025 – 30 November 2025

Document ControlVersion and Amendment Schedule

Version	Version Date	Author	Description of Amendments
V2	09 February 2024	Johan Oosthuizen	Document Amendments
V3	13 September 2024	Busisiwe Biyela	Document Amendments

Compliance Schedule

Compliance Type Checked	Compliance Approved by	Responsibility	Date of Compliance Approval
Department Administrator/SHEQ Champion	Nthabiseng Mkhabela	SHEQ Champion	29 November 2024



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Approval request to enter new SLA contract with Eclipse (Pty) Ltd from 1 March 2025 – 30 November 2025

TO:	Chief Executive Officer – Mr Ishaam Abader
CC:	Executive IIS - Mr. Mnikeli Ndabambi Senior Manager SCM – Ms. Busisiwe Biyela Acting Chief Financial Officer – Ms. Busisiwe Biyela
FROM:	Acting Senior Manager ICT – Ms. Bongiwe Mtongana
SUBJECT:	Approval request to enter a new Support and Maintenance contract with Eclipse (Pty) Ltd from 1 March 2025 to 30 November 2025 through the single source supplier.
DATE:	05 February 2025

1. Purpose

The purpose of the submission is to request the Chief Executive Officer to consider the approval for:

- SAWS to enter a new Support and Maintenance contract with Eclipse (Pty) Ltd from 1 March 2025 to 30 November 2025 for Cray HPC & Luster storage.
- Inclusion of the 3rd line support in the contract on time and material basis for critical matters.

2. Background

The current HPC support and maintenance contract provided by Eclipse Holdings is ending on the 28th of February 2025.

SAWS do not have its own internal capacity for both hardware and software to sustain the system until the process of acquiring a new one is completed. The lack of active support and maintenance of the HPC **will result in serious to catastrophic disruptions in operations**. All forecasting models, products and services are generated from this HPC system, including the severe weather guidance forecast products to SADC community.

The HPC is a critical system for SAWS and the country as it relies on it for, among other things, its statutorily mandated functions such as life-saving weather forecasts. In other words, the functionality of the system is critical for saving lives and damage to property, given the severe weather that South Africa has been experiencing and the observed damaging impact.

The Cray XC30 support structure is no longer available via HPE for any new partners as Eclipse was the only company to install and support the Cray equipment in South African. In this regard, please see the attached letter from the OEM.

The procurement plan of the HPC commenced from the 22nd of November 2024 and SAWS



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ensured inclusion of the DFFE SCM for the assistance in the process.

The appointment of BSC and BEC members was approved on 29 November 2024. The BSC sitting was on the 6th December 2024. The tender was advertised on 18 December 2024 and closed on 31st January 2025. The new HPC Implementation to complete approximately by end October 2025.

Below is summary of some of challenges with continued use the HPC:

- The Original Equipment Manufacturer (OEM), Hewlett-Packard Enterprise (HPE) has already sent a formal communication to SAWS stating that they cannot extend the support and maintenance spares, since they can no longer find or source parts for this system.
- Eclipse (Pty) Ltd sourced this solution for SAWS from Cray before the Cray Company was procured by HPE, and they have been providing maintenance support for the remainder of the HPC's life at SAWS. Hence, they have offered to take a risk in supporting this environment using stocked spare parts that they keep onsite.
- The SAWS has a computer HPC back up system that is provided by the CSIR. However, this system also has serious limitations in terms of storage and nodes, and cannot provide a guarantee of smooth, uninterrupted services, and hence is not a reliable long-term alternative in the event of discontinued services of Eclipse Holdings.
- Eclipse (Pty) Ltd is the only service provider that have the history and understanding of the challenges that this current HPC system has, hence it will be risky to introduce a new service provider for the support and maintenance at this stage. Introduction of a new service provider will require a proper handover to be done and not recommended owing to the fragile state of the infrastructure.
- On 07 January 2025, Eclipse indicated that three drives within the HPC system previously failed and were replaced, but the system did not recognize them. A fourth drive is now unstable, and should six drives fail, the Lustre data on the system would be irretrievably lost.
- Emanating from the above, the service provider is planning to contact the OEM, HPE to assist with the drives and a complete health assessment of the HPE. However, it should be noted that all contacts for the CRAY XC30 support, was built up between Eclipse and Cray engineers over time and not with HPE (the OEM), as the SAWS contract with Eclipse was in place before HPE procured the Cray company. Therefore, there could be cost implications to this critical exercise.

The SAWS management engaged with Eclipse Holdings on the proposal and requirements for continued support of the HPC system. The service provider proposed 1st & 2nd line support level



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with the commitment of the below SLA targets. Eclipse also indicated that the 3rd line support will be waived in the upcoming contract as they do not have direct access to the OEM's source configuration. However, SAWS ICT proposes that 3rd line support be included in the contract on time and material basis for critical matters.

2.1. Response and Resolution Times:

Priority 1: Response within 4 hours, resolution within 4 hours.

Priority 2: Response within 4 hours, resolution within 6 hours.

Priority 3: Response within 6 hours, resolution within 8 hours.

Priority 4: Response within 8 hours, resolution within 10 hours.

Priority 5: Response within 24 hours, resolution within 48 hours.

2.2. Compliance Targets:

Eclipse Holdings guarantees 100% compliance with resolution times. Non-compliance will result in penalties as stipulated in the SLA, capped at 20% of the monthly SLA amount.

2.3 Resolution of Current Issues:

Eclipse Holdings guarantees the resolution of ongoing issues, including drives and controllers, in line with current SLA guidelines.

2.4. Spare Parts Turnaround Time:

Turnaround time for spare parts is not predefined, as parts will be sourced globally, including regions such as the UK, USA, and UAE.

The OEM will assist with sourcing and supplying materials as per the SLA. Delays may occur due to part availability and shipping logistics.

3. Motivation

The HPC contract ends on the 28th of February 2025. To avert the imminent risks of the unavailability of HPE warranty and delays in the procurement of HPC which is critical to ICT infrastructure and its ability to ensure business continuity, an approval is hereby sought to support the maintenance & support contract and Sonexion storage system with Eclipse (Pty) Ltd while SAWS is busy with procurement process for the new HPC system. It will be critical to have an SLA for support in place to assist ICT with the operational upkeep of both the Cray and Luster file system during the replacement and transitioning from old Cray system to new HPC system.



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RATIONALE

The National Treasury has issued guidelines and instructions or practice notes on various issues relating to procurement, the aim being to ensure uniform minimum norms and standards within government.

Treasury Instruction 16A6.4 as well as Paragraph 4.1 of National Treasury Supply Chain Management instruction note No. 3 of 2021/2022 stipulates that if in a specific case where it is impractical to invite competitive bids, the Accounting Officer or Accounting Authority may procure the required goods or services by other means, provided that the reasons for deviating from inviting competitive bids must be recorded and approved by the Accounting Officer or Accounting Authority.

SAWS Supply Chain Management Policy, 2023, paragraphs 6.21.1 to 6.21.2.

- a) **single source** where a thorough analysis of the market and a transparent and equitable pre-selection process is used to decide on one supplier among a few prospective bidders to make a proposal;

Section 4.9.1 (b) of the SAWS Delegation of Authority allows for deviations from normal bidding processes above the value of R500 000.00 to be approved by the Chief Executive Officer.

Indicate the method used to test the market or how the supplier was identified with confirmation from SCM.

Based on the above provisions, approval is sought to allow SAWS to procure/acquire the approval request to enter a new Support and Maintenance contract with Eclipse (Pty) Ltd from 1 March 2025 to 30 November 2025.

4. Financial Implications:

The current monthly Support and Maintenance costs with Eclipse (Pty) Ltd is R 219 920.25. The costs are for 1st & 2nd line support.

The support and maintenance costs for the new contract with Eclipse (Pty) Ltd will be R 275 999.99 (incl VAT) per month. The total cost for the 9-month period will be R 2 483 999.91 (incl VAT). The costs are for 1st and 2nd line support.

There are funds to the value of R3,421,953.22 for the additional goods / services required is available under cost centre 480, account code 87150.

5. Recommendation:



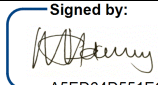
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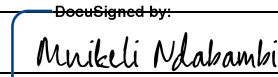
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It is recommended that the Chief Executive Officer approves the single source supplier for the following:

- The request for SAWS to enter a new Support and Maintenance contract with Eclipse (Pty) Ltd from 1 March 2025 to 30 November 2025 for Cray HPC & Luster storage.
- That 3rd line support be included in the contract on time and material basis for critical matters.

Originator:	
Name & Surname:	Mr. Shadrack Mofokeng
Designation:	Manager: ICT Operations
Signature:	Signed by: 
Date:	5/2/2025 5:12 PM SAST

Recommended by:	
Name & Surname:	Ms. Bongiwe Mtongana
Designation:	Acting Senior Manager: ICT
Signature:	DocuSigned by: 
Date:	5/2/2025 5:21 PM SAST

Recommendation Supported: Executive: IIS		
Supported	Not Supported	Supported amendments
supported		
Name & Surname:	Mr. Mnikeli Ndabambi	
Designation:	Executive: IIS	
Signature:	DocuSigned by: 	
Date:	6/2/2025 10:22 AM SAST	



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Recommendation Supported: Senior Manager: Supply Chain Management (SCM)		
Supported	Not Supported	Supported with amendments
Supported		
Name & Surname:	Ms. Busisiwe Biyela	
Designation:	Senior Manager: Supply Chain Management (SCM)	
Signature:	Signed by: <i>Busisiwe Biyela</i>	
Date:	7/2/2025 3:05 PM SAST	

Recommendation Supported: Acting Chief Financial Officer (CFO)		
Supported	Not Supported	Supported with amendments
Supported		
Name & Surname:	Ms. Busisiwe Biyela	
Designation:	Acting Chief Financial Officer	
Signature:	Signed by: <i>Busisiwe Biyela</i>	
Date:	7/2/2025 3:05 PM SAST	

Approval: Chief Executive Officer (CEO)		
Approved	Not Approved	Approved with amendments
Approved		
Name & Surname:	Mr. Ishaam Abader	
Designation:	Chief Executive Officer	
Signature:	Signed by: <i>Ishaam Abader</i>	
Date:	7/2/2025 5:24 PM SAST	

Document Reference Assigned:	
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