



water & sanitation

Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA

ENQUIRIES: Dr M Matlala

TELEPHONE: 0828023052

REFERENCE: 4/8/3/6/2

DIRECTOR GENERAL CHAIRPERSON: DEPARTMENTAL BID ADJUDICATION COMMITTEE

REQUEST FOR THE RENEWAL OF THE ENTERPRISE LICENSE AGREEMENT (ELA) FOR THE GEOGRAPHICAL INFORMATION SYSTEM LICENCES INCLUDING SUPPORT SERVICES BETWEEN THE DEPARTMENT OF WATER AND SANITATION AND ESRI SOUTH AFRICA FOR THREE YEARS

1. PURPOSE

- 1.1 To obtain the Director General's approval for the renewal of the Enterprise License Agreement (ELA) for the Geographical Information System (GIS) licenses including support services between the Department of Water and Sanitation and ESRI South Africa for three years.

2. BACKGROUND AND DISCUSSION

- 2.1 The Department of Water and Sanitation makes use of Arc GIS for the provision of spatial information on all systems and matters related to water, cadastral information including title deeds, land use, water users and cartographical mapping. ESRI is used widely amongst government departments allowing for interoperability between data used in government departments including municipalities. ESRI South Africa (SA) is the sole supplier of these licenses (See attached sole Supplier letter (see **Annexure A**). The current Enterprise license agreement between ESRI SA and the Department of Water and Sanitation (DWS) expires on 28 February 2023 and will be due for renewal on 1 March 2023 for the next 3-year period. The expiring ELA was acquired through the internal DWS supply chain management processes with the support of SITA (see attached and approved previous submission (**Annexure B**). The new ELA initiative followed similar processes whereby SITA was engaged since October 2022 to advise the DWS on the process to follow for the new agreement. SITA was approached as ESRI forms part of the SITA Framework as a supplier for GIS services.



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SITA had since engaged with their Supply Chain Management (SCM) to evaluate the quotes from ESRI SA. Unfortunately, SITA delayed the outcome of the evaluation which was only finalized at the end of January 2023. SITA indicated in an attached document (see **Annexure C**) that the quote based on the one-year itemized services was deemed to be fair. During the first and second week of February 2023 SITA provided confirmation that the ELA proposal of R32 024 989.99 for 3 years is priced in accordance with their framework (see **Annexure D**). However, parallel to the SITA evaluation of quotes, the DWS negotiated further with ESRI SA on the pricing of the ELA to request a further reduction based on budgetary constraints within the Chief Directorate: National Water Resource Information Management. ESRI SA subsequently provided the DWS with a further reduced quote of **R 29 890 897.52** (see **Annexure E**). In comparing the two quotes of the ELA and that of the one-year itemized pricing, the DWS opted for the ELA due to its nature of services rather than the costly annual renewal which would cost the DWS about **R 25 146 131.77** per annum (see **Annexure C**) which is significantly higher when compared to the ELA pricing of **R 29 890 897.52** (see **Annexure E**) for a period of 3 years.

2.2 It is of outmost importance that these licenses be renewed, and the support acquired to avoid the following consequences:

- Possible litigation because of the use of licenses without renewal and or proper authorization that could lead to infringement of copyright by the custodians of the licenses (ESRI SA).
- The DWS will not be able to upgrade the current version of the GIS to a new version and if the license lapses the cost to procure the software again could be more than renewal of the ELA.
- The DWS will not be able to qualify for latest software patches and updates which will pose risks to the current version.
- The DWS officials will not be able to capture and process spatial information which will enable the DWS to make informed decisions due to the inability to access ArcGIS Online imagery and tools.
- The Service provider will not respond to the requests to fix any technical faults which might be experienced. Due to the migration of software on the servers and changes made to the environment such as firewall, security updates and other IT infrastructure changes, the risk of this is very high
- Support for SAP to enable the verification of applications and for SAP to perform audits
- Inability to provide GIS support projects initiated by various components within DWS
- Inability to provide extensive GIS capacity building and training to staff within DWS and entities
- Non availability of Stream Flow Reduction Activities (SFRA) to enable the capturing of spatial information through web application

2.3 The desktop market research discovery report conducted and produced by Supply Chain Management indicated that there were no similar tools found in the market within South Africa (see **Annexure F**).

NAME: 21 MCBG MATLAL
CHIEF DIRECTOR: NATIONAL WATER RESOURCE INFORMATION MANAGEMENT
DATE: 14/02/2023

5. RECOMMENDATION(S)

It is recommended that:

- 5.1 The Director General approves for the renewal of the Enterprise License Agreement (ELA) for the Geographical Information System (GIS) licenses including professional services between the Department of Water and Sanitation and ESRI South Africa for three years.

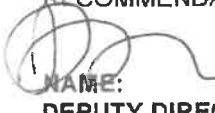
RECOMMENDATION IN PARAGRAPH 5.1 SUPPORTED/ ~~NOT SUPPORTED~~

NAME: Cynthia Magolo 
DIRECTOR: IT APPLICATIONS AND BUSINESS SOLUTIONS
DATE: 14/02/23

RECOMMENDATION IN PARAGRAPH 5.1 SUPPORTED/ ~~NOT SUPPORTED~~


NAME: A. Kekana
CHIEF INFORMATION OFFICER
DATE: 14/02/2023

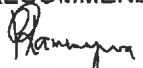
RECOMMENDATION IN PARAGRAPH 5.1 SUPPORTED/ ~~NOT SUPPORTED~~


NAME: Deborah Mochotlhi
DEPUTY DIRECTOR-GENERAL: WATER RESOURCES MANAGEMENT
DATE: 2023-02-17

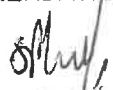
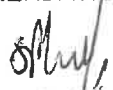
FUNDS AVAILABLE/ ~~NOT AVAILABLE~~


NAME: F. Moatshe
CHIEF FINANCIAL OFFICER
DATE: 2023/02/16

RECOMMENDATION IN PARAGRAPH 5.1 SUPPORTED/ ~~NOT SUPPORTED~~


NAME: Petunia Ramunenyiwa
CHAIRPERSON: DEPARTMENTAL BID ADJUDICATION COMMITTEE
DATE: 23 Feb 2023

RECOMMENDATION IN PAR. 5.1 APPROVED/ ~~NOT APPROVED~~


NAME: 
DIRECTOR GENERAL
DATE: 28/02/23

ANNEXURE A



January 5, 2022

Re: Esri Distributor Certification for ESRI South Africa (Pty) Ltd.

To Whom It May Concern:

Environmental Systems Research Institute, Inc. (Esri), of Redlands, California, USA is the developer and manufacturer of the Esri family of software. We certify that ESRI South Africa (Pty) Ltd., an independent company, is our sole authorized distributor within South Africa, Lesotho, Mauritius, and Swaziland and is authorized to demonstrate, promote, market, distribute, install, support, and provide instruction for certain Esri software and related materials.

ESRI South Africa (Pty) Ltd. is authorized to appoint other third-party persons or organizations on a nonexclusive basis to market, install and/or provide instruction for the Esri family of software within South Africa, Lesotho, Mauritius, and Swaziland. However, as Esri's sole authorized distributor within South Africa, Esri South Africa is the only entity that can provide full maintenance (including updates, and upgrades for the Esri software and technical support). Esri also allows distribution of certain Esri software licenses and maintenance in combination with non-Esri hardware, software or services through open-market value-added resellers, system integrators and OEMs.

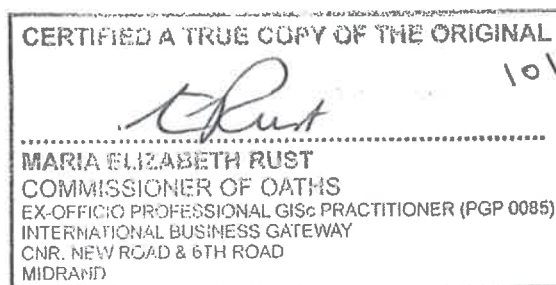
This letter expires on December 31, 2023, unless otherwise notified by Esri in writing.

For further information, please contact Matthew Pennells, International Country Manager at Esri at (909) 793-2853 or mpennells@esri.com.

Sincerely,

Alejandra Merino
Manager, International Contracts
Environmental Systems Research Institute, Inc. (Esri)

cc: Matthew Pennells, International Country Manager



ANNEXURE B

WD 355



water & sanitation

Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA

ENQUIRIES: Z. Maswuma
TELEPHONE: 012 338 7117
REFERENCE: 4/8/3/6/2

**ACTING DIRECTOR GENERAL
CHAIRPERSON: DEPARTMENTAL BID ADJUDICATION COMMITTEE**

**REQUEST FOR THE RENEWAL OF THE ENTERPRISE LICENSE AGREEMENT
(ELA) FOR THE GEOGRAPHICAL INFORMATION SYSTEM LICENCES INCLUDING
SUPPORT SERVICES BETWEEN THE DEPARTMENT OF WATER AND
SANITATION AND ESRI SOUTH AFRICA OVER THREE YEARS**

1. PURPOSE

- 1.1 To obtain the Acting Director General's approval for the renewal of the Enterprise License Agreement (ELA) for the Geographical Information System (GIS) licenses including and support services between the Department of Water and Sanitation and ESRI South Africa over three years.

2. BACKGROUND AND DISCUSSION

- 2.1 The Department of Water and Sanitation makes use of Arc GIS for the provision of spatial information on all systems and matters related to deeds, land use, water users and cartographical mapping of the sites of management. ESRI South Africa (SA) is the sole supplier of these licenses (See attached sole Supplier letter (see **Annexure A**). The Department of Water and Sanitation currently has an Enterprise license agreement with ESRI SA which is due for renewal on 1 March 2020 for the next 3 year period. The current ELA was acquired through the internal DWS supply chain management processes with the support of SITA (see attached approved letter (see **Annexure B**). The process to renew these licenses was initiated well in advance but delayed through the negotiations with SITA. SITA was approached as ESRI forms part of the SITA Framework as a supplier for GIS services. SITA subsequently requested the quote from ESRI for validation.



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However, upon receipt of the quote, SITA indicated in an attached email (see **Annexure C**) that DWS should engage directly with ESRI since the quotation provided to SITA is more discounted than what appears in the Transversal Framework. ESRI had indicated to SITA that the ELA provided for the unlimited number of software licenses, maintenance, including professional services and training at a discounted pricing model to that provided under the Transversal Framework Agreement and thus it was a saving to government entities. ESRI is used widely amongst government departments allowing for interoperability between data used in government departments including municipalities. This was discussed both with SITA and the National Committee for Spatial Information hence the inclusion of ESRI in the SITA framework. The DWS has opted for the ELA due to its nature of services rather than the costly annual renewal which would cost the DWS about R22 446 383 per annum (see **Annexure D**) which is significantly higher when compared to the ELA pricing of R23 338 315.31 (see **Annexure E**) over 3 years.

2.2 It is of outmost importance that these licenses are renewed and the support acquired in order to avoid the following consequences:

- The use of licenses without renewal and or proper authorization will lead to DWS being litigated against infringement of copyright by the custodians of the licenses (ESRI SA).
- The DWS will not be able to upgrade the current version of the GIS to a new version and if the license lapses the cost to procure the software again could be more than renewal of the ELA.
- The DWS will not be able to qualify for latest software patches and updates which will pose risks to the current version.
- The DWS officials will not be in a position to capture and process spatial information which will enable the DWS to make informed decision due to the inability to access ArcGIS Online imagery and tools.
- The Service provider will also not respond to the requests to fix any technical faults which might be experienced. Due to the migration of software on the servers and changes made to the environment such as firewall, security updates and other IT infrastructure changes, the risk of this is very high
- Inability to support SAP to enable the verification of applications and for SAP to perform audits
- Inability to support Institutional Oversight unit in highlighting the proposed demarcation for easy reference
- Inability to support the National Groundwater Archive for the Drillers Register Application

2.3 Both the market research and the desktop research discovery report that were conducted and produced by Supply Chain Management and the DWS IT outsourced partner, EOH respectively, indicated that there were no similar tools found in the market within South Africa (see **Annexure F**). The ITC had recommended the renewal of the ELA (see **Annexure G** and main submission)

3. IMPLICATIONS

3.1 Financial

The total cost for the Enterprise License Agreement is R 23 338 315.31 (see attached Annexure E). This total cost will be paid over a period of 36 Months. The funding will be made available from the Chief Directorate: Water Information Management.

	2020-2021	2021-2022	2022-2023	Total
ELA Fee	R 6 437 490.00	R 6 759 364.50	R 7 097 322.73	R 20 294 187.23
VAT (15%)	R 965 623.50	R 1 013 904.68	R 1 064 599.91	R 3 044 128.08
	R 7 403 113.50	R 7 773 269.18	R 8 161 932.63	R 23 338 315.31

3.2 Personnel

None

3.3 Legal

None

3.4 Communication

None

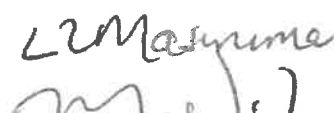
4. OTHER COMPONENTS CONSULTED

4.1 Office of the CIO, ITC, SCM and SITA

5. RECOMMENDATION(S)

It is recommended that:

- 5.1 The Acting Director General approves for the renewal of the Enterprise License Agreement (ELA) for the Geographical Information System (GIS) licenses including professional services between the Department of Water and Sanitation and ESRI South Africa over three years.

NAME: 
CHIEF DIRECTOR: WATER INFORMATION MANAGEMENT (ACTING)
DATE: 2020/1/28



5. RECOMMENDATION(S)

It is recommended that:

- 5.1 The Acting Director General approves for the renewal of the Enterprise License Agreement (ELA) for the Geographical Information System (GIS) licenses including professional services between the Department of Water and Sanitation and ESRI South Africa over three years.

RECOMMENDATION IN PARAGRAPH 5.1 SUPPORTED/ ~~NOT SUPPORTED~~

NAME: *A. Lekana*
CHIEF INFORMATION OFFICER
DATE: *30/01/2020*

RECOMMENDATION IN PARAGRAPH 5.1 SUPPORTED/ ~~NOT SUPPORTED~~

NAME: *C. Mapho*
ITC CHAIRPERSON:

DATE: *05/02/2020*

RECOMMENDATION IN PARAGRAPH 5.1 SUPPORTED/ ~~NOT SUPPORTED~~

NAME: *Deborah Makhotli*
DEPUTY DIRECTOR-GENERAL: PLANNING AND INFORMATION MANAGEMENT
DATE: *12/02/2020*

FUNDS AVAILABLE/ ~~NOT AVAILABLE~~

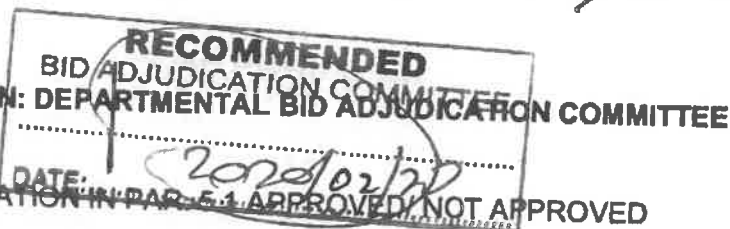
NAME: *F. Maseti*
ACTING CHIEF FINANCIAL OFFICER
DATE: *20/02/2020*

RECOMMENDATION IN PARAGRAPH 5.1 SUPPORTED/ ~~NOT SUPPORTED~~

NAME: *[Signature]*
CHAIRPERSON: DEPARTMENTAL BID ADJUDICATION COMMITTEE
DATE: *[Signature]*

RECOMMENDATION IN PAR. 5.1 APPROVED/ NOT APPROVED

NAME: *[Signature]*
ACTING DIRECTOR GENERAL
DATE: *27/02/2020*



SM

ANNEXURE C



SITA SOC Ltd, 459 Tsitsa Street, Erasmuskloof, Pretoria, South Africa • PO Box 26100, Monument Park, 0105, South Africa
Tel: +27 12 482 3000 • Fax +27 12 367 5151 • Reg. No 1999/001899/30 • www.sita.co.za

Our Ref: INC23581558
Enquiries: Audrey Matlapeng
Tel: +27 12 482 2339
Date: 19/01/2023

Department of Water and Sanitation

Private Bag X313

Pretoria

0001

Attention: Sir/Madam

2022-11928 of 2022-10-43822 - REQUEST TO VALIDATE ESRI MAINTENANCE & SUPPORT FOR THE DEPARTMENT OF WATER AND SANITATION

The above-mentioned quotation refers.

This letter serves as a confirmation that the price and discount for the Esri maintenance & support for the Department of Water and Sanitation has been validated as a true reflection against the Esri Framework Agreement. However, it has to be noted price for line item 26 and 31 were incorrectly calculated by Esri. However, SITA and Esri rectified the prices for the two-line items. The client will then pay **R25 146 131,77** vat inclusive and not **R 25 164 205,62** vat inclusive.

Compiled by:

Audrey Matlapeng

Sourcing Specialist

Non-Executive Directors:

Ms M Mosidi (Chairperson), Ms S Bvuma (Dr) (Deputy Chairperson), Ms S Moonsamy, Ms N Pietersen, Ms Z Hill, Ms O Ketsekile, Mr T Ratshitanga (Dr), Mr R Ramabulana, Mr W Vukela, Ms L Mseme, Ms J Morwane, Mr M Ratshimbilani

Executive Directors:

Mr MK Kgauwe (Managing Director: Acting), Mr A Pretorius (Chief Financial Officer: Acting)
Ms Makwena Mohlabi (Company Secretary)

RESTRICTED

**2022-11928 of 2022-10-43822 - REQUEST TO VALIDATE ESRI MAINTENACE & SUPPORT FOR THE
DEPARTMENT OF WATER AND SANITATION**

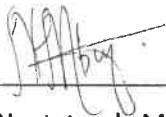
Reviewed by:



Cindy Kobe

Manager: Frameworks

Approved by:



Nontutuzelo Mbiyo

Head of Department: Contract Management

RESTRICTED

ANNEXURE D



SITA SOC Ltd, 459 Tsitsa Street, Erasmuskloof, Pretoria, South Africa • PO Box 26100, Monument Park, 0105, South Africa
Tel: +27 12 482 3000 • Fax +27 12 367 5151 • Reg. No 1999/001899/30 • www.sita.co.za

Our Ref: INC23581558-2
Enquiries: Audrey Matlapeng
Tel: +27 12 482 2339
Date: 01/02/2023

Department of Water and Sanitation

Private Bag X313

Pretoria

0001

Attention: Sir/Madam

2022-11928 of 2022-10-43822 - REQUEST TO VALIDATE ESRI MAINTENACE & SUPPORT FOR THE DEPARTMENT OF WATER AND SANITATION

The above-mentioned quotation refers.

This letter serves as a confirmation that the price and discount for the Esri maintenance & support for the Department of Water and Sanitation has been validated as a true reflection against the Esri Framework Agreement. However, it has to be noted Esri provided the Department with 58% more discount over the period of three (03) years.

Compiled by:

A handwritten signature in black ink, appearing to read "A. Matlapeng", is written over a horizontal line.

Audrey Matlapeng

Sourcing Specialist

Non-Executive Directors:

Ms M Mosidi (Chairperson), Ms S Bvuma (Dr) (Deputy Chairperson), Ms S Moonsamy, Ms N Pietersen, Ms Z Hill, Ms O Ketsekile,
Mr T Ratshitanga (Dr), Mr R Ramabulana, Mr W Vukela, Ms L Mseme, Ms J Morwane, Mr M Ratshimbilani

Executive Directors:

Mr MK Kgauwe (Managing Director: Acting), Mr A Pretorius (Chief Financial Officer: Acting)
Ms Makwena Mohlabi (Company Secretary)

RESTRICTED

2022-11928 of 2022-10-43822 - REQUEST TO VALIDATE ESRI MAINTENACE & SUPPORT FOR THE
DEPARTMENT OF WATER AND SANITATION

Reviewed by:



Cindy Kobe

Manager: Frameworks

Approved by:



Nontutuzelo Mbiyo

Head of Department: Contract Management

RESTRICTED

Company	Department of Water and Sanitation		
Attention	Sehloho Moletsane	From	Kabelo Nkholise
Telephone	012 336 7832	Date	09 November 2022
E-mail	MoletsaneS@dws.gov.za	E-mail	knkholise@esri-southafrica.com
Quote Number:	2022-10-4822		
Subject	Proposed ELA Renewal Cost Estimate for the period 2023 to 2026		

Dear Mr Moletsane

With reference to your request, please find below the costs for the renewal of the ELA for the period 2023 to 2026. One of the greatest benefits of renewing the current ELA is the greatly reduced total cost of ownership. See attached **Annexure A** for products and services offerings of this proposed ELA

Description	2023 - 2024	2024 - 2025	2025 - 2026	Total
ELA Fee	R8 833 566,18	R9 275 244,49	R9 739 006,71	R27 847 817,38
VAT	R1 325 034,93	R1 391 286,67	R1 460 851,01	R4 177 172,61
Annual Fee Including VAT	R10 158 601,11	R10 666 531,16	R11 199 857,72	R32 024 989,99

TERMS AND CONDITIONS

- VAT at 15% has been included in the above costs
- Prices are fixed for 60 days, and payment is strictly 30 days from date of invoice.
- Cheque payment will only be accepted by bank guaranteed cheque and it will be subject to the standard clearance period before any services or goods can be delivered.
- Until credit clearance has been obtained, all purchases must be paid on receipt of an invoice before delivery can take place.
- Bank Details:
 - Standard Bank, Midrand
 - Branch Code: 00.11.55.00
 - Account No.: 201130041

I trust that the above meets with your approval, however should you require any further information please do not hesitate to contact me.

Yours sincerely,



KABELO NKHOLISE

Esri South Africa | Reg No: 1989/006809/07 | VAT No: 4940101092

International Business Gateway, Cnr New Road and 6th Road, Midrand | P.O. Box 652, Halfway House, South Africa, 1685

Tel: +27 11 238 6300 | Fax: +27 11 238 6365

www.esri-southafrica.com

Directors: P.J. McKivern (Managing), H.S. Nkosi, M.J. Mophethe (Non-Executive)

SENIOR ACCOUNT MANAGER
ANNEXURE A

Category	Description	Quantity
Desktop	ArcGIS for Desktop Basic	Unlimited
Desktop	ArcGIS for Desktop Standard	Unlimited
Desktop	ArcGIS for Desktop Advanced	Unlimited
Desktop	ArcGIS Pro	1 Per Desktop Deployment
Desktop	ArcGIS for Desktop Extensions - <i>ArcGIS 3D Analyst</i> - <i>ArcGIS Spatial Analyst</i> - <i>ArcGIS Network Analyst</i> - <i>ArcGIS Publisher</i> - <i>ArcGIS Geostatistical Analyst</i> - <i>ArcGIS Schematics</i> - <i>ArcGIS Data Reviewer</i> - <i>ArcGIS Workflow Manager</i>	Unlimited
Mobile	- <i>Navigator for ArcGIS (For use with Survey123)</i>	5
Server	ArcGIS for Server - <i>Enterprise or Workgroup</i> - <i>Basic, Standard or Advanced</i>	Unlimited
Server	ArcGIS for Server Extensions - <i>ArcGIS 3D Analyst for Server (ArcGIS for Server Advanced only)</i> - <i>ArcGIS Spatial Analyst for Server (ArcGIS for Server Advanced only)</i> - <i>ArcGIS Geostatistical Analyst for Server (ArcGIS for Server Advanced only)</i> - <i>ArcGIS Network Analyst for Server</i> - <i>ArcGIS Schematics for Server</i> - <i>ArcGIS Image Extension for Server</i> - <i>ArcGIS Geoevent Extension for Server</i> - <i>ArcGIS Data Reviewer for Server</i> - <i>ArcGIS Workflow Manager for Server</i>	Depended on Core server license selection

Esri South Africa | Reg No: 1989/006809/07 | VAT No: 4940101092

International Business Gateway, Cnr New Road and 6th Road, Midrand | P.O. Box 652, Halfway House, South Africa, 1685

Tel: +27 11 238 6300 | Fax: +27 11 238 6365

www.esri-southafrica.com

Directors: P.J. McKivergan (Managing), H.S. Nkosi

Limited Quantity Products

Category	Description	Quantity
Developer	Esri Developer Network (EDN)	3
Server	Portal for ArcGIS - 300 Named Users	1
Cloud	ArcGIS Online for Organisations - 300 Named Users	1

Royalty Bearing Desktop Licenses

Description	Quantity
Your choice of 3 x Desktop Royalty bearing extensions (inclusive of one L3Harris Envi License)	3

Professional Services

Description	Quantity
Technical Advisory/Professional Services	600 HRS
1 Technical Workshop per annum	1

Training

Description	Quantity
Subscription to Esri Free Online Self-Paced Learning	Unlimited
Training at Esri South Africa Midrand office to the value of R 180 000 per year	1

Miscellaneous

Description	Quantity
Esri Africa User Conference full benefits	10
Esri International User Conference Full benefits X 2 and 1 X Registration	3

Esri South Africa | Reg No: 1989/006809/07 | VAT No: 4940101092

International Business Gateway, Cnr New Road and 6th Road, Midrand | P.O. Box 652, Halfway House, South Africa, 1685

Tel: +27 11 238 6300 | Fax: +27 11 238 6365

www.esri-southafrica.com

Directors: P.J. McKivergan (Managing), H.S. Nkosi

ANNEXURE E

Company	Department of Water and Sanitation		
Attention	Sehloho Moletsane	From	Kabelo Nkholise
Telephone	012 336 7832	Date	18 January 2023
E-mail	MoletsaneS@dws.gov.za	E-mail	knkholise@esri-southafrica.com
Quote Number:	2022-10-4822		
Subject	Proposed ELA Renewal Cost Estimate for the period 2023 to 2026		

Dear Mr Moletsane

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Description		2023 - 2024	2024 - 2025	2025 - 2026	Total
ELA Fee		R8 298 877,65	R8 630 832,76	R9 062 374,39	R25 992 084,80
VAT		R1 244 831,65	R1 294 624,91	R1 359 356,16	R3 898 812,72
Annual Fee Including VAT		R9 543 709,30	R9 925 457,67	R10 421 730,55	R29 890 897,52

TERMS AND CONDITIONS

- VAT at 15% has been included in the above costs
- Prices are fixed for 60 days, and payment is strictly 30 days from date of invoice.
- Cheque payment will only be accepted by bank guaranteed cheque, and it will be subject to the standard clearance period before any services or goods can be delivered.
- The second year and third-year pricing will be subject to Rate of Exchange and CPI fluctuations at the time of invoicing.
- Until credit clearance has been obtained, all purchases must be paid on receipt of an invoice before delivery can take place.
- Bank Details:
 - Standard Bank, Midrand
 - Branch Code: 00.11.55.00
 - Account No.: 201130041

I trust that the above meets with your approval, however, should you require any further information please do not hesitate to contact me.

Yours sincerely,



KABELO NKHOLISE

SENIOR ACCOUNT MANAGER

Esri South Africa | Reg No: 1989/006809/07 | VAT No: 4940101092

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Tel: +27 11 238 6300 | Fax: +27 11 238 6365

www.esri-southafrica.com

Directors: P.J. McKivergan (Managing), H.S. Nkosi

ANNEXURE A

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Mobile	- Navigator for ArcGIS (For use with Survey123)	5
Server	ArcGIS for Server - <i>Enterprise or Workgroup</i> - <i>Basic, Standard or Advanced</i>	Unlimited
Server	ArcGIS for Server Extensions - <i>ArcGIS 3D Analyst for Server (ArcGIS for Server Advanced only)</i> - <i>ArcGIS Spatial Analyst for Server (ArcGIS for Server Advanced only)</i> - <i>ArcGIS Geostatistical Analyst for Server (ArcGIS for Server Advanced only)</i> - <i>ArcGIS Network Analyst for Server</i> - <i>ArcGIS Schematics for Server</i> - <i>ArcGIS Image Extension for Server</i> - <i>ArcGIS Geoevent Extension for Server</i> - <i>ArcGIS Data Reviewer for Server</i> - <i>ArcGIS Workflow Manager for Server</i>	Depended on Core server license selection

Esri South Africa | Reg No: 1989/006809/07 | VAT No: 4940101092

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www.esri-southafrica.com

Directors: P.J. McKivergan (Managing), H.S. Nkosi

Limited Quantity Products

Category	Description	Quantity
Developer	Esri Developer Network (EDN)	3
Server	Portal for ArcGIS - 300 Named Users	1
Cloud	ArcGIS Online for Organisations - 300 Named Users	1

Royalty Bearing Desktop Licenses

Description	Quantity
Your choice of 3 x Desktop Royalty bearing extensions (inclusive of one L3Harris Envi License)	3
Housekeeper Bundle for the period of three years	1

Professional Services

Description	Quantity
Technical Advisory/Professional Services	560 HRS
1 Technical Workshop per annum	1

Training

Description	Quantity
Subscription to Esri Free Online Self-Paced Learning	Unlimited
Training at Esri South Africa Midrand office to the value of R 180 000 per year	1

Miscellaneous

Description	Quantity
Esri Africa User Conference full benefits	10
Esri International User Conference Full benefits X 2 and 1 X Registration	3

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ANNEXURE F



water & sanitation

Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA

MARKET ANALYSIS REPORT

Purpose

The aim of this exercise is to determine the number of suppliers available on the market to provide the listed services below.

The analysis is not taking into consideration the broadness of designated groups as per the Preferential Procurement Regulations 2017, but rather the broadness of the market for this specialised commodity, to determine whether there is a sole provider with exclusive distribution rights or if there are other suppliers available in the market.

COMMODITY ANALYSIS

APPLICATION TO RENEW THE THREE-YEAR ENTERPRISE LICENSE AGREEMENT WITH ESRI SOUTH AFRICA FOR GIS LICENSES AND MAINTENANCE AND MAINTENANCE OF GIS SOFTWARE FOR A PERIOD 1 MARCH 2023 TO 28 FEBRUARY 2026

The Directorate: Spatial and Land Information Management is responsible for providing hydrological, topographical, engineering and geodetic data, furthermore, it is also responsible for the management and coordination of geo-spatial information and provision of cartographic services, designing, creating and providing property information and all land surveys, providing remote sensing data products and services, aerial photography/surveys, mapping and training, as well as the management, monitoring and maintenance of the national water use information.

To meet these objectives, the Directorate: Spatial and Land Information Management currently uses ArcGIS software, for, amongst others, the provision of spatial information on all systems and matters related to deeds, land use, water users and cartographical mapping of the sites of management. The Enterprise License Agreement for GIS licenses and maintenance of GIS software is due for renewal and failure to renew it, will result in the DWS officials not being able to qualify for latest software patches and updates which will pose risks to the current version. DWS officials will also not be able to capture and process spatial information which enables the DWS to make informed decision, furthermore, no support will be received from the service provider to maintain the software.

COST IMPLICATIONS

R29 890 897.52

SUPPLIER ANALYSIS/ENGAGEMENT

An internet based research has revealed Environmental Systems Research Institute (ESRI) as the international developer and supplier of ESRI family software; geographic information systems (GIS) software, web GIS and geo database management applications. ESRI has a family of software such as Desktop GIS, Server GIC, Mobile GIS as well as ArcGIS Online. This family of software is utilised as a tool under the enterprise license agreement between the Department of Water and Sanitation and ESRI. The company has regional offices; one of their offices is based locally and is named ESRI South Africa. ESRI South Africa has registered on the Central Supplier Database and is tax compliant.

RECOMMENDATION

It is recommended that ESRI South Africa be approached as the sole provider for the renewal of the three year enterprise license agreement for GIS Licenses and maintenance of GIS software. Sole supplier letter has been attached as proof.

Compiler:



ASD: Demand Management

Date: 31 January 2023

RECOMMENDATION APPROVED/NOT APPROVED



DD: Demand Management

Date: 31 January 2023



water & sanitation

Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA

Enquiries: TG Chauke
Telephone: 012 336 7922
Reference: 4/8/3/6/2

CHIEF FINANCIAL OFFICER

REQUEST FOR THE RENEWAL OF THE ENTERPRISE LICENSE AGREEMENT (ELA) FOR THE GEOGRAPHICAL INFORMATION SYSTEM LICENCES INCLUDING SUPPORT SERVICES BETWEEN THE DEPARTMENT OF WATER AND SANITATION AND ESRI SOUTH AFRICA FOR THREE YEARS

1. **Purpose:** To recommend to the Chief Financial Officer to support or / not to support the attached submission based on the availability or none availability of funds.

2. **Motivation / Analysis**

a. **Applicable Prescripts, Regulations, Circular, Policy and/or Delegations of Authority:**

The 2021 financial delegations must be adhered to.

b. **Analysis of funds:**

The estimated cost is R29.9 million over the MTEF as reflected on the submission. The current expenditure status is indicated below (copy attached herewith):

Table 1: 2022/2023 Analysis of expenditure

Item / Project name	Budget	Exp	Commitments	Available
Computer services	10,927,000	13,683,857	4,525,522	-7,282,380

Based on Table 1 above, it is hereby confirmed that funds are not available in the current year.

c. **Implications over the Medium Term Expenditure Framework**

A provision has been made over the MTEF period.

Item / Project name	2023/24 R'000	2024/25 R'000	2025/26 R'000
Consultants: Business and advisory services	32,566	31,710	32,247

3. **Recommendation:** It is recommended that the Chief Financial Officer should support the attached submission in line with the analysis / motivation in 2 above.

TO CHAUKE
DIRECTOR: MANAGEMENT ACCOUNTING
DATE: 20/02/2023

RECOMMENDATION 3: SUPPORTED / NOT SUPPORTED

F MOATSHE
CHIEF FINANCIAL OFFICER
DATE: 2023/02/20

As explained and
discussed with CFO
in the absence of
Dir. Management Accounting
20/02/2023.

21 FEB 2023