



**ORDINARY MEETING OF THE MAYORAL
COMMITTEE**

**GEWONE VERGADERING VAN DIE
BURGEMEESTERSKOMITEE**

**INTLANGANISO YESIQHELO YEKOMITI
KASODOLOPHU**

A G E N D A

I-AJENDA

**DATE / DATUM / UMHLA :
VENUE / PLEK / INDAWO :**

**25 NOVEMBER / NOVEMBA 2015
BANQUETING HALL / BANKETSAAL
CIVIC CENTRE / BURGERSENTRUM /
IZIKO LOLUNTU
HERMANUS**

TIME / TYD / IXESHA :

10:00

MUNICIPALITY / MUNISIPALITEIT / UMASIPALA WE-OVERSTRAND

Office of the Municipal
Manager
Municipal Offices
HERMANUS

20 November 2015

NOTICE TO ALL ALDERMEN AND COUNCILLORS

NOTICE IS HEREBY GIVEN that an **ORDINARY MEETING** of the **MAYORAL COMMITTEE** will be held in the **Banqueting Hall, Civic Centre, HERMANUS**, on **WEDNESDAY, 25 NOVEMBER 2015** at **10:00** to consider the items set out on the attached agenda.

**C GROENEWALD
MUNICIPAL MANAGER**

20 November 2015

KENNISGEWING AAN ALLE RAADSHERE EN RAADSLEDE

KENNIS WORD HIERMEE GEGEE dat 'n **GEWONE VERGADERING** van die **BURGEMEESTERSKOMITEE** gehou sal word in die **Banketsaal, Burgersentrum, HERMANUS**, op **WOENSDAG, 25 NOVEMBER 2015** om **10:00** vir oorweging van die items op die meegaande agenda.

**C GROENEWALD
MUNISIPALE BESTUURDER**

20 Novemba 2015

ISAZISO ESIYA KUBO BONKE OOCEBAKHULU NOOCEBA

INTLANGANISO YESIQHELO YEKOMITI KASODOLOPHU WE-OVERSTRAND

OKU KUKWAZISA ukuba intlanganiso **YESIQHELO yeKOMITI KASODOLOPHU**, iza kuba se **Banqueting Hall, kwiZiko, eHERMANUS** **ULWESITHATHU UMHLA, 25 NOVEMBA 2015** ngeye-**10:00** ukuqwalasela imicimbi ekule ajenda iqhotyoshelwe apha.

**C GROENEWALD
UMPHATHI KAMASIPALA**

AGENDA/...

1. **OPENING**

2. **APPLICATIONS FOR LEAVE OF ABSENCE**

3. **CONFIRMATION OF MINUTES**
- 3.1 Minutes of an **Ordinary Meeting** of the **Mayoral Committee** held on **Wednesday, 28 October 2015 at 10:00**

4. **STATEMENTS AND COMMUNICATIONS BROUGHT FORWARD BY THE EXECUTIVE MAYOR/EXECUTIVE DEPUTY MAYOR**

AGENDA OF THE MAYORAL COMMITTEE MEETING: 25 NOVEMBER 2015**5. MONTHLY REPORT TO COUNCIL ON SUPPLY CHAIN MANAGEMENT (SCM) POLICY: PARAGRAPH 36, 16(1)(b) AND 17(1)(c) FOR OCTOBER 2015**

8/2/2

C le Roux

(028) 313 8080

Corporate Head Office

12 November 2015

1. Executive Summary

The purpose of this report is to inform Council of all deviations from the Supply Chain Management Policy, approved by the delegated authority in terms of Paragraph 36 of the Supply Chain Management Policy, as well as approvals in terms of 16(1)(b) and 17(1)(c) for October 2015.

2. Service Delivery and Budget Implementation Plan - IGNITE

Directorate: Finance

Department: Supply Chain Management

3. Compliance with Strategic Priorities

Provision of democratic, accountable and ethical governance

Provision and maintenance of municipal services

4. Delegated Authority

None

5. Legal Requirements

Local Government: Municipal Finance Management Act 2003, (Act 56 of 2003)

Local Government: Municipal Systems Act 2000, (Act 32 of 2000)

Overstrand Municipality Supply Chain Management Policy dated 25 May 2008, as amended.

6. Background/Discussion/Evaluation/Conclusion**Background**

The purpose of this report is to ensure that Council maintains oversight over the implementation of the Supply Chain Management Policy. In terms of Paragraph 36(2) of the said policy, the Accounting Officer must record the reasons for any deviations in terms of Paragraph 36(1) of the policy and report same to council.

AGENDA OF THE MAYORAL COMMITTEE MEETING: 25 NOVEMBER 2015

Discussion

A. Deviations - Paragraph 36(1)(a)

Paragraph 36(1)(a) of Council's Supply Chain Management (SCM) Policy allows circumstances for deviations from the procurement processes. Furthermore, the policy requires in Paragraph 36(2), that the reasons for any deviations from the procurement processes must be recorded and be reported to Council.

A schedule of all Deviations approved for October 2015 is attached as per Annexure A.

B. Awards in terms of Paragraph 16(1)(b) and 17(1)(c)

In terms of Paragraph 16(1)(b) and 17(1)(c) of the SCM Policy, where the Written or Formal Written Price Quotation process has been followed for procurement below R 30,000.00 (Incl. VAT) and it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the Chief Financial Officer (CFO) or an official designated by the CFO.

In terms of Paragraph 16(1)(b) and 17(2) of the said policy, the designated official must report all such approvals made by the official in terms of their sub-delegation to the Chief Financial Officer.

A schedule of all such approvals for October 2015 is attached as per Annexure B.

7. Financial Implications

None

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

None

10. Annexures

Annexure A: Schedule of deviations from the procurement processes approved in terms of sub-delegations

Annexure B: Schedule of approvals in terms of Paragraph 16(1)(b) and 17(1)(c)

AGENDA OF THE MAYORAL COMMITTEE MEETING: 25 NOVEMBER 2015**RECOMMENDATION TO THE COUNCIL:**

1. that the deviations from the procurement processes, approved in terms of the delegated authority for October 2015, **be noted**; and
2. that the awards made in terms of Paragraph 16(1)(b) and 17(1)(c), approved in terms of the delegated authority for October 2015, **be noted**.

RESPONSIBLE OFFICIAL :**C LE ROUX****TARGET DATE FOR IMPLEMENTATION :****TO BE NOTED**

**SUPPLY CHAIN MANAGEMENT REPORT IN TERMS OF CLAUSE 5(3) OF THE SCM POLICY
 DEVIATIONS FROM THE POLICY, APPROVED IN TERMS OF CLAUSE 36(1)(a) FOR THE MONTH-OCTOBER 2015**

#	Deviation #	Date Approved	Deviation in terms of Clause 36(1)(a)	Description	Responsible Official	Awarded to	Amount Operational	Amount Capital	VAT @ 14%	Value of the Deviation
1	SCD2846	2015/10/25	Clause 36(1)(a)(v)	Renting of marquee tent at the Hermanus Whale Festival	Manager: Communications, Zweni N	Hermanus Whale Festival	R 7 995.00		N/A	R 7 995.00
2	SCD2847	2015/10/21	Clause 36(1)(a)(v)	Exhibition at The Beeld Holiday Show from the 26 – 28 February 2016	Acting Manager : Tourism , Kunz J	Beeld Holiday Show	R 16 938.00		R 2 371.32	R 19 309.32
3	SCD2848	2015/10/13	Clause 36(1)(a)(ii)	Calibration and servicing of equipment used in the roadworthy test centre	Chief. Traffic Services, Fraser R	Workshop Electronics CC	R 3 262.50		R 415.80	R 3 678.30
4	SCD2851	2015/10/29	Clause 36(1)(a)(v)	Overhauling of the Nissan UD 70 sewerage truck (CEM 21722) and the Mercedes Benz fire truck (CEM 21662) engines.	Acting Manager : Fleet , Frans F	SPME Industries (Pty) Ltd	R 103 024.51		R 14 423.29	R 117 448.80
5	SCD2852	2015/10/21	Clause 36(1)(a)(v)	Attending a conference for occupational health nursing practitioners and registered members of SASOHN on the 4 – 6 November 2015	Senior Manager: Human Resources , Buccianetti L	South African Society of Occupational Health Nursing (SASOHN)	R 3 710.00		N/A	R 3 710.00
6	SCD2863	2015/10/21	Clause 36(1)(a)(v)	Legalisation of LP gas system in the Banqueting Hall in terms of SANS 10087-1	Area Manager: Hermanus , Kearny D	MG Electrical	R 6 250.00		N/A	R 6 250.00
7	SCD2855	2015/10/26	Clause 36(1)(a)(v)	Attending of a fire and emergency conference	Chief. Fire , Rescue and Disaster Management , Smith L	IMD Conferences, Exhibitions and Workshops(PTY) Ltd	R 13 200.00		R 1 848.00	R 15 048.00
8	SCD2857	2015/10/29	Clause 36(1)(a)(v)	Attendance of a conference provided by the Institute for Municipal Engineering of South Africa	Senior Manager: Gansbaai Administration, Myburgh F	Institute of Municipal Engineering of South Africa	R 5 482.46		R 767.54	R 6 250.00
							R 159 862.47	R -	R 19 825.95	R 179 687.42

Annexure B: Schedule of approvals in terms of Paragraph 17(1) of the SCM Policy - Overstrand Municipality – October 2015

10	Received only one quote by closing time and date of submission of quotation	11	Received only two quotes at closing time and date of submission of quotation	
Note: Please be advised that some of the descriptions below are only of the first line item on the requisitions lodged				
#	Supplier	Amount	Reason Code	
			Description	
1	IPATCH	R 11 947.53	10	200 LITER CAT 65% SPRAY
2	XLINK COMMUNICATIONS (PTY) LTD	R 6 160.00	10	CASHIER COMMUNICATION LINES FROM: 01/10/15 - 31/1/16
3	OVERBERG DRIVING SCHOOL	R 8 300.00	10	PERSOON VIR KODE 14 (EC) LISENSIE OPLEIDING
4	OVERBERG CONSULTING ENGINEERS	R 6 927.50	10	CONSULTATION FEES FOR UPGRADING OF ZWELIHLE COMMUNITY HALL CEILING TILES AND ROOF
5	VAN RHYN M	R 9 490.00	10	WORK EVALUATION OF MR BOTHA IN HERMANUS
6	BOTRIVIER BOEREMARK	R 2 892.25	10	HUNTER PRO - C COMPUTER (9 STATION)
7	GANSBAAI AIRCON AND REFRIGERAT	R 11 505.00	10	DIENS VAN AIRCONS - MAIN BUILDING - X30
8	ALFIE ELECTRICAL CC	R 5 263.16	10	SUPPLY CERTIFICATE OF COMPLIANCE FOR TEMPORARY KIOSKS AT WHALE FESTIVAL.
9	HERMANUS MOWER CENTRE	R 4 312.91	10	1 X REEL CHAIN STIHL :063 3/8
10	CONLOG (PTY) LTD	R 18 115.00	10	BEC62(08) TF (3PHASE METERS)
11	PRINTEGRATION	R 1 967.00	10	SERVICE/REPAIR: TALLY GENICOM T6045- LINE PRINTER- SIN:146J078519
12	SANDOWN BAY SECURITY CC	R 13 052.88	10	ALARM MONITORING FOR KLEINMOND
13	ADT SECURITY (PTY) LTD	R 8 249.72	10	ALARM MONITORING FOR NOVEMBER
14	SANDOWN BAY SECURITY CC	R 3 263.16	10	ALARM MONITORING FOR NOVEMBER
15	CHUBB SECURITY SA (PTY) LTD (A	R 5 225.00	11	SERVICE OF FIRE EXTINGUISHERS
16	OVERSTRAND BUILD IT (PTY) LTD	R 2 828.95	11	BRICK CEMENT
17	WCC CABLES (PTY) LTD	R 20 875.00	11	MINISUB PLINTH - TYPE B.
18	MARAI'S BAKWERKE	R 6 050.00	11	HERSTEL VAN CHERRY PICKER BASKET
19	GANSBAAI LANDSCAPING	R 4 306.00	11	KAALKUS BOME 2.5M
20	SANNITREE INTERNATIONAL CC	R 18 600.18	11	FREE FLOW TABLETTE MET SAKKIES INGESLUIT
21	KOOPMAN JB	R 18 100.00	11	REPAIR AND REHAB OF WOODEN BOARDWALK
22	OUTDOOR POWER	R 15 354.55	11	2 X STHIL FS450 BRUSHCUTTE
23	OEOFSE SKRYNWERKE	R 4 385.97	11	PINE CABINET WITH-OUT DOORS (2.1X2)
24	BIDVEST WALTONS	R 3 800.00	11	UNIQUE HINGED DOOR SYSTEMS CUPBOARD - 1925HX800WX430D - INCL 4 SHELVES - WALNUT MELAMINE
25	KELLERMAN PF	R 7 712.80	11	VERVANG VAN GLOELAMPE EN BUISLIGTE BY GEMEENSKAPSALE EN SPORTGRONDE
26	CHRISTIAAN HANDYMAN	R 14 800.00	11	HERSTEL VAN BESPROEINGS STELSEL WATERSUIWERINGS EN RIOOLWERKE
27	BIDVEST WALTONS	R 18 917.76	11	24 KEYS CABINET- TAGS
28	OEOFSE SKRYNWERKE	R 3 508.78	11	BOOK AND POSTER DISPLAY CABINET-ROUND WITH WHEELS
29	LAYZO EVENTS MANAGEMENT AND EN	R 3 000.00	11	SOUND SYSTEM FOR YOUTH AGAINST CRIME INDABA ON 29 OCTOBER 2015
30	INVUYANI SAFETY CC	R 17 400.00	11	KIT BAG FOR BUNKER GEAR

Annexure B: Schedule of approvals in terms of Paragraph 17(1) of the SCM Policy - Overstrand Municipality – October 2015

10	Received only one quote by closing time and date of submission of quotation	11	Received only two quotes at closing time and date of submission of quotation	
Note: Please be advised that some of the descriptions below are only of the first line item on the requisitions lodged				
#	Supplier	Amount	Reason Code	
			Description	
31	VAN WYK S (SOLLBOU KONSTRUKSIE	R 10 864.75	11	REMOVING OF EXISTING DOOR
32	GANSBAAI MATTE EN BLINDINGS	R 3 250.00	11	SUPPLY AND INSTALL BERGERPOINT 650 (BLOU) MAT SIZE: 4M X4M IN NUWE KANTOOR
33	FJ HULME VERVOER	R 3 912.29	11	TOP SOIL
34	OLYMPIA INTERNATIONAL PAINTS &	R 4 272.17	11	1 X 20LT WALKSAFE (GREY)
35	OVERBERG AGRI BEDRYWE (PTY) LT	R 2 192.99	11	BOOT HI TEC ALTITUDE V1 WP WIDE 10
36	CUPINC HERMANUS (PTY) LTD CUPB	R 21 052.64	11	BUILD IN CUPBOARDS AT TRAFFIC DEPARTMENT
37	MASJENBURO CC	R 4 041.67	11	REPLACE PROJECTOR BULB PANASONIC PT-AX200E AND INSTALL
38	MCINJANA TOURS	R 21 600.00	11	TRANSPORT FOR 120 PARTICIPANTS FOR THE BETTER TOGETHER GAMES ON 16 OCTOBER 2015.
39	SOMERSET TIMBERS (PTY) LTD	R 18 356.00	11	1.2M HIGH 125MM BOLLARDS
40	OFFICETECH	R 3 792.16	11	DAGBOEKE 2016 - A4 - SWART - X11
41	CONLOG (PTY) LTD	R 21 338.50	11	KEYPAD FOR 80 AMP SPLIT RADIO FREQUENCY PRE-PAID METER
42	GANSBAAI AIRCON AND REFRIGERAT	R 12 956.36	11	SUPPLY AND INSTALL AIR CONDITIONER FOR STANFORD BOARDROOM

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6. **CONTRACT SC 1657/2015: PROPOSED EXTENSION: RENEWAL OF NOVELL LICENSE FROM AUTHORISED NOVELL RESELLER**

8/2/2
C Johnson (028) 313 8190 Corporate Head Office
18 November 2015

1. Executive Summary

The purpose of this report is to provide the necessary information and motivation on the proposed amendment of Contract **SCD2828/2015: RENEWAL OF NOVELL LICENSE FROM AUTHORISED NOVELL RESELLER** ending **30 JUNE 2017**, in terms of the enabling provisions of section 116(3) of the Local Government: Municipal Finance Management Act, Act No. 56 of 2003 (MFMA), to enable Council to make an informed decision whether to consent to the amendment of the contract or agreement.

2. Service Delivery and Budget Implementation Plan - IGNITE

Directorate: Management Services
 Section: Information, Communication and Technology (ICT)

3. Compliance with Strategic Priorities

Provision of democratic, accountable and ethical governance
 Provision and maintenance of municipal services

4. Delegated Authority

None

5. Legal Requirements

Local Government: Municipal Finance Management Act, 2003(Act 56 of 2003)
 Circular 62, National Treasury Practise note
 Circular 73 National Treasury Practise note
 Overstrand Municipality Supply Chain Management Policy, as amended
 Overstrand Municipality Contract Management Policy, as amended

6. Background/Discussion/Evaluation/Conclusion**Background**

Section 116(3) of the MFMA provides as follows:

"5.6.2.1 the reasons for the proposed amendment have been tabled in the council; and

AGENDA OF THE MAYORAL COMMITTEE MEETING: 25 NOVEMBER 2015

5.6.2.2 the local community has been given reasonable notice of the attention to amend the contract or agreement; and

5.6.2.3 has been invited to submit representations to the municipality.”

During June 2014, the Bid Adjudication Committee approved the request to extend the contract with Messrs Lateral Dynamics (Pty) Ltd, for Novell and Data Centre Support Services for an additional period of 3 years effective from 01 July 2014 till 30 June 2017, Reference SCD2828/2015. The Overstrand Municipality has renewed our Novell Volume License Agreement via them, Reference SCD2828/2015.

This first extension, which will enable us to procure, outright, additional Novell Service Desk for ITIL Service Management Licenses and a 1-Year Priority Maintenance of the tender, is within the prescribed threshold of 15% according to MFMA Circular No.62, which states; “*contracts may be expanded or varied by not more than 20% for construction related goods, services and/or infrastructure projects and 15% for all other goods and/or services of the original value of the contract*”.

Lateral Dynamics was initially chosen in 2007 as the service provider of choice on recommendation by Novell, the supplier of the currently deployed Overstrand Novell Operating System as a contractor that is highly skilled in its environment and has a proven track record.

Lateral Dynamics specialises in the configuration, support and maintenance of Novell Netware, Data Server and Communications Network Maintenance, GroupWise Software for the configuration and support of email and firewall management as well as the associated software products. Lateral Dynamics is an accredited Novell Software Reseller and to date Council has always procured the Novell and associated software licenses from them.

Section 116(3) process

Date of Advertising: 20 October 2015
Method of Advertising: Cape Times, Die Burger,
 Overstrand Municipality Website
Closing Date for Comment: 18 November 2015

Discussion

The Novell portfolio of software products is the primary operating systems software of the municipal Data Centres and also provides the first layer of security to access the Local and Wide area networks as well as all E-mail services.

Every year Novell performs an annual audit of the Novell licenses deployed in its various product suites that the Overstrand Municipality uses. Lateral Dynamics is currently the Service Provider of choice with Novell to assist with the audit process at the Overstrand Municipality due to their intimate knowledge of the Novell systems and services currently deployed across the municipality.

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They are the Overstrand's current Support and Maintenance Service Provider [SC1471/2014] and we have renewed our Novell Volume License Agreement (VLA) via them [SCD2828/2015] based on their support track record, level of service, negotiation assistance and accredited Novell Software Reseller status.

Novell Service Desk for ITIL Service Management

One of the modules in the Novell Product suite that the municipality has as part of the VLA, is a 2 user license of the Novell Service Desk (SD) for Incident Management. This licenses afford the municipality only access to the Incident Management portion of the full Novell Service Desk Solution. As part of our need to upgrade our existing Service Design Solution (provided by ManageEngine), we requested Lateral Dynamics to negotiate a competitive upgrade on our behalf with Novell, in order to gain the full Novell Service Desk for ITIL Service Management Licenses at a discounted price.

The primary reason the Municipality and ICT (*as well as the Core Systems Administrators*) re-quire the full ITIL suite, is to mitigate audit findings that were being highlighted in terms of our handling calls, user access management and assist in definition and management of the work-flow of not only incident management, but request, change and knowledge management.

The initial full price for a 10 user Novell ITIL SD was significantly more than the competitive upgrade pricing subsequently received. As a comparative market related price, we requested the upgrade of our existing ManageEngine Service Desk Software, which was double the Novell competitive Quote and similar to the initial Novell Quote for the full ITIL SD product.

The salient motivation for the procurement of the Novell Licenses via Lateral Dynamics as the conduit are:

- a) Lateral Dynamics is currently the support contractor for the Novell operating software systems and associated applications and services as well as the agent via whom we procured the Novell Software license and maintenance.
- b) Novell considers the agent who supplies the Novell licenses as the primary support provider for that site and will only provide support to or via that provider, and since we have entered into a Section 116 agreement with Lateral Dynamics to be the primary provider of services and maintenance of our Novell systems and applications for the next 3 years, it is imperative that we procure the associated software licenses via them as well
- c) Lateral Dynamics, by nature of their accredited Novell Software Reseller status, the fact that they have intimate knowledge of our environment and systems, were able to negotiate the competitive pricing with Novell on our behalf, which will save the municipality money, about 20% (R302, 000) to procure a similar upgrade over our existing Service Desk product and about 35% (R362, 000) the full ITIL SD product, should we procure it via another reseller.

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- d) Specialised knowledge is required in order to configure the system in the Overstrand specific environment e.g. Integration with the ZenWorks Asset Management System, LDAP/eDirectory integration, creating and configuring the VMWare Appliance, all of which is currently being administered and maintained by Lateral Dynamics.

The Long Term Nature of ICT Trends

ICT migration strategies for local government institutions must remain aligned with architectures and technologies of selected manufacturers as well as trusted relationships with selected service providers. Investments made by local government institutions in ICT architectures and trusted relationships with service providers, and are therefore also seen as long term investments/arrangements which cannot readily be changed without exposing the municipality to continuity and contingency risks as well as additional costs (through the continuous change in ICT architectures, technologies and service providers).

ICT Alignment and Synergy

Continued alignment between the ICT infrastructure hardware, operating systems, systems software and business applications systems are of critical importance to ensure the continued operational integrity at all our Data Centres should a service failure event occur for whatever reason.

Risks Associated with Multi-Vendors in the ICT Data Centre

To procure the Novell ITIL Service Desk software from an alternative service provider, whilst retaining the services of Lateral Dynamics for the ongoing support of the Novell operating systems software in all our Data Centres, will result in specific management complexities for the municipality, which is common knowledge in the ICT industry in a multi-vendor environment:

- a) Problem management in the event of service disruptions and the coordination thereof;
- b) Relationship management between two service providers engaged in similar services to the municipality;
- c) Constraints on information sharing due to protection of intellectual property by both service providers when alternative strategies are discussed to address matters of mutual concern.

The Novell ITIL Service Desk is an integral part of the Novell Software suite of products and as such will require integration to our existing Novell systems to operate and be configured correctly, it therefore needs to be installed, configured and maintained by the same service provider that maintains and supports our entire Novell suite of products, namely Messrs Lateral Dynamics.

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YEAR	2015/2016		2016/2017
SOURCE OF FUNDING	Capital Budget	Operational Budget	Operational Budget
SCOA Description	Integrated Asset Management and Maintenance System (MSIG)	OperCost:Ext Comp Serv-Software Licence	OperCost:Ext Comp Serv-Software Licence
SCOA Cost Account	50250010031	10660204370000	10660204370000
SCOA Unique Key	20150615105545	20150212015956	20150212015956
Budget Provision	R930,000.00	R2,050,770.00	R2,184,071
Balance Available	R777,975.11 ⁽¹⁾	R773,890.27 ⁽¹⁾	R2,184,071
Total Expenditure	R156,040.00 ⁽³⁾	R52,000.00 ⁽³⁾	R55,120.00 ⁽²⁾
Total Expenditure Extension	R 263,160.00 (= R156,040.00 + R52,000.00 + R55,120.00)		
Total Project Cost	R2,340,606.30 (= R2,077446.30 + R263,160.00)		
Extension percentage	11.24%		
Escalation (if any)	n/a	n/a	6% ⁽²⁾
Escalation date	n/a	n/a	1/12/2016
⁽¹⁾ <i>as of 27/10/2015</i> ⁽²⁾ <i>6% escalation</i> ⁽³⁾ <i>Current pricing quoted at the exchange rate: \$1/R13.43. Final pricing will be confirmed on date of order placed.</i>			

Provision has been made in the;

- **ICT Operational Budget;** Software Licence 2015/2016 to provide for the *Novell Service Desk for ITIL Service Management 1-Year Priority Maintenance*, as well as provision for the maintenance for the 2016/2017 *1-Year Priority Maintenance* as presented in this submission
- **Capital Budget;** MSIG Fund 2015/2016 to provide for the *Competitive Novell Service Desk for ITIL Service Management License* as presented in this submission. This is a once off cost, thereafter the municipality will own the 10 Novell Service Desk for ITIL Service Management Licenses.

The total amount for the amendment in terms of the operational and capital budget amount to **R263,160.00 Excluding VAT** (R156,040.00 + R52,000.00 + R55,120.00) and **R300,002.40 (Including VAT)**.

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None

9. Comments from other Departments, Divisions and Administrations**Budget Office**

Budget is available on UKEY 20150615105545 & 20150212015956 for the expenditure referred to in paragraph 7 amounting to R263, 160 relating to the amount required in terms of this report.

Expenditure & Asset Management

The upgrading of the software is of a capital nature and as such needs to be capitalised as an asset and be included in the Asset Register.

The support and maintenance portion of the contract is of an operational nature and as such will not have an impact on the Asset Register.

Legal Department

The content of the report is duly noted, with specific reference to the fact that Lateral Dynamics is currently the support contractor for Novell licenses. It is further noted that an agreement was entered with Lateral Dynamics to be the primary provider of services, and maintenance of Novell systems for the next three years. It is accordingly clear that the report refers to the amendment of the current contract for purposes of procuring an additional Novell Service Desk for Service Management Licenses and the 1 year Maintenance.

Supply Chain Management

All the verifications required in terms of the Supply Chain Management Policy have been undertaken and the Supply Chain Management Unit is satisfied that the contractor complies in all respects.

Contract Management Office

It is confirmed that contract SCD2828/2015 is still alive and the proposed extension of the contract is supported. This is a first extension to the existing contract. The total extension of 11.24% is within the prescribed threshold of 15% of circular 62 of NT.

Due to the fact that this is an extension of scope of the existing agreement terms it was recommended to rather follow an amendment process according to section 116(3) of the MFMA. The successful amendment of this contract is subject to comments receivable from the local community on 18 November 2015 and the authorisation of the council on 25 November 2015, enabling the accounting officer to sign the agreement.

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Annexure A: Addendum to the Contract (*Intent to amend*)

Annexure B: Published Public notice as on the 20 October 2015

Annexure C: SCM Compliance Checklist

Annexure D: BAC Minutes of the 12/11/2015

RECOMMENDATION TO THE COUNCIL:

1. that **cognisance be taken** of the reasons for the proposed amendment of the contract **SCD2828/2015** for the **RENEWAL OF NOVELL LICENSE FROM AUTHORISED NOVELL RESELLER**, with a contract period ending **30 NOVEMBER 2017**, in terms of the enabling provisions of Section 116(3) of the Local Government: Municipal Finance Management Act 2003 (Act 56 of 2003) and the amendment to be consented to; and
2. that **cognisance be taken** that no recommendations or representations were received from the local community by closing date, 18 November 2015.

RESPONSIBLE OFFICIAL :

**CRAIG JOHNSON
MORNÉ POTGIETER**

TARGET DATE FOR IMPLEMENTATION :

1 DECEMBER 2015

Annexure A
1/1



Enquiries: Craig Johnson
Date: 15 October 2015

OFFICE OF THE DIRECTOR:
MANAGEMENT SERVICES

ADDENDUM – INTENT TO AMEND A CONTRACT

The parties agree to the following intention to amend the existing contract SCD2828/2015, which were signed between them on 05/08/2015 and record this was done freely and willingly, without any coercion whatsoever from any one party:

The parties agree to the amendment of the contract in terms of additional license and maintenance thereof, regarding the abovementioned agreement to the SCD2828/2015 on the same terms and conditions.

The supplier acknowledges that they do have the capacity to fulfil the obligation as set out in the terms and conditions.

The parties agree that the amendment of the contract is subject to the completion of a Supply Chain Management process, including completing a process as prescribed by section 116(3) of the Municipal Finance Management.

The parties further agree to commit to this amendment of contract after the date of completion of the prescribed Supply Chain Management process.

Thus done and signed at Century City this 15th day of October 2015 in the presence of the undersigned witnesses

WITNESSES:

1. [Signature]
2. [Signature]

[Signature]

for and on behalf of Lateral Dynamics: Mr. W. Crocker

Thus done and signed at HERMANUS this 13th day of NOVEMBER 2015 in the presence of the undersigned witnesses

WITNESSES:

1. [Signature]
2. [Signature]

[Signature]


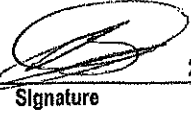
for and on behalf of Overstrand Municipality:
Director: Management Services: Mrs. D. Arrison.



NOTICE/KENNISGEWING/ISAZISO

<p>NOTICE IN TERMS OF SECTION 116(3) OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003 (ACT 56 OF 2003) FOR THE PROPOSED AMENDMENT OF THE EXISTING NOVELL SOFTWARE LICENSES WITH LATERAL DYNAMICS (PTY) LTD.</p>	<p>KENNISGEWING INGEVOLGE ARTIKEL 116(3) VAN DIE WET OP PLAASLIKE REGERING: MUNISIPALE FINANSIËLE BESTUUR, 2003 (WET 56 VAN 2003) VIR DIE VOORGESTELDE WYSIGING VAN DIE BESTAANDE NOVELL SAGTEWARE LISENSIES MET "LATERAL DYNAMICS (PTY) LTD".</p>	<p>ISAZISO SECANDELO-116(3) LOMTHETHO ILOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, NO.56 WANGO-2003 OKUBA UJONGE UKWANDISA ISIVUMELWANO NO MNIKI NKONZO U-LATERAL DYNAMICS (PTY) LTD NGO KWE SVUMELWANO ESIKHOYO UKUZE ZIQHUBEKEKE INKONZO NO LATERAL DYNAMICS (PTY) LTD.</p>
<p>Notice is hereby given in terms of Section 116(3)(a) and (b) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) that it is the intention of the Overstrand Municipality to amend the existing Service Level Agreement with Lateral Dynamics. The proposed amendment of the Novell Software Licenses is to provide for the additional Novell licenses for a period effective from 01 December 2015 to 30 June 2017.</p> <p>Notice is hereby given in terms of Section 21 and 21A of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) that the local community and affected parties are invited to submit comments or representations on the proposed amendment of the lease agreement. Such comments or representations must be submitted by no later than Wednesday, 18 November 2015 at 12:00.</p> <p>Comments or representations must be submitted in a sealed envelope clearly endorsed "SC2828A/2015: COMMENTS ON NOTICE OF AMENDMENT OF NOVELL SOFTWARE LICENSES WITH LATERAL DYNAMICS (PTY) LTD" and be deposited in tender box no.7.</p> <p>All submissions must be addressed to:</p> <p>The Municipal Manager Tender box no. 7 Overstrand Municipality Magnolia Avenue Hermanus 7200</p> <p>Persons who are physical disabled or who cannot read or write but wish to participate in the process, may come during office hours to the Municipal Offices, Magnolia Avenue, Hermanus where a staff member will assist that person to transcribe that person's comments or representations.</p> <p>Mr. C. Groenewald Municipal Manager</p>	<p>Kennis geskied hiermee ingevolge artikel 116(3) (a) en (b) van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, 2003 (Wet 56 van 2003) dat die Munisipaliteit Overstrand van voornemens is om die bestaande Dienstvaaktooreenkoms met Lateral Dynamics te wysig. Die voorgestelde wysiging van die Ooreenkoms is vir die voortgesette lewering van tegniese ondersteuning en konsultasie dienste vir Novell lisensies vir 'n periode effektief vanaf 01 Desember 2015 tot 30 Junie 2017.</p> <p>Kennis geskied verder ingevolge artikel 21 en 21A van die Wet op Plaaslike Regering: Munisipale Stelsels, 2000 (Wet 32 van 2000), dat die plaaslike gemeenskap en geaffekteerde partye genooi word om kommentaar of vertoë oor die voorgestelde wysiging van die Dienstvaaktooreenkoms aan die Munisipaliteit te lewer. Hierdie kommentaar of vertoë moet teen nie later nie as Woensdag, 18 November 2015 om 12:00 ingedien word.</p> <p>Alle kommentare of vertoë moet ingedien word in 'n verseëld koevert, duidelik gemerk "SCD2828A/2015: KOMMENTAAR OP KENNISGEWING VAN WYSIGING VAN NOVELL SAGTEWARDE LISENSIE MET "LATERAL DYNAMICS (PTY) LTD" en geplaas word in tenderbus nr. 7.</p> <p>Alle voorleggings moet geadresseer word aan:</p> <p>Die Munisipale Bestuurder Tenderbus nr. 7 Munisipaliteit Overstrand Magnolielaan Hermanus 7200</p> <p>Persone wat liggaamlik gestremd is of nie kan lees of skryf nie, maar aan die proses wil deelneem, kan gedurende kantoorure na die Munisipale Kantore, Magnolielaan, Hermanus, kom waar 'n personeelid daardie persoon sal help om die kommentaar of vertoë neer te skryf.</p> <p>Mnr. C. Groenewald Munisipale Bestuurder</p>	<p>UMasipala weNgingqi yase-Overstrand, wazisa ukuba unqwenela ukwandisa isivumelwano no- mniki nkonzo u-Lateral Dynamics (Pty) Ltd oko kusenziwa ngokwemimiso yamaCandelo-116(3)(a) no(b) lomthetho iLocal Government: Municipal Finance Management Act, No.56 wango-2003. Lominqwano ubekwayo ngowokuba kwandiswe isivumelwano esikhoyo ukuze kuqhubekeke inkonzo zika Novell, Microsoft kunye no Data Centre Services kanga ngexesha eliyi minyaka emihathu ukusukela nge 01 Julayi 2015 uyokutsho 30 Disemba 2017.</p> <p>Abantu abasuka ekuhlaleni nabanye abantu abanomndla bayamenywa ukuba bathumele izimvo zabo okanye izinto abazibhalileyo kuMasipala ngokumayela nesi sivumelwano siphakanyiswayo,oko kwenziwa ngolwesithathu phambi ko 12:00, nge 18 zika Novemba 2015,Oku kwenziwa ngokwemimiso yamaCandelo 21 kunye nele- 21A lomthetho iLocal Government: Municipal Systems Act, 32 wovama-2000.</p> <p>Izimvo ezibhalileyo Zibhalwe ngokucacileyo kwimvulophu etywinileyo kwabhalwa "SCD2828A/2015: IMINI NKONZO U-LATERAL DYNAMICS (PTY) LTD" mayifakwe kwi Bhokisi yeZiniki-maxabiso no.7.</p> <p>Zonke izibhalo zithunyelwe kwi: Umphathi kaMasipala Bhokisi yeZiniki-maxabiso no. 7 UMasipala weNgingqi yase-Overstrand Magnolia Avenue Hermanus 7200</p> <p>Abantu abakhubazekileyo kunye nabantu abangakwaziyo ukubhalwa kodwa bayangqwenela ukuthatha imxaxheba kulomba, bayacelwa baye kwi ofisi zika Masipala eMagnolia Avenue, eHermaan apho ktona banokufuma na uncedo ngokubeka izimvo zabo</p> <p>Mnu. C. Groenewald UManejala kaMasipala</p>

Annexure C
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Overstrand Municipality Evaluation in terms of the Preferential Procurement Regulations Compliance Check of Tender No.: SC1471A/2014 Tender Name: EXTENSION - LATERAL DYNAMICS SCD 2828AJ/2015			
Rank number of tenderer (in opening order)		Max Points	1
Name of tenderer			LATERAL DYNAMICS (Pty) Ltd
Authority to sign bid			Authorised
Valid Tax Clearance Certificate (provide expiry date)	MBD2		2016/07/27 0064/1/2015/0007384971
VAT Registration (provide number)			4170221453
Declaration of Interest	MBD4		Declared
Declaration of Past SCM Practices	MBD8		Declared
Certificate for Payment of Municipal Services	MBD15		Declared
Municipal Account			Declared
National Treasury Register for Tender Defaulters			Not listed
National Treasury Database for Restricted Suppliers			Not listed
E-Mail address			wayne.crocker@lateraldynamics.co.za
NOTES			Valid TCC on DB4
Certification: It is hereby certified that the abovementioned information have been compiled from the applicable tender documents and that verifications required in terms of the Supply Chain Management Policy have been undertaken and that the recommended tenderer(s) comply in all respects, except if and where specifically indicated otherwise.			
Compiled by: (SCM Office)	L du Preez		2015/10/29
	Name	Signature	Date
Verified by: (SCM Office)	B D'Oliveira		2015/10/29
	Name	Signature	Date

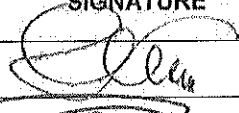
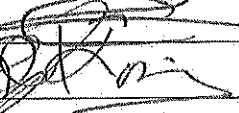

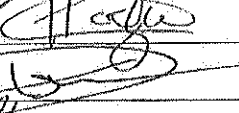
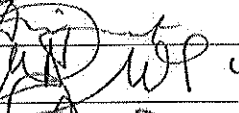
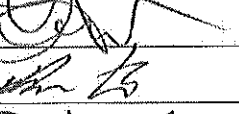

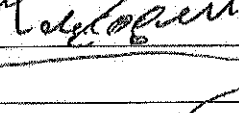
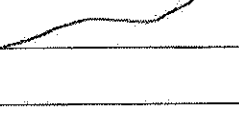
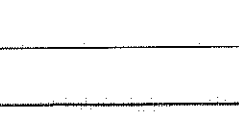


BID ADJUDICATION COMMITTEE MEETING

ATTENDANCE REGISTER & UNDERTAKING OF CONFIDENTIALITY AND IMPARTIALITY

Date: 2015.11.12 Thursday 08:00

I, the undersigned, hereby declare:

- that all information, documentation and decisions regarding any matter before the committee are confidential and undertake not to make known anything in this regard
- that I will treat all providers and potential providers equitably and will not purposefully favour or prejudice anybody
- that I will make known details of any private or business interest which I, or any close family member, partner or associate may have in any proposed procurement or disposal process of, or in any award or contract and that I will immediately withdraw from participating in any manner whatsoever

NAME	DEPARTMENT / SECTION MUNICIPALITY	SIGNATURE
PG. Reynolds-Naidu	Finance	
Clint Le Roux	SCM	
Katle Kosi	LED	
L. Ndabance	Legal Services	
R. Fassen	Tennis	
H. Coetzee	E.T.D.	
J van Heerden	ICT	
HANRÉ BLIGNAUT	INFRA PLANNING	
DESIREE ARRISON	Man Serv	
U.S. Michaels	Port Dev	
M BARTMAN	COMMUNITY SERVICES	
S. Immelman	SCM	
B. D'Oliveira	SCM	
R. de Jager	SCM	

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Minutes of the Proceedings of a Bid Adjudication Committee Meeting held in the SCM Committee Room, Hermanus Administration, on Thursday, 12 November 2015 at 08:00.

6. ADJUDICATION OF TENDERS

6.1 TENDER NO. SC 1657/2015: PROPOSED EXTENSION: RENEWAL OF NOVELL LICENSE AUTHORISED NOVELL RESELLER

The Director: Management Services, Ms. D Arrison vacated the chair as Committee member of the Bid Adjudication Committee for the duration of the adjudication of this tender.

~~Upon a proposal by the Director: Protection Services, Mr. N Michaels duly seconded by the Acting Director: Community Services, Mr. M Bartman, it was~~

RESOLVED:

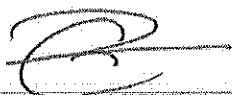
1. That, contract number SCD2828/2015: Renewal of Novell licenses from an authorized Novell reseller, who is also the current service provider for the Provision of Data Support and ICT Advisory Services that was awarded to Lateral Dynamics (Pty) Ltd be amended as Contract no. SC1657/2015, for the Renewal of Novell Licenses.
2. That it be noted that this amendment is subject to council considering the reasons for the proposed amendment of the contract and any representations that may have been received regarding the proposed amendment of the contract procured through the supply chain management policy of the Overstrand Municipality and deciding whether to consent to the amendment of the contract

Service Provider / Supplier:	Lateral Dynamics (Pty) Ltd	SCM#	857
Service / Goods Provided:	Additional Novell Service Desk for ITIL Service Management Licenses and a 1-Year Priority Maintenance		
	<i>Capital</i>	<i>Operational</i>	
Vote:	50250010031	10660204370000	
SCOA Description	Integrated Asset Management and Maintenance System (MSIG)	OperCost:Ext Comp Serv-Software Licence	
Unique Key	20150615105545	20150212015956	
Amount (Excl. VAT):	R 156,040.00	R 107,120.00	
Total Amount (Excl. VAT):	R 263, 160.00		
Amount in words:	Two hundred and sixty three thousand one hundred and sixty rand.		
Escalation Percentage:	6%	Escalation Date:	1/12/2016 <i>only on Maintenance</i>
Contract Owner:	D Arrison	Contract Champion:	C Johnson
CONTRACT PERIOD:			
Implementation date:	Date of signing of the contract	End date:	30 November 2017
		Period:	24 months or part thereof

Minutes of the Proceedings of a Bid Adjudication Committee Meeting held in the SCM Committee Room, Hermanus Administration, on Thursday, 12 November 2015 at 08:00.

6.1 TENDER NO. SC 1657/2015: PROPOSED EXTENSION: RENEWAL OF NOVELL LICENSE AUTHORISED NOVELL RESELLER

Certified as correct by:



12 November 2015

Mr. G Le Roux
Deputy Director: Finance & SCM

Date



12/11/2015

Ms. SG Reyneke-Naude
Director: Finance (Chairperson)

Date

O F D