



**TENDER NO. FIN 13/2016/17**  
**THE APPOINTMENT OF A SERVICE PROVIDER FOR AN INTEGRATED FINANCIAL**  
**MANAGEMENT AND INTERNAL CONTROL SYSTEM OF THEEWATERSKLOOF**  
**MUNICIPALITY**

**MFMA INFORMATION STATEMENT**

**1. OBJECTIVE**

Theewaterskloof Municipality is making public its intention to **award** Contract No: FIN 13/2016/17 the Appointment of a Service Provider for an Integrated Financial Management and Internal Control System for Theewaterskloof Municipality to the current service provider PhoenixERP to provide licensing, support and maintenance.

Because the proposed award of **the contract poses financial obligations on the Municipality beyond three financial years**, the Municipality must comply with Section 33 (1) of the Local Government: Municipal Finance Management Act No. 56 of 2003.

The objective of this Information Statement is to inform the community and other interested parties of the proposed award of this long-term contract.

**2. INVITATION**

The local community and other interested parties are hereby invited to submit to the Municipality comments or representations in respect of the proposed long-term contract.

**3. PROCEDURE FOR GIVING COMMENTS**

Members of the local community and other interested persons are invited to submit to the Municipality their comments or representations in respect of the proposed award of the long-term agreement on or before Wednesday, 7<sup>th</sup> of December 2022 in a sealed envelope clearly endorsed "FIN 13/2016/17 the Appointment of a Service Provider for an Integrated Financial Management and Internal Control System for Theewaterskloof Municipality."

Written enquiries for clarification can be directed to Mr. A Riddles e-mail: [ashwilleri@twk.org.za](mailto:ashwilleri@twk.org.za). Any person who wishes to submit comments or representations in respect of the proposed amendment to the existing long term agreement and who cannot write will be assisted by a person designated at Theewaterskloof Municipal offices, Caledon up to Tuesday, 6<sup>th</sup> of December 2022.

#### 4. PROJECT BACKGROUND

In terms of the MSCOA regulations published in Government Gazette No: 37577 and subsequent guiding circulars, the Municipality must designate a service provider to that can maintain a system that can comply with the MSCOA regulations, and if the municipality wishes to secure the services of a service provider in private practice, it must follow an open, competitive and transparent process in accordance with Chapter 11 of the Municipal Finance Management Act and designate the successful bidder as its service provider by way of a written contract setting out the terms and condition of the designation.

Theewaterskloof Municipality wants to secure the services of the Service provider from date of appointment until 28 February 2033.

#### 5. FINANCIAL IMPLICATIONS

Payment is dependent on the support provided as set out in the tender document.

| <b>Category B3 - Theewaterskloof Municipality</b> |  |                         |                  |                       |
|---|--|-------------------------|------------------|-----------------------|
| <b>Service Item</b>                               | <b>Description</b>   | <b>Onsite Offer</b>     | <b>Frequency</b> | <b>Monthly amount</b> |
| <b>Software and service fees</b>                  | Annual maintenance fee                                     | R 640, 000.00           | Annual           | not applicable        |
|   | Annual service fee   | R 725, 000.00           | Annual           | not applicable        |
| <b>System support fees (Consulting Services)</b>  | System Support Fees – 40 Hours, (Combination of Resources) | R 600, 000.00           | Monthly          | R 50, 000.00          |
| <b>Total Investment - Including VAT</b>           |  | <b>R 1, 965, 000.00</b> |                  |                       |

#### **Investment**

##### **Summary:**

**Total Investment Including VAT for the period 2022 / 2023** **R 1, 965, 000.00**

**Total Investment Including VAT for the period 2023 +** **CPI+ 1%**

## **6. NEXT STEPS**

Members of the local community and other interested persons are invited to submit to the Municipality their comments or representations in respect of the proposed long-term agreement as set out above.

The Municipality will solicit and receive the views and recommendations of stakeholders, including National and Provincial Treasuries and the National Department responsible for local government.

The proposed long term agreement and all comments and views received pertaining to the proposed agreement will be presented to Council in January 2023 for authorization to enter into the long term agreement.