

ENGAGEMENT MODEL AND GUIDELINES
for the usage of Transversal Framing Term Contracts for SITA
and SITA's Clients

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SITA

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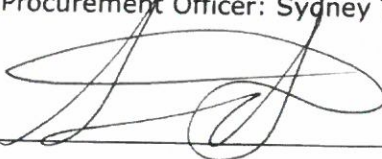
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Approval

The signatories hereof, being duly authorised thereto, by their signatures hereto authorise the execution of the work detailed herein, or confirm their acceptance of the contents hereof and authorise the implementation/adoption thereof, as the case may be.

Chief Procurement Officer: Sydney Tshibubudze 	Date 19/08/2014
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DEFINITIONS

DPSA means Department/Public entity of public service and administration

SITA's Client means all public entities as per PFMA

Public entity means all public bodies as per PFMA definition

Designated Department means DPSA

SITA means State Information Technology Agency

Service Provider means the bidding entity who responded and got accredited on RFB 2003

Agency means **SITA**

RFQ means request for quotation

SITA General Regulations means General Regulations of State Information Technology (SITA Regulations of 2005)

"Transversal contract" means a contract with one or more suppliers for the supply of information technology goods or services over a period, required by more than one Department/Public entity according to approved user requirement specifications, with overall pricing of goods being firm, unless otherwise provided for in the contract; as prescribed by the SITA General Regulations.

PFMA means Public Finance Management Act

Department/Public entity means all bodies that are classified as public bodies as per PFMA

BBBEE Act means Broad Based Black Economic Empowerment Act

SLA means Service Level Agreement

1 Purpose of document

The purpose of this document is to provide guidelines on how to utilise transversal Framing Contracts for all Departments and or Public entity as per SITA General Regulations. The use of these guidelines should always ensure full compliance with all relevant public sector procurement legislation, National Treasury regulations and practise Notes and SITA General Regulations, PPPFA, BBBEE Act or any other applicable legislation.

The engagement model is to ensure compliance and best practises regarding the Government Regulatory framework for procurement.

2 Background and Scope

2.1 Background to transversals

In terms of SITA General Regulations *"The Agency must, in the best interest of the State and timeously, ensure the procurement of information technology goods or services for the repetitive requirements of Departments through the conclusion of appropriate transversal term contracts by means of a competitive bidding process."*

In terms of Regulation 10.2 on SITA Regulations "Either the Agency or a Department/Public entity may submit to the Minister, or an official authorised by him or her, a need for the procurement of information technology goods or services for the repetitive requirements of Department/Public entity...If the Minister, or an official authorised by him or her, approves the need for such goods or services, the Department envisaged in regulation **7.3.1** (b) will be the designated Department.

DPSA is the designated Department who has identified needs for the establishment of a transversal contracts.

In terms of Regulation 9.5 *"Upon awarding a bid for a mandatory service for one or more department or public body by the accounting authority of the designated department or public body, the Agency must, after consultation with the **GITO** Council, conclude the necessary contracts with the successful bidder or bidders".*

SITA is to ensure that consultation as per stipulation above and the DPSA, SCPROC and GITOC were consulted in the establishment of this engagement model.

2.2 Scope of Contract

The scope and background for each transversal will form an Annexure to the Engagement Model and Guidelines.

The scope of RFB 2003/2014 for the provisioning of servers and storage is as per the services outlined on **Annexure A** of this engagement model.

Only services that are contained in Annexure A which outlines the scope for each transversal can be procured from this contract.

3 Utilisation of Transversal Contracts

All public bodies are allowed to make use of this contract however Government Departments are compelled to use the transversal contract as per SITA Regulation

In terms of Regulation 10.10 the process below should be followed by the Department/Public entity for utilising RFB 2003 provisioning of servers and storage:

- ✚ *a Department may engage directly with prospective suppliers based on a user requirement specification approved by the relevant Department; suppliers must submit quotes based on the user requirement specification;*
- ✚ *the Department selects the specific supplier;*
- ✚ *the Department directly places the order with the selected supplier and furnish a copy of the order to the relevant contract manager of the Agency;*

3.1 Prescription to ensure Fairness as per Section 217 of the South African Constitution

- ✚ If procurement is less than R500 000 then Department must follow their own internal process in accordance with the Department's SCM policy
- ✚ For Procurement above R500 000 Departments should approach all Services providers accredited for that service to ensure fairness as per Section 217 of the South African Constitution.
- ✚ A Service Provider approved in a specific province/s cannot be used to provide a service in province/s where they are not accredited for.
- ✚ A service provider shall not be appointed to provide a service for which they are not accredited.

3.1.1 Provincial procurement

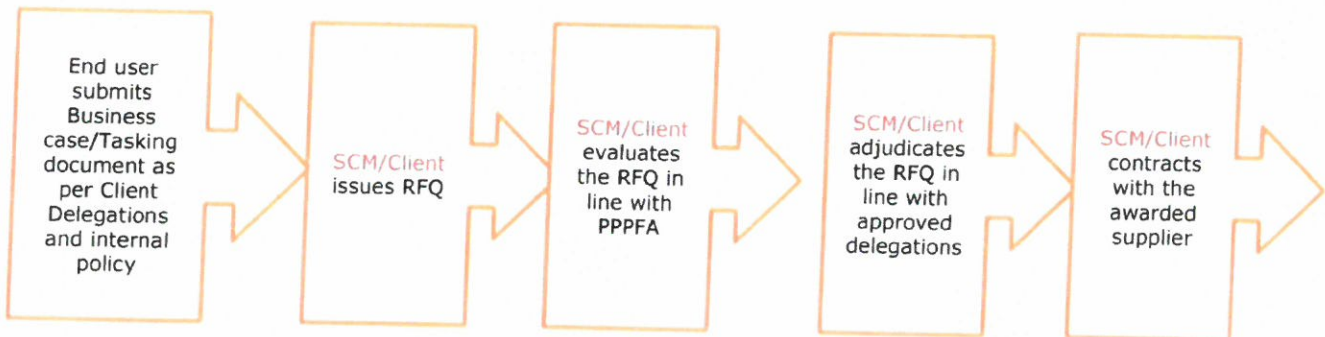
- ↓ Provinces need to procure from suppliers that are accredited for that specific province as per Regulation 15 on the SITA Regulations.
- ↓ Provinces when issuing RFQ's are to ensure adherence to the conditions of the tender pertaining to the mandatory physical presence of the Service Providers in the specific province.

In terms of Regulations 15 on SITA Regulations "Departments must for use in a province, procure from service providers located in the province concerned **to** ensure optimal spending in that province."

3.2 Process for procuring from a Transversal contract

The process to be followed by the Department/Public entity must be in line with the PPPFA.

There must a business case signed or approval by the delegated official as per the Department/Public entity's delegation of Authority.

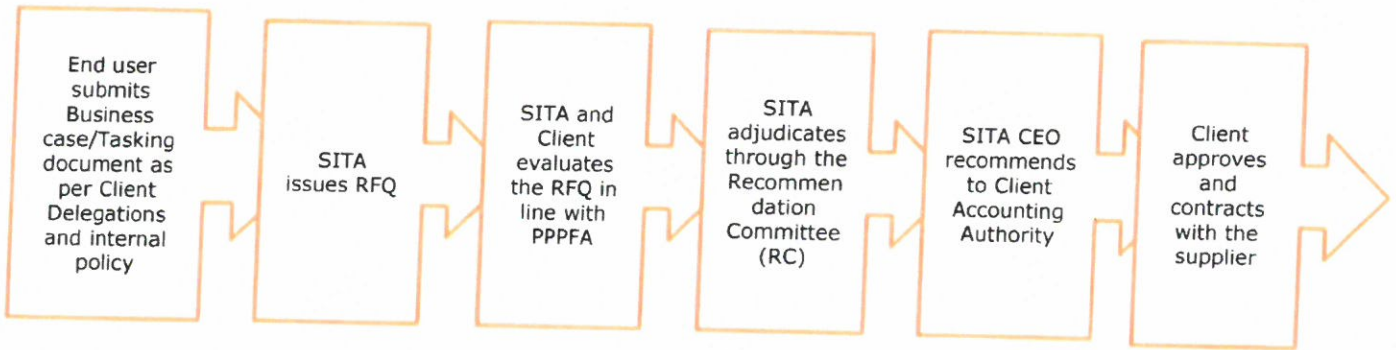


Information that should be contained in a 'RFQ document must include:

- ✚ projected time scales,
- ✚ minimum performance standard/s,
- ✚ and specification of the required /
- ✚ Statement of Work or SLA where applicable.

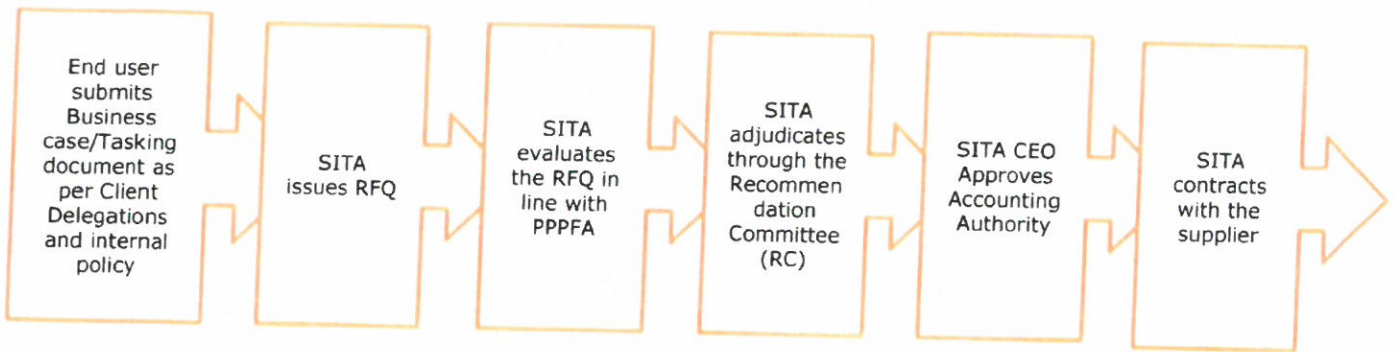
3.3 Process where a Department uses SITA as a procurement agent

Wherein the Department chooses to use SITA as a procurement agent. SITA will facilitate the procurement process and after adjudication recommend to the Department for approval and contracting. This process is as per SITA Regulations.



3.4 Process where a Department contracts SITA for a service through a Service Level Agreement (SLA)

Wherein SITA is the Service Provider and can choose to outsource whatever capacity SITA may not have. SITA will process the procurement and SITA will be the contracting party with the supplier.



3.5 Contracting between Department/Public Entity and Service Providers

Clause 10.5 of the SITA General Regulations it states that:

'Upon the awarding of the relevant bid by the designated Department/Department/Public entity, the Agency must, after consultation with the GITO Council, conclude the necessary transversal term contracts with the successful bidder or bidders'

SITA has entered into contracts with service providers as per clause above, however since the transversal framing agreements do not cover pricing and projects Department/Public entity will still be required to enter into a specific agreement as per clause stipulated below.

Clause 10.10 (g) of SITA General Regulations stipulates as follows: *"if the transversal framing term contract requires a specific formal agreement, such agreement must be concluded between the Department/Public entity or and the supplier. The Department/Public entity may request the Agency to assist with the management of such agreement."*

The contract that is entered into between the Department/Public entity and the supplier should cover the following (but not limited to):

- Service levels
- Scope of the specific project
- Project duration
- Price break down and total price in line with awarded RFQ
- Payment terms and conditions in line with the relevant government legislation. BBBEE Act and PPPFA

3.6 Relationship between main contract and contract between Supplier and Department/Public entity

- ↓ The main contract between SITA and supplier contains the governing terms and condition of the relationship. Any additional contracts which will form an appendice/annexure to the contract should not contradict any of the clauses covered in the main contract. Should adhere to the General Conditions of Contract (GCC) as prescribed by National Treasury.

4 Contract Administration

In terms of National Treasury Practice Note Number 5 of 2009/2010 clause 5 SITA is responsible for administering the database:

Clause 5.1 of SITA General Regulations states that *"SITA must maintain a database on its website of all existing transversal term contract which must at least include the following:*

- (a) Contract Number;*
- (b) The contract title and short description;*
- (c) The suppliers;*
- (d) The names and contact details of the contract managers of the suppliers;*
- (e) The price list of goods and services, if applicable, and the last date when updated; and*
- (f) The names and contact details of SITA's contract manager for the specific transversal term contracts"*

A list of Service Providers' shall be maintained by SITA Supply Chain Management (SCM). Service Providers are obligated in terms of this contract to maintain sufficient capabilities and accreditation for services they have been approved for.

In terms of Regulation 10.13 When any change to the information referred to in regulation **10.12** occurs, the Agency must immediately update its website.

SITA will also ensure that a copy of the contracts signed with suppliers and GCC's are available on the SITA website.

4.1 Process to be followed in terms on non-performance by suppliers

- ↓ Departments should report non-performance to SITA
- ↓ Departments must follow the National Treasury Process as per National Treasury Practise Note number SCM 5 OF 2006 which serves as an augmentation of GCC for blacklisting suppliers.

4.2 Process for Reporting spent on Transversals to SITA

In terms of Regulation 10.11 (b) Departments are required to report their spent on transversal contracts. In order to make this process practical, Departments will be required to report quarterly to SITA in terms of their spent per transversal contract.

Annexure A Transversal Tender RFB 2003 for the Provisioning of Servers and Storage to SITA and SITA's Client

Process followed for RFB 2003

Process followed

Evaluation

Nature of contract	Transversal Framing agreement
Custodian	DPSA
Client	All public entities as per PFMA
Bid publish date	11 April 2014
Bid close date	12 May 2014
No of bidders approved	47
Contract period	3 years
Approved by	DG Of DPSA

Servers, Storage equipment and related services to be provided for RFB 2003 are as follows:

Servers & Storage
Servers (Rack/Tower/Blade)
Primary storage
Secondary storage:
Tape
Disk to disk
Archiving
SAN Switches
UPS
Server Racks