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Our Ref: Procurement Plans  
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Date: 26 February 2020

TO: ACCOUNTING OFFICERS  
ACCOUNTING AUTHORITIES OF PUBLIC ENTITIES  
CHIEF FINANCIAL OFFICERS OF DEPARTMENTS AND PUBLIC ENTITIES  
GOVERNMENT INFORMATION TECHNOLOGY OFFICERS  
HEADS OF SUPPLY CHAIN OF DEPARTMENTS AND PUBLIC ENTITIES

Dear Sir/Madam

## PROCUREMENT PLANS OF ICT RELATED GOODS AND SERVICES

1. **PURPOSE.** The purpose of this circular is to request Accounting Officers / Accounting authorities of State Institutions to submit procurement plans relating to ICT goods and services to SITA.
2. **BACKGROUND AND PROBLEM STATEMENT**
  - 2.1. National Treasury SCM Instruction 2 of 2016/2017 section 3 prescribes that departments and public entities must submit procurement plans to the relevant Treasury.
  - 2.2. National Treasury Regulation 2005, regulation 16A6.3(e) prescribes that Accounting Officers / Accounting Authorities must ensure that contracts relating to information technology are prepared in accordance with the State Information Technology Act, 1998 (Act No. 88 of 1998 as amended by Act 38 of 2002); and
  - 2.3. The SITA Act (38 of 2002) section 7(3) and (4) prescribes that despite any other law to the contrary, every department must procure all information technology goods or services either from or through SITA; and in performing its duties SITA must -
    - 2.3.1. eliminate unnecessary duplication of information technology goods or services;
    - 2.3.2. leverage economies of scale to provide cost-effective service;
    - 2.3.3. comply with Public Finance Management Act (PFMA) and Preferential Procurement Policy Framework Act (PPFA) and related regulations.
  - 2.4. Over the past few years, while the government ICT budget stagnated, SITA experienced a sharp incline in ad-hoc requests for "spot-buying" of ICT goods or services. The unintended consequences of such ad-hoc spot-buying requests resulted in –

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Mr L Keyise: Executive Caretaker and Accounting Authority  
Ms MP Mohlabi: Company Secretary

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- 2.4.1. Protracted procurement process that caused huge frustration to departments; and
- 2.4.2. Inability to consolidate requirements and reduce unnecessary duplication of IT systems across government.
- 2.4.3. Inability to optimally leverage economies of scale.
- 2.4.4. Inability to effectively promote local economic growth in South African ICT sector.

3. SOLUTION

- 3.1. SITA recently embarked on a procurement reform programme that entails the establishment of an effective strategic procurement function as well as to revamp operational procurement processes to enable State institutions to render better public services to the state and its citizens.
- 3.2. SITA strategic procurement function aims to –
  - 3.2.1. Consolidate government ICT procurement demand to identify and establish relevant transversal procurement agreements across the ICT landscape;
  - 3.2.2. Pro-actively capacitate and streamline operational procurement processes and systems to respond to government ICT procurement requests.
- 3.3. Accounting Officers of departments, who must procure ICT goods or services through or from SITA, and Accounting Authorities of public entities, who may procure ICT goods or services through SITA, are hereby requested to submit your institution's ICT Procurement Plan to SITA.

4. SUBMISSION OF PROCUREMENT PLANS. The ICT Procurement plans –

- 4.1. Should be submitted using the template in **Annex A** or equivalent format; and
- 4.2. Should cover a period of least the next 24 months.
- 4.3. Must be submitted by no later than 16 March 2020 to the following email address:

[demand@sita.co.za](mailto:demand@sita.co.za)

5. ENQUIRIES. Enquiries regarding the submission may be directed to –

Snr Manager: Demand Management

Ms Maryann Graham, [maryann.graham@sita.co.za](mailto:maryann.graham@sita.co.za), Tel: +27 12 482 2277

6. Your cooperation to improve ICT procurement in the public sector is appreciated.

Kind Regards



Mr Luvuyo Keyise

Executive Caretaker & Accounting Authority

ANNEX A: ICT PROCUREMENT PLAN 2020/2021 AND 2021/2022

Department / Public Entity name:	
Contact Person name:	
Contact Person Tel No:	
Contact person email address:	
Date:	

No	ICT Commodity (See Annex B)	Short description of ICT requirement	Estimated (Rm)	Value	When request will be sent to SITA	When required (delivery month)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

ACCOUNTING OFFICER/ AUTHORITY NAME, SIGNATURE AND DATE

## ANNEX B: Commodity guideline

- (1) **Business IT Solution** (a complex IT solution comprising multiple ICT commodities, e.g. Hospital Information System, Logistics Management IT solution, Fleet Management, Business Intelligence, National Identity system, Social grant system, Education bursary system, Housing system, Forestry management system, Water management system, Billing system, Nursing academy system, crime administration system, Intelligence system, robotic system, aerial geographic mapping system, pension system, performance management system, ICT Security system)
- (2) **Software License** (supply, maintenance and subscription to software licenses from original software manufacturers, e.g. operating systems, office suite, help desk software license, database management license, software engineering license, terminal emulation, anti-virus, network monitoring license, and other commercial off the shelf IT solution licences)
- (3) **Computer equipment** (supply, maintenance and support Computers and Peripherals, e.g. large-scale computers, servers, end-user desktop, laptops, tablet computers, printers, disk storage units, computer memory)
- (4) **Network equipment** (supply, maintenance and support network equipment, e.g. switches, routers, wireless access points, firewalls, local area network cabling, ICT cabinets)
- (5) **Telecommunication** (supply, maintenance and support of telecommunication services, e.g. wide-area-network telecommunication links, internet services, data and voice/telephony services, network security firewalls)
- (6) **ICT Infrastructure** (supply, maintenance and support of computer and network facilities/buildings, e.g. building/property lease, maintenance and alterations, electrical equipment and engineering works, heating/cooling equipment and engineering works, fire suppression, specialised flooring, physical security, booms and gates, perimeter fencing, camera surveillance and flood lights)
- (7) **ICT Services** (e.g. subscriptions, project management, architecture, analysis, design, support, consulting, training, software development, ICT operations, professional services)