

# THE MSUNDUZI MUNICIPALITY

## FINANCE BUSINESS UNIT

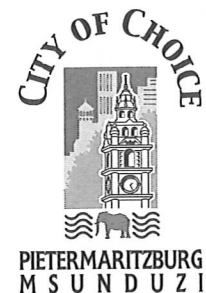
### SUPPLY CHAIN MANAGEMENT SUB-UNIT

333 Church Street  
PIETERMARITZBURG  
3201

Private Bag X205  
PIETERMARITZBURG  
3200

Telephone: 033 – 392 2597

E-mail:  
procurement@msunduzi.gov.za



Enquiries: Mrs D. N. Gambu

E-mail: dudu.ndlovu@msunduzi.gov.za

Ref: 52/SCM-31/21-22

09 June 2022

Zimele Technologies ERP IT Services (Pty) Ltd  
P.O. Box 2954  
ALBERTON  
1450

**Attention:** Thando Greatest Mjebeza (E-mail: [info@zimeletechnologies.com](mailto:info@zimeletechnologies.com))

Dear Sir

#### CONTRACT No. SCM 31 OF 21/22

#### PROVISION OF SAP SUPPORT, MAINTENANCE SERVICES AND SYSTEM ENHANCEMENTS FOR THE MSUNDUZI MUNICIPALITY AND ITS ENTITIES FOR A PERIOD OF 36 MONTHS

In connection with the above contract, I am pleased to advise you of the Msunduzi Municipality's acceptance of your tender dated 02 December 2021, at the terms and conditions stated therein, at the following tendered rates:

SUPPORT, MAINTENANCE AND SYSTEM ENHANCEMENTS			
K-LEVEL	RATE/HOUR YEAR 1	RATE/HOUR YEAR 2	RATE/HOUR YEAR 3
K1	R150.00	R159.00	R168.00
K2	R250.00	R265.00	R280.00
K3	R850.00	R901.00	R952.00
K4	R1,100.00	R1,166.00	R1,232.00
K5	R1,340.00	R1,420.40	R1,500.80
K6	R1,490.00	R1,579.40	R1,668.80

Area of Responsibility	No. of Resources	Year 1		Year 2		Year 3	
		Hours Allocated Per Month	Rate Per Hour Excl. VAT	Hours Allocated Per Month	Rate Per Hour Excl. VAT	Hours Allocated Per Month	Rate Per Hour Excl. VAT
Financial Accounting (FI/CO), Assets Accounting, mSCOA	1	80	R1,100.00	40	R1,166.00	40	R1,305.92
Materials Management (MM)	1	80	R1,100.00	40	R1,166.00	40	R1,305.92
Sales and Distribution (SD)	1	80	R1,100.00	40	R1,166.00	40	R1,305.92
Real Estate (RE)	1	80	R1,100.00	40	R1,166.00	40	R1,305.92
Funds Management, Project System, mSCOA	1	80	R1,100.00	80	R1,166.00	80	R1,305.92
Human Resources (HR)/Payroll/ ESS/MSS	1	80	R1,100.00	40	R1,166.00	40	R1,305.92
Industry Solution for Utility (FICA)	1	160	R1,100.00	120	R1,166.00	120	R1,305.92
Industry Solution for Utility (Billing and Invoicing)	1	160	R1,100.00	120	R1,166.00	120	R1,305.92
Industry Solution for Utility (Rates)	1	160	R1,100.00	120	R1,166.00	120	R1,305.92
Industry Solution for Utility (Billing and Invoicing)	1	160	R1,100.00	120	R1,166.00	80	R1,305.92
SAP Basis and Authorisation	1	80	R1,100.00	40	R1,166.00	40	R1,305.92
SAP BI/BW/BO	1	80	R1,100.00	40	R1,166.00	40	R1,305.92
ABAP Development	2	320	R1,100.00	240	R1,166.00	160	R1,305.92
SAP Workflow/PI/ XI Technical	1	80	R1,100.00	40	R1,166.00	40	R1,305.92
Centre of Excellence/ Management Support	1	40	R1,100.00	40	R1,166.00	0	R0.00
<b>Total Monthly Cost</b>		<b>1,720</b>	<b>R1,892,000.00</b>	<b>1,160</b>	<b>R1,352,560.00</b>	<b>1,000</b>	<b>R1,305,920.00</b>

The contract period shall be three (3) years effective from the date of approval herein.

Zimele Technologies ERP IT Services (Pty) Ltd will be required to enter into a Service Level Agreement with the Msunduzi Municipality before the commencement of any services and to address all post qualification requirements as per the tender document.

The delivery periods for this contract will be addressed in the Service Level Agreement.

Please note that your attention is specifically drawn to the provisions of Regulation 44 of the Municipal Supply Chain Management Regulations and the Msunduzi Municipality's Supply Chain Management Policy which prohibits any award to a person:

- "(a) who is in the service of the state;*
- (b) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or*
- (c) who is an advisor or consultant contracted with the municipality or municipal entity."*

You are expressly advised that any award in contravention of the above would be in direct conflict with the aforesaid Legislation and shall be deemed void and without any legal effect.

The Msunduzi Municipality, its Officials and Agents therefore accept no liability whatsoever for any damages or losses you may suffer as a result of the cancellation, withdrawal, setting aside or as a result of any other steps taken by the Municipality to ensure compliance with the aforesaid provisions.

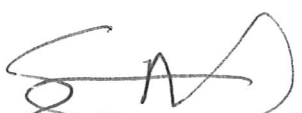
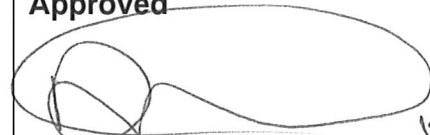
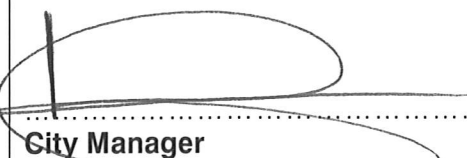
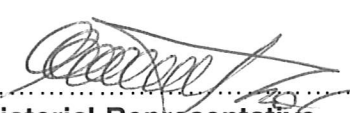
In addition, this award is made on the strict understanding, condition and agreement that you undertake to indemnify the Municipality against any and all direct or indirect damages, expenses and losses it may suffer or incur in enforcing compliance with the aforesaid provisions. Furthermore, this award is made on the understanding, condition and agreement that you undertake to indemnify and hold the Municipality harmless against any and all claims and demands from any Third Party whatsoever arising from or related to any award in contravention of the aforesaid regulations.

It must be noted that this Letter does not constitute an official Purchase Order. Your Company is to only effect delivery of any services once in possession of an official Purchase Order issued by the Msunduzi Municipality.

Regarding the above, please liaise with the Project Champion, Siphonxumalo on direct Telephone No. 033 – 392 2271 or e-mail address [siphonxumalo@msunduzi.gov.za](mailto:siphonxumalo@msunduzi.gov.za).

Please acknowledge receipt and acceptance of this Letter of Appointment by way of formal notification on your Company's Letterhead to the Municipality's Supply Chain Management Unit for the attention of Vinay Mohanlal on e-mail address [vinay.mohanlal@msunduzi.gov.za](mailto:vinay.mohanlal@msunduzi.gov.za).

Yours faithfully

<b>Recommended</b>  ..... <b>Head: Supply Chain Management</b> <b>Date</b> 10/06/22	<b>Approved</b>  ..... <b>Chief Financial Officer</b> <b>Date</b> 15/06/2022
<b>Approved</b>  ..... <b>City Manager</b> <b>Date</b>	<b>Authorised</b>  ..... <b>Ministerial Representative</b> <b>Date</b> 08/8/2022