# INFORMATION STATEMENT

Public comment on the amendment of Tender 17/16, for the Supply and Configuration of a Enterprise Resource Planning / Financial Management System (ERP / FMS) for a period of 10 years is hereby requested.

**BACKGROUND:**

The Capital Expenditure Framework (CEF) was mandated with the promulgation of the Spatial Planning and Land Use Management Act, Act 16 of 2013 (SPLUMA) section (21)(n). The CEF has also been eluded to in several other legislative preceding and policy instruments.

The role of a CEF is to provide a framework which coordinates the outcome of a multitude of planning initiatives and documents within the municipality, in order to ensure that capital investment and project / programme implementation on the ground is guided by an over-arching long-term strategic, spatial, financial and socio-economic logic. Key informants to the CEF national and provincial strategies and policies i.e. the National Development Plan of 2014 (NDP) and Medium Term Strategic Framework (MTSF), as well as the Provincial Spatial Development Framework or Growth and Development Strategy (GDS), as well as municipal-level policies and strategies, typically embodied by the Municipal Integrated Development Plan (IDP), Municipal Spatial Development Framework (SDF) and other departmental sector plans. Collectively these plans have a spatial imperative that the municipality uses to guide investment and development in order to realise short, medium and long-term developmental and socio-economic goals.

The CEF serves as legislated mechanism to strengthen the budgeting process currently institutionalised within the municipality, and to show how capital investment matures from planning to implementation through various stages of governance. In order to facilitate logical and rational based reporting.

Saldanha Bay Municipality is one of the municipalities earmarked for Capital Expenditure Framework Development through a National funded programme. The National department responsible for the programme is currently busy with the appointment of a consultant to do the CEF for SBM. The Capital Expenditure Framework (CEF) is a high-level long term infrastructure plan that flows form a spatial development framework (SDF) it estimates the level of affordable capital investment by the municipality over the long term. The CEF also result in the conceptualisation of strategically framed projects that supports the objectives and that are appropriately communicated to the public. The CEF will in summary provide answers to the following questions:

- What infrastructure does the municipality currently have?
- What is the municipality trying to do with the infrastructure over the next 10 to 20 years?
- Where does the municipality need infrastructure?
- What are others spheres of government or government or service providers planning to do with infrastructure in the municipal area?
- How much infrastructure does the municipality need & of what type?
- What impact will it have on financial viability?

The challenges are that this process will deliver a document, which will make it difficult to actively include for people to read and interpret. SBM want the CEF to become a live interactive spatially orientated data set that is easy to understand and interpret and that will be able to integrate with our current solution stack.

Saldanha Bay Municipality has request its ERP systems provider to look at a solution of how to integrate this as a golden threat solution as required by the regulations of MSCOA and other relevant legislation as indicated above from the IDP through to the SDF, Master plans, sector plans and long term budget objectives and plans.

It must be an integrated solution that can pull information form and send information back to the budget and other planning modules.

**DISCUSSION:**

To enable the electronic implementation of the CEF and the integration into our financial, planning and integrated development planning processes it will require the following:

- Annual License Fee for 4 core CP3 Module annually
- Specialist System and capital investment planning support & system training support
- CEF update from system annually

**FINANCIAL IMPLICATIONS:**

The financial implications on the municipality are as follow:

| Period | Year | Estimated cost (VAT exclusive) |
|---|---|---|
| 1 | 2021/22 | - |
| 2 | 2022/23 | 3,650,000 |
| 3 | 2023/24 | 3,650,000 |
| 4 | 2024/25 | 3,650,000 |
| 5 | 2025/26 | 3,650,000 |
| | **Total** | **14,600,000** |
| | | |
| | 3-year approved budget (31 May 2022) | 10,950,000 |
| | Beyond the 3-year approved budget | 3,650,000 |
| | **Total** | **14,600,000** |

Notice was further given in accordance with section 21A of the Local Government Municipal Systems Act, No.32 of 2000, that the local community and other interested persons are invited to submit comments or representations to the Municipality in respect of the proposed draft contract. Such comments or representations must be placed in a sealed envelope which is clearly marked with the tender description and it must be placed in the tender box at the Buller center/Investment Centre, 15 Main Road, Ground Floor, Vredenburg.

The draft contract is also available on the municipality's website for perusal which will enable the local community to provide comments.

Inquiries may be directed to:

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