SALDANHA BAAI BAY
MUNISIPALITEIT | MUNICIPALITY | uMASIPALA

SECTION 116(3) OF THE MFMA:

AMENDMENT OF CONTRACT

TENDER SBM 17/16: SUPPLY AND CONFIGURATION OF AN ENTERPRISE RESOURCE PLANNING / FINANCIAL MANAGEMENT SYSTEM.

T: (022) 701 7000 • F: (022) 715 1518
mun@sbm.gov.za • www.sbm.gov.za Private Bag
X12 • Vredenburg • 7380

City of Excellence and Opportunity on the "Weskus"

SALDANHABAAI MUNISIPALITEIT

KENNISGEWING VAN VOORNEME WORD HIERMEE GEGEE INGEVOLGDE ARTIKEL 116(3) VAN DIE MFMA VIR DIE VERLENGING EN UITBREIDING VAN 'N KONTRAK.

'n Verslag het voor die Raad gedien vir die verlenging en uitbreiding van 'n kontrak op **20 Augustus 2026** soos voorgeskryf deur die wet. Die Raad is van voorneme om die volgende kontrak te verleng en uit te brei na in agneming van vertoë, indien enige ontvang:

SBM 17/16	Voorsiening en konfigurasie van 'n ondernemingshulpbronbeplanning / finansiële bestuurstelsel.

Die rede vir die verlenging en uitbreiding van die kontrak is vervat in Raadsbesluit **R59/8-26** van **20 Augustus 2026**. Die inligting kan verkry word op die Raad se webtuiste, munisipale kantore, satelliet kantore en biblioteke.

Verdere navrae kan gerig word aan: Mev. Cornell de Kock

E-pos: cornell.dekock@sbm.gov.za

Soos per bepalings van Artikel 116(3) van die MFMA, gee Saldanhabaai Munisipaliteit aan gemeenskappe kennis van die voorneme om die kontrak te verleng en uit te brei (veranderinge) en nooi die gemeenskap uit om vertoë aan die munisipaliteit te rig.

Vertoë word hiermee ingewag en moet teen **17 September 2026** op skrif aan die adres hieronder gestuur word.

Mnr. H. Mettler
MUNISIPALE BESTUURDER
Saldanhabaai Munisipaliteit
Privaatsak X 12
Vredenburg
7380

SALDANHA BAY MUNICIPALITY

NOTICE OF INTENT IS HEREBY GIVEN IN RESPECT OF SECTION 116(3) OF THE MFMA FOR THE EXTENSION AND EXPANSION OF A CONTRACT.

A report was tabled in Council for the extension and expansion of a contract on **20 August 2026** as prescribed by legislation. Council's intention is to extend and expand the contract after considering representations if any received:

SBM 17/16	Supply and configuration of an enterprise resource planning / financial management system.

The reason for the extension and expansion of the contract is included in Council Decision **R59/8-26** of **20 August 2026**. The information is available on Council's website, at municipal offices, satelite offices and libraries.

Further enquiries can be directed to: Mrs. Cornell de Kock

Email: cornell.dekock@sbm.gov.za

As per provisions of Section 116(3) of the MFMA, Saldanha Bay Municipality is giving communities notice of the intention to extend and expand (amend) the above contract and invite the community to submit representations to the municipality.

Representations are hereby invited and must be lodged in writing by **17 September 2026** to the address below.

Mr. H. Mettler
MUNICIPAL MANAGER
Saldanha Bay Municipality
Private Bag X 12
VREDENBURG
7380

SALDANHA BAAI BAY
MUNISIPALITEIT | MUNICIPALITY | uMASIPALA

It is hereby confirmed that Resolution R59/8-26 is an authentic extract of the minutes of the Council meeting of Saldanha Bay Municipality held on 20 August 2026:

R 59/8-26 AMENDMENT AND EXTENSION OF CONTRACT IN TERMS OF SECTION 116(3) OF THE MFMA - TENDER SBM 17/16: SUPPLY AND CONFIGURATION OF AN ENTERPRISE RESOURCE PLANNING / FINANCIAL MANAGEMENT SYSTEM

(5/28/3)

(Report of the Directorate of Economic Development & Strategic Services)
(C de Kock)

RESOLVED

i) that the content of the report be noted;

ii) that Council notes the reasons for the proposed amendment and extension of Tender SBM 17/16: Supply and Configuration of an Enterprise Resource Planning / Financial Management System, concluded with Munsoft Proprietary Limited;

iii) that Council takes note of the section 116(3) of the MFMA requirements pertaining to the amendment and extension of the existing Munsoft contract from 1 October 2026 to 30 June 2029;

iv) that Council authorises the Municipal Manager to give reasonable public notice of the Municipality's intention to amend and extend the contract and to invite representations from the local community in terms of section 116(3) of the MFMA;

v) that the comments received from National Treasury, Provincial Treasury and the local community be considered by Council before the contract amendments are approved;

vi) that a follow-up report be submitted to Council in September 2026 if any inputs were received from National Treasury and Provincial Treasure and the public;

vii) that the Municipal Manager be authorised to conclude and sign the required amendment agreement with Munsoft Proprietary Limited after Council approval.

....
Senior Manager: Mr. J Pheiffer

20/08/2026
....
Date

SALDANHA BAY MUNICIPALITY

REPORT TO COUNCIL

SUBJECT	:	**AMENDMENT AND EXTENSION OF CONTRACT IN TERMS OF SECTION 116(3) OF THE MFMA - TENDER SBM 17/16: SUPPLY AND CONFIGURATION OF AN ENTERPRISE RESOURCE PLANNING / FINANCIAL MANAGEMENT SYSTEM**
DIRECTORATE	:	**ECONOMIC DEVELOPMENT & STRATEGIC SERVICES**
AUTHOR	:	**CORNELL DE KOCK**
FILE NO	:	
DATE	:	**18 MARCH 2026**
ITEM NUMBER	:	**R59/8-26**

1. PURPOSE OF THE REPORT

The purpose of this report is to obtain Council approval for the amendment and extension of Tender SBM 17/16: Supply and Configuration of an Enterprise Resource Planning / Financial Management System, concluded with Munsoft Proprietary Limited, in terms of section 116(3) of the Municipal Finance Management Act, 2003 (Act 56 of 2003).

The proposed extension is required to ensure continuity of the Municipality's core ERP and financial management services, uninterrupted service delivery and ongoing statutory compliance while the Municipality determines and prepares for its future ERP strategy.

2. BACKGROUND

Saldanha Bay Municipality currently utilises the Munsoft system as its primary enterprise platform supporting critical municipal functions, including financial management, revenue management, payroll and human resources, asset management, reporting services, building control, land use management, disaster recovery services, e-services, connectivity services and Integrated Development Planning functionality.

The existing contract period expires on 30 September 2026. The Municipality proposes to extend the existing agreement until 30 June 2029, being an extension of 2 years and 9 months, in order to align the expiry date with the Municipality's financial year and to provide a stable transition window for future ERP planning and procurement.

The Municipality formally requested the views of National Treasury and Provincial Treasury in terms of MFMA Circular 132 prior to the submission of this matter to Council. Any comments received as part of that process must be considered with this report and retained as part of the record of decision.

3. LEGISLATION

Section 116(3) of the Municipal Finance Act stipulates the following:

"A contract or agreement procured through the supply chain management policy of the municipality or municipal entity may be amended by the parties, but only after –

a. The reasons for the proposed amendment have been tabled in the council of the municipality or, in the case of a municipal entity, in the council of its parent municipality; and

b. the local community-

   i. has been given reasonable notice of the intention to amend the contract or agreement; and

   ii. has been invited to submit representations to the municipality or municipal entity.

Paragraph 3.6 of MFMA Circular 102 stipulates the following:

"Council may delegate an appropriate structure, provided the decision is ratified by council at its next sitting. Municipalities and municipal entities must follow the process outlined in section 116(3) of the Municipal Finance Management Act"

MFMA Circular 132 requires that, before extending vendor contracts, the Municipality must obtain the views of National Treasury and Provincial Treasury. As per the requirements of MFMA Circular 132, the Municipality issued a letter requesting the views of National Treasury and Provincial Treasury on the proposed section 116(3) extension of the contract for Tender SBM 17/16. This requirement was incorporated into the process to ensure transparency, regulatory compliance and proper consideration of risks associated with the continuation of the existing ERP contract before the matter is submitted to Council for approval. The comments were requested on 2 July 2026 and followed up on 20/07/2026 as well as 5/08/2026. No comments have been received yet, if any negative comments are received it will be dealt with together with any public objections if any are received. Proof of request for comment attached as Annexure B.

4. DISCUSSION

4.1 Legislative and regulatory considerations

The Municipality's ERP environment is intrinsically linked to compliance with the Municipal Standard Chart of Accounts (mSCOA) framework prescribed by National Treasury and supports financial management, budgeting, supply chain management, asset management, revenue management, reporting and other regulatory functions.

National Treasury continues to refine and expand the mSCOA framework through ongoing regulatory amendments, data standards, reporting reforms and digital transformation initiatives. Several municipal business processes also remain dependent on the full promulgation, standardisation and implementation of integrated subsystems intended to operate within the mSCOA environment.

Continued system maintenance, configuration, legislative compliance updates, vendor support and software enhancement capabilities are required in order to maintain compliance in this evolving regulatory environment.

4.2 Subsystem promulgation and integration requirements

The broader municipal systems environment envisaged by National Treasury has not yet reached full maturity. Certain subsidiary systems, integrations, data standards and interoperability requirements continue to evolve through Treasury guidance and sector-wide municipal reform initiatives.

The Munsoft ERP system remains the primary platform through which these changes are implemented and managed. Replacing the current solution before the relevant regulatory and subsystem framework components have stabilised would create operational, financial and compliance risks, including:

- disruption to financial reporting processes;
- risk of non-compliance with National Treasury reporting requirements;
- potential interruption of mSCOA-compliant transactional processing;
- loss of institutional knowledge embedded within existing configurations;
- duplication of implementation expenditure during a transitional regulatory period;
- increased audit and governance risks associated with parallel system migrations.

4.3 Business continuity and risk mitigation

The Municipality is required to ensure uninterrupted financial governance and regulatory compliance. A replacement procurement process initiated while the mSCOA environment and associated subsystem requirements remain under development may result in specifications becoming obsolete before implementation, additional variation orders and project costs, implementation delays arising from changing legislative requirements and increased project failure risk due to moving regulatory targets.

Extending the existing Munsoft contract will allow the Municipality to maintain operational stability while National Treasury finalises outstanding regulatory and subsystem framework components. It will also provide sufficient time to assess future functional requirements, develop comprehensive specifications, undertake market assessment and prepare for a competitive procurement process informed by the final regulatory position.

4.4 Financial prudence and value for money

The extension represents the most cost-effective and prudent approach to maintaining critical financial management services during the transition period. The Municipality has already invested substantially in configuration, integration, data structures, workflow design, user training and business process alignment within the current ERP environment.

Premature replacement before finalisation of the broader mSCOA and subsystem landscape may result in avoidable expenditure and duplication of implementation costs. The proposed extension should therefore be considered a continuity and risk mitigation measure rather than a material expansion of the original scope of work.

4.5 Scope of the proposed amendment

The proposed amendment is to extend the existing contract with Munsoft Proprietary Limited under Tender SBM 17/16 from 1 October 2026 to 30 June 2029, subject to completion of the section 116(3) public participation process and consideration of any comments received from the community, National Treasury and Provincial Treasury.

4.6 Risk of non-extension

Failure to approve the proposed extension may expose the Municipality to operational disruption of critical municipal systems, financial reporting interruptions, non-compliance with National Treasury reporting requirements, audit findings, increased implementation costs and risks associated with an accelerated ERP replacement project.

4.7 Section 116(3) public participation process

Should Council approve the recommendations in this report, the Municipality must give reasonable notice to the local community of its intention to amend and extend the contract and invite representations in terms of section 116(3) of the MFMA. Any representations received must be considered before the amendment is finally concluded.

5. FINANCIAL IMPLICATIONS

Based on the cost breakdown contained in Annexure A, the proposed extension of the Munsoft contract until 30 June 2029 has been costed in detail and provision has been made for both recurring licence and support services as well as associated municipal business systems required for ongoing operations.

Below is an extract of the cost for the remainder of the contract. The detail is also provided in annexure A.

	01 July 2026 until 30 September 2026			01 October 2026 until 30 June 2027			01 July 2027 until 30 June 2028			01 July 2028 until 30 June 2029		
Annual escalation: Effective 1 July, escalated with the estimated CPI as per MFMA Circular that is published annually in March, with a minimum of 5%.	2026/2027			2026/2027			2027/2028			2028/2029		
Description				**Once-Off**	**Monthly Fees**	**Annual Fees**	**Once-Off**	**Monthly Fees**	**Annual Fees**	**Once-Off**	**Monthly Fees**	**Annual Fees**
Service Schedule A: Munsoft License Fee		R -	R 1,038,513.77		R -	R 3,115,541.30		R -	R 4,361,757.82		R -	R 4,579,845.71
Service Schedule A: Munsoft Technical Support												
Service Schedule C: Munsoft Connectivity		R 7,875.00			R 7,875.00			R 8,268.75			R 8,682.19	R -
Service Schedule D: IMIS		R 58,967.84	R 167,631.33		R 58,967.84	R 502,893.98		R 61,916.23	R 704,051.57		R 65,012.05	R 739,254.15
Service Schedule D: IMIS (Upgrade)				R 1,448,769.97	R 50,936.92			R 102,531.21			R 106,176.94	
Service Schedule E: Munsoft Standard Disaster Recovery Service		R 31,878.00			R 31,878.00			R 33,471.90			R 35,145.50	R -
Service Schedule F: Electronic Meter Reading Solution		R 23,163.00			R 23,163.00			R 24,321.15			R 25,537.21	R -
Service Schedule I: Essential ICT Services		R 2,725.60			R 2,725.60			R 2,861.88			R 3,004.97	R -
Service Schedule J: Munsoft e-Services Solution		R 17,860.50			R 17,860.50			R 18,753.53			R 19,691.20	R -
Service Schedule M: Revenue Management (Credit Control and Indigent Module)		R 33,136.34	R 399,644.28		R 33,136.34	R 1,198,932.84		R 34,793.16	R 1,678,505.98		R 36,532.82	R 1,762,431.27
Service Schedule P: Payroll, HR and Time & Attendance		R 38,432.53	R 34,575.01		R 38,432.53	R 103,725.03		R 40,354.16	R 145,215.05		R 42,371.86	R 152,475.80
Service Schedule Q: Munsoft Academy (Online LMS Facility)		R -	R 9,922.50		R -	R 29,767.50		R -	R 41,674.50		R -	R 43,758.23
Service Schedule R1: Munsoft Reporting		R -	R 25,321.48		R -	R 75,964.45		R -	R 106,350.23		R -	R 111,667.74
Service Schedule R2: Munsoft Reporting		R -	R 21,887.25		R -	R 65,661.75		R -	R 91,926.45		R -	R 96,522.77
Service Schedule T: Asset Verification System		R -	R 29,531.25		R -	R 88,593.75		R -	R 124,031.25		R -	R 130,232.81
Service Schedule W1: CP3 System for eIDP Software Subscription		R -	R 509,726.68		R -	R 1,529,180.04		R -	R 2,140,852.06		R -	R 3,458,571.43
Service Schedule W2: CP3 System for eIDP Operational Software Support		R -	R 196,125.00		R -	R 588,375.00		R -	R 823,725.00		R -	R 864,911.25
Services Schedule V1: Third Party Systems through Munsoft (Odin Checkpoint Subscription)					R 100,000.00			R 105,000.00			R 110,250.00	
Services Schedule V2: Third Party Systems through Munsoft (Odin Checkpoint Support)					R 100,000.00			R 105,000.00			R 110,250.00	
	R -	**R 214,038.81**	**R 2,432,878.55**	**R 1,448,769.97**	**R 464,975.73**	**R 7,298,635.65**	**R -**	**R 537,271.96**	**R10,218,089.90**	**R -**	**R 562,654.74**	**R11,939,671.16**
	R 3,074,994.99			**R 12,932,187.22**			**R 16,665,353.43**			**R 18,691,528.01**		

	2026/2027			2026/2027			2027/2028			2028/2029		
				Once-Off	Monthly Fees	Annual Fees	Once-Off	Monthly Fees	Annual Fees	Once-Off	Monthly Fees	Annual Fees
Description	**Adhoc**			**Adhoc**			**Adhoc**			**Adhoc**		
Service Schedule A3: Munsoft Offline Cashiers			R 163,800.00			R 163,800.00			R 171,990.00			R 180,589.50
Service Schedule B0: Operational Process Support (Monthly) (On-site Support)		R 99,750.00			R 99,750.00			R 104,737.50			R 109,974.38	
Service Schedule B1: Monthly Operational Consulting Services per hour	R 2,625.00			R 2,625.00			R 2,756.25			R 2,894.06		
Service Schedule B2: Operational Process Support (Annual Financial Statements)	R 2,625.00			R 2,625.00			R 2,756.25			R 2,894.06		
Service Schedule B3: Operational Process Support (Assets)	R 2,625.00			R 2,625.00			R 2,756.25			R 2,894.06		
Service Schedule B4: Operational Process Support (Snr mSCOA Steering Committee)	R 2,625.00			R 2,625.00			R 2,756.25			R 2,894.06		
Service Schedule B4: Operational Process Support (Jnr mSCOA Steering Committee)	R 1,942.50			R 2,039.63			R 2,141.61			R 2,248.69		
Service Schedule N: mSCOA Compliance Financial Consulting Services	R 2,625.00			R 2,625.00			R 2,756.25			R 2,894.06		
Service Schedule W2: CP3 System for eIDP Software Training (245 hours, Per Year)	R 1,260.00		R 308,700.00	R 1,260.00		R 308,700.00	R 1,323.00		R 324,135.00	R 1,389.15		R 340,341.75
Service Schedule W3: CP3 System for eIDP System CEF Update (258 Jnr hours, Per Year)	R 1,260.00		R 325,080.00	R 1,260.00		R 325,080.00	R 1,323.00		R 341,334.00	R 1,389.15		R 358,400.70
Service Schedule W3: CP3 System for eIDP System CEF Update (128 Snr hours, Per Year)	R 2,625.00		R 336,000.00	R 2,625.00		R 336,000.00	R 2,756.25		R 352,800.00	R 2,894.06		R 370,440.00
Service Schedule W5: Long Term Financial Plan Update (220 hours, Per Year)	R 2,625.00		R 577,500.00	R 2,625.00		R 577,500.00	R 2,756.25		R 606,375.00	R 2,894.06		R 636,693.75

	2026/2027			2026/2027			2027/2028			2028/2029		
				Once-Off	Monthly Fees	Annual Fees	Once-Off	Monthly Fees	Annual Fees	Once-Off	Monthly Fees	Annual Fees
Description	**Adhoc**			**Adhoc**			**Adhoc**			**Adhoc**		
Service Schedule A3: Munsoft Offline Cashiers			R 163,800.00			R 163,800.00			R 171,990.00			R 180,589.50
Service Schedule B0: Operational Process Support (Monthly) (On-site Support)		R 99,750.00			R 99,750.00			R 104,737.50			R 109,974.38	
Service Schedule B1: Monthly Operational Consulting Services per hour	R 2,625.00			R 2,625.00			R 2,756.25			R 2,894.06		
Service Schedule B2: Operational Process Support (Annual Financial Statements)	R 2,625.00			R 2,625.00			R 2,756.25			R 2,894.06		
Service Schedule B3: Operational Process Support (Assets)	R 2,625.00			R 2,625.00			R 2,756.25			R 2,894.06		
Service Schedule B4: Operational Process Support (Snr mSCOA Steering Committee)	R 2,625.00			R 2,625.00			R 2,756.25			R 2,894.06		
Service Schedule B4: Operational Process Support (Jnr mSCOA Steering Committee)	R 1,942.50			R 2,039.63			R 2,141.61			R 2,248.69		
Service Schedule N: mSCOA Compliance Financial Consulting Services	R 2,625.00			R 2,625.00			R 2,756.25			R 2,894.06		
Service Schedule W2: CP3 System for eIDP Software Training (245 hours, Per Year)	R 1,260.00		R 308,700.00	R 1,260.00		R 308,700.00	R 1,323.00		R 324,135.00	R 1,389.15		R 340,341.75
Service Schedule W3: CP3 System for eIDP System CEF Update (258 Jnr hours, Per Year)	R 1,260.00		R 325,080.00	R 1,260.00		R 325,080.00	R 1,323.00		R 341,334.00	R 1,389.15		R 358,400.70
Service Schedule W3: CP3 System for eIDP System CEF Update (128 Snr hours, Per Year)	R 2,625.00		R 336,000.00	R 2,625.00		R 336,000.00	R 2,756.25		R 352,800.00	R 2,894.06		R 370,440.00
Service Schedule W5: Long Term Financial Plan Update (220 hours, Per Year)	R 2,625.00		R 577,500.00	R 2,625.00		R 577,500.00	R 2,756.25		R 606,375.00	R 2,894.06		R 636,693.75

(Abovementioned cost excludes ad hoc fees, refer to attached annexure A the cost breakdown for the extension of the MUNSOFT contract for a detailed breakdown)

The proposed extension will ensure the continued availability of the Municipality's Enterprise Resource Planning (ERP) environment and related subsystems, including financial management, revenue management, payroll and human resources, asset management, reporting services, integrated development planning functionality, connectivity services, disaster recovery services and electronic service delivery platforms.

The fee schedule reflects annual escalations linked to the estimated CPI published through the annual MFMA Circular, subject to a minimum escalation of 5% per annum. This provides a predictable cost framework for the duration of the proposed extension period and allows the Municipality to plan appropriately within its Medium-Term Revenue and Expenditure Framework (MTREF).

These amounts comprise the recurring annual licence fees, software subscriptions, support services and other contracted service schedule costs necessary to maintain the Municipality's operational ERP environment.

In addition to the contracted service fees, the agreement provides for certain ad hoc professional services, consulting services, training, implementation support and specialised technical assistance that may be utilised by the Municipality where required. These services are billed on a usage basis and are therefore not guaranteed expenditures. Furthermore, travel, accommodation and subsistence costs are excluded from the fixed service fees and are recoverable separately where applicable.

Sufficient provision for the anticipated costs has been made through the Municipality's approved MTREF, and the proposed expenditure can be accommodated within future operational budget allocations, subject to the annual budget approval process. The extension therefore does not create an unfunded financial obligation, but rather provides for the continuation of critical business systems that support statutory compliance, financial governance and ongoing service delivery.

The financial implications associated with the proposed contract extension are considered reasonable and necessary to ensure uninterrupted ERP and financial management services. Adequate provision exists within the Municipality's MTREF to accommodate the projected costs over the extension period, and the extension represents the most cost-effective option when compared to the financial and operational risks associated with a premature replacement of the current ERP environment.

	38,611,270	38,385,442	39,661,776	116,658,488
Segment Desc	ORGB 2026/2027	ORGB 2027/2028	ORGB 2028/2029	MTREF
760-Oper cost -Softw lic	23,731,206	23,014,336	23,798,795	70,544,337
760-Oper Cost-Ext Comp Serv-Specialised Comp Serv	14,880,064	15,371,106	15,862,981	46,114,151

In terms of Section 116(3) of the Municipal Finance Management Act, No. 56 of 2003, a contract may only be amended after the reasons have been tabled before Council and the community has been invited to submit representations.

The inclusion of the **ODIN Checkpoint** solution as part of the proposed contract amendment is motivated by the requirement to address a significant operational gap currently experienced within the Municipality's service delivery environment, namely the absence of an integrated workforce monitoring, operational task management and field productivity solution for frontline employees, that does not normally have access to PC’s. The Municipality's existing ERP environment successfully manages financial, revenue, payroll, asset and administrative processes; however, limited functionality currently exists to provide real-time operational visibility and management of activities undertaken by employees in the field.

ODIN Checkpoint .The proposed solution is therefore not considered a standalone or unrelated product, but rather an extension of the Municipality's existing digital platform that complements and enhances the value derived from the current ERP investment.

A separate procurement process for a workforce monitoring and operational management solution would introduce significant integration risks, implementation costs and operational complexities. Any alternative solution would require integration with the Municipality's existing ERP environment, asset registers, revenue systems, reporting structures, user management framework and operational workflows. This would result in additional implementation expenditure, increased project risk, duplicate system interfaces and the potential creation of fragmented operational data.

The solution further enhances the Municipality's ability to optimise workforce productivity and improve service delivery outcomes through integrated alert management, field operations monitoring and direct linkage between municipal assets, operational activities and supporting documentation. The QR-code-enabled documentation portal allows employees to access asset-specific information directly from the field, while the integrated alert management capability enables issues, service requests and maintenance concerns to be captured, assigned, tracked and reported within a controlled workflow environment. These functions directly support better utilisation of municipal resources and improved responsiveness to community needs.

The inclusion of ODIN Checkpoint should therefore be viewed as a logical enhancement to the Municipality's existing Munsoft environment rather than the acquisition of a separate and unrelated system. Its implementation is dependent upon integration with the Municipality's current ERP ecosystem and associated operational processes, making its inclusion within the existing Munsoft contractual framework the most efficient, cost-effective and least risky approach.

The addition of ODIN Checkpoint will be an optional item, the municipality is currently running a 6 month pilot to determine future use, since the contract extension is future focused we are requesting permission for the option to add it in future should this addition be positively condoned by National and Provincial treasury.

A draft SLA has been provided by Munsoft and is also attached for notification purposes as Annexure C.

6. COMMENTS: FINANCE

6.1 BUDGET COMMENTS

The Munsoft Financial System cost is currently budgeted under the operating budget line item ”760-Oper Cost-Softw lic”. For 2026/27, the budget provision for this budget line item is R23 731 2026 — the detail breakdown is provided below. The 2026/27 budget provision of R23 731 2026 appears to be sufficient — refer to Annexure A. The Department should ensure that they do not exceed the budget provision.

Item	2026/27
Munsofto Eportal	386,250
Munsoft Credit Control Debt collection	171,420
Munsfot Indigent	341,143
Amoeba Citizen App	1,733,400
Barnowl	80,000
Munsoft Core Annual	8,416,758
Collaborator	35,000
Esri Annual License	599,371
Teammate	50,000
Usmart	47,080
Civil 3D	206,000
Microsoft	4,953,654
IMQS	68,000
Autocad	181,130
Trent	250,000
Palo Alto	180,000
Teamviewer	35,000
Veeam	180,000
adobe	300,000
Page Server 240 (Annually)	54,000
Munsoft Asset Scanners	130,000
Planet Mobile Sub	35,000
Infinity (Survey software)	100,000
Nitro Pro	80,000
AD Manager	230,000
Trackit	110,000
VMWare	377,000
Ysoft Printer Server	50,000
Planet GIS	70,000
DIVI elegant teams	3,000
Mission ESRI	978,000
Microsoft Cyber Security	710,000
Extreme Swithces Management software	90,000
Smart Water metering solution	1,000,000
Audit software	1,500,000
TOTAL	**23,731,206**

6.2 COMMENTS: CHIEF FINANCIAL OFFICER

Section 116(3) of the MFMA provides the legal requirements for contracts amendments as aforementioned in the report. National Treasury has additional requirements for the procurement or amendment of municipal financial systems. At the date of this report, National Treasury and Provincial Treasury have not yet provided their comments on the report.

After the Council meeting on 20 August 2026, the relevant documents will be published on the municipal website and in the Weslander to invite the Public to provide inputs on the proposed contract amendments.

A follow-up report will be submitted to Council during the September meeting to consider all the inputs received from the Public, National Treasury and the Western Cape Provincial Treasury.

The nature of the contract amendments is mostly due to the expiry of the 10-year tender. A competitive bidding process was followed in 2015 whereby Munsoft was duly appointed for the period 1 October 2016 – 30 September 2026.

Through this contract amendment, the municipality wants to extend the contract period from 1 October 2026 to 30 June 2029. The municipality is not currently considering a new system. Because of the high investment in financial systems, it is not cost-effective to replace systems every 3–5 years. The various risks, such as service continuity, data integrity, audit findings etc. was also considered.

There are also new items added to the contract – refer to Annexure A. For example, the Odin Checkpoint and Long-Term Financial Plan are new items. National Treasury to advise if this is allowed. The Odin Checkpoint system will be provided by a Third Party through an agreement between them and Munsoft. The Long-Term Financial Plan will be provided by INCA which is a subsidiary within their group of companies setup.

Regulation 11 (6) of the Draft Municipal Standard Chart of Accounts Regulations: Minimum Business Processes and System Requirements, *inter alia*, requires that any new municipal system solution, replacement system, upgrade, enhancement or technology platform introduced after the commencement of these Regulations must fully comply with the requirements prescribed herein. Municipalities must not procure, implement or activate any system solution that does not meet the minimum business process requirements, system functionality requirements, integration obligations, reporting capabilities and data access provisions set out in these Regulations.

Regulation 11(7) requires that all future system solutions must be assessed for compliance prior to procurement and implementation, and system providers must demonstrate, to the satisfaction of the municipality, that the proposed system or solution is capable of supporting ongoing adherence to the Regulations.

The Odin Checkpoint system must be measured against these requirements and before the municipality can commit to this, the system must be probably considered by the relevant mSCOA Project Implementation Committee.

7. CONCLUSION

In conclusion, the proposed amendment and extension of Tender SBM 17/16: Supply and Configuration of an Enterprise Resource Planning / Financial Management System with Munsoft Proprietary Limited is necessary to ensure the continued stability, compliance and operational effectiveness of Saldanha Bay Municipality's core ERP and financial management environment. The extension will support uninterrupted service delivery and statutory compliance while allowing the Municipality sufficient time to assess future ERP requirements and prepare for an appropriate long-term procurement strategy.

The comment of the CFO is noted, but due to the fact that ODIN checkpoint will remain an optional item the assessment by the mSCOA committee at this stage is premature, it will be assessed once a final decision is made on the addition of ODIN checkpoint to the contract or not.

The proposed extension has been motivated on the basis of business continuity, regulatory alignment, financial prudence and risk mitigation, and is subject to the required section 116(3) public participation process, as well as consideration of any comments received from National Treasury, Provincial Treasury and the local community. It is therefore recommended that Council approve the proposed amendment and extension, subject to full compliance with the MFMA and the recommendations contained in this report.

8. RECOMMENDATIONS

i. That the content of the report be noted;

ii. That Council notes the reasons for the proposed amendment and extension of Tender SBM 17/16: Supply and Configuration of an Enterprise Resource Planning / Financial Management System, concluded with Munsoft Proprietary Limited.

iii. That Council takes note of the section 116(3) of the MFMA requirements pertaining to the amendment and extension of the existing Munsoft contract from 1 October 2026 to 30 June 2029.

iv. That Council authorises the Municipal Manager to give reasonable public notice of the Municipality's intention to amend and extend the contract and to invite representations from the local community in terms of section 116(3) of the MFMA.

v. That the comments received from National Treasury, Provincial Treasury and the local community be considered by Council before the contract amendments are approved.

vi. That a follow-up report be submitted to Council in September 2026 if any inputs were received from National Treasury and Provincial Treasure and the public.

vii. That the Municipal Manager be authorised to conclude and sign the required amendment agreement with Munsoft Proprietary Limited after Council approval.

17.08.2026

CORNELL DE KOCK — **DATE**

DIRECTOR ECONOMIC DEVELOPMENT & STRATEGIC SERVICES

17.08.2026

HEINRICH METTLER — **DATE**

MUNICIPAL MANGER