



a world class African city

City of Johannesburg
Group Finance: Strategic Supply Chain Management

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REGISTERED

Messrs ESRI South Africa (Pty) LTD
P.O. Box 652
HALFWAY HOUSE
1685

02 January 2014

Attention: Patrick Mckivergan

Telephone Number: (011) 238-6300
Fax Number: (011) 238-6310

Dear Sir/Madam

CONTRACT NUMBER: 418 – PROVISION OF GIS ENTERPRISE LICENSE AGREEMENT, TECHNICAL SUPPORT, DEVELOPMENT AND GIS TRAINING FOR THE CITY OF JOHANNESBURG

Kindly be advised that your bid in respect of the appointment of a service provider for the provision of GIS Enterprise license agreement, technical support, development GIS training for the City of Johannesburg has been approved and accepted by the Executive Adjudication Committee on 12 December 2013.

The award is subject to the City of Johannesburg and Environmental System Research Institute South Africa (Pty) LTD (ESRI South Africa (Pty) LTD) entering into an appropriate Service Level agreement which will be formulated in due course.

Kindly be further advised that the service level agreement with the service provider referred to in paragraph 2 above include agreed upon turnaround times for technical support and compliance clauses with penalties.

The appointment of the service provider is subject to the conclusion of the FEC with the bankers of the City (Preferably Standard Bank). The SLA must include rand prices for year 2 and year 3 together with a price increase clause indicating that prices for year 2 and year 3 (in this instance 35%) will be increased by CPI as determined by Statistics South Africa. Annual audited financial analysis to be submitted by the service provider.

The award is effective for the period of three (3) years, commencing from 01 February 2014 subjected to certain terms and conditions which will be communicated to you in due course. The award is based on the total project cost not exceeding R45 million over the duration of the contract in accordance with the below mentioned pricing structure.

DESCRIPTION	PRICE
Environmental systems research institute South Africa (Pty) LTD: Year 1 pricing schedule*	
** A) ESRI Support rates (1) Technical support – business hours	R805.00 per hour incl. VAT
** A) ESRI Support (2) Technical support – after hours	R1 075.00 per hour incl. VAT
** A) ESRI Support rates (3) International Technical support	R2 270.00 per hour incl. VAT

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** B) ESRI Development rates (1) Project meetings	R605.00 per hour incl. VAT
** B) ESRI Development rates (2) Development – business hours	R805.00 Per hour incl. VAT
** B) ESRI Development rates (3) Development – after hours	R1 075.00 per hour incl. VAT
** B) ESRI Development rates (4) International Technical development	R2 270.00 per hour incl. VAT
C) (1) Number of annual subscriptions to the ESRI Developer network	3 seats deployed per annum
C) (2) Level 2 ArcGIS Online Organizational Plan	17 500 credits, 100 users
C) (3) Online Training – ESRI Virtual Campus	R75 000.00 incl. VAT for year 1 (Same every year, included in ELA proposal)
*** C) (4) ESRI Training rate – Beginner & Intermediate	R1 881.00 per day incl. VAT
*** C) (5) ESRI Training rate - Advanced	R2 280.00 per day incl. VAT
C) (6) ESRI International User Conference registrations	5 registrations per annum
C) (7) ESRI South Africa User Conference registrations	5 registrations per annum
**** D) ESRI Software License Maintenance	R11 500 320.00 incl. VAT over 3 years

* Please note that this pricing schedule is only for year 1 of the 3 year contract (except Item 7(D))

** % Annual increase for Year 2 Year 3 is calculated as CPI

*** Annual increase for Year 2 and Year 3 is calculated as CPI

**** Prices are based on an exchange rate and are subject to fluctuation. Prices are of VAT. The ELA pricing for year 2 and Year 3 of the contract is to be adjusted as follows: 65% subject to fluctuations in the Rate of exchange and rate applicable for the date of payment. The remaining 35% will be recalculated in terms of the CPI fluctuation.

Terms of payment will be in accordance with the provisions of the Municipal Finance Management Act No 56 of 2003 to expedite payment please forward invoices to the specified address on the official order.

VAT Registration number: 4940101092

Yours faithfully



REGGIE BOQO
GROUP CHIEF FINANCIAL OFFICER

Please ask for: Deena Naidoo
Telephone No: (011) 407-6189