



MEDIA STATEMENT

5 March 2013

Editor

Subject: Free State Provincial Government Integrated Website Project

The Free State provincial government initiated a project in 2011 to create an integrated on-line presence for the broader Free State provincial and local government sector. Prior to this project, the online presence of the Free State government and municipalities were fragmented, outdated and cluttered with irrelevant information.

Procurement Process

A Request for Proposal during June 2011 reference number 2011/06/21. This procurement process was launched in compliance with the relevant Treasury Instruction Note on Enhancing Compliance Monitoring and Improving Transparency and Accountability in Supply Chain Management. 27 Interested parties attended the compulsory briefing session on 15 June 2011.

Bids were received from 11 interested service providers. The names of these service providers were placed on the previous website of the provincial government on 15 July 2011 in accordance with the aforementioned Treasury Instruction Note.

Vetting of all potential service providers was conducted. Vetting included the conducting of CIPC searches, verifying validity of tax clearance certificates submitted, conducting consumer searches on companies and its representatives, physical verification of facilities of tenderers and verifying shareholding. The vetting process identified adverse findings in respect of three potential service providers.

The evaluation of bids was conducted from 22 to 23 August 2011. Notwithstanding the adverse findings identified during the vetting process, all 11 potential service providers were invited to make presentations to the Bid Evaluation Committee. 8 Potential service providers were disqualified during the evaluation process on compliance with the bid specifications.

The reasons for disqualification included; failure to attend the compulsory briefing session (2 potential service providers); deregistration with CIPRO (3 potential service providers); no legal agreement between strategic partners, failure to bid according to specifications relating to the duration of the contract and adverse credit history (1 potential service provider); conflict of interest constituted by a director of one of the potential service providers also being in the employment of the provincial government (1 potential service provider) and acknowledgement that potential service provider underestimated the scope of the project and therefore under-budgeted (1 potential service provider).

The three remaining potential service providers then proceeded to the evaluation phase based on functionality. The two unsuccessful service providers failed to score a minimum of 18 out of 40 points based on functionality. The criteria of functionality included the proposed framework of content, technical capacity, business plan and project proposal and efficiency gains.

The Bid Adjudication Committee considered the report of the Bid Evaluation Committee and recommended the appointment of the Cherry Ikamva Jugganaut JV. The three entities comprising of the JV was then verified against the National Treasury database of restricted service providers and none of the entities in the JV was listed on the database of restricted service providers.

The internal auditors of the Department of the Premier and the Department of Cooperative Governance and Traditional Affairs were requested to conduct an audit on the procurement process followed in terms of the relevant Treasury Instruction Note referred to above. The internal auditors certified compliance with prescribed procurement processes.

The State Information Technology Agency (SITA) was engaged to advise on the technical details of the bids and to receive a proposal from SITA regarding the hosting of the new integrated website. A Service Level Agreement for the hosting of the integrated websites was subsequently concluded with SITA.

The tender award for a three-year period was published in the Provincial Tender Bulletin of 24 February 2012 in compliance with the relevant Treasury Instruction Note.

Project Scope

This project has brought on-line the new websites of provincial departments and this will be followed by municipalities and provincial public entities. In total, 38 re-engineered websites form part of this project. The provincial government's utilization of social media platforms such as Facebook and Twitter are also included in the project scope. The 38 websites include those of the 11 provincial departments, 3 provincial public entities and 24 municipalities in the province.

The consortium of Cherry-Online-Ikamva-Jugganaut, in association with various community radio stations, was appointed to deal with issues such as design, research, content development and generation during the first phase of the project. The extensive research, content development and generation is evident from the fact that by July 2012, 5558 documents had already been collated, researched and/or developed.

The second phase of the project will bring community radio stations on board with continuous content development, update of news and activities as well as broadcasting thereof. The emphasis of the project focuses extensively on content generation, management and update as well as the broadcasting of news relating to government programmes and activities.

The project is not only an initiative aimed at increasing the provincial and local governments' utilization of online and social media, but also addresses compliance of departments, entities and municipalities with legislative and regulatory requirements. Departments and entities must comply with certain Treasury instructions regarding information to be posted on the website. The local government sector must comply with legislative prescripts set out in section 74 of the Municipal Finance Management Act.

Project Progress

Social media has been live and active since July 2012. All websites of provincial departments have been live since October 2012. The websites of municipalities will go live as and when existing contracts of municipalities terminate and municipalities transfer to the integrated project. Financial expenditure is not incurred in respect of the hosting, maintenance and update of sites that are not yet live.

Technical challenges experienced by SITA with regard to the hosting of the integrated websites have delayed this phase of the project and is in the process of being resolved.



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Project Cost

The detailed project cost was set out in the published provincial Tender Bulletin of 24 February 2012. Since the commencement of the project during the 2011/2012 financial year amounted to approximately R24 million and the 2012/2013 project cost has amounted to approximately R23.8 million. Costs are shared between the Department of the Premier and Department of Cooperative Governance and Traditional Affairs.

Allegations of Democratic Alliance

The allegations are noted. As the procurement process was initiated during the 2011/2012 financial year, the process was already included in the regularity audit of the Department of the Premier. The outcome of the regularity audit was an unqualified audit with no findings, also known as a “clean” audit. It is standard practice that the Office of the Auditor-General will also include any expenditure incurred in respect of this project as part of its regularity of the current 2012/2013 financial year. It does not require a request from the Democratic Alliance to conduct its standard procedures and practices.

The contract for the public information platform of the Free State provincial government, Hlasela TV, was actually awarded to Bombenero Productions and not the Letlaka Group. Ownership of these two service providers can be verified by a basic search of available public information.

We are not aware of the DA's revelation that the Premier's Office is planning to roll-out a further 3 new propaganda newspapers in the Free State as the Premier's Office has never rolled out any propaganda newspapers.

The Free State provincial government remains committed to its Provincial Communication Strategy which aims, amongst others, to specifically promote media diversification and the support of community media in all sectors. This does not constitute “buying media influence” but enables the provincial government to communicate with Free State communities through a broad range of accessible and relevant media platforms.

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