

**NATIONAL ASSEMBLY**  
**QUESTION FOR WRITTEN REPLY**  
**QUESTION NUMBER: 3374 [NW3862E]**  
**DATE OF PUBLICATION: 9 NOVEMBER 2018**

**3374. Ms M S Khawula (EFF) to ask the Minister of Finance:**

- (1) Whether certain companies (names furnished) were contracted by the SA Revenue Service (SARS) at any time since 1 January 1999; if so, (a) on what date, (b) for how long was each specified company contracted and (c) what was the value of each contract;
- (2) (a) whether a tender was advertised for each contract, (b) on what basis was each specified company selected and (c) did the then Commissioner of SARS approve the contracts;
- (3) whether the contracts with the specified companies were extended; if not, why not; if so, (a) for what period, (b) what was the value of each contract, (c) for how long was each contract extended, (d) did the extensions comply with regulations and (e) was each extension of the contract approved by the then Commissioner of the SARS?

NW3862E

**REPLY**

**1 a)** BB&D was contracted from 01 February 2007.

Oracle (Siebel which changed its name to Oracle) was contracted from December 2005.

**b)** BB&D have been contracted for 12 years from 01 February 2007 to 31 December 2019 through multiple deviations.

Oracle was contracted for 2 years from December 2005 to December 2007.

**c)** BB&D spend from 2007 to date is R1 275 550 118.99

Oracle spend from 2005 to 2007 is R 18 773 278.23

**2 a)** BBD was appointed through a deviation process and not a tender process

In consultation with long serving SARS employees and in the absence of the records to verify the assertions made (due to the time lapses), it was established that Siebel had a long standing contract with government from when SARS was still Inland Revenue Service as such their engagement was on the basis of systems already deployed through that government wide commercial arrangement.

- b)** The 2006 SARS records that have been reviewed by the current procurement leadership team reflects that the selection of the three entities (i.e. IBM, Accenture and BB&D) was based on the industry knowledge of the then Strategy, Modernisation and Technology senior staff. In circumstances relating to the replacement of the Oracle transaction BB&D was then chosen from the listed primarily because of price consideration.

In as far as Siebel/Oracle is concerned refer to 2a) above.

- c)** BBD - The then Commissioner of SARS approved the appointment of BBD through a deviation as per Treasury Regulation 16A6.4

In relation to Siebel/Oracle no record of approval could be established in line with 2a).

- 3 a)** BB&D – original approval was from 01 February 2007 to 31 March 2012(5years)  
1<sup>st</sup> extension from 01 April 2012 to 31 March 2016  
2<sup>nd</sup> extension from 01 April 2016 to 31 December 2016  
3<sup>rd</sup> extension from 01 January 2017 to 31 December 2019

Oracle was not extended beyond 31 December 2007 and they were replaced by BBD in the work they were doing for SARS

- b)** BBD - The contract value for BB&D from February 2007 to date is R1 275 550 118.99

Oracle - The spend from 2005 to 2007 is R 18 773 278.23

- c)** BBD – Refer to 3a above

Oracle - The Oracle contract was from December 2005 to December 2007 and was not extended further.

- d)** BBD – The extensions relating to the BB&D contract complied with the applicable regulations  
Oracle - There were no extensions on the Oracle contract as it ran from December 2005 to December 2007 and was not extended further.

- e)** BB&D – the extensions were approved by the relevant Commissioner in terms of the applicable DOA at the time.

Oracle - There were no extensions on the Oracle contract as it ran from December 2005 to December 2007 and was not extended further.