



# national treasury

Department:  
National Treasury  
**REPUBLIC OF SOUTH AFRICA**

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**PRETORIA**  
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Dear Mr. Baboojee

## **REQUEST FOR CONTRACT EXTENSION IN EXCESS OF THE THRESHOLD: APPOINTMENT OF INFINITUS REPORTING SOLUTIONS (PTY) LTD**

1. National Treasury acknowledges receipt of your letter dated and received on 20 November 2020.
2. Your Institution is requesting approval to extend the Infinitus Reporting Solutions (Pty) Ltd (Finnivo) contract for the provision of financial statement consolidation software at the national and provincial departments and national and provincial public entities for a period of three (3) years (1 April 2021 to 31 March 2024), in the amount of R2 600 000.00 at 127.72% variance or until IFMS takes over the existing functionalities (whichever comes first). The original contract amount is R2 035 661.00 (01 April 2018 to 31 March 2021).
3. The extension was recommended by the Acting Chief Financial Officer on 20 November 2020.
4. The reasons provided for this extension are that the design and configuration of the software is painstakingly long and arduous, this will also require more engagements and reviews on the work done by the service provider. A new configuration process will have to consider the accounting standards and reforms issued in the past reporting financial period. The design and configuration of a new software will result in a significant cost escalation due to the initial configuration which would be avoided if we extend the current contract. There will be a need for mass training of users at the OAG and all the PAG's in provincial treasuries if a new software is introduced. It will not make

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economic sense to procure a new software at escalated costs while it would be used for a short while since the intention is to have this functionality in the IFMS.

5. The reasons provided for the extension are justifiable. The contract signed between National Treasury and Infnitus Reporting Solutions (Pty) Ltd was provided for verification. However, National Treasury has not provided evidence that it is costly to appoint a new service provider.
6. National Treasury supports the extension on condition that the reasonableness of the price has been assessed, and National Treasury submits evidence to the Office of the Chief Procurement Officer before 18 December 2020 that the IFMS will cater for the consolidation of the financial statements. Furthermore, the Institution is advised to include in the contract a clause to the effect that the period of extension is linked to the possible IFMS implementation.
7. The institution has an obligation to ensure that any contract for goods and services is in accordance with a system of procurement which is fair, equitable, transparent, competitive and cost effective.
8. The award must be published on the e-Tender Portal/ Tender Bulletin.

Kind regards,



**ESTELLE SETAN**  
**ACTING CHIEF PROCUREMENT OFFICER**  
**DATE:** 30-Nov-2020