

Ons Verw Nr / Our Ref No
Isalathiso Sethu

D P Lubbe

Navrae / Enquiries
Imbuzo

21 May 2026

Mr Steve Kretzmann
Chief Reporter
GroundUp
E-mail: steve.kretzmann@groundup.org.za

Dear Mr Kretzmann

MEDIA RESPONSE: CCG SYSTEMS CONTRACT (TENDER 74/2022)

Your media enquiry of 18 May 2026, addressed to Ms J Swanepoel and the undersigned, refers.

Before responding to the substance of your enquiry, the Municipality wishes to record that all media enquiries are required to be directed to the Communications Unit of the Municipality, and that a reasonable period must be afforded for the preparation of an accurate response. A turnaround period of 24 hours, in respect of a query concerning a procurement process spanning more than seven months and involving multiple statutory steps, is not reasonable. The Municipality has nonetheless elected to respond fully and within a reasonable time so as to ensure that the record before your publication is accurate.

Response to your enquiries

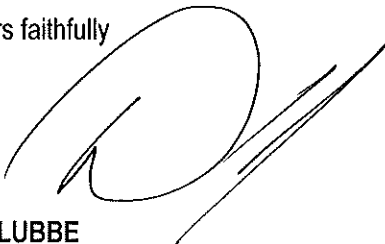
1. The statement that the Municipality entered into a 10-year contract with CCG Systems (Pty) Limited at a total value of R59 660 684,29 (VAT inclusive) at the end of the 2022/2023 financial year is correct. The effective date of the contract is 1 July 2023, and the completion date is 30 June 2033.
2. The contract was awarded pursuant to Tender 74/2022 and is for the procurement, implementation, ongoing licensing, support and maintenance of an Enterprise Resource Planning (ERP) / Financial Management System. The system replaces the Municipality's existing core financial, supply chain management and performance management systems, and is required to ensure compliance with the mSCOA Regulations, the Municipal Budget and Reporting Regulations and the reporting obligations under the Municipal Finance Management Act 56 of 2003 (MFMA). The Municipality records that the costs of the new system are in line with the cost of the systems being replaced and that the procurement has no impact on municipal tariffs.
3. The Municipality respectfully disagrees with the proposition that the contract was not subjected to Section 33 of the MFMA. The contract was concluded in accordance with Section 33 of the MFMA, read with Section 21A of the Local Government: Municipal Systems Act 32 of 2000. The procedural milestones are as follows:
 - 3.1 Tender 74/2022 was advertised in Die Burger on 5 November 2022 and on the municipal website on 4 November 2022, with a closing date of 9 December 2022.
 - 3.2 The Bid Adjudication Committee considered the tender on 1 February 2023 and recommended an award to CCG Systems (Pty) Limited.



- 3.3 The draft contract and an information statement summarising the Municipality's obligations under the proposed contract were made public on 28 March 2023, in accordance with Section 33(1)(a)(i) of the MFMA read with Section 21A of the Municipal Systems Act. The local community and interested persons were invited to submit comments.
- 3.4 The views and recommendations of the Provincial Treasury were solicited as required by Section 33(1)(a)(ii)(aa) of the MFMA. The Provincial Treasury responded under its reference 24/2/31/5, dated 23 May 2023, recording that it had "in principle no objections to the purchase of this system". That letter, signed by Mr D Savage, Head of the Provincial Treasury, is on the Municipality's record.
- 3.5 The draft service level agreement was reviewed by the Internal Audit Activity, which issued a written opinion dated 24 May 2023 confirming that the contract complies with Section 116 of the MFMA and is adequate to ensure effective contract management.
- 3.6 The matter served before an Ordinary Meeting of Council on 30 May 2023. Council, having taken into account the Municipality's projected financial obligations, the impact on tariffs and revenue, the comments received from the local community and the written views of the Provincial Treasury, unanimously resolved to determine that the Municipality would derive a significant financial benefit from the contract, to approve the contract exactly as it was to be executed, and to authorise the Municipal Manager to sign the contract on behalf of the Municipality. The Council resolution expressly records that the correct MFMA processes were followed.
4. The Municipality is accordingly satisfied that all the procedural requirements of Section 33 of the MFMA were complied with prior to conclusion of the contract. Any information to the contrary which may have been conveyed to you is incorrect.
5. In relation to the requests for access to records made under the Promotion of Access to Information Act 2 of 2000, the Municipality confirms that Messrs Coetzee and Bester have been furnished with the agreement as published. The applicants have since referred the matter to the Information Regulator, and that process will be dealt with by the Municipality in accordance with the applicable timelines.

The Municipality remains committed to transparency, accountability and the prudent management of public funds, and trusts that the above places the matter in proper perspective for purposes of your reporting.

Yours faithfully



D P LUBBE
MUNICIPAL MANAGER

Copies: Ald S W van Eeden Executive Mayor
Mr A Mati Director: Financial Services (CFO)
Mrs C O Matthys Director: Economic, Social & Integrated Development Services