

RESOLUTIONS OF THE SUPPLY CHAIN MANAGEMENT BID ADJUDICATION COMMITTEE: 28 JUNE 2021

SCMB 129/06/21 PROCUREMENT OF GOODS/SERVICES/CONSTRUCTION WORKS FROM ANOTHER ORGAN OF STATE: INVESTMENT AND TRADE PROMOTION IN CAPE TOWN BY THE WESTERN CAPE DESTINATION MARKETING, INVESTMENT AND TRADE PROMOTION AGENCY (WESGRO): AN AGENCY ESTABLISHED IN TERMS OF SECTION 2 OF THE WESTERN CAPE INVESTMENT AND TRADE PROMOTION AGENCY ACT, 1996 (ACT NO. 3 OF 1996)

Members of the Committee through a BAC Comments form raised questions and comments.

The Director: SCM advised that it seems that Wesgro is always being appointed for this service and asked if other suppliers cannot not do this.

The Director: SCM enquired whether a market assessment had been done, and recommended that the rates be negotiated seeing that the City has been using Wesgro for many years.

The Chairperson requested that a copy of the relevant Act referred to be provided for clarity and asked why this is not a Provincial Entity.

The officials advised that WESGRO was established by the Provincial Government of the Western Cape (Western Cape Investment and Trade Promotion Act 3 of 1996) in collaboration with the City of Cape Town in order to develop and grow priority sectors in Cape Town.

The officials advised that it is the only agency mandated to undertake investment and trade promotion on behalf of the Province and all municipalities in the Province. Every Province has an investment Promotion Agency established through a Provincial Acts.

The officials indicated that there was a market assessment by the Provincial Government and they couldn't find any agency who could fulfil this strategic mandated function.

The officials advised that Wesgro's rates are always reviewed on a yearly basis. Wesgro was allocated R25m in 2019/20, R10m in 2020/21 and now R11m for the 2021/22 FY. The increase in allocation from R10 to R10m is quite minimal.

The officials advised that a copy of the Act was provided.

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The Director: SCM enquired if a tender was ever put to the market looking for trade and investment partners.

Mr N Dias enquired where the market had been tested.

The Chairperson requested assurance of value for money.

Mr Kolala confirmed that there is value for money, and advised that Province had recently tested the market.

Mr Kolala advised that Wesgro is a specialised agency.

The Chairperson advised before this comes back to BAC again, there needs to be a procurement process as envisaged in terms of the SCM policy, and that a comparison test needs to be provided.

RESOLVED that:

- (a) for the reasons set out in the report and in accordance with clause 20.1 of the City's SCM Policy, Western Cape Destination Marketing, Investment and Trade Promotion Agency t/a Wesgro be appointed to render the service with regard to Investment and Trade in Cape Town in the amount of R11 000 000 (excl. VAT), from date of commencement until 30 June 2022.
- (b) due process be followed before resubmission to BAC.

ACTION: **B VUMASE, K MOGATUSI** to communicate the decisions of the BAC to the tenderers and BEC.
FOR NOTING: **FAITH KOLALA** to note the BAC decisions and apply the recommendations and decisions of the BAC.

This resolution complies with the Supply Chain Management Policy as approved by Council on 30 May 2019.

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ARNO VORSTER EMPLOYEE NO. 10300397
CHAIRPERSON: SUPPLY CHAIN MANAGEMENT
BID ADJUDICATION COMMITTEE

DATE: