



Contract No.: 1A-1393: Extension of Project Authority: Management, Monitoring, Maintenance and Wholesale of Excess Capacity on eThekweni Municipality's Network Infrastructure

Notice is hereby given in terms of Section 33 of the Municipal Financial Management Act that it is the intention of eThekweni Municipality to award an extension of this contract to Dimension Data PTY LTD. The extension is being granted to allow for conclusion of a process aimed at implementing a new operating model for broadband services with eThekweni.

The local community and interested persons are invited to submit comments or representations to the municipality and in particular any objections to the five(5) year contract period may be lodged with the Municipal Manager, PO Box 1014, Durban, 4000 by no later than 30th November 2013.

Details of the services may be viewed at www.durban.gov.za/durban/government/scm/public

For enquiries contact 031 311 4964, between 08:00 and 16:00, Monday to

Friday or submit an electronic mail to isquotes2@durban.gov.za

Details of services:

SECTION 33 OF THE MFMA: EXTENSION OF PROJECT AUTHORITY: MANAGEMENT, MONITORING, MAINTENANCE AND WHOLESALE OF EXCESS CAPACITY ON ETHEKWINI MUNICIPALITY'S NETWORK INFRASTRUCTURE. (1A-1393)

BACKGROUND AND MOTIVATION

Contract 1A-1393 was awarded to Dimension Data (Pty) Ltd for the Management, Monitoring, Maintenance and Wholesale of excess capacity on eThekweni Municipality's Network Infrastructure. The key components of this contract are

- Maintenance and monitoring of the network infrastructure comprising optical fiber and the associated distribution equipment such as carrier grade switches and routers and local switches. The maintenance and monitoring extends not only to the infrastructure linking eThekweni Municipal sites but also private entities linked in terms of contracts entered into as part of the wholesale of excess capacity mentioned below. The maintenance and monitoring portion of the contract is the vendor (Dimension Data) provided component and is dependent on being backed up by the annual Cisco licensing to provide warranty replacement.





- Wholesale of excess capacity to 3rd party businesses. This is component involves marketing the excess capacity on the eThekweni network infrastructure to private business and project managing the connection process once the contract has been agreed. The 3rd party business is then billed by the eThekweni Municipality to generate income revenue. The excess capacity was designed into the network infrastructure to realize the City's vision of enabling a digital city and becoming a Smart City by providing high quality broadband access to all citizens.
- Licensing for the Cisco equipment is paid directly to the equipment manufacturer. This is paid annually and provides for operating system patches, upgrades and warranty replacement of faulty equipment.

Transaction Advisors have been appointed to recommend a optimal operating model for the provision of these and additional services. This process is scheduled for completion in the following 12 months. These new operating model will replace the provisions of contract 1A-1393.

Sibusiso Sithole

City Manager

