



Pauli van Wyk <pauli@dailymaverick.co.za>

RE: Scorpio questions: Gartner contract

Janine Unathi Mqulwana <JMqulwana@sars.gov.za>
To: "pauli@dailymaverick.co.za" <pauli@dailymaverick.co.za>

Fri, Sep 21, 2018 at 2:37 PM

Dear Pauli,

I've included our previous responses on Gartner queries further below.

Rangewave:

You enquired about the contract that was awarded to Rangewave Consulting Ltd via open tender (RFP 38-2016) – see attached pdf doc (page 4) as published on our website.

- The amount spent with Rangewave is R2,672,160.00 for the provision of IT human resources for the implementation of the SAP GRAP migration project.
- Rangewave was one of four companies that applied.
- Note as explained by our CFO, the threshold of this contract is below R100 000 000 and according to the Delegation of Authority would be approved by the National Bid Adjudication Committee and not the Commissioner

Gartner:

- Note the amount of R201 984 793.84 is the total contracted amounts (i.e. total value of services procured from Gartner). Some of these contracts are still underway and do not only include the modernisation review.
- Total spend for 2015/2016 to 31 March 2018 is R 166 640 477.55. This figure comprises of the IT assessment (R 156 976 063.14) and GRAP migration plan review (R 9 664 414.41)
- Below in response to your previous query, is the IT strategy review spend according to our SAP records for the period you required which is 2014 – 2016.

Regards

Janine

From: Janine Unathi Mqulwana
Sent: 30 August 2018 07:20 PM
To: 'Pauli van Wyk'
Cc: SARSMedia
Subject: RE: Scorpio questions: Gartner contract

Dear Pauli,

At the outset and the interest of transparency, the SARS Chief Finance Officer who was recently appointed, is available for a direct engagement on this contract to share aspects you may wish to raise where relevant.

Please find further clarification of the amounts in our response on 28 August 2018 for context and understanding: The total contracted amounts with Gartner for the period commencing 1 April 2014 to date is approximately R 201 984 793.84, and in relation to the SARS IT strategy review, an amount of R68 410 218.88 was paid to Gartner Ireland for the period 01 April 2014 to 30 April 2016.

1. Who did Gartner appoint to assist in delivering the scope of the project?

Gartner is better positioned to answer this question. SARS however contracted with Gartner Ireland (Gartner) and the contract contained provisions relating to sub-contracting. Gartner was not permitted to sub-contract its work under this agreement without the written consent of SARS which SARS could not unreasonably withhold. SARS' records indicate that no such consent to subcontract was sought from SARS nor granted.

In the process of the execution of the work by Gartner, SARS is aware that certain emails included the domain name rangewave.com.

2. Who was the project partner/sponsor for the SARS IT review in Gartner?

Ms Annelie Frost was the Account Manager for Gartner. SARS Acting Chief Operations Officer, Jonas Makwakwa, at the time was the SARS project sponsor.

3. What were Gartner's findings?

Gartner concluded their engagements with SARS with a report providing their findings and recommendations on key aspects of the scope as contracted. The findings were identified in the following areas:

- IT Strategy
- Architecture and Technology
- Customer Service and Contact Centre
- Sourcing Governance
- Vendor Management

- Application Management and SAP Competency Centre
- Project Management
- Benchmarking
- Gartner's findings are confidential as they pertain to SARS' IT and Communication (ICT) infrastructure and systems.

SARS is available to discuss these recommendations except where Gartner's findings pertain to SARS' IT and Communication (ICT) infrastructure and systems, which are confidential.

4. Did Commissioner Tom Moyane participate in the process of appointing Gartner in any way at any given time during the tender awarding process? If yes, specify dates and details.

As the SARS Accounting Authority, the Commissioner has the authority to approve the award of tenders on behalf of SARS in particular contracts of high value (R100m and above) after a procurement governance process which makes recommendations to the Commissioner for consideration and approval in terms of the SARS delegation of authority for procurement matters. Our records show that Commissioner Moyane participated in the final approval on 20 July 2015 following recommendations to him from the National Bid Evaluation Committee for him to consider and approve the appointment of Gartner.

5. Was Commissioner Tom Moyane informed about the appointment of Gartner in any way and/or at any give moment during the tender awarding process? If yes, specify who informed Mr Moyane, on whose instruction did they inform Mr Moyane, and include dates and details.

Please refer to response to questions 4 above.

6. Mr Moyane published a Newsflash in the first months of his appointment at SARS, instructing that all big contracts must be signed off by him personally. This is indicative of Mr Moyane's personal knowledge of the matter. Your comment?

Please refer to response to questions 4 above.

Regards

Janine Mqulwana

SARS Media



From: Pauli van Wyk [<mailto:pauli@dailymaverick.co.za>]
Sent: 29 August 2018 12:50 PM
To: SARSMedia; Janine Unathi Mqulwana
Subject: Re: Scorpio questions: Gartner contract

Thanks Janine.

A few follow up questions:

1. Who did Gartner appoint to assist in delivering the scope of the project?
2. Who was the project partner/sponsor for the SARS IT review in Gartner?
3. What were Gartner's findings?
4. Did Commissioner Tom Moyane participate in the process of appointing Gartner in any way at any given time during the tender awarding process? If yes, specify dates and details.
5. Was Commissioner Tom Moyane informed about the appointment of Gartner in any way and/or at any give moment during the tender awarding process? If yes, specify who informed Mr Moyane, on whose instruction did they inform mr Moyane, and include dates and details.
6. Mr Moyane published a Newsflash in the first months of his appointment at SARS, instructing that all big contracts must be signed off by him personally. This is indicative of Mr Moyane's personal knowledge of the matter. Your comment?

I presume that you by now have all the facts at hand. Is it possible to ask for the answers by business end today?

Pauli

On Wed, Aug 29, 2018 at 9:05 AM, SARSMedia <SARSMedia@sars.gov.za> wrote:

Dear Pauli,

Thank you for affording me some additional time. Responses below. Kindly quote the South African Revenue Service:

1. What amounts were paid to Gartner on which dates;

For the period in question, which relates to the 2015 and 2016 years, and in relation to the SARS IT strategy review, an amount of R68 410 218.88 was paid to Gartner Ireland for the period 01 April 2014 to 30 April 2016 for consultation fees on the review of SARS' IT strategy.

2. Who is Gartner's BEE partner and what percentage of the contract did they receive;

According to SARS' records, Gartner did not have any contractual obligation to sub-contract work to a partner. However, Gartner was not precluded contractually from appointing any partner in delivering the scope of the project.

3. Did SARS pay Gartner's BEE partner directly;

Please see response to question 2.

4. Did SARS analyse Gartner's contract for any conflict of interest;

Yes. We did a due diligence process of checking the directorship and ownership of Gartner Ireland.

In addition, according to SARS' procurement processes, before awarding a contract, all members and attendees of the bid adjudication committee are required to make a declaration of interest. No conflict of interest was declared.

5. Who sat on the bid adjudication panels that signed off on the contract to Gartner;

Members and attendees of the bid adjudication committee are those officials who, by virtue of their delegation of authority and technical expertise from the relevant business units in SARS, are nominated to sit on such bid adjudication committee. The following officials sat on the bid adjudication panel that signed off the contract to Gartner:

- Chief Financial Officer
- Chief Officer: Human Resources
- Acting Chief Officer: Enforcement
- Acting Chief Operations Officer
- Acting Chief Officer: Strategy Enablement and Communication
- Executive: Procurement

The Chief Officer: Legal Policy tendered an apology for the meeting where the contract was approved.

- Company secretary (permanent invitee)

- **Manager: Procurement Governance (permanent invitee)**

The Acting Group Executive: Corporate Legal Services is a permanent invitee but had tendered an apology for the meeting where the contract was approved.

6. What is the status of the implementation by Gartner;

Gartner assessed SARS' IT landscape and its modernisation programme. Gartner crafted and delivered an IT strategy.

7. What has Gartner's renewed IT system contributed to SARS.

Gartner did not implement any IT systems.

---RESPONSE ENDS---

Kind Regards

Janine Mqulwana

SARS Media



From: Pauli van Wyk [mailto:pauli@dailymaverick.co.za]

Sent: 24 August 2018 04:54 PM

To: SARSMedia

Subject: Re: Scorpio questions: Gartner contract

I refer to the Gartner contract that ran concurrently with Bain and Co.'s operating model contract.

My records say both were appointed in early 2015.

On Fri, Aug 24, 2018 at 3:40 PM, SARSMedia <SARSMedia@sars.gov.za> wrote:

Dear Pauli,

In order for us to assist, can you please specify which contract you are referring to and the period of the contract.

Thanks and Kind Regards

SARS Media



From: Pauli van Wyk [mailto:pauli@dailymaverick.co.za]

Sent: 23 August 2018 05:05 PM

To: SARSMedia

Subject: Scorpio questions: Gartner contract

Dear Sars team,

I trust this finds you well.

I have questions about the Gartner IT contract.

Kindly send your answers by 12:00 on Monday, 27 August.

1. What amounts were paid to Gartner on which dates;
2. Who is Gartner's BEE partner and what percentage of the contract did they receive;
3. Did SARS pay Gartner's BEE partner directly;
4. Did SARS analyse Gartner's contract for any conflict of interest;
5. Who sat on the bid adjudication panels that signed off on the contract to Gartner;
6. What is the status of the implementation by Gartner;
7. What has Gartner's renewed IT system contributed to SARS.

regards,

Pauli

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