**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: 867**

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Adv A de W Alberts (FF Plus)to ask the Minister of Public Enterprises:

(1) Whether Eskom previously (a) purchased software from or (b) licensed software with Microsoft; if so, (i) what was the purpose of the purchasing of the software, (ii) whether it was taken into use, (iii) when it was taken into use, (iv) whether it is still being used and (v) what are the further relevant particulars; (2)(a) which purchase process was used for the previous software and (b) whether this complied with all the legal requirements; if so, what are the further relevant particulars? NW851E

**REPLY:**

(1) (a) Eskom purchased software from Microsoft through a contract which followed Eskom’s commercial process.

 (b) Yes, all purchased software is licensed.

(b) (i) The purpose of purchasing Microsoft software was based on the following factors:

* To meet Eskom business requirements
* Mitigate desktop risk on Office and Operating Systems.
* To implement a best of suite strategy to lower the operational cost in terms of license expense
* Support resource cost across Desktop, Messaging, Security
* Ensure the Management and Windows Server Towers.

(b) (ii) Yes, the software is being used by the entire Organisation.

 (b) (iii) A contract was entered into between Eskom and Microsoft in July 2010 prior to this Eskom purchased products including Microsoft software from third party suppliers.

 (b) (iv) Yes, Eskom only maintains Microsoft Software that is in current use.

 (b) (v) Eskom’s current contract with Microsoft is due to expire on 29 May 2016. A commercial process is currently underway for the renewal of the support and maintenance of the current contract. It must be noted that the bulk of this renewal is to maintain the current investment and ensure adequate maintenance and support.

(2) (a) Eskom’s commercial process which forms part of Eskom’s Procurement and Supply Chain Management Policy and Procedure was followed. The commercial process that was followed is in alignment with Eskom’s Procurement and Supply Chain Management Policy and Procedure and Public Finance Management Act.

 (b) Yes, Eskom’s process followed regarding the Microsoft transaction satisfied all prescribed legal requirements. The details are that the commercial process which is provided for in Eskom’s supply chain policies is aligned to the Public Finance Management Act (PFMA) and the Preferential Procurement Policy Framework Act (PPPFA).