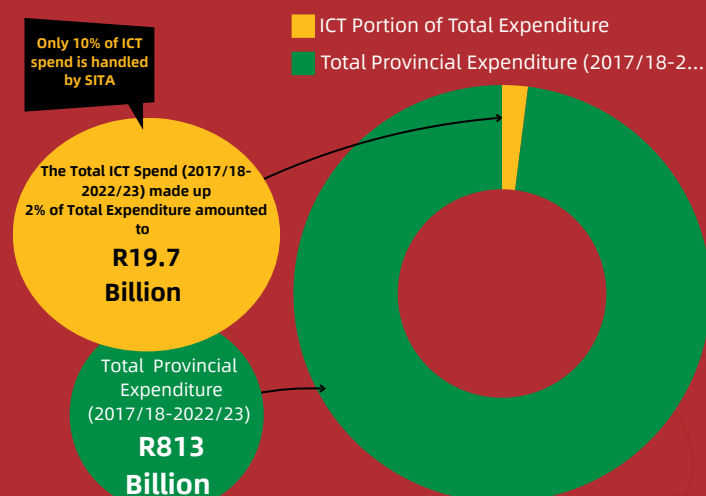




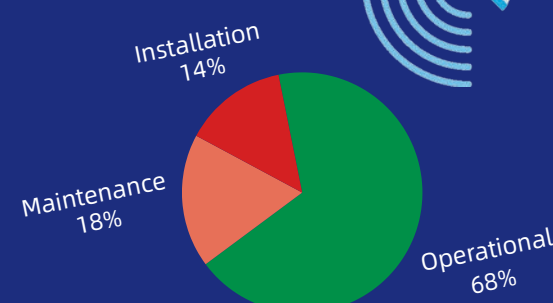
Gauteng Broadband Network (GBN) - Spending Review

To evaluate the effectiveness of the procurement of Gauteng Broadband Network (GBN) through SITA, focusing on performance, expenditure, and outcomes.

GBN Performance

The GBN Phase III project covers a dynamic network of 1 496 existing sites, designed to support a range of services such as WAN, WLAN, Voice, and internet access. Despite plans for 1 502 new sites, only **78** have been serviced in **2022 and 2023**, with a predominant focus on maintenance over new installations.

Invoice Data Analysis (2022-2023)



Insights from Invoice Data

- Priority:** Most of the budget is allocated towards operational expenses, with a significant portion going towards maintaining existing sites rather than installing new ones.
- Need for Adjustment:** Re-evaluation of budget allocation is needed to balance maintenance and new site development.

Cost Drivers: GBN vs. Industry Prices

Access Point Name: GBN
- R2 506.57
Market - R749

Microwave: GBN
- R8 024.91
Market - R3 499

Fiber: GBN - R11 794.48
Market - R749

There is a significant disparity between GBN's costs and industry standards, suggesting potential for substantial cost savings through renegotiation or procurement adjustments.

Recommendations

- Balance Expenditure:** Reallocate budget to ensure a mix of maintenance and new site development.
- Negotiate Costs:** Re-evaluate contracts to align costs with market prices.

Key Findings

Summary

- The GBN project was heavily focused on maintaining existing infrastructure rather than expanding new sites.
- There is a substantial gap between GBN costs and market rates, suggesting room for cost savings.