

South African Golf Association Handicap Tender Q&A

Q1: Why has the SAGA issued a tender for central server facilities?

A: To provide the base necessary to support the production of affiliation cards, necessitated by the impending expiry of the contract between SAGA and NGN.

SAGA also requires centralized control of handicap calculations to properly support the handicap system and provide a reliable single point of handicap verification.

Q2: Is the central server intended to replace handicap calculation software currently being used by clubs?

A: No, the intention is that service providers manage the interface with club members for the input of scoring records and the service providers in turn interface to the central server, which will then transfer scoring records between service providers. In the event that existing service providers cannot perform this transfer, then alternative score management software can be provided to clubs.

Q3. Will service providers be required to sign a licence agreement with SAGA?

A: Yes, simply as a mechanism to ensure that they provide all the data to the central server in a timely manner. Additionally, where they offer a local calculation of handicaps at club level, that these calculations are consistent with the SAGA Handicap System. There is no ulterior motive behind the licence agreement.

Q4. What is SAGA's current position with NGN ?

A: SAGA has a three year contract with NGN which was entered into in February 2007. This contract provides for a one year notice period should either party wish to terminate this agreement, otherwise in terms of the agreement it would roll over for another three years.

At the beginning of 2009 the SAGA exercised its right to termination by notifying NGN, in accordance with this agreement, in writing.

The current agreement expires on 31st January 2010.

In terms of the above mentioned agreement, NGN has the right to issue the SAGA affiliation card.

All other services NGN offers golf clubs, point of sale, etc, is by agreement between it and the golf clubs.

This outlines the current position between the SAGA and NGN.

It is perhaps pertinent to point out that NGN has become the biggest service provider of handicap calculations to golf clubs. As such when the SAGA amended its Handicap and Course Rating System, in July 2007, it did so in consultation with NGN. It became apparent through this process that:

- a) Despite being in the position of determining the Handicap and Course Rating System, the service clubs received in terms of the computerized calculation of handicaps was outside the control of the SAGA;
- b) The SAGA had no control as to whether or not the agreed System was applied as outlined in the Handicap and Course Rating System Handbook. Despite discussions between SAGA and NGN and subsequent undertakings by NGN, the Dynamic Course Rating System, presented as part of the new Handicap System announced in July 2007, has still not been implemented.

Q5. What is SAGA ultimately trying to achieve via the tender process.

A.

- a) To administer the implementation of the Handicapping & Course Rating System as defined and formulated by the SAGA;
- b) To appoint a company, with the necessary expertise and resources, who will introduce a central server that will compute handicaps for all affiliate golfers in SA in line with the criteria determined by SAGA from time to time;
- c) Establish a business relationship with the successful tenderer which could create additional revenue;
- d) To ultimately provide affiliation cards and connectivity at a more cost effective level to affiliated golfers.

Q6. What will the core functions of the successful tenderer be?

A.

- a) To provide a reliable server that must be accessible by current, future service providers.
- b) Provide interface tools for the transferring of data between service providers and the central server.
- c) Creation of a database of all rounds played by affiliated & non-affiliated golfers.
- d) Control & issue SAGA affiliation cards.
- e) Provide a statistical basis for future revisions to the handicapping manual.

Q7. Will clubs no longer compute their own handicaps?

A.

- a) Clubs will continue to use their existing service provider, however these service providers must sign a license agreement with the SAGA (see answer to Question 3 above).
- b) The service provider must provide an interface mechanism to the central server for the purpose of transmitting and receiving handicapping data.

Q8. Who are the role players in the market?

A.

- a) There are currently 7 service providers who provide or can provide a handicapping solution in South Africa that the SAGA is aware of: :
 - Ezigolf
 - Realtime Golf
 - Golf IT
 - The Golfers Card
 - Golftime

- NGN
 - Albatross
- b) SAGA welcome new role players as this promotes competition which ultimately benefits the affiliated golfer through competitive pricing.

Q9. If NGN is not the successful tenderer, how will SAGA collect the historical information?

A. The SAGA intend collecting handicap related data from service providers and golf clubs.

The SAGA hopes to have a constructive relationship with NGN in this regard.

Q10. What does SAGA mean by seeking commercial opportunities for the benefit of the tenderer and SAGA?

A. The SAGA is a voluntary association serving its member unions. Vested in the Association are certain property rights which the SAGA have identified as being an opportunity to raise additional revenue by taking back full control of these rights. The SAGA's primary source of revenue is affiliation fees from club members. Through this process the SAGA is looking to other sources of revenue which in turn it hopes will, over time, lessen it's reliance on affiliation fees.

For example, the SAGA affiliation card provides commercial opportunities through sponsorships along the lines NGN has done with Nedbank & Srixon in the past.

The SAGA has no intention of exploiting the handicap database for commercial gain. The primary objective is to process handicap data in accordance with the SAGA's Handicap and Course Rating System.

The SAGA undertake to honour all agreements each club has between it and their members in regard to the database of players.

Q11. What are the risks to clubs and are there potentially any cost implications to clubs?

A. Provided a club's current service provider adopts a cooperative approach, there should be no or little financial risk to the club.

Q12. Who decides on the successful bidder ?

A. The SAGA have appointed a Tender Review Committee of ten people, one of whom is Bill Taylor, Chairman of CMASA.

Q13. When will the successful bidder be announced?

A. The SAGA will announce the successful tenderer by Friday 10th April 2009. The tenderer must have a pilot site operational by end October 2009.