

Reference: T16/4/R

TREASURY CIRCULAR MUN NO. 15 OF 2015

THE MAYOR, CITY OF CAPE TOWN: MS P DE LILLE
THE MAYOR, WEST COAST DISTRICT MUNICIPALITY: MR JH CLEOPHAS
THE MAYOR, MATZIKAMA MUNICIPALITY: MR J BOTHA
THE MAYOR, CEDERBERG MUNICIPALITY: MS L SCHEEPERS
THE MAYOR, BERGRIVIER MUNICIPALITY: MR EB MANUEL
THE MAYOR, SALDANHA BAY MUNICIPALITY: MR F SCHIPPERS
THE MAYOR, SWARTLAND MUNICIPALITY: MR T VAN ESSEN
THE MAYOR, CAPE WINELANDS DISTRICT MUNICIPALITY: MR N DE BRUYN
THE MAYOR, WITZENBERG MUNICIPALITY: MR J KLAZEN
THE MAYOR, DRAKENSTEIN MUNICIPALITY: MS G VAN DEVENTER
THE MAYOR, STELLENBOSCH MUNICIPALITY: MR CJ SIDEGO
THE MAYOR, BREEDE VALLEY MUNICIPALITY: MS A STEYN
THE MAYOR, LANGEBERG MUNICIPALITY: MS D GAGIANO
THE MAYOR, OVERBERG DISTRICT MUNICIPALITY: MR L DE BRUYN
THE MAYOR, THEEWATERSKLOOF MUNICIPALITY: MR CB PUNT
THE MAYOR, OVERSTRAND MUNICIPALITY: MS N BOTHA-GUTHRIE
THE MAYOR, CAPE AGULHAS MUNICIPALITY: MR R MITCHELL
THE MAYOR, SWELLENBOSCH MUNICIPALITY: MR N MYBURGH
THE MAYOR, EDEN DISTRICT MUNICIPALITY: MR V VAN DER WESTHUIZEN
THE MAYOR, KANNALAND MUNICIPALITY: MR J DONSON
THE MAYOR, HESSEQUA MUNICIPALITY: MS E NEL
THE MAYOR, MOSSEL BAY MUNICIPALITY: MS M FERREIRA
THE MAYOR, GEORGE MUNICIPALITY: MR C STANDERS
THE MAYOR, OUDTSHOORN MUNICIPALITY: MR G APRIL
THE MAYOR, BITOU MUNICIPALITY: MR M BOOYSEN
THE MAYOR, KNYSNA MUNICIPALITY: MS J WOLMARANS
THE MAYOR, CENTRAL KAROO DISTRICT MUNICIPALITY: MR E NJADU
THE MAYOR, LAINGSBURG MUNICIPALITY: MR W THERON
THE MAYOR, PRINCE ALBERT MUNICIPALITY: MR G LOTTERING
THE MAYOR, BEAUFORT WEST MUNICIPALITY: MR HT PRINCE

THE MUNICIPAL MANAGER, CITY OF CAPE TOWN: MR A EBRAHIM
THE MUNICIPAL MANAGER, WEST COAST DISTRICT MUNICIPALITY: MR H PRINS
THE MUNICIPAL MANAGER, MATZIKAMA MUNICIPALITY: MR J SWARTZ (ACTING)
THE MUNICIPAL MANAGER, CEDERBERG MUNICIPALITY: MR I KENNED
THE MUNICIPAL MANAGER, BERGRIVIER MUNICIPALITY: ADV H LINDE
THE MUNICIPAL MANAGER, SALDANHA BAY MUNICIPALITY: MR L SCHEEPERS
THE MUNICIPAL MANAGER, SWARTLAND MUNICIPALITY: MR J SCHOLTZ
THE MUNICIPAL MANAGER, CAPE WINELANDS DISTRICT MUNICIPALITY: MR M MGAJO
THE MUNICIPAL MANAGER, WITZENBERG MUNICIPALITY: MR D NASSON
THE MUNICIPAL MANAGER, DRAKENSTEIN MUNICIPALITY: MR J METTLER
THE MUNICIPAL MANAGER, STELLENBOSCH MUNICIPALITY: MS C LIEBENBERG
THE MUNICIPAL MANAGER, BREEDE VALLEY MUNICIPALITY: MR G MATTHYSE
THE MUNICIPAL MANAGER, LANGEBERG MUNICIPALITY: MR SA MOKWENI
THE MUNICIPAL MANAGER, OVERBERG DISTRICT MUNICIPALITY: MR D BERETTI
THE MUNICIPAL MANAGER, THEEWATERSKLOOF MUNICIPALITY: MR HSD WALLACE
THE MUNICIPAL MANAGER, OVERSTRAND MUNICIPALITY: MR C GROENEWALD
THE MUNICIPAL MANAGER, CAPE AGULHAS MUNICIPALITY: MR D O'NEILL
THE MUNICIPAL MANAGER, SWELLENBOSCH MUNICIPALITY: MR CM AFRICA
THE MUNICIPAL MANAGER, EDEN DISTRICT MUNICIPALITY: MR GW LOUW
THE MUNICIPAL MANAGER, KANNALAND MUNICIPALITY: MR M HOOGBAARD
THE MUNICIPAL MANAGER, HESSEQUA MUNICIPALITY: MR J JACOBS
THE MUNICIPAL MANAGER, MOSSEL BAY MUNICIPALITY: DR M GRATZ
THE MUNICIPAL MANAGER, GEORGE MUNICIPALITY: MR T BOTHA

THE MUNICIPAL MANAGER, OUDTSHOORN MUNICIPALITY: MR R LOTTERING (ACTING)
THE MUNICIPAL MANAGER, BITOU MUNICIPALITY: MR A PAULSE
THE MUNICIPAL MANAGER, KNYSNA MUNICIPALITY: MR G EASTON (ACTING)
THE MUNICIPAL MANAGER, CENTRAL KAROO DISTRICT MUNICIPALITY: MR S JOOSTE
THE MUNICIPAL MANAGER, LAINGSBURG MUNICIPALITY: MR P WILLIAMS
THE MUNICIPAL MANAGER, PRINCE ALBERT MUNICIPALITY: MR H METTLER
THE MUNICIPAL MANAGER, BEAUFORT WEST MUNICIPALITY: MR J BOOYSEN

THE CHIEF FINANCIAL OFFICER, CITY OF CAPE TOWN: MR K JACOBY
THE CHIEF FINANCIAL OFFICER, WEST COAST DISTRICT MUNICIPALITY: MR J KOEKEMOER
THE CHIEF FINANCIAL OFFICER, MATZIKAMA MUNICIPALITY: MR M BOLTON
THE CHIEF FINANCIAL OFFICER, CEDERBERG MUNICIPALITY: MR E ALFRED
THE CHIEF FINANCIAL OFFICER, BERGRIVIER MUNICIPALITY: MR JA VAN NIEKERK
THE CHIEF FINANCIAL OFFICER, SALDANHA BAY MUNICIPALITY: MR S VORSTER
THE CHIEF FINANCIAL OFFICER, SWARTLAND MUNICIPALITY: MR K COOPER
THE CHIEF FINANCIAL OFFICER, CAPE WINELANDS DISTRICT MUNICIPALITY: MS FA DU RAAN-GROENEWALD
THE CHIEF FINANCIAL OFFICER, WITZENBERG MUNICIPALITY: MR C KRITZINGER
THE CHIEF FINANCIAL OFFICER, DRAKENSTEIN MUNICIPALITY: MR J CARSTENS
THE CHIEF FINANCIAL OFFICER, STELLENBOSCH MUNICIPALITY: MR M WÜST
THE CHIEF FINANCIAL OFFICER, BREEDE VALLEY MUNICIPALITY: MR D MCTHOMAS
THE CHIEF FINANCIAL OFFICER, LANGEBERG MUNICIPALITY: MR CF HOFFMANN
THE CHIEF FINANCIAL OFFICER, OVERBERG DISTRICT MUNICIPALITY: MR J TESSELAAR
THE CHIEF FINANCIAL OFFICER, THEEWATERSKLOOF MUNICIPALITY: MR D LOUW
THE CHIEF FINANCIAL OFFICER, OVERSTRAND MUNICIPALITY: MS S REYNEKE-NAUDE
THE CHIEF FINANCIAL OFFICER, CAPE AGULHAS MUNICIPALITY: MR H VAN BILJON
THE CHIEF FINANCIAL OFFICER, SWELLENDAM MUNICIPALITY: MR H SCHLEBUSCH
THE CHIEF FINANCIAL OFFICER, EDEN DISTRICT MUNICIPALITY: MS L HOEK
THE CHIEF FINANCIAL OFFICER, KANNALAND MUNICIPALITY: MR N DELO
THE CHIEF FINANCIAL OFFICER, HESSEQUA MUNICIPALITY: MS HJ VILJOEN
THE CHIEF FINANCIAL OFFICER, MOSSEL BAY MUNICIPALITY: MR MK BOTHA
THE CHIEF FINANCIAL OFFICER, GEORGE MUNICIPALITY: MR K JORDAAN
THE CHIEF FINANCIAL OFFICER, OUDTSHOORN MUNICIPALITY: ADV F HUMAN (ACTING)
THE CHIEF FINANCIAL OFFICER, BITOU MUNICIPALITY: MR F LÖTTER
THE CHIEF FINANCIAL OFFICER, KNYSNA MUNICIPALITY: MR G EASTON
THE CHIEF FINANCIAL OFFICER, CENTRAL KAROO DISTRICT MUNICIPALITY: MR N NORTJE (ACTING)
THE CHIEF FINANCIAL OFFICER, LAINGSBURG MUNICIPALITY: MS A GROENEWALD
THE CHIEF FINANCIAL OFFICER, PRINCE ALBERT MUNICIPALITY: MR J NEETHLING
THE CHIEF FINANCIAL OFFICER, BEAUFORT WEST MUNICIPALITY: MR F SABBAT

THE HEAD OF SCM, CITY OF CAPE TOWN: MR L SHNAPS
THE HEAD OF SCM, WEST COAST DISTRICT: MR M MARKUS
THE HEAD OF SCM, MATZIKAMA MUNICIPALITY: MR C KOTZE
THE HEAD OF SCM, CEDERBERG MUNICIPALITY: MS J MAARMAN (ACTING)
THE HEAD OF SCM, BERGRIVIER MUNICIPALITY: MR J JONKER
THE HEAD OF SCM, SALDANHA BAY MUNICIPALITY: MS H MEEDING
THE HEAD OF SCM, SWARTLAND MUNICIPALITY: MR P SWART
THE HEAD OF SCM, CAPE WINELANDS DISTRICT: MR GJP FALCK
THE HEAD OF SCM, WITZENBERG MUNICIPALITY: MR M FRIESLAAR
THE HEAD OF SCM, DRAKENSTEIN MUNICIPALITY: MR H VERGOTINE
THE HEAD OF SCM, STELLENBOSCH MUNICIPALITY: MR I SAUNDERS
THE HEAD OF SCM, BREEDE VALLEY MUNICIPALITY: MR M BOONZAAIER
THE HEAD OF SCM, LANGEBERG MUNICIPALITY: MR C HOFFMANN
THE HEAD OF SCM, OVERBERG DISTRICT: MS D KAPOT-WITBOOI (ACTING)
THE HEAD OF SCM, THEEWATERSKLOOF MUNICIPALITY: MR A HENDRICKS
THE HEAD OF SCM, OVERSTRAND MUNICIPALITY: MS R LA COCK
THE HEAD OF SCM, CAPE AGULHAS MUNICIPALITY: MR R SEFOOR
THE HEAD OF SCM, SWELLENDAM MUNICIPALITY: MR B BEYERS
THE HEAD OF SCM, EDEN DISTRICT: MR T MPURU
THE HEAD OF SCM, KANNALAND MUNICIPALITY: MR D LINKS
THE HEAD OF SCM, HESSEQUA MUNICIPALITY: MR R BENT
THE HEAD OF SCM, MOSSEL BAY MUNICIPALITY: MS E NEL
THE HEAD OF SCM, GEORGE MUNICIPALITY: MR B GERICKE
THE HEAD OF SCM, OUDTSHOORN MUNICIPALITY: MR JC LADOUCE
THE HEAD OF SCM, BITOU MUNICIPALITY: MR P PETERS
THE HEAD OF SCM, KNYSNA MUNICIPALITY: MS F KRUGER
THE HEAD OF SCM, CENTRAL KAROO DISTRICT: MS L STRUMPHER
THE HEAD OF SCM, LAINGSBURG MUNICIPALITY: MR K GERTSE
THE HEAD OF SCM, PRINCE ALBERT MUNICIPALITY: MR D PLAATJIES
THE HEAD OF SCM, BEAUFORT WEST MUNICIPALITY: MS SA POTHBURG

THE HEAD OFFICIAL: PROVINCIAL TREASURY (MR Z HOOSAIN)
THE HEAD: BRANCH FISCAL AND ECONOMIC SERVICES (MR H MALILA)
THE HEAD: BRANCH GOVERNANCE AND ASSET MANAGEMENT (MR A HARDIEN) (ACTING)
THE HEAD: PUBLIC POLICY SERVICES (MS M KORSTEN)
THE HEAD: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS JD GANTANA)
THE HEAD: LOCAL GOVERNMENT PUBLIC FINANCE (MR H MALILA) (PRO TEM)
THE HEAD: ASSET MANAGEMENT (MR IG SMITH)
THE HEAD: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN)
THE CHIEF FINANCIAL OFFICER (MR A GILDENHUYS)
THE HEAD: OFFICE OF THE FINANCE MINISTRY (ADV E PRETORIUS)
THE SENIOR MANAGER: BUSINESS INFORMATION AND DATA MANAGEMENT (MR PP PIENAAR)
THE SENIOR MANAGER: FINANCIAL GOVERNANCE (MR B VINK)
THE SENIOR MANAGER: FISCAL POLICY (MS S DAVIDS) (ACTING)
THE SENIOR MANAGER: INFRASTRUCTURE (MR P CHANDAKA)
THE SENIOR MANAGER: LOCAL GOVERNMENT ACCOUNTING (MR Z HENDRICKS) (ACTING)
THE SENIOR MANAGER: LOCAL GOVERNMENT BUDGET OFFICE (MR ML BOOYSEN)
THE SENIOR MANAGER: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MS L MCCARTNEY)
THE SENIOR MANAGER: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR M SIGABI)
THE SENIOR MANAGER: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MR R MOOLMAN)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT ACCOUNTING (MR A REDDY)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS M KORSTEN) (PRO TEM)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS N EBRAHIM)
THE SENIOR MANAGER: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS A SMIT)
THE SENIOR MANAGER: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A BASTIAANSE)

THE PROVINCIAL AUDITOR

MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT

THE HEAD OF DEPARTMENT: LOCAL GOVERNMENT

THE CHIEF DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS – NATIONAL TREASURY (MR J HATTINGH)

THE CHIEF DIRECTOR: MFMA IMPLEMENTATION – NATIONAL TREASURY (MR TV PILLAY)

RE: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT FORUM MEETINGS FOR THE 2015/16 FINANCIAL YEAR

1. PURPOSE

- 1.1 To inform all municipalities and municipal entities of the scheduled Local Government Supply Chain Management Forum meetings to take place during the 2015/16 financial year.
- 1.2 To request all municipalities and municipal entities to submit one (1) name of a representative, preferably the SCM Manager or CFO, who will attend the Supply Chain Management Forum.
- 1.3 Where the senior official is unable to attend the forum meeting, the Municipality and municipal entity may nominate a representative, preferably an official of the Municipality's Supply Chain Management unit.

2. **BACKGROUND**

- 2.1 In terms of section 5(3) of the MFMA (Act 56 of 2003), a Provincial Treasury may assist municipalities and municipal entities in building their capacity for efficient, effective and transparent financial management.
- 2.2 The directorate, Local Government: Supply Chain Management facilitates this mandate by providing assistance and guidance to municipalities and municipal entities on the regulatory framework that governs Supply Chain Management. The training that is provided is aimed at capacitating the SCM Unit the areas of deficiencies that have been identified with the aim of enabling the Municipality to achieve the next level of financial capability maturity.
- 2.3 The aim of the SCM forum is to assist on issues such as managing transformation within SCM, developing coherent policy and setting norms and standards for service delivery and to enhance interdepartmental SCM relations and the exchange of information, while taking a long-term perspective on spending and policy from an SCM perspective.
- 2.4 To date, the Supply Chain Management forums have taken place on a quarterly basis with the aim of providing additional support to Municipalities in the implementation of the provisions of the Municipal Finance Management Act No. 56 of 2003 and other applicable legislation relating to Supply Chain Management.
- 2.5 The SCM forum meeting further seeks to be a co-operative communication between the Provincial Treasury and municipalities, with the view to share experiences and best practices. The forum meetings have been a success and have been supported by all 30 municipalities within the Western Cape.

3. **OBJECTIVES TO BE ACHIEVED THROUGH THE SCM FORUM MEETING**

- 3.1 To create a culture of excellence and efficiency as well as to address capacity (expertise) shortfalls and setting benchmarks in the development of financial governance, thereby implementing and developing good financial governance policies and improving financial governance skill and efficiency.
- 3.2 The purpose of the forum meetings is to address numerous implementation challenges arising from day to day operations of SCM duties.
- 3.3 To promote effective co-ordination between SCM practitioners, training providers and external service providers.

- 3.4 To share and disseminate ideas and information, especially new approaches and enhancements.
- 3.5 To promote uniformity and consistency amongst SCM practitioners in the interpretation of policy and prescripts.
- 3.6 To promote the professional development of SCM practitioners within the municipalities in the Western Cape.
- 3.7 To undertake such tasks, activities and projects this will benefit SCM in general.
- 3.8 To strengthen the partnership between municipalities and the Provincial Treasury as envisaged by the Municipal Governance Review Outlook (MGRO) process.

4. **FREQUENCY OF THE SCM FORUM MEETINGS**

- 4.1 A circular with the scheduled dates will be forwarded to municipalities before the start of the financial year.
- 4.2 The SCM Forum meeting will convene on a quarterly basis, as per the proposed dates.
- 4.3 The Director and or the Deputy Director of the Provincial Treasury: LGSCM will chair the meetings.

5. **PROPOSED SCM FORUM DATES**

- 5.1 The proposed dates for the forum meetings are as follows:
 - **Quarter 1** schedule to take place dated, **15 May 2015; Hermanus, Overstrand Municipality.**
 - **Quarter 2** schedule to take place dated, **14 August 2015; Worcester, Cape Winelands District Municipality.**
 - **Quarter 3** schedule to take place dated, **12 - 13 November 2015; Plettenberg Bay, Bitou Municipality.**
 - The purpose of the **2 day SCM Forum Meeting** is to provide additional support to municipalities in the implementation of the provisions of the Municipal Finance Management Act No. 56 of 2003 and other applicable legislations relating to Supply Chain Management and Asset Management.

- To promote the professional development of SCM practitioners within the municipalities in the Western Cape and create a culture of cohesion between municipalities and the Directorate: Local Government Supply Chain Management.
- **Quarter 4** schedule to take place dated, **12 February 2016; Stellenbosch, Stellenbosch Municipality.**

5.2 The proposed dates may change depending on the impact of major events on the local or provincial sphere and may require a change in the dates scheduled.

5.3 Venues and other logistical arrangements will be confirmed and communicated prior to the scheduled dates per quarter.

6. **ATTENDANCE OF THE SCM FORUM MEETINGS**

6.1 At least one senior official per Municipality is required to attend the forum meeting, preferably the Head of Supply Chain Management or the Chief Financial Officer.

6.2 Where the senior official is unable to attend the forum meeting, the Municipality may nominate a representative, preferably an official of the Municipality's supply chain management unit.

6.3 Attendance is of utmost importance for municipalities as it will assist them in their daily supply chain operations, furthermore iron out those issues which will be raised by the Auditor-General. The SCM Forum meeting is also a platform whereby municipalities and municipal entities raised their own issues and concerns.

7. **AGENDA ITEMS TO BE DISCUSSED**

7.1 Municipalities and municipal entities will be afforded the opportunity to forward their proposed agenda items. Municipalities and municipal entities will be requested to submit the proposed agenda items four (4) weeks before the commencement of the forum meeting.

7.2 Agenda items up for discussion are based on the following:

- New Legislative requirements;
- Queries the Provincial Treasury received from Municipalities and Service Bidders via the MFMA SCM Helpdesk Function;
- Compliance issues raised in the Virtuous Cycle Assessment reports;
- Compliance issues raised by the Municipal Governance Review Outlook (MGRO);
- AG's findings with regards to SCM and AM related issues & MGRO sessions;
- Construction related/Infrastructure procurement and CIDB requirements;
- Training for supply chain management officials, user - departments and the three bid committees;
- Training for Top Management and Municipal Councillors;
- Important issues from the Institute of Municipal Engineering in South Africa (IMESA);
- Financial Systems relating to SCM procurement processes including the Western Cape Supplier Database;
- SCM Reporting: Local Production and Content;
- SCM Reporting CRA System: Awards above R100 000;
- SCM Reporting: Disposal & letting of immovable property;
- SCM Reporting: SCM Regulation 44 – Persal Project;
- Provincial Treasury's Supplier Development programme;
- SCM and AM issues raised in the MGRO/MIT Visits;
- Conflicting Laws/Acts/Circulars;
- Strategic Sourcing;
- Construction Procurement Planning; and
- Infrastructure Delivery Management System (IDMS).

8. **REQUEST**

- 8.1 A circular will be sent prior to each forum meeting informing all Municipalities and municipal entities of the date and venue. Municipalities and municipal entities will be requested to forward the following:
- Municipalities and municipal entities are requested to forward the name, designation and contact details of the representative, who will be attending the Supply Chain Management Forum meeting; and
 - The proposed agenda items, if any.
- 8.2 Failures to submit requested information on time often makes it difficult to co-ordinate and arrange these forum meetings. To this effect we kindly request your cooperation.
- 8.3 It will be highly appreciated if these details are submitted via e-mail to Letitia.Sallies@westerncape.gov.za.
- 8.4 Any enquiries in this regard may be directed to **Ms Letitia Sallies and or Mr Dalleel Jacobs on (021) 483 3180 and 021 483 4149**, respectively.

Your co-operation will be highly appreciated.



MR R MOOLMAN

DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT

DATE: 13 April 2015