



**Western Cape
Government**

Provincial Treasury

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Reference: RCS/C.6

TREASURY CIRCULAR NO. 10/2016

THE PREMIER

THE MINISTER OF ECONOMIC OPPORTUNITIES

THE MINISTER OF COMMUNITY SAFETY

THE MINISTER OF CULTURAL AFFAIRS AND SPORT

THE MINISTER OF EDUCATION

THE MINISTER OF FINANCE

THE MINISTER OF HEALTH

THE MINISTER OF HUMAN SETTLEMENTS

THE MINISTER OF LOCAL GOVERNMENT, ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING

THE MINISTER OF SOCIAL DEVELOPMENT

THE MINISTER OF TRANSPORT AND PUBLIC WORKS

THE SPEAKER: PROVINCIAL PARLIAMENT

THE DEPUTY SPEAKER: PROVINCIAL PARLIAMENT

THE ACCOUNTING OFFICER: VOTE 1: PREMIER (ADV B GERBER)

THE ACCOUNTING OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (DR G LAWRENCE)

THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (MR Z HOOSAIN)

THE ACCOUNTING OFFICER: VOTE 4: COMMUNITY SAFETY (MR G MORRIS)

THE ACCOUNTING OFFICER: VOTE 5: EDUCATION (MS P VINJEVOLD)

THE ACCOUNTING OFFICER: VOTE 6: HEALTH (DR B ENGELBRECHT)

THE ACCOUNTING OFFICER: VOTE 7: SOCIAL DEVELOPMENT (DR R MACDONALD)

THE ACCOUNTING OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR T MGULI)

THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR P VAN ZYL)

THE ACCOUNTING OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MS J GOOCH)

THE ACCOUNTING OFFICER: VOTE 11: AGRICULTURE (MS J ISAACS)

THE ACCOUNTING OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MR S FOURIE)

THE ACCOUNTING OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR B WALTERS)

THE ACCOUNTING OFFICER: VOTE 14: LOCAL GOVERNMENT (MR G PAULSE)

THE CHIEF FINANCIAL OFFICER: VOTE 1: PREMIER (MR D BASSON)

THE CHIEF FINANCIAL OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MS N PETERSEN)

THE CHIEF FINANCIAL OFFICER: VOTE 3: PROVINCIAL TREASURY (MR A GILDENHUYS)

THE CHIEF FINANCIAL OFFICER: VOTE 4: COMMUNITY SAFETY (MR M FRIZLAR)

THE CHIEF FINANCIAL OFFICER: VOTE 5: EDUCATION (MR L ELY)

THE CHIEF FINANCIAL OFFICER: VOTE 6: HEALTH (MR A VAN NIEKERK)

THE CHIEF FINANCIAL OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MR JO SMITH)

THE CHIEF FINANCIAL OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR F DE WET)

THE CHIEF FINANCIAL OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR T GILDENHUYS)

THE CHIEF FINANCIAL OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MR CR ISMAY)

THE CHIEF FINANCIAL OFFICER: VOTE 11: AGRICULTURE (MR F HUYSAMER)

THE CHIEF FINANCIAL OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MS M ABRAHAMS)

THE CHIEF FINANCIAL OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MS BG RUTGERS)

THE CHIEF FINANCIAL OFFICER: VOTE 14: LOCAL GOVERNMENT (MS B SEWLALL-SINGH)

THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MR P ABRAHAMS)

THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (DR R OMAR)

THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR T HARRIS)

THE CHIEF EXECUTIVE OFFICER: SALDANHA BAY IDZ LICENCING COMPANY (MR D SOUTHGATE) (ACTING)

THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE CULTURAL COMMISSION (MS J MOLELEKI)

THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LANGUAGE COMMITTEE (MS J MOLELEKI)

THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE HERITAGE (MS HM DU PREEZ) (ACTING)

THE CHIEF EXECUTIVE OFFICER: CASIDRA (MR M BRINKHUIS)

THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LIQUOR AUTHORITY (DR L MDUNYELWA)

For information

THE CHIEF FINANCIAL OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MR T SWART) (ACTING)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (MR M BHAYAT)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR I BLACKIE)
 THE CHIEF FINANCIAL OFFICER: SALDANHA BAY IDZ LICENCING COMPANY (MR H BONESCHANS)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE CULTURAL COMMISSION (MS B RUTGERS)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LANGUAGE COMMITTEE (MS B RUTGERS)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE HERITAGE (MS B RUTGERS)
 THE CHIEF FINANCIAL OFFICER: CASIDRA (MR F VAN ZYL)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LIQUOR AUTHORITY (MS V LETSWALO)
 THE SENIOR MANAGER: GOVERNMENT MOTOR TRANSPORT (MR J KOEGELENBERG)
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 THE DEPUTY DIRECTOR GENERAL: FISCAL AND ECONOMIC SERVICES (MR H MALILA)
 THE DEPUTY DIRECTOR GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MR A HARDIEN)
 THE CHIEF DIRECTOR: PUBLIC POLICY SERVICES (MS M KORSTEN)
 THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS JD GANTANA)
 THE CHIEF DIRECTOR: LOCAL GOVERNMENT PUBLIC FINANCE (MR M SIGABI) (ACTING)
 THE CHIEF DIRECTOR: ASSET MANAGEMENT (MR IG SMITH)
 THE CHIEF DIRECTOR: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN) (PRO TEM)
 THE CHIEF FINANCIAL OFFICER (MR A GILDENHUIJS)
 THE HEAD: OFFICE OF THE FINANCE MINISTRY (ADV E PRETORIUS)
 THE DIRECTOR: BUSINESS INFORMATION AND DATA MANAGEMENT (MR PP PIENAAR)
 THE DIRECTOR: FINANCIAL GOVERNANCE (MR B VINK)
 THE DIRECTOR: FISCAL POLICY (MS T VAN DE RHEEDE) (ACTING)
 THE DIRECTOR: INFRASTRUCTURE (MR P CHANDAKA)
 THE DIRECTOR: LOCAL GOVERNMENT ACCOUNTING (MR T MADONDILE) (ACTING)
 THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MR ML BOOYSEN)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MS S CUPIDO) (ACTING)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR Z ZONYANE) (ACTING)
 THE DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MR R MOOLMAN)
 THE DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING (MR A REDDY)
 THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS R SLINGER)
 THE DIRECTOR: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK)
 THE DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS N EBRAHIM)
 THE DIRECTOR: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS A SMIT)
 THE DIRECTOR: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A BASTIAANSE)
 THE PROVINCIAL AUDITOR
 MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT
 THE DEPUTY DIRECTOR GENERAL: CORPORATE ASSURANCE, DEPARTMENT OF THE PREMIER (MS H ROBSON)

PROGRESS ON KEY SUPPLY CHAIN MANAGEMENT (SCM) ISSUES EMANATING FROM NATIONAL TREASURY'S SCM REFORM PROCESS

BROAD BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE) REQUIREMENTS IN RESPECT OF ACCEPTING "SWORN AFFIDAVITS" FOR EXEMPTED MICRO ENTERPRISES (EMEs) AND QUALIFYING SMALL ENTERPRISES (QSEs)

1. PURPOSE

1.1 The purpose of this Circular is to provide:

- a) Progress on the following key supply chain management issues emanating from National Treasury's supply chain management reform process:
 - i. Central Supplier Database;
 - ii. eTender Publication Portal; and
 - iii. National Treasury Contracts and Central Procurement Initiatives.
- b) Feedback in respect of the B-BBEE requirements of accepting "sworn affidavits" for B-BBEE credentials for EMEs and QSEs.

2. CENTRAL SUPPLIER DATABASE

- 2.1 The National Treasury has indicated via Circular 3 of 2015/16 that the utilisation of the Central Supplier Database will become compulsory with effect from 1 April 2016.
- 2.2 Permission has been granted by the National Treasury for the Western Cape Government (WCG) to run the Western Cape Supplier Database (WCSD) concurrently with the Central Supplier Database (CSD) provided that:
- a) The CSD is the master of supplier information and such information cannot be modified by the WCSD; and
 - b) Suppliers registered on the CSD, should not be excluded or disadvantaged in anyway by the existence of the WCSD.
- 2.3 The Provincial Treasury has however identified various challenges on the CSD which has been raised with the National Treasury and awaits feedback on these challenges.
- 2.4 *In respect of the compulsory utilisation of the CSD with effect from 1 April 2016, given the challenges experienced to date and the permission granted by National Treasury, the WCSD will augment and be used to support the CSD. Provincial Treasury will issue a process map for SCM requirements for uniformity on practice within the WCG.***

3. eTENDER PUBLICATION PORTAL

- 3.1 The National Treasury has indicated in the update to the SCM review that the utilisation of the eTender publication portal for advertising bids and publishing awards will be compulsory with effect from 1 April 2016. The current National Treasury Regulations, 2005 (NTRs) prescribes that bids must be advertised and awards published in the Government Tender Bulletin (GTB).
- 3.2 *Institutions are required to advertise bids and publish awards thereof in both the GTB and the e-Tender publication portal until such time that the NTRs are revised as we are obliged to comply with the regulations up until the requirement has been repealed. Advertisements in newspapers was, and is an optional requirement as the need dictates.***

4. NATIONAL TRANSVERSAL CONTRACTS AND CENTRAL PROCUREMENT INITIATIVES

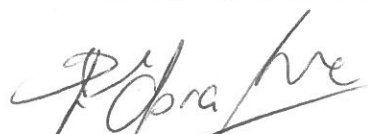
- 4.1 National Treasury has communicated via a media statement dated 7 March 2016, that as from 1 April 2016, the participation of government in existing and new transversal contracts will be compulsory. National Treasury Circular 3 of 2016, "Utilization of Transversal Contracts" dated 02 March 2016, was issued aimed at informing institutions of the transitional arrangements after the promulgation of the revised Treasury Regulations. To date these regulations have not been issued nor Gazetted.
- 4.2 Accounting Officers and Accounting Authorities are to note that the MEC for Finance has addressed the WCG's concerns to the National Minister of Finance on the constitutionality and legality of issuing this requirement and has requested that the National Minister reconsider his decision. We are awaiting a response in this regard.
- 4.3 Given that the current regulatory requirements have not been amended nor repealed the current regulation 16A6.5 issued in terms of *Government Gazette 27388 dated March 2005*, applies. **Hence the status quo remains until further notice.**
- 4.4 The Provincial Treasury has in the meantime provided institutions (via SCM heads) with National Treasury Circulars 1, 2 and 3 of 2016 in respect of the National Travel and Accommodation Project, National Mobile Communications Project and Utilisation of Transversal Contracts respectively.

5. B- BBEE REQUIREMENTS IN RESPECT OF ACCEPTING "SWORN AFFIDAVITS" FOR B-BBEE CREDENTIALS FOR EMEs AND QSEs

- 5.1 The legal position has been finalised and presented to the Premier of the Western Cape who has made a decision on the issue. The decision will firstly be brought before Cabinet for notification, after which a Provincial Treasury Circular will be issued to all institutions communicating the said decision.

6. REQUEST

- 6.1 Accounting Officers and Accounting Authorities are requested to note and adhere to the content of this circular.



NADIA EBRAHIM

DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT

DATE: 5 April 2016