

Reference number: RCS/C.5

Private Bag X9165
CAPE TOWN
8000

TREASURY CIRCULAR MUN NO. 31/2018

THE MAYOR, CITY OF CAPE TOWN: MS P DE LILLE
THE MAYOR, WEST COAST DISTRICT MUNICIPALITY: MR H CLEOPHAS
THE MAYOR, MATZIKAMA MUNICIPALITY: MR H NEL
THE MAYOR, CEDERBERG MUNICIPALITY: MR J BARNARD
THE MAYOR, BERGRIVIER MUNICIPALITY: MS S CRAFFORD (ACTING)
THE MAYOR, SALDANHA BAY MUNICIPALITY: MR M KOEN
THE MAYOR, SWARTLAND MUNICIPALITY: MR T VAN ESSEN
THE MAYOR, CAPE WINELANDS DISTRICT MUNICIPALITY: DR H VON SCHLICHT
THE MAYOR, WITZENBERG MUNICIPALITY: MR B KLAASEN
THE MAYOR, DRAKENSTEIN MUNICIPALITY: MR CJ POOLE
THE MAYOR, STELLENBOSCH MUNICIPALITY: ADV. G VAN DEVENTER
THE MAYOR, BREEDE VALLEY MUNICIPALITY: MS A STEYN
THE MAYOR, LANGEBERG MUNICIPALITY: MR HM JANSEN
THE MAYOR, OVERBERG DISTRICT MUNICIPALITY: MR A FRANKEN
THE MAYOR, THEEWATERSKLOOF MUNICIPALITY: MS CJM VOSLOO
THE MAYOR, OVERSTRAND MUNICIPALITY: MR D COETZEE
THE MAYOR, CAPE AGULHAS MUNICIPALITY: MR PJ SWART
THE MAYOR, SWELLEN DAM MUNICIPALITY: MR NG MYBURGH
THE MAYOR, GARDEN ROUTE DISTRICT MUNICIPALITY: MR M BOOYSEN
THE MAYOR, KANNALAND MUNICIPALITY: MS M BARRY
THE MAYOR, HESSEQUA MUNICIPALITY: MR G RIDDLES
THE MAYOR, MOSSEL BAY MUNICIPALITY: MR HJ LEVENDAL
THE MAYOR, GEORGE MUNICIPALITY: MR M NAIK
THE MAYOR, OUDTSHOORN MUNICIPALITY: MR CF SYLVESTER
THE MAYOR, BITOU MUNICIPALITY: MR MP LOBESE
THE MAYOR, KNYSNA MUNICIPALITY: MR M WILLEMSE
THE MAYOR, CENTRAL KAROO DISTRICT MUNICIPALITY: DR A RABIE
THE MAYOR, LAINGSBURG MUNICIPALITY: MR M GOUWS
THE MAYOR, PRINCE ALBERT MUNICIPALITY: MR G LOTTERING
THE MAYOR, BEAUFORT WEST MUNICIPALITY: MR N CONSTABLE

THE MUNICIPAL MANAGER, CITY OF CAPE TOWN: MR L MBANDAZAYO
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THE MUNICIPAL MANAGER, MATZIKAMA MUNICIPALITY: MR DP LUBBE
THE MUNICIPAL MANAGER, CEDERBERG MUNICIPALITY: MR L VOLSCHENK
THE MUNICIPAL MANAGER, BERGRIVIER MUNICIPALITY: ADV. H LINDE
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THE MUNICIPAL MANAGER, STELLENBOSCH MUNICIPALITY: MS G METTLER
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THE MUNICIPAL MANAGER, LANGEBERG MUNICIPALITY: MR SA MOKWENI
THE MUNICIPAL MANAGER, OVERBERG DISTRICT MUNICIPALITY: MR D BERETTI
THE MUNICIPAL MANAGER, THEEWATERSKLOOF MUNICIPALITY: MR G MATTHYSE
THE MUNICIPAL MANAGER, OVERSTRAND MUNICIPALITY: MR C GROENEWALD
THE MUNICIPAL MANAGER, CAPE AGULHAS MUNICIPALITY: MR D O'NEILL
THE MUNICIPAL MANAGER, SWELLEN DAM MUNICIPALITY: MR A GROENEWALD
THE MUNICIPAL MANAGER, GARDEN ROUTE DISTRICT MUNICIPALITY: MR M STRATU
THE MUNICIPAL MANAGER, KANNALAND MUNICIPALITY: MR R STEVENS
THE MUNICIPAL MANAGER, HESSEQUA MUNICIPALITY: MR J JACOBS
THE MUNICIPAL MANAGER, MOSSEL BAY MUNICIPALITY: ADV. M GILLOMEE

THE MUNICIPAL MANAGER, GEORGE MUNICIPALITY: MR T BOTHA
 THE MUNICIPAL MANAGER, OUDTSHOORN MUNICIPALITY: MR A PAULSE
 THE MUNICIPAL MANAGER, BITOU MUNICIPALITY: MR T NDLOVU
 THE MUNICIPAL MANAGER, KNYSNA MUNICIPALITY: MR J DOUGLAS (ACTING)
 THE MUNICIPAL MANAGER, CENTRAL KAROO DISTRICT MUNICIPALITY: MR S JOOSTE
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 THE MUNICIPAL MANAGER, PRINCE ALBERT MUNICIPALITY: MR H METTLER
 THE MUNICIPAL MANAGER, BEAUFORT WEST MUNICIPALITY: MR K HAARHOFF

 THE CHIEF FINANCIAL OFFICER, CITY OF CAPE TOWN: MR K JACOBY
 THE CHIEF FINANCIAL OFFICER, WEST COAST DISTRICT MUNICIPALITY: DR JCP TESSELAAR
 THE CHIEF FINANCIAL OFFICER, MATZIKAMA MUNICIPALITY: MR G SEAS
 THE CHIEF FINANCIAL OFFICER, CEDERBERG MUNICIPALITY: MR E ALFRED
 THE CHIEF FINANCIAL OFFICER, BERGRIVIER MUNICIPALITY: MR G GOLIATH
 THE CHIEF FINANCIAL OFFICER, SALDANHA BAY MUNICIPALITY: MR S VORSTER
 THE CHIEF FINANCIAL OFFICER, SWARTLAND MUNICIPALITY: MR M BOLTON
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 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 R ONTONG
 THE CHIEF FINANCIAL OFFICER, LANGEBERG MUNICIPALITY: MR B BROWN
 THE CHIEF FINANCIAL OFFICER, OVERBERG DISTRICT MUNICIPALITY: MR D BERETTI (ACTING)
 THE CHIEF FINANCIAL OFFICER, THEEWATERSKLOOF MUNICIPALITY: MR D LOUW
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 THE CHIEF FINANCIAL OFFICER, SWELLENDAM MUNICIPALITY: MR H SCHLEBUSCH
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 THE CHIEF FINANCIAL OFFICER, KANNALAND MUNICIPALITY: MR K COOPER (ACTING)
 THE CHIEF FINANCIAL OFFICER, HESSEQUA MUNICIPALITY: MS HJ VILJOEN
 THE CHIEF FINANCIAL OFFICER, MOSSEL BAY MUNICIPALITY: MR DM ASMAL
 THE CHIEF FINANCIAL OFFICER, GEORGE MUNICIPALITY: MR K JORDAAN
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 THE CHIEF FINANCIAL OFFICER, BITOU MUNICIPALITY: MR V MKHEFA
 THE CHIEF FINANCIAL OFFICER, KNYSNA MUNICIPALITY: MR M MEMANI
 THE CHIEF FINANCIAL OFFICER, CENTRAL KAROO DISTRICT MUNICIPALITY: MS U BAARTMAN
 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 CJ KYMDELL

 THE HEAD OF SCM, CITY OF CAPE TOWN: MR B CHINASAMY
 THE HEAD OF SCM, WEST COAST DISTRICT: MR M MARKUS
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 THE HEAD OF SCM, CEDERBERG MUNICIPALITY: MS J MAARMAN (ACTING)
 THE HEAD OF SCM, BERGRIVIER MUNICIPALITY: MR. I SAUNDERS
 THE HEAD OF SCM, SALDANHA BAY MUNICIPALITY: MS H MEEDING
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 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 D JACOBS
 THE HEAD OF SCM, BREEDE VALLEY MUNICIPALITY: MR M POTGIETER
 THE HEAD OF SCM, LANGEBERG MUNICIPALITY: MR S NGCONGOLO (ACTING)
 THE HEAD OF SCM, OVERBERG DISTRICT: MS D KAPOT-WITBOOI
 THE HEAD OF SCM, THEEWATERSKLOOF MUNICIPALITY: MR A HENDRICKS
 THE HEAD OF SCM, OVERSTRAND MUNICIPALITY: MR C LE ROUX
 THE HEAD OF SCM, CAPE AGULHAS MUNICIPALITY: MR R SEFOOR
 THE HEAD OF SCM, SWELLENDAM MUNICIPALITY: MR B BEYERS
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 THE HEAD OF SCM, KANNALAND MUNICIPALITY: MR E VAN ROOI (ACTING)
 THE HEAD OF SCM, HESSEQUA MUNICIPALITY: MRS A CARELSE (ACTING)
 THE HEAD OF SCM, MOSSEL BAY MUNICIPALITY: MR D SCHOLTZ
 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: MRS F KRUGER
 THE HEAD OF SCM, CENTRAL KAROO DISTRICT: MS A LENDERS (ACTING)
 THE HEAD OF SCM, LAINGSBURG MUNICIPALITY: MR K GERTSE
 THE HEAD OF SCM, PRINCE ALBERT MUNICIPALITY: MS C BAAJTJIES (ACTING)
 THE HEAD OF SCM, BEAUFORT WEST MUNICIPALITY: MRS SA POTHBERG

 THE HEAD OFFICIAL: PROVINCIAL TREASURY (MR Z HOOSAIN)
 THE DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONOMIC SERVICES (MR H MALILA)
 THE DEPUTY DIRECTOR-GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MR IG SMITH) (ACTING)
 THE CHIEF DIRECTOR: PUBLIC POLICY SERVICES (MR ML BOOYSEN) (ACTING)
 THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS JD GANTANA)
 THE CHIEF DIRECTOR: LOCAL GOVERNMENT PUBLIC FINANCE (VACANT)
 THE CHIEF DIRECTOR: ASSET MANAGEMENT (MS N EBRAHIM) (ACTING)
 THE CHIEF DIRECTOR: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN)
 THE CHIEF FINANCIAL OFFICER (MS A SMIT)

THE HEAD: OFFICE OF THE FINANCE MINISTRY (ADV. E PRETORIUS)
THE DIRECTOR: BUSINESS INFORMATION AND DATA MANAGEMENT (MR PP PIENAAR)
THE DIRECTOR: FINANCIAL GOVERNANCE (MS M VAN NIEKERK)
THE DIRECTOR: FISCAL POLICY (DR N NLEYA)
THE DIRECTOR: INFRASTRUCTURE (MR K LANGENHOVEN)
THE DIRECTOR: LOCAL GOVERNMENT ACCOUNTING (MR L BRINDERS)
THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MR D CRONJÉ) (ACTING)
THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (VACANT)
THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR M SIGABI)
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 RH SLINGER)
THE DIRECTOR: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK)
THE DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS T RAKIEP) (ACTING)
THE DIRECTOR: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS R JULIE) (ACTING)
THE DIRECTOR: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A MAZOMBA)
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)

LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT FORUM MEETING: 15 – 16 NOVEMBER 2018: BREDE VALLEY MUNICIPALITY – NEKKIES CONFERENCE CENTRE, WORCESTER

1. PURPOSE

- 1.1 To inform municipalities of the next Provincial Local Government Supply Chain Management Forum meeting that is scheduled to take place on 15 – 16 November 2018.
- 1.2 To request all municipalities to submit at least one (1) representative per municipality, preferably the SCM Manager or CFO, who will attend the Provincial Supply Chain Management Forum Meeting.
- 1.3 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.
- 1.4 The purpose of the SCM Forum meeting is to fully align the municipalities with the Provincial SCM Roadmap which cover the four (4) main streams: SCM Governance, SCM Technology, SCM Capacity and Training and Strategic Procurement and unpack various potential projects under each quadrant.

2. BACKGROUND

- 2.1 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 legislations relating to Supply Chain Management.
- 2.2 The forum further seeks to be a co-operative endeavour 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.
- 2.3 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 SCM Forum is aimed at capacitating the SCM Unit on areas of deficiencies that have been identified with the aim of enabling the municipality to achieve the next level of financial capability maturity.

2.4 Emanating from the quarterly SCM Forums, the Local Government Supply Chain Management (LG: SCM) Directorate, realised that there is a need in the SCM fraternity to create a professional environment to build institutional capacity for efficient, effective and transparent financial management as well as the promotion of the professional development of SCM Practitioners.

3. OBJECTIVES OF THE SCM FORUM MEETING

3.1 The focus of the SCM Forum meeting will primarily be to liaise, consult, workshop and develop solutions for implementation of new SCM legislation.

3.2 A need has arisen to establish and to facilitate the involvement of SCM experts/SCM heads, to secure a better grip on desired standards in SCM within the local sphere, combining theory with practical challenges and experience and at the same time ensuring, standardisation, uniformity and practicality.

3.3 The discussions will be underpinned to engage on all the National Treasury's SCM reforms, such as:

- To advise, guide and assist in the formulation and conceptualisation of position papers to National Government in respect to implementation;
- Streamlining the procurement environment to give effect to the local economic development initiatives;
- Participation and commitment to ensure that greater linkages are forged between the two disciplines SCM and LED at local municipal level; and
- Committed effort to address the balance between compliance & performance.

4. AGENDA ITEMS TO BE DISCUSSED

4.1 The Provincial Treasury will afford the municipalities the opportunity to forward their proposed agenda items or issues to be addressed at the forum meeting.

4.2 Should a municipality wish to forward any proposed agenda items for discussions, they can do so via email or fax no later than **Monday, 22 October 2018**.

4.3 The agenda items include but will not be limited to the following:

SCM Governance Quadrant

- Impact of the current court cases on procurement process
- Any other latest SCM reforms and Governance issues
- Asset Management Project
- Infrastructure Procurement Model Policy
- Development of standard operating procedures
- Best practices on SCM
- Case Law impacting on SCM processes
- PPPFA Regulations, 2017: Regulation 4: Pre-qualification criteria for preferential procurement and Regulation 9; Subcontracting as condition of tender.

SCM Strategic Procurement Quadrant

- SCM procurement planning project
- Strategic Procurement methodologies
- Localisation of procurement (*utilising procurement as a lever for local economic development*)

SCM Technology Quadrant

- SCM Insight Reports for municipalities
- Data analytics
- Expenditure analysis
- CSD and E-portal

SCM Training and Capacitation Quadrant

- SCM Training for new entrants entering the SCM environment
- I-Develop for Local Government
- SCM Bespoke training
- Addressing organisational deficiencies

5. LOGISTICS

5.1 The Provincial SCM Forum meeting is scheduled to take place as follows:

Date : 15 - 16 November 2018

Venue : Nekkies Conference Centre (LAPA Conference), Breede Valley Municipality

Address : Private Bag X3046, Worcester 6849 – Rawsonville, Road

Time : 09:00 – 16:00

6. REQUEST

- 6.1 Municipalities are requested to forward the name, designation and contact details of the representative, who will be attending the Supply Chain Management Forum meeting.
- 6.2 Failures to submit the requested information on time often makes it difficult to co-ordinate and arrange the SCM Forum meeting. To this effect we kindly request your cooperation.
- 6.3 A further request for the Municipality to take cognisance of is the fact that the traveling and accommodation arrangements is for the account of the Municipality.

6.4 It will be highly appreciated if these details are submitted not later than **Monday, 22 October 2018** via e-mail to Mariam.Abrahams@westerncape.gov.za.

Your co-operation will be highly appreciated.

A handwritten signature in black ink, appearing to be 'R Moolman', written in a cursive style.

MR R MOOLMAN
DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT
DATE: 11 October 2018