



Reference: RCS/C.6  
MyContent: WCG-2018-507

**TREASURY CIRCULAR NO. 4/2018**

- 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

} For information

- 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 (MR BK SCHREUDER)
- 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 (MS U BRINK) (ACTING)
- THE CHIEF FINANCIAL OFFICER: VOTE 4: COMMUNITY SAFETY (MR M FRIZLAR)
- THE CHIEF FINANCIAL OFFICER: VOTE 5: EDUCATION (MR L ELY)
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- 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 GILDENHUYIS)
- THE CHIEF FINANCIAL OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (ADV C SMITH)
- 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)
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- THE ACCOUNTING AUTHORITY: WESTERN CAPE NATURE CONSERVATION BOARD (PROF G MANEVELDT)
- THE ACCOUNTING AUTHORITY: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR B FIGAJI)
- THE ACCOUNTING AUTHORITY: SALDANHA BAY IDZ LICENCING COMPANY (DR J STEGMANN)
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- THE ACCOUNTING AUTHORITY: WESTERN CAPE HERITAGE (MR M DLAMUKA)
- THE ACCOUNTING AUTHORITY: CASIDRA (DR L COETZEE)
- THE ACCOUNTING AUTHORITY: WESTERN CAPE LIQUOR AUTHORITY (MR M JONES)

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 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)  
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 THE DEPUTY DIRECTOR GENERAL: FISCAL AND ECONOMIC SERVICES (MR H MALILA)  
 THE DEPUTY DIRECTOR GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MR IG SMITH) (ACTING)  
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 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 (MS N EBRAHIM) (ACTING)  
 THE CHIEF DIRECTOR: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN)  
 THE CHIEF FINANCIAL OFFICER (MS U BRINK) (ACTING)  
 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 N PALMER) (ACTING)  
 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 ML BOOYSEN)  
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MR A DYAKALA)  
 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 N EBRAHIM)  
 THE DIRECTOR: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS A SMIT)  
 THE DIRECTOR: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A MAZOMBA)  
 THE PROVINCIAL AUDITOR  
 MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT  
 THE DEPUTY DIRECTOR GENERAL: CORPORATE ASSURANCE, DEPARTMENT OF THE PREMIER (MS H ROBSON)

## **RE: PROCUREMENT PLANNING REQUIREMENTS FOR 2018/19**

### **1. PURPOSE**

1.1 The purpose of this Circular is to:

- (i) Articulate the provincial requirements for the submission and reporting of the procurement plans for 2018/19; and
- (ii) Provide accounting officers and accounting authorities with the provincial procurement template.

## 2. BACKGROUND

- 2.1 As articulated in Budget Circular 2 of 2018/19, the linking of the MTEC budget process and reporting with procurement planning has become a key focus of the strategic planning framework.
- 2.2 The Provincial Treasury (PT) committed to streamlining and facilitating this process by providing departments with a pre-populated template that will assist and serve as a precursor to enable departments to complete its procurement plan.
- 2.3 The procurement plan will therefore be based on the departments final budget submission. To this end, the final budget allocations are in the process of being finalised by PT: Business Information and Data Management hence Provincial Government Supply Chain Management (PGSCM) will submit the prepopulated template in due course. A blank copy of the pre-populated template is attached marked as **Annexure F**. Given that the reporting requirements are still the same, departments may proceed with the finalisation of its annual procurement plans.
- 2.4 This will be a pre-cursor to the final procurement plan for departmental utilisation only and is not required to be submitted to the Provincial Treasury. Its sole purpose is to assist departments in linking procurement to the budget and providing SCM with the necessary business information to support the finalisation of the annual procurement plan.

## 3. PREPOPULATED TEMPLATE FOR PROCUREMENT PLANNING

- 3.1 The prepopulated template Annexure F will reflect the departments' final budget allocations at an item level, based on the Standard Chart of Accounts (SCoA). The summary sheet will provide an overview of the annual budget for procurement related<sup>1</sup> goods, services and works.
- 3.2 The purpose of the prepopulated template is to reconcile the budget allocations to the procurement plan. This is intended to improve the overall quality and credibility of the procurement plan and create the necessary linkages between budgeting and procurement planning processes.
- 3.3 The format and structure of the prepopulated template is explained in **Annexure E**. However, institutions may customise and tailor the prepopulated template to suit the departments' need.

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<sup>1</sup> All SCoA Item Classifications subject to a formal procurement process.

#### 4. REPORTING REQUIREMENTS FOR 2018/19 FINANCIAL YEAR

4.1 The accounting officer or accounting authority must adhere to the following annual, quarterly and general reporting requirements for procurement planning:

##### A) ANNUAL REPORTING

- (i) Accounting officers and accounting authorities must submit an approved annual procurement plan for the 2018/19 financial year by 31 March 2018. Institutions must utilise the prescribed template attached hereto marked **Annexure A**.
- (ii) The annual procurement plan must include –
  - (a) All procurement of good and services in excess of R100 000 (including VAT); and
  - (b) All capital as well as maintenance work in excess of R500 000 (including VAT).
- (iii) As articulated in Treasury Circular No. 31 of 2017, the Infrastructure Programme Implementation Plan (IPIP) should address capital as well as maintenance work. The aforementioned information will be regarded as part of the procurement plan and should be used to complete Annexure A of the procurement planning template attached hereto.
- (iv) Accounting officers and accounting authorities must prepare and submit an SCM performance plan by 31 March 2018. Institutions must utilise the prescribed template attached hereto marked **Annexure C**. Institutions may customise the template as deemed fit to suit the departments' needs, however the minimum reporting requirements must still be met.
- (v) PT provides departments with a SCM Systems Insight Report on a quarterly basis. The intent of the aforesaid report is to provide performance information in terms of Supply Chain Management performance to provincial departments in order to improve planning and decision making processes as well as to measure results or outcomes that has been achieved. This report may be used to inform/assist with the development of the SCM performance plan.

## B) QUARTERLY REPORTING

- (i) Accounting officers and accounting authorities must submit quarterly reports to the Provincial Treasury by the 15<sup>th</sup> of the month following the end of the quarter. The aforementioned report must be prepared in the format as outlined in **Annexure D**.
- (ii) The PT will use its discretion to grant extensions where departments require extension beyond the prescribed due date. This however must be motivated and substantiated.

## C) GENERAL REPORTING

- (i) A stakeholder engagement plan, must accompany the annual procurement plan. Institutions must utilise the template attached hereto marked **Annexure B**. Institutions may customize and amend the template to suit its needs however the following minimum reporting fields must still be met:
  - 1) Stakeholder name (Who will be engaged);
  - 2) Engagement method (How will they be engaged); and
  - 3) Envisaged engagement date (When they will be engaged).

## 5. REQUEST

- 5.1 Accounting officers and accounting authorities must note the contents of this Provincial Treasury circular.
- 5.2 The following submissions are required of provincial institutions:

REQUIREMENT	DUE DATE	TEMPLATE
1. Final Annual Procurement Plan for 2018/19	31 March 2018	Annexure A
2. Stakeholder Engagement Plan	31 March 2018	Annexure B
3. SCM Performance Plan	31 March 2018	Annexure C
4. Quarterly Progress Report: 1 <sup>st</sup> Quarter	13 July 2018	Annexure D
5. Quarterly Progress Report: 2 <sup>nd</sup> Quarter	15 October 2018	Annexure D
6. Quarterly Progress Report: 3 <sup>rd</sup> Quarter	15 January 2019	Annexure D
7. Quarterly Progress Report: 4 <sup>th</sup> Quarter	15 April 2019	Annexure D

5.3 Submit all information to:

[SupplyChainManagement.HDPFMA@westerncape.gov.za](mailto:SupplyChainManagement.HDPFMA@westerncape.gov.za)

[Theresa.Soetzenberg@westerncape.gov.za](mailto:Theresa.Soetzenberg@westerncape.gov.za)

## 6. ENQUIRIES

6.1 Any enquiries in respect of this circular may be directed to:

Acting Director: Provincial Government Supply Chain Management

Ms Tasneem Rakiep

Tel: (021) 483 4720

Email: [Tasneem.Rakiep@westerncape.gov.za](mailto:Tasneem.Rakiep@westerncape.gov.za)

Deputy Director: Provincial Government Supply Chain Management

Ms Theresa Soetzenberg

Tel: (021) 483 8221

Email: [Theresa.Soetzenberg@westerncape.gov.za](mailto:Theresa.Soetzenberg@westerncape.gov.za)



**MS NADIA EBRAHIM**

**ACTING CHIEF DIRECTOR: ASSET MANAGEMENT**

**DATE:** 13/02/2018

**Part A: Annual Procurement Plan 2017/18**

End User (Columns 1 - 12)

Supply Chain Management (Columns 13 - 21)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	
Item No.	Programme	Sub-Programme	Responsibility Manager	Description of procurement	SCOA Item (Select from drop down list)	Link to APP (Where applicable)	Date goods or services are required	Projected Expenditure (2017/18)	Projected Expenditure (2018/19)	Projected Expenditure (2019/20)	Total Value of Contract (9 to 11)	Method of procurement (Select from drop down)	Specification Date	Advert date	Close date	Evaluation date	BAC date	Award date	Contract start date	Contract end date	Comments	
1																						
2																						
3																						
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9																						
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11																						
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13																						
14																						
15																						

**SCM Stakeholder Engagement Plan**

Programme	Sub-Programme	Stakeholder Name	Position	Priority	Engagement Method	Envisaged Engagement Date	Comments



**Part C: SCM Performance Measure and Targets**

<b>Item No.</b>	<b>Priority</b>	<b>Initiative</b> What is planned over the next three years to improve procurement?	<b>Timing</b> (e.g 2 stages over the next 18 months)	<b>Target</b> What is the goal or the aim of the initiative?	<b>How will the success of the initiative be measured?</b>	<b>Responsibility</b> What functional area or unit in the department is driving this initiative?	<b>Comments</b> Is there any additional information about the initiative that would be useful?
1							
2							
3							
4							
5							
6							



# QUARTERLY PROGRESS REPORT

< INSTITUTION NAME >

PROCUREMENT PLAN 2018/19

REPORTING PERIOD

< START MONTH > - < END MONTH >

## ANNEXURE E

### PREPOPULATED TEMPLATE FOR PROCUREMENT PLANNING

The prepopulated template will reflect the department's annual budget allocations at an item level based on the Standard Chart of Accounts (SCoA), focusing only on goods and services. The table below is a representation of the summary sheet.

**Table 1: Summary Sheet**

<b>Programme</b>	<b>2018/19 Indicative Baseline (Goods &amp; Services)</b>	<b>2018/19 Procurement Plan (Estimated Amount)</b>	<b>Variance</b>
Programme 1	R 000	R 000	R 000
Programme 2	R 000	R 000	R 000
Programme 3	R 000	R 000	R 000
Programme 4	R 000	R 000	R 000
<b>Total</b>	<b>R 000</b>	<b>R 000</b>	<b>R 000</b>

Source: Second draft budget submission

The summary sheet provides an overview of the following key figures:

- 1** total budget allocation based on the draft budget submissions (MTEC)
- 2** estimated procurement budget as reflected in the annual procurement plan
- 3** variance between the budget allocations and the annual procurement plan

The prepopulated workbook is further broken down by SCoA Item Level 4 (see diagram 2 and 3). This will allow institutions to identify the root cause of discrepancies between the budget allocations and the procurement plan.

**Table 2: Indicative Baseline by Programme by SCoA Item Level 4**

<b>Economic Classification / SCoA Item Level 4</b>	<b>2018/19 – Indicative Baseline</b>				
	Programme 1	Programme 2	Programme 3	Programme 4	Total
<b>Goods and services</b>	<b>R 000</b>	<b>R 000</b>	<b>R 000</b>	<b>R 000</b>	<b>R 000</b>
Administrative fees	R 000	R 000	R 000	R 000	R 000
Advertising	R 000	R 000	R 000	R 000	R 000
Minor Assets	R 000	R 000	R 000	R 000	R 000
Audit cost: External	R 000	R 000	R 000	R 000	R 000
Catering: Departmental act..	R 000	R 000	R 000	R 000	R 000
Communication	R 000	R 000	R 000	R 000	R 000
Computer services	R 000	R 000	R 000	R 000	R 000
Consultants and professional..	R 000	R 000	R 000	R 000	R 000

Source: Second draft budget submission

**Table 3: Estimated Procurement Amount by Programme by SCoA Item Level 4**

Economic Classification / SCoA Item Level 4	2018/19 – Procurement Plan				
	Programme 1	Programme 2	Programme 3	Programme 4	Total
<b>Goods and services</b>	<b>R 000</b>	<b>R 000</b>	<b>R 000</b>	<b>R 000</b>	<b>R 000</b>
Administrative fees	R 000	R 000	R 000	R 000	R 000
Advertising	R 000	R 000	R 000	R 000	R 000
Minor Assets	R 000	R 000	R 000	R 000	R 000
Audit cost: External	R 000	R 000	R 000	R 000	R 000
Catering: Departmental act..	R 000	R 000	R 000	R 000	R 000
Communication	R 000	R 000	R 000	R 000	R 000
Computer services	R 000	R 000	R 000	R 000	R 000
Consultants and professional..	R 000	R 000	R 000	R 000	R 000

Source: Draft Annual Procurement Plan (2018/19)

It is envisaged that institutions utilize this framework to reconcile the budget allocations to the procurement plan and identify and address any material variances/discrepancies. This exercise is intended to ensure closer alignment between budget planning and procurement planning.

<INSTITUTION NAME>

Sources: Final Budget 2018 (NT MTEC Database)  
Annual Procurement Plan 2018/19

<b>Programmes</b>	<b>2018/19 Indicative Baseline (Goods &amp; Services)</b>	<b>2018/19 Procurement Plan (Estimated Amount)</b>	<b>Variance</b>
Programme 1			-
Programme 2			-
Programme 3			-
Programme 4			-
Programme 5			-
<b>Total</b>			-