

**PROVINSIALE TESOURIE • PROVINCIAL TREASURY •
UNONDYEBO WEPHONDO**



Verwysing
Reference
Isalathiso

PT 14/7

Navrae
Enquiries
Imibuzo

R. Alberts

TREASURY CIRCULAR 24 / 2008

THE PREMIER

THE MINISTER OF AGRICULTURE
THE MINISTER OF COMMUNITY SAFETY
THE MINISTER OF CULTURAL AFFAIRS, SPORT AND RECREATION
THE MINISTER OF EDUCATION
THE MINISTER OF ENVIRONMENT, PLANNING AND ECONOMIC DEVELOPMENT
THE MINISTER OF FINANCE AND TOURISM
THE MINISTER OF HEALTH
THE MINISTER OF LOCAL GOVERNMENT AND HOUSING
THE MINISTER OF SOCIAL SERVICES AND POVERTY ALLEVIATION
THE MINISTER OF TRANSPORT AND PUBLIC WORKS

THE SPEAKER: PROVINCIAL PARLIAMENT
THE DEPUTY SPEAKER: PROVINCIAL PARLIAMENT

ALL OTHER MEMBERS OF PARLIAMENT

THE ACCOUNTING OFFICER: VOTE 1: PREMIER (MS V PETERSEN)
THE ACCOUNTING OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MR P WILLIAMS)
THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (DR JC STEGMANN)
THE ACCOUNTING OFFICER: VOTE 4: COMMUNITY SAFETY (DR GA LAWRENCE)
THE ACCOUNTING OFFICER: VOTE 5: EDUCATION (MR RB SWARTZ)
THE ACCOUNTING OFFICER: VOTE 6: HEALTH (PROF KG HOUSEHAM)
THE ACCOUNTING OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MS S FOLLENTINE) (ACTING)
THE ACCOUNTING OFFICER: VOTE 8: LOCAL GOVERNMENT AND HOUSING (MS S MAJIET)
THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR R ELLIS) (ACTING)
THE ACCOUNTING OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MR T MANYATHI)
THE ACCOUNTING OFFICER: VOTE 11: AGRICULTURE (MS J ISAACS)
THE ACCOUNTING OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MS J JOHNSTON) (ACTING)
THE ACCOUNTING OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR MN LINDIE)

THE CHIEF FINANCIAL OFFICER: VOTE 1: PREMIER (MR H ARENDSE)
THE CHIEF FINANCIAL OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MS A SMIT)
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: LOCAL GOVERNMENT AND HOUSING (MR D BASSON)
THE CHIEF FINANCIAL OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR AA GAFFOOR)
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 (MR S BOWES) (ACTING)

THE HEAD OFFICIAL: PROVINCIAL TREASURY (DR JC STEGMANN)
THE HEAD: SUSTAINABLE RESOURCE MANAGEMENT (MR A PHILLIPS) (ACTING)
THE HEAD: ASSET MANAGEMENT (MR TD PILLAY)
THE HEAD: FINANCIAL GOVERNANCE (MR TC ARENDSE)
THE HEAD: PUBLIC FINANCE (MR H MALILA)
THE CHIEF FINANCIAL OFFICER (MR A GILDENHUYS)
THE SENIOR MANAGER: HUMAN RESOURCE MANAGEMENT (MS PG PIEDT)
THE SENIOR MANAGER: ACCOUNTING (MR A REDDY)
THE SENIOR MANAGER: NORMATIVE FINANCIAL MANAGEMENT (MR F JACOBS) (ACTING)
THE SENIOR MANAGER: ENTERPRISE RISK MANAGEMENT AND GOVERNANCE SYSTEMS (MR B VINK) (ACTING)
THE CHIEF AUDIT EXECUTIVE (MS H ROBSON)
THE SENIOR MANAGER: INTERNAL AUDIT (MS B CAIRNCROSS)
THE SENIOR MANAGER: ECONOMIC ANALYSIS (MS W MAPIRA) (ACTING)
THE SENIOR MANAGER: FISCAL POLICY: PROVINCIAL GOVERNMENT (MS A PICK) (PRO TEM)
THE SENIOR MANAGER: FISCAL POLICY: LOCAL GOVERNMENT (MR G PAULSE) (PRO TEM)
THE SENIOR MANAGER: BUDGET MANAGEMENT (MR PP PIENAAR) (ACTING)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT FINANCE (MS A PICK)
THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (MR G PAULSE)
THE SENIOR MANAGER: IMMOVEABLE ASSET MANAGEMENT (MR NB LANGENHOVEN)
THE SENIOR MANAGER: MOVEABLE ASSET MANAGEMENT (MS N EBRAHIM)
THE SENIOR MANAGER: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A BASTIAANSE)
THE HEAD: OFFICE OF THE MINISTRY (MR G GESWINDT)

THE PROVINCIAL AUDITOR

MASTER RECORDS OFFICIAL: FINANCIAL MANAGEMENT

} For information

EXTENSION OF THE CONTRACTS FOR THE ELECTRONIC PURCHASING SYSTEM (EPSi) AND WESTERN CAPE SUPPLIER DATABASE (WCSD) FOR THE PERIOD ENDING 30 JUNE 2011

1. PURPOSE

- 1.1 The purpose of this document is to inform Accounting Officers, Chief Financial Officers and Supply Chain Management line functionaries of the extension of the contracts for the Electronic Purchasing System (EPSi) and the Western Cape Supplier Database (WCSD) for the period ending 30 June 2011.

2. EXTENSION OF THE CURRENT CONTRACTS

- 2.1 The Provincial Treasury is contracted with Quadrem TradeWorld for the supply of:
- (a) an Electronic Purchasing System (EPSi) to facilitate the sourcing of quotations; and
 - (b) a Western Cape Supplier Database (WCSD) to supply a database of potential verified supplier
- 2.2 The above-mentioned contracts are due to expire on the 30 June 2008. The Provincial Treasury has been prohibited in procuring a new IT system in terms of the National Treasury's practice note 7 of 2006 (Applications in respect of new IT systems) which prohibits Provinces (Cabinet resolution) in procuring IT systems that will be provided for through the IFMS project (Annexure A).
- 2.3 The National Treasury can however not provide a timeframe for the rollout of procurement modules to provinces.
- 2.4 The uncertainty surrounding the IFMS project and short-term extensions of the contracts have restricted the Provincial Treasury in implementing various projects linked to their short and long term objectives. It should be noted further that should the Provincial Treasury obtain permission from the IFMS Steering Committee to procure a system the province would most probably not see a return on investment

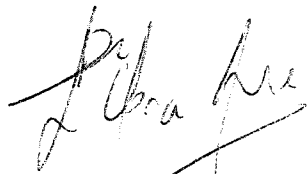
before having to replace the system with the IFMS or will have to postpone implementation of the IFMS for a few years.

- 2.5 The Provincial Treasury has therefore decided to extend both contracts until 30 June 2011 linked to specific goals / projects set for each year of the extended contract period.
- 2.6 Value-added services and or enhancements will be managed on an ad-hoc basis. The Provincial Treasury will conduct a needs analysis with Provincial departments and interested municipalities. Inputs from the analysis will be accessed, costed, discussed with relevant parties (department(s)) and if approved placed on a list of enhancements accordingly prioritised.
- 2.7 Standard enhancements such as software upgrades will be communicated to departments and users well in advance. User manual will be available electronically and user support will be available via Quadrem's Buyer Support Division.
- 2.8 Attention is drawn to paragraph 16A2.1.3 of the Provincial Treasury Instructions dated 29 April 2008, which specifies the current threshold values (between R 10 001 and R 200 000) for procurement done via the Designated Procurement System (DPS). This system is currently the Electronic Purchasing System (EPSI) as contracted with Quadrem Africa (incorporating TradeWorld).
- 2.9 In accordance with paragraph 16A7.2.3 of the Provincial Treasury Instructions dated 29 April 2008 reporting on quotations invited via the EPSi (PTI refers to DPS) is compulsory. Awarded quotation information should be captured within 21 calendar days of the award of the quotation. Compliance to this requirement will be monitored and quarterly status and statistics reports will be submitted to departments. Training on the capturing of awards may be provided on request.
- 2.10 Training on the systems will be for departmental accounts at a cost of R 410.51 per 10 users (08/09). Training cost will remain fixed irrespective of the amount of official to be trained (between 1 and 10). Departments must thus ensure that all user training in terms of the EPSi and WCSD are taken into account before arranging said training. Departments will also be required to arrange a suitable training venue (not at official's workstation).

3. REQUEST

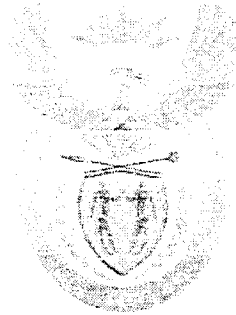
3.1 It is requested that Accounting Officers, Chief Financial Officers and SCM Manager inform all relevant officials within the department as well as institutions under its control that:

- (a) the extension of the EPSi and WCSD contracts until **30 June 2011**;
- (b) the content of this document, specifically under the topics value-added services, standard enhancements, threshold values, reporting and training; and
- (c) the services provided in term of the Electronic Purchasing System (EPSi) and Western Cape Supplier Database (WCSD) will continue uninterrupted.



SENIOR MANGER: MOVEABLE ASSET MANAGEMENT

Date: 13/06/08



NATIONAL TREASURY
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**TO ALL : ACCOUNTING OFFICERS OF ALL NATIONAL DEPARTMENTS
HEAD OFFICIALS OF ALL PROVINCIAL TREASURIES
PROVINCIAL ACCOUNTANTS-GENERAL**

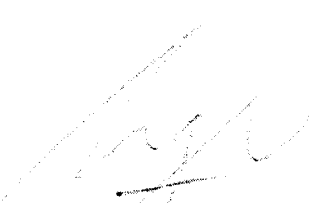
TREASURY PRACTICE NOTE 7 OF 2006

APPLICATIONS IN RESPECT OF NEW IT SYSTEMS

1. On 14 September 2005 Cabinet formally approved Phases I and II of the Integrated Financial Management Systems (IFMS) Project. In terms of this approval, all financial (including payroll), supply chain and human resource management systems are to be replaced by a centrally provided integrated application.
2. Phase II of the project will be completed over a period of about eighteen to twenty four months. This phase of the project will see to completion of the detailed overall systems specification and organizational preparation that will be needed for implementation of the new integrated solutions.
3. Phase III will be completed over a period of about five years. During this phase different releases of the new systems will be rolled out.
4. To avoid unnecessary duplication of IT systems in government, Cabinet resolved that a moratorium be placed on the acquisition of all IT systems that will be provided through the IFMS project.
5. For this reason, the National Treasury will not grant any approvals for the acquisition of any new IT systems in terms of section 17.3.1 of the Treasury Regulations, unless written confirmation has been obtained from the IFMS Steering Committee that the intended system would not constitute a duplication of solutions that would be provided through the IFMS project.

Treasury Practice Note 7 of 2006
Applications in respect of new IT systems

6. Your cooperation in this regard would be appreciated.



C.C.W. KRUGER

DEPUTY DIRECTOR-GENERAL: SPECIALIST FUNCTIONS

DATE: 28/3/2006