

PROVINSIALE TESOURIE • PROVINCIAL TREASURY •
UNONDYEBO WEPHONDO



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 THE HEAD: OFFICE OF THE MINISTRY (MR G GESWINDT)

THE PROVINCIAL AUDITOR

MASTER RECORDS OFFICIAL: FINANCIAL MANAGEMENT

[THE HEAD OF DEPARTMENT: LOCAL GOVERNMENT AND HOUSING](#)

RE: RT CONTRACTS PROVIDED BY NATIONAL TREASURY

1. PURPOSE

1.1 To provide clarity to Municipalities on the procedure to follow when applying to participate in the Transversal Contracts (hereinafter referred to as “RT Contracts”) that have been arranged by National Treasury.

2. BACKGROUND

- 2.1 Several Municipalities have approached Provincial Treasury on the procedure to follow when a Municipality wishes to participate in RT Contracts that have been arranged by National Treasury.

3. LEGAL FRAMEWORK

- 3.1 Regulation 32 of the Local Government: Municipal Finance Management Act, (56 of 2003): Supply Chain Management Regulations provides as follows:

(1) "A supply chain management policy may allow the Accounting Officer to procure goods and services for the municipality or municipal entity under a contract secured by another organ of state, but only if -

(a) The contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;

(b) The municipality or entity has no reason to believe that such contract was not validly procured;

(c) There are demonstrable discounts or benefits for the municipality or entity to do so; and

(d) That the other organs of state and the provider have consented to such procurement in writing.

(2) Subregulation (1)(c) and (d) do not apply if –

(a) a municipal entity procures goods or services through a contract secured by its parent municipality; or

(b) a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.

4. DISCUSSION

- 4.1 Municipalities are advised that all correspondence with regard to participation in any of the Transversal Contracts must be forwarded to the following address:

The National Treasury

Chief Directorate: Contract Management

Attention: Willie Mathebula

Private x 115

Pretoria

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- 4.2 The Municipality's participation in the Transversal Contract is **subject** to the approval of the Bid Adjudication Committee that have made the award for the specific RT Contract and also the approval of the supplier(s) to whom the award have been made to.
- 4.3 The Municipality must consider the following trade-offs in its decision to participate in a RT Contract:
- The cost-effectiveness of the RT Contract to the Municipality
 - The location of the supplier (to whom the RT Contract has been awarded to) in relation to the location of the Municipality, may have an impact on the contract price
 - The preferential goals stipulated in the RT Contract verses the preferential goals of the Municipality.
- 4.4 A copy of the relevant RT Contract is also available upon request from the person responsible for the relevant RT Contract (see attached **Annexure 1: List of RT Contracts and Contact persons**).

5. ENQUIRIES

- 5.1 If there are any enquiries and further assistance required with regard to the above, please do not hesitate to contact Rosetta Mwanza at telephone no. (021) 483 6627 and e-mail rmwanza@pgwc.gov.za or Craig Golding at telephone no. (021) 483 9940 and e-mail cgolding@pgwc.gov.za.

CG GOLDING**ACTING DIRECTOR: MFMA / SUPPLY CHAIN MANAGEMENT****DATE:**