



REFERENCE: T16/P

ENQUIRIES: NADIA EBRAHIM

TREASURY CIRCULAR NO. 61/2011

THE PREMIER

- THE MINISTER OF AGRICULTURE AND RURAL DEVELOPMENT
- THE MINISTER OF COMMUNITY SAFETY
- THE MINISTER OF CULTURAL AFFAIRS AND SPORT
- THE MINISTER OF EDUCATION
- THE MINISTER OF FINANCE, ECONOMIC DEVELOPMENT AND TOURISM
- 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 (MR R HINDLEY)
- 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 (MS P VINJEVOLD)
- THE ACCOUNTING OFFICER: VOTE 6: HEALTH (PROF KC HOUSEHAM)
- THE ACCOUNTING OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MS K LUBELWANA)
- THE ACCOUNTING OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR M TSHANGANA)
- THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR T GILDENHUYS)
- THE ACCOUNTING OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MR J FOURIE)
- 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 (DR H FAST)

- 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) (ACTING)
- 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 (MS BG RUTGERS)
- THE CHIEF FINANCIAL OFFICER: VOTE 14: LOCAL GOVERNMENT (MR F DE WET) (ACTING)

- THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MR P ABRAHAMS) (ACTING)
- THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (MS M MOROKA)
- THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR N FLAATTEN) (ACTING)
- THE CHIEF EXECUTIVE OFFICER: CAPE TOWN ROUTES UNLIMITED (DMO) (MR C GILFELLAN)
- THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE CULTURAL COMMISSION (MS J MOLELEKI)
- THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LANGUAGE COMMISSION (MS J MOLELEKI)
- THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE HERITAGE COMMISSION (MS J MOLELEKI)
- THE CHIEF EXECUTIVE OFFICER: CASIDRA (MS T MLONYENI) (ACTING)
- THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LIQUOR BOARD (MR S FOURIE)

- THE CHIEF FINANCIAL OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MR P ABRAHAMS)
- THE CHIEF FINANCIAL OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (MR A PRESTSON)
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- THE CHIEF FINANCIAL OFFICER: CAPE TOWN ROUTES UNLIMITED (DMO) (MR H BONESCHANS)
- THE CHIEF FINANCIAL OFFICER: WESTERN CAPE CULTURAL COMMISSION (MS B RUTGERS)
- THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LANGUAGE COMMISSION (MS B RUTGERS)
- THE CHIEF FINANCIAL OFFICER: WESTERN CAPE HERITAGE COMMISSION (MS B RUTGERS)
- THE CHIEF FINANCIAL OFFICER: CASIDRA (MR F VAN ZYL)
- THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LIQUOR BOARD (MS M ABRAHAMS)

- THE HEAD OFFICIAL: PROVINCIAL TREASURY (DR JC STEGMANN)
- THE HEAD: BRANCH FISCAL AND ECONOMIC SERVICES (MR H MALILA)
- THE HEAD: BRANCH GOVERNANCE AND ASSET MANAGEMENT (MR TC ARENDSE)

THE HEAD: PUBLIC POLICY SERVICES (MR A PHILLIPS)
THE HEAD: PUBLIC FINANCE (MR H MALILA) (PRO TEM)
THE HEAD: FINANCIAL GOVERNANCE (MR A REDDY) (ACTING)
THE HEAD: ASSET MANAGEMENT (MS N EBRAHIM) (ACTING)
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THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (GROUP ONE) (MR F SABBAT)
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THE HEAD: OFFICE OF THE FINANCE MINISTRY (MS A SMIT)

THE PROVINCIAL AUDITOR

MASTER RECORDS OFFICIAL: FINANCIAL MANAGEMENT

**RE: ISSUING OF STANDARD WESTERN CAPE AMENDED
BIDDING DOCUMENTS AND NATIONAL TREASURY
IMPLEMENTATION GUIDE FOR PREFERENTIAL
PROCUREMENT REGULATIONS, 2011**

1. BACKGROUND

- 1.1 With effect from **7 December 2011** the requirements of the Preferential Procurement Regulations, 2011 come into effect and accounting officers and accounting authorities are required to invite, evaluate and award bids in terms thereof.
- 1.2 The National Treasury has, to this end issued standard bidding documents that give effect to the requirements of the regulatory regime together with a Guide to assist institutions to implement these regulations.
- 1.3 As cited in paragraphs 2.5 and 2.6 of National Treasury's Circular dated 01 December 2011 and attached herewith, the above-mentioned documentation must be read and utilised together with other relevant SCM related prescripts, Instructions, circulars and guidelines. It is also highlighted that the Guide is not a substitute for legislation and should not be utilised for legal interpretation.
- 1.4 The Provincial Treasury has reviewed these documents and has adapted certain bid documents as described hereunder to address provincial specific requirements. These revised and amended bid documents as a full provincial set of prescribed bid documents together with the above-mentioned Guide is attached herewith.
- 1.5 The Guide has also been reviewed to align to provincial specific requirements and these are highlighted in paragraph 3 hereunder.

2. WESTERN CAPE STANDARD BIDDING DOCUMENTS

2.2.1 WCBD 4: (SBD 4: DECLARATION OF INTEREST, SBD8: DECLARATION OF BIDDERS' PAST SCM PRACTICES AND SBD9: PROHIBITION OF RESTRICTIVE PRACTICES)

- (a) The National Treasury standard bidding documents SBDs 4, 8 and 9 have been consolidated and issued herewith as **"WCBD 4"**
- (b) Completion of the WCBD 4 form is envisaged as an annual exercise for completion by suppliers that will be housed on the Western Cape Supplier Database and bidders will be required to submit this document once only, unless there is a subsequent change in any of the details submitted. This requirement comes into effect from **1 April 2012**.
- (c) Departments must in the interim ensure that for quotations procured via the EPSi, the WCBD4 document is completed at least by the successful bidder before the contract is awarded.
- (d) Similarly, for bids concluded above the threshold value utilised by departments via EPSi, the WCBD 4 must be completed by each bidder who submits a bid.

2.2.2 WCBD 6.1 (a) and WCBD 6.1 (b): PREFERENCE CLAIM CERTIFICATES

- (a) In order to give effect to the requirements of Preferential Procurement Policy Framework Regulation, 2011, the Provincial Treasury has issued the new WCBD 6.1(a) and WCBD 6.1 (b) bidding documents, replacing the current preference claim form.
- (b) The WCBD 6.1 (a) and WCBD 6.1 (b) bidding document captures the BBEE requirements in terms of the 80/20 and 90/10 preference points respectively.

- (c) The WCBD 6.1 (a) and WCBD 6.1 (b) bidding documents come into operation on **7 December 2011**, and are applicable to all bids advertised from this date forward.

2.2.3 WCBD 7.1 (CONSOLIDATED SBD 7.1 AND 7.2): CONTRACT FORM FOR GOODS/WORKS/SERVICES

- (a) The National Treasury SBD 7.1 and 7.2 have been consolidated into one form to eliminate the cumbersome process of too many forms being completed by bidders.

2.2.4 OTHER

- (a) The other SBDs issued by National Treasury have been customised with the WCBD prefix and include the following:
- i) *WCBD 1: Invitation to Bid;*
 - ii) *WCBD 2: Tax Clearance Certificate Requirements;*
 - iii) *WCDD 3.1: Pricing Schedule – Firm Prices (Purchases);*
 - iv) *WCBD 3.2: Pricing Schedule – Non-Firm Prices (Purchases);*
 - v) *WCBD 3.3: Pricing Schedule (Professional Services);*
 - vi) *WCBD 5: National Industrial Participation Programme;*
 - vii) *WCBD 7.2: Contract Form: Sale of Goods/Works*

3. IMPLEMENTATION GUIDE: PREFERENTIAL PROCUREMENT REGULATIONS, 2011

- (a) Paragraph 3.2.1 of the Guide indicates that the 80/20 point system will apply to bids equal to or above the R30 000.00 and up to a Rand Value of R1 million. It must be noted that ***the provincial threshold in terms of which the 80/20 point system applies will be in respect of bids equal to and***

above the threshold value of R10 000.00 and up to a Rand Value of R1 million.

- (b) The threshold for the application of the 80/20 points system must not be confused with the threshold for quotations / the informal bidding process in which the EPSi is utilised. This threshold remains as prescribed in terms of Provincial Treasury Instructions 16A2.1.3 dated 2 November 2009.
 - (c) It must however be noted that it is the responsibility of departmental SCM units to educate its users on the SCM processes associated herewith.
 - (d) Given that the National Treasury is in the process of developing guidelines and instructions for the implementation of the requirements in respect of local content, the Provincial Treasury hereby holds in abeyance Chapter 12 of the Guide as well as the bid document in respect of Local Content. These will be issued / activated once National Treasury has issued its instructions and guidelines in respect thereof.
 - (e) In terms of Paragraph 21.2 of the Guide, the validity period of a bid must not be extended where a bid was invited in terms of the 2001 regulations. Given that this may not necessarily be within departments control, especially in respect of instances where specific industry testing or certification is required for specific commodities, departments are required in these instances to assess each matter on a case-by-case basis and where necessary extend such validity periods if so required. Departments must however in the norm finalise/award bids advertised in terms of the 2001 regulations as expeditiously as is reasonably possibly before the expiry of the bid validity period.
4. Accounting Officers and Accounting Authorities must ensure that the content of this Circular and the attached Instruction are brought to the attention of all staff under their control.

5. Any queries in respect of the content of this Circular may be addressed to:

The Acting Head: Asset Management

Nadia Ebrahim

Tel: (021) 483 4748

Email: Nadia.ebrahim@pgwc.gov.za

A handwritten signature in black ink, appearing to read 'Nadia Ebrahim', with a long horizontal stroke extending to the right.

ACTING HEAD: ASSET MANAGEMENT

DATE: 07 December 2011