



PROVINCIAL TREASURY

Provincial Government of the Western Cape

MOVEABLE ASSET MANAGEMENT

Nadia.ebrahim@pgwc.gov.za
tel: +27 21 483 4748 fax: +27 21 483 4671
Atterbury House
9 Riebeeck Street, Cape Town, 8001
www.capegateway.gov.za

REFERENCE: T2/7/PROC
ENQUIRIES: N. Ebrahim

TREASURY CIRCULAR NO 25 /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 HOUSING
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
ALL OTHER MEMBERS OF PARLIAMENT

} For information

THE ACCOUNTING OFFICER: VOTE 1: PREMIER (ADV B GERBER)
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 (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: HOUSING (MR M TSHANGANA)
THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR R ELLIS)
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 P O'BRIEN)
THE CHIEF FINANCIAL OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MR R HINDLEY) (ACTING)
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: 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 (MS BG RUTGERS)
THE CHIEF FINANCIAL OFFICER: VOTE 14: LOCAL GOVERNMENT (MR D BASSON)

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 (MR TC ARENDSE) (PRO TEM)
THE CHIEF FINANCIAL OFFICER (MR A GILDENHUYS)
THE SENIOR MANAGER: ACCOUNTING SERVICES: PROVINCIAL GOVERNMENT (MR N VAN NIEKERK) (ACTING)
THE SENIOR MANAGER: ACCOUNTING SERVICES: LOCAL GOVERNMENT (MR T MADONDILE/MS M FORTUIN) (ACTING)
THE SENIOR MANAGER: CORPORATE GOVERNANCE (MR B VINK)
THE SENIOR MANAGER: BUDGET MANAGEMENT: PROVINCIAL GOVERNMENT (MS M SHERATON)
THE SENIOR MANAGER: BUDGET MANAGEMENT: LOCAL GOVERNMENT (MR ML BOOYSEN)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT FINANCE (MS A PICK)
THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (GROUP ONE) (MR F SABBAT)
THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (GROUP TWO) (MR M SIGABI)
THE SENIOR MANAGER: PUBLIC FINANCE POLICY RESEARCH AND MODELLING (MS C HORTON)
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 FINANCE MINISTRY (MS A SMIT)
THE PROVINCIAL AUDITOR

MASTER RECORDS OFFICIAL: FINANCIAL MANAGEMENT

RE: BRAND COMMUNICATION CONTRACT WITH TBWA HUNT LUSCARIS

1. BACKGROUND

- 1.1 Emanating out of a special meeting of the Provincial Top Management (PTM), held on the 14 March 2011, to address the matter of the service provider that was procured by the Department of the Premier to develop a brand communication strategy for the Provincial Government of the Western Cape, the principle of a single communication brand for the Province was highlighted.
- 1.2 In taking the above and its functional responsibility further, the Department of the Premier:
 - 1.2.1 Opted to refresh and standardize the corporate identity and branding for the Province;
 - 1.2.2 Invited a tender and awarded the contract on the 24 November 2010 which was communicated to the service provider via appointment letter dated the 25 November 2010.
 - 1.2.3 Secured Cabinet approval for said corporate identity and branding on 11 May 2011 as per Cabinet Resolution 69/2011; and
- 1.3 Unfortunately the procurement process followed by the Department was not in terms of National Treasury Regulation 16A6.5 as required for a transversal bid process, but in fact a localized bid process.

2. WAY FORWARD

- 2.1 It must be noted that the Provincial Treasury assessed the procurement process followed by the Department of the Premier and found certain discrepancies, but these are not regarded as critical.

2.2 To roll out the branding initiative and the corporate identity departments have basically three options to consider, namely:

2.2.1 A limited bidding process to be procured in terms of National Treasury Regulation 16A6.6 whereby TBWA Hunt Luscaris is appointed to render the service for the department for the same terms and conditions as per the contract entered into with the Department of the Premier; or

2.2.2 The procurement of an alternate service provider, but taking into account the single branding and corporate identity requirements provided by the Department of the Premier; or

2.2.3 Procure via a claim back basis via the Department of the Premier.

2.3 The Treasury roadmap for the way forward is highlighted as follows, in that :

2.3.1 The CFO of the Department of the Premier is to ensure that a full set bid documents be disseminated to all departments / CFO offices;

2.3.2 The CFO of the Department of the Premier makes available Provincial Treasury's comments on the tender process followed, if deemed necessary by departmental bid adjudication committees;

2.3.3 Designated officials of the Department of the Premier, namely Mr. A Groenewald and Mr. N Clelland-Stokes to provide any further motivation and background as required;

2.3.4 In considering whether a procurement process in terms of National Treasury regulation 16A6.6 is to be followed by individual departments, i.e. participating (piggy-backing) in the contract concluded by the Department of the Premier, the following steps apply –

(a) Proper scrutiny by accounting officers/CFO's/DBAC's of the bid file now to be availed to all departments and thorough acquainting of the process followed thus far;

- (b) Identification of departmental specific documentation and processes that will require common branding;
- (c) Identification of those documents/elements that are to be excluded from the bidding process, if any; and
- (d) Separating out of those processes that require procurement via specific National contracts or from preferred lists of service providers, e.g. for those services that are in the norm procured via Government Printers;

2.3.5 Each department/DBAC must evaluate the most cost effective option to proceed with:

- (a) That the impact of all departmental contracts running simultaneously and/or consecutively is reviewed against service delivery needs of each department. It is important to note that the overall provincial impact was not reviewed /assessed in the original tender process.
- (b) Cognisance must also be had of the impact of any current contract/s that departments are engaged in and that will impact on departments' participation in the process now envisaged.

2.3.6 A finalisation due date be set for **July 2011** to conclude the above process, inclusive of the appropriate/bespoke service level agreement with the selected service provider contracted with to roll out the provincial branding and corporate identity within the department.

2.3.7 Service level agreements to be concluded, must be vetted by Legal Services; and

2.3.8 The Department of the Premier, remains the principal behind standardized branding and corporate identity requirements

2.4 The Provincial Treasury will be available for any further assistance and advice if so required.

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

HEAD OFFICIAL: PROVINCIAL TREASURY

DATE: 10 June 2011