



PROVINCIAL TREASURY

Provincial Government of the Western Cape

MOVEABLE ASSET MANAGEMENT

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REFERENCE: T16/P

ENQUIRIES: N. Ebrahim

TREASURY CIRCULAR NO 39/2011

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

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

} For information

**RE: CORPORATE SERVICES CIRCULAR NO 16 OF 2011/12
TRANSVERSAL CONTRACT FOR EMPLOYEE ASSISTANCE PROGRAMME (EAP)
BID NO: FMA 0035/10**

1. The above-mentioned Corporate Services Circular bears reference.

Extension of Current Departmental EAP Contracts

2. Please note, that given the short notice within which departments were required to extend their current contracts, it is possible that some departments may not have extended such contracts before 31 July 2011 in order for a continuation of services from 1 August 2011 to 31 March 2012.
3. Seeing as existing departmental contracts would have expired 31 July 2011, any supposed extension thereafter would not be possible as the contract would for all intents and purposes have expired.
4. Where departments have not extended their individual contracts by 31 July 2011, the Provincial Treasury advises that departments:
 - 4.1 Utilise a limited bidding / closed bidding process to conclude contracts with the same service provider that was currently being utilised by them, to end 31 March 2012; or
 - 4.2 Utilise National Treasury Regulation 16A6.6 if the department wishes to participate in a similar contract that was extended by another department before or on the 31 July 2011, irrespective of whether the latter department is utilising the same service provider as what the requestor department had.
5. Departments must ensure that the required formal concurrence from the service provider is on record, and in instances where the option in paragraph 4.2 is utilised, the consent of the contracting department as well.

6. In instances where the department has not extended the current prior to or concluded a new contract with effect from 1 August 2011, departments must ensure that no un-contracted services are rendered over any period as any expenditure incurred under such circumstances will be deemed irregular.

Exceeding the Threshold of 15% as required by National Treasury Instruction Note

7. Please note that as a general rule in terms of **NATIONAL TREASURY INSTRUCTION NOTE: ENHANCING COMPLIANCE MONITORING AND IMPROVING TRANSPARENCY AND ACCOUNTABILITY IN SUPPLY CHAIN MANAGEMENT** dated 30 May 2011, contracts may not be expanded or varied by more than "15% or R15 million (including all applicable taxes) for all other goods and/or services of the original value of the contract, whichever is the lower amount."
8. The Instruction further requires that "*Any deviation in excess of these thresholds will only be allowed subject to the prior written approval of the relevant treasury. Whilst provision is made for deviations, it is imperative to note that requests for such deviations may only be submitted to the relevant treasury where good reasons exist.*"
9. Given that there are no additional requirements have been included in the National Treasury Instructions except for the fact that "good reasons exist", it is common course that departments will fall foul of the DPSA HR Management requirements in respect of Employee Health and Wellness, if there is no replacement transversal contract in place by 1 August 2011.
10. In the circumstances the Provincial Treasury hereby grants approval to departments for any deviation of the threshold of 15% that may occur as a result of extensions of contracts as required by Corporate Services Circular 16 of 2011/12.

Budgetary Requirements

11. Any required budgetary adjustments (shifts), as relevant, will be included in the 2011/12 Adjustments Estimate.

A handwritten signature in black ink, appearing to read 'Nadia Ebrahim', written over a horizontal dashed line.

NADIA EBRAHIM

ACTING HEAD: ASSET MANAGEMENT

DATE: 15/08/2011