Western Cape Education Department
Amanda Dyan
Directorate: Procurement Management
Amanda.Dyan@westerncape.gov.za | 021 467 2784

File no.: 5/1/P
Reference: 20250618-4079

Circular: 0029/2025
Expiry date: None

To: Deputy Directors-General, Chief Directors, Directors (Head Office and district offices), Deputy Directors (Head Office and district offices), Chief Education Specialists, Supply Chain Management Champions and Supply Chain Management officials

Short summary: *This circular sets out the procedure for the submission of quarterly contract performance monitoring reports by contract owners/responsibility managers, specifically relating to general term contracts for general goods and services.*

Subject: Submission of quarterly contract performance monitoring reports

1. The purpose of this circular is to inform officials about the Western Cape Education Department (WCED) contract performance management procedures that must be followed for all contracts awarded through procurement processes for general goods and services. These procedures are essential to ensure full compliance with Supply Chain Management (SCM) requirements.

2. Background

2.1 In terms of the Accounting Officer's System (AOS), the aim of contract management is to obtain the goods or services as agreed to in the contract and to achieve value for money. This means optimising the efficiency and effectiveness of the services or the relationship described by the contract, balancing costs against risks and actively managing the customer–service provider/contractor relationship. Contract management may also involve aiming for continuous improvements in performance over the duration of the contract.

2.2 The practices and principles that shape contract management are set out in the *Contract Management Guide* attached to Provincial Treasury Circular 0021/2013, dated 28 May 2013.

2.3 Contract management activities are grouped into three areas, namely:

(a) **Service delivery management** — ensures that the service is being delivered as agreed upon and to the required level of performance and quality. This is the role of the line management component using the contract.

(b) **Relationship management** — keeps the relationship between the two parties open and constructive, aiming to resolve or ease tensions and identify problems timeously. This responsibility is primarily that of line management supported by the SCM Unit at Head Office.

(c) **Contract administration** — entails the formal governance of the contract and changes to contract documentation. This is the role of the SCM Unit at Head Office, decentralised SCM units, the Directorate: Institutional Resource Support and district offices.

2.4 Furthermore, contract management includes—

(a) measuring performance against contract requirements or service level agreements;

(b) managing compliance with delivery instructions, quality and quantity control; and

(c) reporting poor service provider/contractor performance to the Subdirectorate: Contract Administration (in the Directorate: Procurement Management).

3. Monitoring

3.1 Constant monitoring by the project managers/representatives who requested the goods/services is essential to ensure that service providers/contractors meet their contractual obligations and that contracts are executed with as little disruption as possible. There are several ways in which monitoring may be undertaken:

3.1.1 Regular site inspections (where applicable)

For all services, the relevant project manager/representative must conduct regular site visits — whether the service is being rendered at a departmental location or at the service provider/contractor's premises — to verify that the service is being delivered in accordance with the terms of the contract.

3.1.2 Regular meetings

The relevant project manager/representative must have regular meetings with service providers/contractors to discuss contract issues — i.e. progress, foreseeable contract problems**, price variations**, etc.

3.1.3 Reporting

(a) Regular reports from service providers/contractors as well as the SCM Unit at Head Office are crucial for efficient contract management. Service providers/contractors must be informed via their service level agreement that reporting must take place on predetermined issues. The timeframes for such reporting must be made known to the service provider/contractor prior to the start of the contract.

(b) For products, a service provider/contractor may be requested to report on the following:
    (i) Number of orders received
    (ii) Date of orders and from which component
    (iii) Quantities ordered on individual items
    (iv) Delivery date of orders.

(c) The information must be scrutinised and matched with the WCED's records to ascertain whether there are any anomalies in the rendering of the service or delivery of the product.

(d) When the WCED renews an existing contract or enters into a new contract, these reports play a crucial role in the demand management phase as it provides important historical/current contract/item information. This in turn, has a direct influence on the acquisition management phase as it influences the form of bidding used.

3.2 Requirements for service performance reports and management information must be defined before and during contract negotiations and confirmed during the transition period of the contract. Information requirements may change during the lifespan of the contract, which must be flexible enough to allow for this. Where possible, the service provider/contractor's own performance measurement systems and management information must be used.

3.3 It is therefore important for contract owner(s)/responsibility manager(s) to familiarise themselves with the following:

(a) The approved AOS and SCM Delegations, specifically Chapters 17 and 18 (attached as Annexures A and B respectively).

(b) The *Contract Management Guide* attached to Provincial Treasury Circular 0021/2013, dated 28 May 2013.

(c) The relevant bidding and contract documents (issued per awarded bid). This is to ensure monitoring and compliance with contracting conditions and requirements.

(d) The *General Conditions of Contract, 2010,* as issued by National Treasury, as it applies to all contracts procured via an SCM procurement process.

(e) The service level agreement, if applicable.

4. Reporting requirements

All WCED contract owners/responsibility managers are required to submit the following information to the Subdirectorate: Contract Administration on a quarterly basis pertaining to general goods and services:

(a) Minutes of all meetings held with the contracted service provider/contractor within the preceding quarter. This must include matters discussed and formally raised in respect of the service provider/contractor's performance, delivery status and implementation of any remedies in respect of any breach of contract — including the issuance of penalties, where applicable. In the event of penalties, the contract owner(s)/responsibility manager(s) must liaise with the Subdirectorate: Contract Administration in order to establish the penalties to be charged.

(b) Any other documents/official communication utilised as part of the contract performance management procedure.
(c) Quarterly contract performance monitoring report checklist (Annexure C).

5. **Report submission procedure**

5.1 Quarterly contract performance monitoring reports must be sent electronically to **all the following officials:**
Eugene.Philander@westerncape.gov.za
Amanda.Dyan@westerncape.gov.za
Jeanine.Smith@westerncape.gov.za
Mandilakhe.Buso@westerncape.gov.za

5.2 The contract number and reporting quarter must be used as the file name, e.g. BWCED3030-21 Qtr_1. This will ensure uniformity and allow for easy identification.

5.3 A folder will be created for all contracts within the reporting period (e.g. quarterly). The contract number will be used as the folder name (e.g. B/WCED3030/21) for each financial year.

5.4 The quarterly contract performance monitoring reports, for all contracts in each respective subfolder, will be uploaded onto MyContent for safekeeping and audit readiness. Contract owner(s)/responsibility manager(s) will be given direct links to their respective contract folders for uploading at a later stage.

5.5 Following the submission deadline, if no reports are received/uploaded, or if any issues arise — such as incomplete information — the contract management team will liaise with the contract owner(s)/responsibility manager(s) to effect amendments.

6. **Reporting dates**

The deadlines for the submission of the documents, as indicated in paragraph 4, for each *financial year* is as follows:

Period of review	Quarter	Deadline
April to June	1	10 working days after the end of the quarter
July to September	2	10 working days after the end of the quarter
October to December	3	10 working days after the end of the quarter
January to March	4	10 working days after the end of the quarter

7. In addition to the requirements set out in the AOS, this circular applies when the WCED—
   (a) procures goods and services; and/or
   (b) participates in contracts procured by other organs of state and transversal contracts.

8. This circular does not apply to the WCED AOS for Infrastructure Delivery and Procurement Management. The requirements for infrastructure contract management and monitoring will be dealt with in the WCED AOS for Infrastructure Delivery and Procurement Management.

9. This circular does not apply to instances where schools procure their own goods and services.

10. Kindly bring the contents of this circular to the attention of all concerned.

SIGNED: B WALTERS
HEAD: EDUCATION
DATE: 2025-07-23