

Reference: 16/20/1

TREASURY CIRCULAR NO. 69/2011

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

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 (MR G RAS)

THE ACCOUNTING OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR M TSHANGANA)

THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR T GILDENHUY)

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)

For information

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 GILDENHUY)

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)

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 (MS B SEWLALL-SINGH)

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 PRESTON)

THE CHIEF FINANCIAL OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR I BLACKIE)

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 HARDIEN)
THE HEAD: ASSET MANAGEMENT (MS N EBRAHIM) (ACTING)
THE CHIEF FINANCIAL OFFICER (MR A GILDENHUY)
THE SENIOR MANAGER: ACCOUNTING SERVICES: PROVINCIAL GOVERNMENT (MR A REDDY)
THE SENIOR MANAGER: ACCOUNTING SERVICES: LOCAL GOVERNMENT (MS L NGXONONO)
THE SENIOR MANAGER: CORPORATE GOVERNANCE (MR B VINK)
THE SENIOR MANAGER: BUDGET MANAGEMENT: PROVINCIAL GOVERNMENT (MS M SHERATON-KORSTEN)
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: IMMOVABLE 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

REPORTING ON THE PCI SYSTEM IN RESPECT OF THE NEW PREFERENTIAL PROCUREMENT REGULATIONS 2011

1 Purpose

- 1.1 The purpose of this communiqué is to inform all Provincial Departments on the current status when reporting on the Procurement Contract Information (PCI) system on bids awarded above the threshold of R100 000.
- 1.2 It was indicated via email correspondence by National Treasury that the PCI system is currently being revamped to give effect to the new Preferential Procurement Regulations, 2011 and departments need to halt the capturing process on the system until further notice. (see annexure **A**)

2. Background

- 2.1 Provincial Treasury has formally requested the National Treasury to implement enhancements to the PCI system to give effect to Provincial reporting requirements. (see annexure **B**)
- 2.2 The National Treasury has indicated in its response, dated 19 June 2011, that it is in the process of revising the PCI system to give effect to the Preferential Procurement Regulations, 2011 and the enhancements requested by the Provincial Treasury would be taken into account when revising the system. (see Annexure **C**)

2.3 The National Treasury has further indicated that the revisions to the PCI system will be in operation prior to 7 December 2011, which was the effective date of the new Preferential Procurement Regulations, 2011.

3. Request

3.1 The Provincial Treasury therefore requests that:

- a) All Accounting Officers/ Accounting Authorities to ensure that the content of this circular is brought to the attention of all relevant officials within their institution and schedule 3A and 3C public entities reporting to their executive authorities; and
- b) That Departments continue with the reporting on bids awarded above R100 000 to Provincial Treasury for the purpose of transparency as per Provincial Treasury circular 26 of 2011 , by not doing so this will result in non compliance to PTIs 16A7.2.
- c) For the interim, Departments are to utilise the attached templates. (see annexure **D.1 & D.2**) These templates will be electronically forwarded to Departments.

Please note the following:

- **Template D.1** to be utilised to report on bids advertised (>R100 000.00) up to and including 06 December 2011, applying the old Preferential Procurement Regulations, 2001 ; and
 - **Template D.2** to be utilised to report on bids advertised (>R100 000.00) as of 07 December 2011, applying the new Preferential Procurement Regulations, 2011.
- d) Kindly forward the information to the below mentioned official. **The due date for reporting is ten working days after the end of each month.**

Ms Laverne Josias

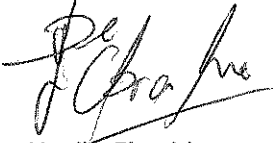
T: 021 483 3275

F: 021 483 4671

E-mail: Laverne.Josias@pgwc.gov.za

3.2 Your co-operation in this regard will be highly appreciated.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Nadia Ebrahim', written in a cursive style.

Nadia Ebrahim

Acting Head: Asset Management

Date: 15/12/11

Laverne Josias

From: Jerry Maluleke <Jerry.Maluleke@treasury.gov.za>
Sent: 13 December 2011 11:48 AM
To: Riddles.Linda@treasury.fs.gov.za; RMasambo@mpg.gov.za; CTwala@mpg.gov.za; Radhesh Surajbali; ENkge@nwpg.gov.za; KgwadiE@dwa.gov.za; KMMashiloane@ruraldevelopment.gov.za; mbekin@dwa.gov.za; MasebenzaM@arc.agric.za; masilo.makhura@dpsa.gov.za; DionF@dti.gov.za; dikeledi.tshabalala@dcs.gov.za; Willem.Pretorius@dcs.gov.za; MasebenzaM@arc.agric.za; selaelora@statssa.gov.za; dumisile.ndlovu@dha.gov.za; Freddie.Petersen@labour.gov.za; Gregory Lekoma; John.Hlakudi@gauteng.gov.za; Leburu.Herman@treasury.fs.gov.za; Henry.Stopforth@dpe.gov.za; kngwenya@citypower.co.za; lifi.mahlasela@palama.gov.za; vkgoanyago@icd.gov.za; bennie.hlongwane@dst.gov.za; boitumelo.musi@energy.gov.za; Nadia Ebrahim; ppotgieter@ncpg.gov.za; israel.modise@dpsa.gov.za; irene.tshifura@dmr.gov.za; Isabel.Jooste@capetown.gov.za; ingwana.baloyi@jhbzoo.org.za; YCronje@thedti.gov.za; trevor.tabane@dpw.gov.za; Thabo.Tladi@dpw.gov.za; salome.malebye@dpw.gov.za; Edward@freedompark.co.za; EuniceB@legal-aid.co.za; Washington Derah; Qwabe, Vincent
Subject: PCI Notification

Dear Colleagues

The PCI System is in the process of being revamp to align it with the new revised PPPFA requirements that came effect on 07 December 2011, the capturing of contracts on PCI system must be hold until further notice

Nhiamulo Jerry Maluleke

Deputy Director: Norms and Standards SCM

Tel: (012) 395 6537 , Fax: (012) 315 5343

Jerry.maluleke@treasury.gov.za



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



PROVINCIAL TREASURY

Provincial Government of the Western Cape

REFERENCE: T16/20/1
ENQUIRIES: T Adams

The Chief Director
National Treasury
Private Bag x115
Pretoria
0001

For attention: Mr. J. Breytenbach

RE: **ADDITIONAL INFORMATION AND ENHANCEMENTS REQUIRED IN RESPECT OF
NATIONAL TREASURY'S PROCUREMENT CONTRACT INFORMATION (PCI) SYSTEM
REPORTING FRAMEWORK**

1. Purpose

1.1 The purpose of this correspondence is to inform the National Treasury of the additional information required by the Provincial Treasury in respect of the PCI system reporting framework as well as to request enhancements to the reporting framework.

2. Background

- 2.1 As per National Treasury's requirement, Provincial Departments are capturing all contracts above R100 000 on the PCI system. The fields presented in the report (hereafter referred to as "contract award report") generated from the PCI system does not reflect all information required by the Provincial Treasury.
- 2.2 The additional information required, to that in the current contract award report, is the description of goods and services procured by Departments. It has come to light that Departments are currently capturing this information on the system; however the contract award report has not been configured to reflect this.
- 2.3 The PCI system does not make provision for the method of procurement i.e. whether the good or service has been procured via an open bid, limited bid, urgent/emergency bid, unsolicited bid, transversal contract, SITA contract, quotation

or via a contract secured by another organ of state or whether a contract extension. The information is in essence vital in terms of the Provincial Treasury's reporting requirements which ensures that the Provincial Treasury is aware and kept abreast of the deviations/condonations as well as contract extensions in the Province.

- 2.4 A detailed procurement information report which reflects all procurement for the Province is drafted on a quarterly basis. The report is sent to the MEC for Finance, the Department of Economic Development and Tourism, the DDG Governance and Asset Management as well as the Head of Provincial Treasury. A summary version of the report is uploaded on the Cape Gateway website for public consumption. It is therefore imperative that the information provided is credible and accurate. The information further assists the Provincial Treasury in conducting its SCM Virtuous Cycle Assessments.

3. Reporting

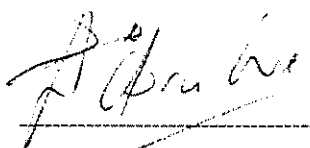
- 3.1 As a result of the lack of information provided by the PCI system and consequently the contract award report, the Provincial Treasury generates the said report for each Department on a monthly basis, which is forwarded to Departments with a request to insert the description as well as the method of procurement information for each contract that has been awarded.
- 3.2 It is important to note that the three bigger Departments i.e. Department of Education, Health as well as Transport and Public Works, procures a large volume of contracts on a monthly basis. The current situation results in an unnecessary cumbersome and burdensome process, given that the PCI system could provide the necessary information.
- 3.3 It is important that the requirements that we have tabled are configured into the PCI system to avoid creating an administrative burden on Departments to report to both National and Provincial requirements and streamlining will allow efficiency gains.

4. Request

- 4.1 As primary, given that the information is readily available, it is requested that the contract award report be regenerated to include the description of each contract that has been awarded. This would assist the Provincial Treasury in an endeavor to ensure an enhanced and more credible reporting framework.

- 4.2 Secondly, the Provincial Treasury requests/advises that the National Treasury configure the system in order to make provision for the "method of procurement" information. This will facilitate and help to track procurement planning.
- 4.3 Furthermore, to ensure standardised reporting, it is advised that a drop down menu be developed for the field, which should consist of the following:
- (a) Open bid
 - (b) Limited bid
 - (c) Urgent/emergency bid
 - (d) Transversal contract
 - (e) Contract extension
 - (f) Contract secured by other organs of state
 - (g) SITA contract
 - (h) Unsolicited bid
 - (i) Quotation
- 4.4 The Provincial Treasury requests that the requirement as indicated in paragraph 4.1 be dealt with as a matter of urgency.
- 4.5 In terms of paragraph 4.2, the National Treasury is requested to consider implementation, following a detailed planning process. Once implemented, it is requested that the contract award report be regenerated to include the method of procurement information.
- 4.6 Kindly provide us with feedback in terms of the above by Wednesday, 22 June 2011.

Regards,



Nadia Ebrahim

Acting Head: Asset Management

Date: 13 June 2011

ANNEXURE C



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Private Bag X115, Pretoria, 0001 • Tel: (+27 12) 315 5111

Enquiries: G.F.Jacobson Reference: QRY1/2/5/3(17) Tel: (012) 315-5233 Fax: (012) 326-5445
e-mail: george.jacobson@treasury.gov.za


Acting Head: Asset Management
Western Cape Provincial Treasury
Private Bag X 9165
CAPE TOWN
8000

ATTENTION: Nadia Ebrahim

**ADDITIONAL INFORMATION AND ENHACEMENTS REQUIRED IN RESPECT OF
THE NATIONAL TREASURY'S PROCUREMENT CONTRACT INFORMATION
(PCI) SYSTEM**

1. Your letter T16/20/1 dated 13 June 2011 has reference.
2. The National Treasury is currently in the process of upgrading the PCI system to *inter alia* make provision for the amendments emanating from the revised Preferential Procurement Regulations, 2011 that takes effect on 7 December 2011.
3. The enhancements proposed to the reporting capability of the PCI system as reflected in paragraph 4 of your letter is acknowledged and will be referred to the National Treasury's IT development team.
4. It is envisaged that the upgraded PCI system will be in operation prior to the date of effect of the Preferential Procurement Regulations, 2011.

Regards


JAN BREYTENBACH
CHIEF DIRECTOR: NORMS AND STANDARDS
DATE: 2011/06/19.

(GJ)

ANNEXURE D.2

**Government Entity
Provincial Sphere
Western Cape Provincial Government
Department of
Month:**

Contract Number	Contract Date	Supplier	B-BBEE Level of Contribution	Number of Points Scored (80/20)	Number of Points Scored (90/10)	Description	Method of procurement