

GUIDANCE ON PARAGRAPH 16A2.5.2.3 OF THE PROVINCIAL TREASURY INSTRUCTIONS (PTI's)

1. PURPOSE

1.1 To provide provincial departments with:

- (a) Assistance / guidance on Paragraph 16A2.5.2.3 of the Provincial Treasury Instructions, 2009; and
- (b) Clarity on the clause "in conjunction with"

2. BACKGROUND

2.1 The CFO Forum requested clarity on the issues as indicated in the purpose above. The Provincial Treasury provided assistance and clarity in the form of a presentation and to the forum meeting held on 18 February 2010.

2.2 It was subsequently requested that the content of the presentation be made known to all relevant provincial departmental officials, as it does impact on the process involved / provides an additional requirement in the awarding of limited bids above the value of R5million.

2. COMMENTS:

2.1 Paragraph 16A2.5.2.3 of the PTI's and clarity on the clause "in conjunction with"

2.1.1 The above-mentioned instruction indicates that limited bids over R5million must be executed in conjunction with the Provincial Treasury. Firstly, the paragraph speaks to the value of the limited bid and not to the type of limited bidding process applied. Whilst the requirements of section 38 of the PFMA are clear on the financial accountability of the Accounting Officer, it is not the intention of the Provincial Treasury to undermine or restrict the powers vested in terms of the legislation.

