

Reference number: RCS/C.6

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TREASURY CIRCULAR NO. 32/2021

THE PREMIER

THE MINISTER OF AGRICULTURE
THE MINISTER OF COMMUNITY SAFETY
THE MINISTER OF CULTURAL AFFAIRS AND SPORT
THE MINISTER OF EDUCATION
THE MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES
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 EXECUTIVE AUTHORITY: WESTERN CAPE GAMBLING AND RACING BOARD (MINISTER D MAYNIER)
THE EXECUTIVE AUTHORITY: WESTERN CAPE NATURE CONSERVATION BOARD (MINISTER A BREDELL)
THE EXECUTIVE AUTHORITY: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MINISTER D MAYNIER)
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 THE DEPUTY DIRECTOR-GENERAL: CORPORATE ASSURANCE, DEPARTMENT OF THE PREMIER (MS H ROBSON)

E-PROCUREMENT SOLUTION IMPLEMENTATION

1. PURPOSE

- 1.1 The purpose of this communique is to advise accounting officers and accounting authorities of the:
- a) Implementation of the eProcurement Solution (ePS) developed in-house by the Provincial Treasury as required by paragraph 5.3.1 (a) of the Chapter 16A of the PTIs as from 1 October 2021 and the governance requirements in terms of the ePS.

2. BACKGROUND

- 2.1 The ePS has been implemented within the Province since 2012 as part of the overall Western Cape Government Strategy to improve how businesses interact with the WCG in the procurement process using technology as an enabler as it relates to the procurement of formal quotations.
- 2.2 The Western Cape Supplier Evidence Bank (WCSEB) is a central repository of governance documentation that is used by institutions for the invitation of price quotations (competitive and limited), the receipt thereof and the adjudication of bids submitted by suppliers.
- 2.3 Whilst NT has placed a moratorium on the procurement of financial systems, the Provincial Treasury received a deviation approval to continue with the ePS until such time that the Integrated Financial Management System (IFMS) is implemented via the National Treasury. The following conditions have been stipulated by the National Treasury, noting that the PT is comfortable that it has satisfied these conditions with the current ePS and will continue to do so with the in-house developed ePS:
- a. WCG will be required to transition to the IFMS when the IFMS is rolled-out to replace the ePS and related IFMS functionalities;
 - b. the WCG needs to ensure that it complies with all policy prescripts applicable to the functional areas supported by the system;
 - c. the approval granted to WCG does not entail condonation of any past and potential non-compliance with policy prescripts;
 - d. should WCG enter into any contract, the contract terms should include an exit clause of six (6) months' notice that releases WCG from related contract in the event that the IFMS is ready for implementation before the end of the contract; and
 - e. approval is only limited to the scope of the moratorium and excludes matters related to procurement and contract renewal/extensions where specific Supply Chain Management (SCM) processes apply.
- 2.4 To date, the PT with the support of the Department of Transport of Public Works developers and the Centre for e-Innovation in liaison with a core group of provincial departmental officials developed a replacement ePS (for procurement requirements between R2 000 and R1 000 000) and it is at this juncture that the province is preparing for the implementation of the new system that will require a co-ordinated effort between the PT and all provincial institutions. In the interim, the PT entered into a contract with SAP for a period of one year, from 1 April 2021 up to 31 March 2022 in order to roll-out the new in-house developed ePS.

3. DECOMMISSIONING AND CLOSE OUT PROCESS OF THE IPS

3.1 Table 1 hereunder depicts the timelines and associated processes for decommissioning:

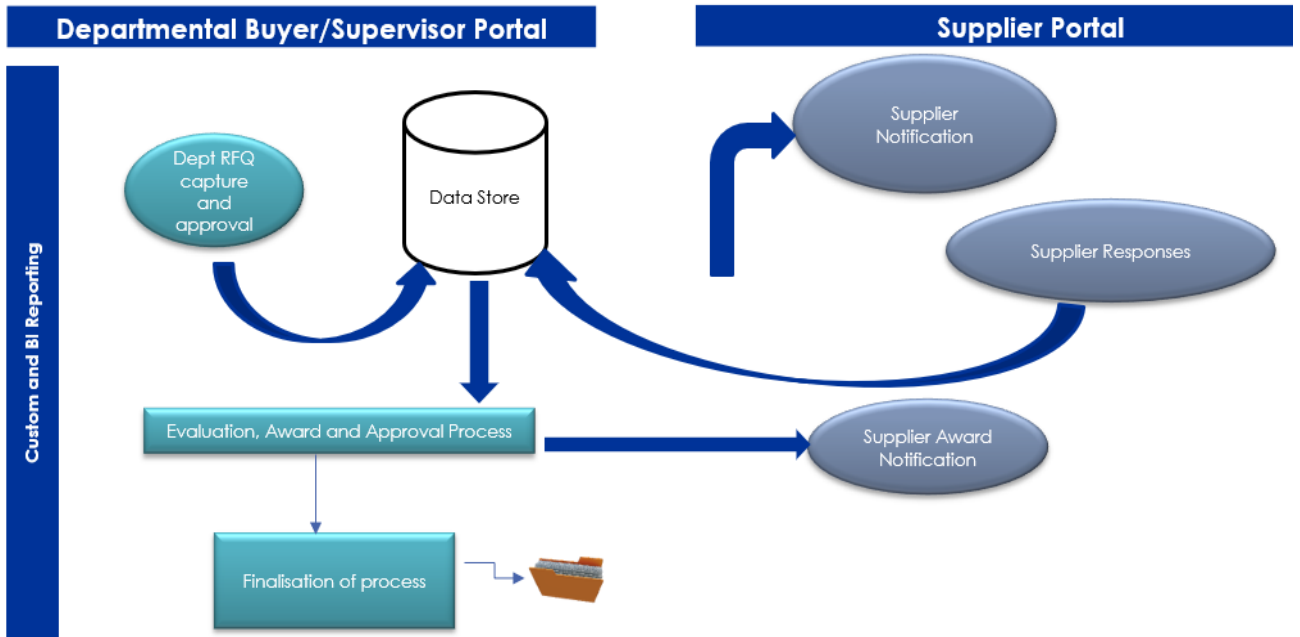
Table 1:

DATE	PROCESS
1 June 2021	The ePS pilot phase has already been initiated at the Department of Health and the Department of the Premier. The Provincial Treasury is following a phased-in, commodity approach for the implementation and roll-out of the ePS similar to the SAP/Ariba implementation process previously utilised.
7 September 2021	All suppliers on the WCSEB were notified by means of email notification to activate their profile on the ePS
1 October 2021 up until 30 November 2021	The roll out to the remainder of the departments and public entities post the pilot phase was articulated in Treasury Circular No. 26 of 2021
1 October 2021 up until 30 November 2021	departments and public entities are required to advertise the commodities as identified via Treasury Circular No. 26 of 2021 via the ePS system (attached herewith for ease of reference as " Annexure A "). The remainder of the commodities must be advertised via the SAP/Ariba portal.
from 1 December 2021	the ePS will be fully implemented with all Request for Quotations (RFQ's) being advertised via the ePS system. Institutions are required to note that <u>NO RFQ's will be allowed to be advertised on SAP/Ariba post 1 December 2021</u>
15 December 2021.	The closing date of the last RFQ on SAP/Ariba
15 December 2021 – 31 March 2021	The de-commission process period Requirements will be articulated in a separate circular in due course.
31 March 2022	SAP contract will come to its natural end. Envisaged that e-PS (phase 1) will be rolled out to all institutions.

4. E-PROCUREMENT SOLUTION (ePS) GOVERNANCE REQUIREMENTS

- 4.1 As indicated above, the ePS will be fully implemented by departments and public entities as from 1 December 2021. The value proposition of the ePS for departments and public entities is that it enables easier compliance with Section 217 of the Constitution, automating manual procurement processes to improve productivity, reducing paperwork and telephone and fax costs, etc; working with the latest and verified supplier information held centrally; requests for quotations are automatically scored in line with the PPPFA; ensuring a fair and transparent system that limits opportunities for irregularities, and fraud and collusion between suppliers and staff and provides appropriate and accurate management information and audit trail of all transactions.
- 4.2 The value proposition for businesses/suppliers is that it provides procurement opportunities to a wider spectrum of suppliers stimulating competition; automating manual processes (streamlining of procurement processes); ensuring ease of doing business with WCG; affording better transparency and accountability and providing assistance and support to suppliers.

4.3 The context of the ePS is demonstrated in the below diagram:



4.4 The management of the supplier portal will be done in-house by the Provincial Treasury. The development of the ePS necessitated a change in business processes which have already been workshopped with provincial SCM officials. "**Annexure B**" attached herewith for ease of reference expands on the functionality and business process changes to the ePS.

5. REQUEST

5.1 Accounting Officers and accounting authorities must:

- ensure that the content of this Circular is brought to the attention of all relevant officials within their institution;
- monitor compliance to the requirements of this Circular where procurement has been decentralised;
- utilise the content of this Circular to implement the ePS business process changes as from **1 October 2021**;

d) Note that the following Treasury circulars are repealed and replaced by this Circular:

- *Annexure B of Treasury Circular No. 28 of 2019;*
- *Paragraph 6 of Treasury Circular No. 28 of 2019 (Supplementary 3 of 2020);*
- *Paragraph 4 of Treasury Circular No. 29 of 2019 (Supplementary 1 of 2020); and*
- *Paragraph 3.4 (c)(i-ii) of Treasury Circular 25 of 2021.*

e) that any enquiries relating to this Circular may be directed to:

SCM Helpdesk: SupplyChainManagement.HDPFMA@westerncape.gov.za



NADIA EBRAHIM
DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT
DATE: 27 September 2021

Reference number: RCS/C.6

Private Bag X9165
CAPE TOWN
8000

TREASURY CIRCULAR NO. 26/2021

THE PREMIER

THE MINISTER OF AGRICULTURE
THE MINISTER OF COMMUNITY SAFETY
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E-PROCUREMENT SOLUTION IMPLEMENTATION: CHANGE MANAGEMENT STRATEGY

1. PURPOSE

- 1.1 The purpose of this communique is to advise accounting officers and accounting authorities of the:
- a) implementation of the new eProcurement Solution (ePS) developed in-house by the Provincial Treasury; and
 - b) envisaged roll-out plan for departments, provincial public entities and suppliers.

2. BACKGROUND

2.1 Paragraph 5.3.1 of the Provincial Treasury Instructions, 2019 reads as follows:

"The Provincial Treasury is responsible for the implementation and maintenance of an e-Procurement Solution, which provides for:

- a) *an internet-based sourcing solution to be utilised by institutions for invitation of quotations, the receipt thereof and the adjudication of bids submitted by suppliers; and*
- b) *a Supplier Evidence Bank as a central repository of governance documentation."*

2.2 The ePS has been implemented within the Province since 2012 as part of the overall Western Cape Government Strategy to improve how businesses interact with the WCG using technology as an enabler.

2.3 The Western Cape Supplier Evidence Bank (WCSEB) is a central repository of governance documentation that is used by institutions for the invitation of price quotations (competitive and limited), the receipt thereof and the adjudication of bids submitted by suppliers.

2.4 In short, the value proposition of the ePS for departments and public entities is that it enables easier compliance with Section 217 of the Constitution, automating manual procurement processes to improve productivity, reducing paperwork and telephone and fax costs, etc.); working with the latest and verified supplier information held centrally; ensuring a fair and transparent system that limits opportunities for irregularities, and fraud and collusion between suppliers and staff and provides appropriate and accurate management information and audit trail of all transactions.

2.5 The value proposition for businesses/ suppliers is that it provides procurement opportunities to a wider spectrum of suppliers stimulating competition; automating manual processes (streamlining of procurement processes); ensuring ease of doing business with WCG; affording better transparency and accountability and providing assistance and support to suppliers.

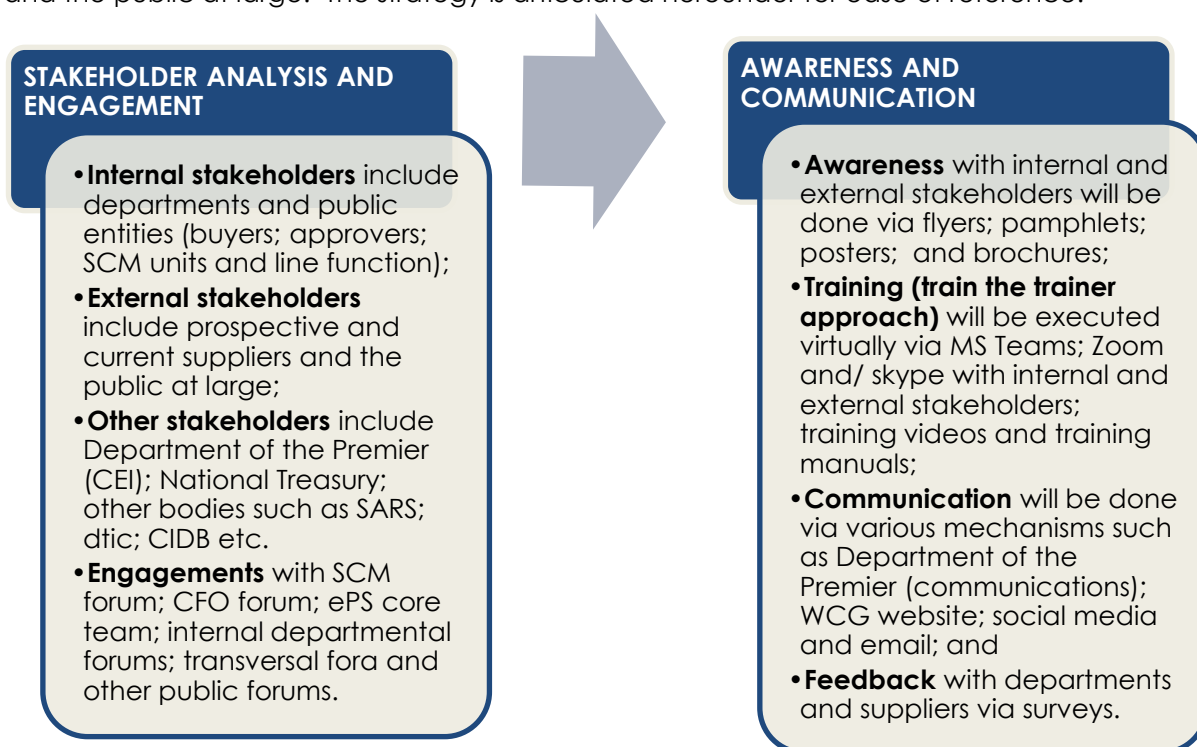
2.6 Whilst NT has placed a moratorium on the procurement of financial systems, the Provincial Treasury received a deviation approval to continue with the ePS until such time that the Integrated Financial Management System (IFMS) is implemented via the National Treasury. The following conditions have been stipulated by the National Treasury, noting that the PT is comfortable that it has satisfied these conditions with the current ePS and will continue to do so with the in-house developed ePS:

- a. WCG will be required to transition to the IFMS when the IFMS is rolled-out to replace the ePS and related IFMS functionalities;
- b. the WCG needs to ensure that it complies with all policy prescripts applicable to the functional areas supported by the system;
- c. the approval granted to WCG does not entail condonation of any past and potential non-compliance with policy prescripts;
- d. should WCG enter into any contract, the contract terms should include an exit clause of six (6) months' notice that releases WCG from related contract in the event that the IFMS is ready for implementation before the end of the contract; and
- e. approval is only limited to the scope of the moratorium and excludes matters related to procurement and contract renewal/ extensions where specific Supply Chain Management (SCM) processes apply.

2.7 To date, the PT with the support of the Department of Transport of Public Works developers and the Centre for e-Innovation in liaison with a core group of provincial departmental officials developed a replacement ePS (for procurement requirements between R2000 and R500 000) and it is at this juncture that the province is preparing for the implementation of the new system that will require a co-ordinated effort between the PT and all provincial institutions. This Circular aim to communicate the change management strategy and roll-out plan for the Province. In the interim, the PT entered into a contract with SAP for a period of one year, from 1 April 2021 up to 31 March 2022 in order to roll-out the new in-house developed ePS.

3. WCG APPROACH TO CHANGE MANAGEMENT

3.1 As a result of COVID-19 and the need for social distancing and steps are taken to prevent the further spread of the virus an innovative change management strategy is warranted, that is focused on using technology as an enabler to manage the risk of COVID-19 transmission amongst staff, suppliers and the public at large. The strategy is articulated hereunder for ease of reference:



4. ROLL OUT PLAN

4.1 The timeframes for the key milestones related to the project is articulated as follows:

MILESTONE	ENVISAGED TIMEFRAME
Engagement on change management strategy with SCM Forum and CFO Forum	24 June 2021
Awareness campaign with departments and public entities	10 – 18 August 2021
Training with departments and public entities (virtual train the trainer approach)	6 - 22 September 2021
Pilot of the system at identified sites (Department of Health and Department of the Premier)	1 June 2021
Implementation of new ePS (phase 1 replacement of current IPS)	1 October 2021
Last Closing date for RFQ on the IPS(SAP)	15 December 2021
New ePS takes effect (GO LIVE)	1 December 2021

4.1.1 SUPPLY CHAIN MANAGEMENT FORUM AND CFO FORUM

- a. The change management strategy and the roll-out of the ePS was discussed at the SCM Forum on 24 June 2021. The CFOs will also be apprised on a date to be determined and communicated.

4.1.2 AWARENESS CAMPAIGNS AND TRAINING WITH DEPARTMENTS AND PUBLIC ENTITIES

- a. The Provincial Treasury will conduct **awareness campaigns** in respect of the new ePS with institutional SCM officials and other nominated officials between the period **10 August to 18 August 2021**. These awareness sessions will also be utilised to discuss and determine a roll-out plan per department/ public entity in liaison with the institution's SCM Head given that each institution may have bespoke needs requiring a customised approach. This will require a partnership between the institution's SCM unit and Provincial Treasury to ensure that the roll-out is managed seamlessly and successfully thereby limiting setbacks reasonably.
- b. Timeslots for these awareness sessions have been allocated per institution as per Annexure A. Departments and public entities are required to book these sessions via Microsoft Bookings. The link will be provided in due course via email. The awareness sessions will be conducted virtually via MS teams and by appointment only.
- c. The Provincial Treasury will deploy a train-the-trainer approach in respect of training on the system as articulated above. This will be executed in partnership with the institution's SCM and the Provincial Treasury. Initial training sessions have been scheduled during the period of **6 September 2021 and 26 September 2021**. Specific dates will be confirmed with each institution and a similar approach with Microsoft Bookings will apply.
- d. Further supplementary training will be deployed via training videos and a training manual to enable the consistent capacitation of officials who require such training. This will be communicated in due course and will be placed in a shared space for institutions to access as and when required to do so.

4.1.3 AWARENESS CAMPAIGN WITH SUPPLIERS

- a. The awareness campaign with suppliers will be in digital format in the form of flyers; pamphlets; posters and brochures that will be communicated via email; the Integrated Procurement Solution (IPS); the WCG website and social media which will be managed by the Provincial Treasury. Departments and public entities are however also required to place these flyers; pamphlets; postures and or brochures where deemed necessary to create awareness with its own supplier base. These electronic document formats are currently being commissioned and will be provided to institutions in due course.
- b. Video training content is also being developed for suppliers to enable them to utilise and navigate the ePS.
- c. The Provincial Treasury will assess the need for further training after the videos have been deployed and will arrange further individual training sessions on an ad hoc basis via virtual engagements if required.
- d. In order to create further awareness with suppliers, departments and public entities are encouraged to include the following message as part of its bid documents and Request for Quotations (RFQ) on the IPS.

IMPORTANT NOTICE: NEW WCG e-PROCUREMENT SOLUTION (ePS)**THE WCG WILL BE IMPLEMENTING A NEW ePS WITH EFFECT FROM 1 DECEMBER 2021****The new system is intended to:**

- ensure a user-friendly experience on the system;
- streamline the procurement processes within WCG;
- target a larger supplier base and encourage broader competition; and
- promote and ensure fairness and transparency in the procurement processes within WCG.

In order to gain access to the new ePS a supplier must:

- be duly registered on the Western Cape Supplier Evidence Bank (WCSEB)
- registration forms to obtain access to the WCSEB may be accessed via <https://www.westerncape.gov.za/provincial-treasury/tenders/supplier-databases>
- training videos on how to register on the ePS and how to quote will be available to all suppliers registered on the WCSEB.

For any further information please email wcseb@westerncape.gov.za.

4.1.4 ePS PILOT AT IDENTIFIED SITES AND ROLL-OUT PLAN FOR OTHER DEPARTMENTS

- The ePS pilot phase has already been initiated at the Department of Health and the Department of the Premier with effect from 1 June 2021. The Provincial Treasury is following a phased, commodity approach for the implementation and roll-out of the ePS similar to the SAP/Ariba implementation process previously utilised.
- The ePS will be rolled out to the remainder of the departments and public entities post the pilot phase with the abovementioned institutions by following a commodity approach as articulated in the table below. The envisaged commencement date for the roll-out process is 01 October 2021 up until 30 November 2021. As from 1 December 2021, the new ePS will be fully implemented with all RFQs being advertised via the new system.

COMMODITY NAME	UNIQUE CODE	DEPARTMENT/ PUBLIC ENTITY
Bandages and dressings and related products	42311500	Department of Health
Bath and Body	53131600	All departments & public entities
Civil Engineering	81101500	Department of Health Department of Transport and Public Works Department of Education
Cleaning and disinfecting solutions	47131800	All departments & public entities
Domestic Kitchen appliances	52141500	All departments & public entities
GB – Grade 1	GB991028	Department of Health Department of Transport and Public Works Department of Education
GB – Grade 2	GB991029	Department of Health Department of Transport and Public Works Department of Education
Printer and facsimile and photocopier supplies	44103100	All departments & public entities
Printing	82121500	All departments & public entities
Printing and writing paper	14111500	All departments & public entities
Surgical support supplies	42295400	Department of Health

- c. The Provincial Treasury's contract with SAP will come to its natural end on 31 March 2022. At that point, it is envisaged that the new ePS (phase 1) will be rolled out to all institutions. The decommissioning and close out process will be articulated in a separate Circular in due course.
- d. The following phased- in approach will be followed in terms of the ePS:

PHASE	ENVISAGED DATES
Phase 1: replacement of current IPS for quotations	1 October 2021
Phase 2: Bids Module	1 September 2022
Phase 3: Supplier performance management model	1 April 2023
Phase 4: Contract Management	1 September 2023

5. MIGRATION OF USERS FROM IPS TO THE NEW ePS

- 5.1 All departmental and public entity users (buyers, supervisors and viewers) will be onboarded on the new ePS based on the latest User Account Certificates signed by the relevant departmental/ public entity SCM Head.
- 5.2 Once the initial onboarding phase has been concluded, the normal User Account Management principles will be applicable (i.e. user application and reset forms).
- 5.3 All suppliers who are active and those suspended for less than 12-months as per the WCSEB will be migrated to the new ePS. This is consistent with the migration process that the PT previously followed with the implementation of the WCSEB.
- 5.4 All users will be requested to reset their password in order to gain access to the application. A training manual will be issued to all users to assist with the initial onboarding phase.

6. REQUEST

- 6.1 Accounting Officers and accounting authorities must:
- ensure that the content of this Circular is brought to the attention of all relevant officials within their institution;
 - ensure that its own supplier base is kept abreast of developments in this space as provided by the Provincial Treasury from time to time;
 - prepare for the roll-out of the ePS;
 - note the timeslot allocated to his/her specific department or public entity and confirm the accepted timeslot via MS bookings once further communication is received from the PT on how to access MS bookings; and
 - that any enquiries relating to this Circular may be directed to:

SCM Helpdesk: SupplyChainManagement.HDPFMA@westerncape.gov.za



NADIA EBRAHIM
DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT

DATE: 23 July 2021

EPS CHANGE MANAGEMENT: AWARENESS SESSIONS

Day	Date	Time Slot	DHS	DLG	WCED	TPW	Agriculture CASIDRA	CoMS	DEDAT; Gambling Board; WESGRO; Saldanha IDZ; Liquor Authority	DSD	DEADP Cape Nature	PT	DCAS; Cultural Commission; Language Committee; WC Heritage	DoTP	Health
Tuesday	10 Aug 21	09:00 - 11:30													
		13:00 - 15:30													
Wednesday	11 Aug 21	09:00 - 11:30													
		13:00 - 15:30													
Thursday	12 Aug 21	09:00 - 11:30													
		13:00 - 15:30													
Friday	13 Aug 21	09:00 - 11:30													
		13:00 - 15:30													
Monday	16 Aug 21	09:00 - 11:30													
		13:00 - 15:30													
Tuesday	17 Aug 21	09:00 - 11:30													
		13:00 - 15:30													
Wednesday	18 Aug 21	09:00 - 11:30													

EPS CHANGE MANAGEMENT: TRAINING SESSIONS

Day	Date	Time Slot	DHS	DLG	WCED	TPW	Agriculture CASIDRA	CoMS	DEDAT; Gambling Board; WESGRO; Saldanha IDZ; Liquor Authority	DSD	DEADP; Cape Nature	PT	DCAS; Cultural Commission; Language Committee; WC Heritage	DoTP	Health
Monday	06 Sep 21	09:00 - 13:00													
Tuesday	07 Sep 21	09:00 - 13:00													
Wednesday	08 Sep 21	09:00 - 13:00													
Thursday	09 Sep 21	09:00 - 13:00													
Friday	10 Sep 21	09:00 - 13:00													
Monday	13 Sep 21	09:00 - 13:00													
Tuesday	14 Sep 21	09:00 - 13:00													
Wednesday	15 Sep 21	09:00 - 13:00													
Thursday	16 Sep 21	09:00 - 13:00													
Friday	17 Sep 21	09:00 - 13:00													
Monday	20 Sep 21	09:00 - 13:00													
Tuesday	21 Sep 21	09:00 - 13:00													
Wednesday	22 Sep 21	09:00 - 13:00													

E-PROCUREMENT SOLUTION BUSINESS PROCESS CHANGES

1. CREATION OF REQUEST FOR QUOTATIONS (RFQ)

- 1.1 The system will default to the below minimum advertising periods linked to relevant procurement threshold. **NB: Departments and public entities are required to review the need for adjusting the acceptable timeframes per procurement threshold bearing in mind the adequacy of response times in order for a supplier to appropriately respond to a Request for Quotation:**
- i. As per paragraph 5.5.2 (a) and (b) of the Provincial Treasury Instructions, 2019 it is currently a discretionary requirement to utilise the ePS for requirements between R2 000 and R10 000. Where institutions opt to utilise the ePS for procurement between R2 000 and R10 000 (VAT inclusive), such requirement must be advertised for a minimum period of 24 hours;
 - ii. procurement above R10 000 and up to R30 000 (VAT inclusive) must be advertised for a minimum period of 24 hours;
 - iii. the invitation of price quotations above R30 000 and up to R500 000 (VAT inclusive) must be advertised for a minimum period of 48 hours; and
 - iv. all procurement above R500 000 and up to a maximum of R1 million (Vat inclusive) must be advertised for a minimum period of seven (7) days.
- 1.2 The ePS allows for shortened advertising periods where approval has been granted by the delegated authority for such shortened advertising periods or in respect of emergency procurement. Institutions will be required to select the appropriate reason on the system for the shortened advertising period and will be required to upload the supporting evidence at the finalisation of the RFQ phase. Institutions must therefore ensure that its SCM policy and delegations provide for such instances.
- 1.3 In the interest of fairness, transparency and competitiveness RFQs (excluding shortened advertised period RFQs) may only be published before 20h00 on weekdays (excluding public holidays) to ensure suppliers are afforded a reasonable timeframe to submit offers during working hours. It must also be noted that the ePS defaults to a weekday (excluding public holidays and weekends).
- 1.4 The limitations as per paragraph 1.3 above, do not apply to shortened advertising periods as such can be advertised between one (1) and forty-seven (47) hours for quotations above R30 000 and up to R500 000 and between one (1) and six (6) days for procurement above R500 000 and up to a maximum of R1 million, where such approval has been granted by the relevant delegated authority to ensure service delivery requirements are met specifically in cases of emergency procurement.

2. COMPULSORY SITE MEETINGS

- 2.1 Institutions must ensure that there is **at least 48 working hours available after** the compulsory site meeting for suppliers to provide responses so as to not prejudice any supplier from responding appropriately. This would require institutions to plan appropriately to ensure that these lead times are met particularly in terms of fairness, transparency and competitiveness. The compulsory site meeting information must be captured below the conditions of tender on the ePS and it may also be included in the specification document uploaded onto the ePS.

3. PROCUREMENT METHOD: LIMITED BIDDING

- 3.1 Motivations for limited bidding must be aligned to paragraph 5.5.4 of Chapter 16A of the Provincial Treasury Instructions, 2019 when procuring via the limited bidding process on the ePS.
- 3.2 Institutions are required to advertise limited bidding RFQs for a minimum period of 24 hours. Buyers are required to upload the approval and/or motivation for utilising the limited bidding process at the finalisation of award phase of the RFQ to support the decision-making process.
- 3.3 Supervisors are required to ensure that the necessary approvals to utilise limited bidding has been granted before approving the RFQ for publishing on the system.

4. SECONDARY BUYERS AND APPROVERS

- 4.1 It is recommended that, where possible, institutions select a secondary buyer and a secondary approver for all RFQs for business continuity and to alleviate any possible delays in the procurement process in the event that primary buyers or approvers are not available to continue with the procurement process.

5. SELECTION OF COMMODITIES

- 5.1 The ePS do not have a supplier limitation hence multiple commodities may be selected per RFQ to give effect to the requirements of the specification.
- 5.2 The ePS do not restrict the type of commodities that may be combined on a single RFQ, hence there is a potential risk that buyers may advertise two or more commodities that are not related. As an example, stationery and catering are advertised as one RFQ. Institutions are cautioned against this practice and buyers as well as supervisors must apply due diligence when performing their functions on the system to avoid unnecessary cancellation of RFQs as well as impacting on service delivery. It is therefore prohibited that unrelated commodities are advertised as one RFQ unless it is advertised with multiple line items to conclude a project undertaken by the Department.

6. IMPLEMENTATION OF MUNICIPAL REGIONAL INDICATORS

- 6.1 Upon the issuance of the Preferential Procurement Regulations, 2017, Provincial Cabinet resolved that the Province implement regional indicators to stimulate economic growth within the area of procurement and hence the Provincial Treasury (PT) issued Treasury Circular No. 12 of 2017 that sets out the requirements to implement regional indicators. Institutions are required to adhere to the requirements of the above-mentioned Treasury Circular No. 12 of 2017 in respect of municipal regional indicators, if not already implemented.
- 6.2 The supplier selection criteria for an RFQ may be filtered using the Municipal Region, Postal Code and Turnover category selection criteria where the institutions policy allows for this or where approval has been granted on a case by case basis.
- 6.3 The implementation of municipal regional indicators is a policy decision that requires approval by the accounting officer or accounting authority and must be documented in the Departments and public entities SCM system (Accounting Officer's System and SCM Strategy).

7. BIDDERS LINKED TO THE RFQ

- 7.1 Only bidders who are actively registered (dependent on a valid WCBD 4) on the WCSEB at the date and time of publishing of the RFQ will receive the invitation to submit an offer if eligible in terms of the criteria selected by the buyer. This would imply that not all suppliers listed at the “Link and view suppliers” phase will receive the RFQ as the registration status of suppliers are continuously changing (active and inactive) on the WCSEB depending on the validity of the WCBD 4.
- 7.2 On the “Link and view suppliers” tab, buyers will note a WCBD 4 column indicating a date in red. This flag was added to highlight the date when the current WCBD 4 will expire prior to the date and time of publication. Where no date is indicated, the expiry date of those WCBD 4s are beyond the publication date of the RFQ.
- 7.3 Institutions must also note that any profile changes of a supplier on the WCSEB will only reflect on the ePS the next day given the technical requirements of updating the ePS.
- 7.4 The bidders' current B-BBEE points as approved and evidentiary proof uploaded onto the WCSEB, if claimed by the bidder, will be linked to the RFQ at the closing date and time of the RFQ.

8. AWARD INFORMATION

- 8.1 Institutions are requested via the buyer functionality to ensure that the correct award information is captured on the ePS, i.e. that the correct successful bidder is selected. Once the award process has been effected, such decisions cannot be reversed, as this will impact on the credibility of the data on the system which will affect the information provided to support the audit trail as well as the credibility of performance information drawn from the system and included in the Quarterly System Insight Reports and various other ad hoc reporting to Provincial Cabinet as Parliament provided by the Provincial Treasury. The Provincial Treasury accepts that institutions will exercise caution when capturing this information which will be used for the purposes of reporting and publishing as required from time to time.
- 8.2 The PT notes that in certain circumstances the successful bidder may be unable to provide the goods or render the services after the award information was captured and such cannot be amended on the ePS. However, this will be introduced as an enhancement going forward on the system.
- 8.3 In the interim, where such a scenario exists, the following must be actioned:
- i. buyers are required to upload the amended procurement template with the appropriate reasons on the system to establish a credible audit trail; and
 - ii. Institutions must report these instances in the attached **Annexure C**, to be submitted to the Provincial Treasury on a quarterly basis prior the 7th of the month following a quarter.

9. COMMUNICATION FUNCTIONALITY

- 9.1 Bidders may only request clarity regarding the specification via the messaging functionality on the system before the closing date and time of an RFQ. Any clarification requested outside of the system should not be responded to by buyers as such is a control mechanism to ensure that clarification is communicated to all bidders invited to the RFQ in the interest of transparency and fairness in terms of Section 217 of the Constitution.

9.2 The system does not limit bidders to only utilise the messaging functionality within the publishing period hence institutions must guide buyers in terms of the cut- off period for responding to clarification messages by incorporating such limitations and conditions in their SCM policy as a control mechanism.

9.3 The message functionality is available to buyers and bidders throughout the RFQ lifecycle.

10. CANCELLATION OF AN RFQ

10.1 An RFQ may be cancelled at any stage prior to the award of the RFQ in the procurement process and prior to the supervisor executing its functions in terms of the award on the system. Reasons for a cancellation must be captured on the system and it must be noted that a cancellation does not require supervisor approval nor can it be reversed.

10.2 If an RFQ was cancelled in error, the RFQ must be re-advertised on the system to mitigate the re-opening of cancelled events.

10.3 An automated e-mail notification will be sent to all participating suppliers informing them of the RFQ cancellation. The notification will not specify the cancellation reason captured by the buyer as suppliers will be directed to Departments for further information.

11. COST BREAK DOWNS

11.1 Cost breakdowns must be administered on the ePS and not outside of the system. Suppliers must be informed via the specification that cost breakdowns must be uploaded on the "supplier response" screen below "Introduction" where specified "*Please upload attachments here (if applicable)*".

11.2 Where the upload of cost break downs or other substantiating documents are mandatory, bidders must be informed via the specification/ bid conditions that failure to upload such documents on the ePS will render their offers unresponsive.

11.3 Cost breakdowns submitted via fax or e-mail **MUST NOT** be accepted as this process is outside of the system and is open to tampering, collusion etc.

12. DOCUMENT UPLOAD ON THE ePS

12.1 The following documents must be uploaded on the ePS at the finalization phase of the RFQ:

- i. manual requisition (Log 1);
- ii. procurement template (approved); and
- iii. order (number must also be captured on the screen).

12.2 Other documents may also be uploaded and saved to the ePS until the RFQ is "Marked as finalised" after which no further documents can be uploaded.

13. ePS UNAVAILABILITY

13.1 In the event that the ePS are unavailable due to technical challenges, Institutions must follow paragraph 5.6 of Chapter 16A of the PTIs, 2019 "Deviations from Utilising the ePS".

13.2 Institutions are required to maintain evidence of the ePS unavailability as part of the audit trail and must inform the Provincial Treasury of all awards made to a supplier as per the above process through the monthly reporting process referred to in paragraph 6.3.3 of Chapter 16 A of the PTIs, 2019.

14. SUB-CONTRACTING

14.1 Bidders may indicate its intention to sub-contract a portion of the contract to another bidder at paragraph 1.7 of the supplier's response to the RFQ on the system.

14.2 If sub-contracting is applicable, institutions are required to add to the specifications that the original WCBD 6.1 must be submitted to the relevant institution.

14.3 The bidder must download the WCBD 6.1, availed at paragraph 1.7, which must be duly completed to reflect the bidders sub-contracting arrangements. The completed WCBD 6.1 must be uploaded by the bidder for evaluation purposes at paragraph 1.8 of the "Supplier Response" screen.

14.4 The sub-contracting information submitted by the bidder must be evaluated in terms of paragraph 6 (5) of the Preferential Procurement Regulations, 2017.