



Reference number: RCS/C5

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CAPE TOWN  
8000

## TREASURY CIRCULAR MUN NO. 30/2019

THE MAYOR, CITY OF CAPE TOWN: MR D PLATO  
THE MAYOR, WEST COAST DISTRICT MUNICIPALITY: MR H CLEOPHAS  
THE MAYOR, MATZIKAMA MUNICIPALITY: MR D JENNER  
THE MAYOR, CEDERBERG MUNICIPALITY: MS S QUANTA  
THE MAYOR, BERGRIVIER MUNICIPALITY: MR R VAN ROOY  
THE MAYOR, SALDANHA BAY MUNICIPALITY: MR M KOEN  
THE MAYOR, SWARTLAND MUNICIPALITY: MR T VAN ESSEN  
THE MAYOR, CAPE WINELANDS DISTRICT MUNICIPALITY: DR H VON SCHLICHT  
THE MAYOR, WITZENBERG MUNICIPALITY: MR BC KLAASEN  
THE MAYOR, DRAKENSTEIN MUNICIPALITY: MR CJ POOLE  
THE MAYOR, STELLENBOSCH MUNICIPALITY: ADV. G VAN DEVENTER  
THE MAYOR, BREEDE VALLEY MUNICIPALITY: MS A STEYN  
THE MAYOR, LANGEBERG MUNICIPALITY: MR HM JANSEN  
THE MAYOR, OVERBERG DISTRICT MUNICIPALITY: MR A FRANKEN  
THE MAYOR, THEEWATERSKLOOF MUNICIPALITY: MS CJM VOSLOO  
THE MAYOR, OVERSTRAND MUNICIPALITY: MR D COETZEE  
THE MAYOR, CAPE AGULHAS MUNICIPALITY: MR PJ SWART  
THE MAYOR, SWELLENDAM MUNICIPALITY: MR NG MYBURGH  
THE MAYOR, GARDEN ROUTE DISTRICT MUNICIPALITY: MR M BOOYSEN  
THE MAYOR, KANNALAND MUNICIPALITY: MS M BARRY  
THE MAYOR, HESSEQUA MUNICIPALITY: MR G RIDDLES  
THE MAYOR, MOSSEL BAY MUNICIPALITY: MR HJ LEVENDAL  
THE MAYOR, GEORGE MUNICIPALITY: MR MG NAIK  
THE MAYOR, OUDTSHOORN MUNICIPALITY: MS N MWATI (ACTING)  
THE MAYOR, BITOU MUNICIPALITY: MR MP LOBESE  
THE MAYOR, KNYSNA MUNICIPALITY: MR A TSENGWA (ACTING)  
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THE MAYOR, LAINGSBURG MUNICIPALITY: MR M GOUWS  
THE MAYOR, PRINCE ALBERT MUNICIPALITY: MR G LOTTERING  
THE MAYOR, BEAUFORT WEST MUNICIPALITY: MR N CONSTABLE  
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THE MUNICIPAL MANAGER, BERGRIVIER MUNICIPALITY: ADV. H LINDE  
THE MUNICIPAL MANAGER, SALDANHA BAY MUNICIPALITY: MR H METTLER  
THE MUNICIPAL MANAGER, SWARTLAND MUNICIPALITY: MR J SCHOLTZ  
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THE MUNICIPAL MANAGER, STELLENBOSCH MUNICIPALITY: MS G METTLER  
THE MUNICIPAL MANAGER, BREEDE VALLEY MUNICIPALITY: MR D McTHOMAS  
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THE MUNICIPAL MANAGER, OVERSTRAND MUNICIPALITY: MR C GROENEWALD  
THE MUNICIPAL MANAGER, CAPE AGULHAS MUNICIPALITY: MR D O'NEILL  
THE MUNICIPAL MANAGER, SWELLENDAM MUNICIPALITY: MR A GROENEWALD  
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THE MUNICIPAL MANAGER, HESSEQUA MUNICIPALITY: MR J JACOBS  
THE MUNICIPAL MANAGER, MOSSEL BAY MUNICIPALITY: ADV. MG GILIOME

THE MUNICIPAL MANAGER, GEORGE MUNICIPALITY: MR T BOTHA  
 THE MUNICIPAL MANAGER, OUDTSHOORN MUNICIPALITY: MR A PAULSE  
 THE MUNICIPAL MANAGER, BITOU MUNICIPALITY: ADV. L NGOQO  
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 THE CHIEF FINANCIAL OFFICER, SALDANHA BAY MUNICIPALITY: MR S VORSTER  
 THE CHIEF FINANCIAL OFFICER, SWARTLAND MUNICIPALITY: MR M BOLTON  
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 THE CHIEF FINANCIAL OFFICER, DRAKENSTEIN MUNICIPALITY: MR J CARSTENS  
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 THE CHIEF FINANCIAL OFFICER, THEEWATERSKLOOF MUNICIPALITY: MR D LOUW  
 THE CHIEF FINANCIAL OFFICER, OVERSTRAND MUNICIPALITY: MS S REYNEKE-NAUDÉ  
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 THE CHIEF FINANCIAL OFFICER, SWELLEN DAM MUNICIPALITY: MR H SCHLEBUSCH  
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 THE CHIEF FINANCIAL OFFICER, HESSEQUA MUNICIPALITY: MS HJ VILJOEN  
 THE CHIEF FINANCIAL OFFICER, MOSSEL BAY MUNICIPALITY: MR DM ASMAL  
 THE CHIEF FINANCIAL OFFICER, GEORGE MUNICIPALITY: MR L WALLACE  
 THE CHIEF FINANCIAL OFFICER, OUDTSHOORN MUNICIPALITY: MR F LOTTER  
 THE CHIEF FINANCIAL OFFICER, BITOU MUNICIPALITY: MR V MKHEFA  
 THE CHIEF FINANCIAL OFFICER, KNYSNA MUNICIPALITY: MR M MEIMANI  
 THE CHIEF FINANCIAL OFFICER, CENTRAL KAROO DISTRICT MUNICIPALITY: MS U BAARTMAN  
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 THE CHIEF FINANCIAL OFFICER, PRINCE ALBERT MUNICIPALITY: MR J NEETHLING  
 THE CHIEF FINANCIAL OFFICER, BEAUFORT WEST MUNICIPALITY: MR CJ KYMDELL  
 THE HEAD OF SCM, CITY OF CAPE TOWN: MR B CHINASAMY  
 THE HEAD OF SCM, WEST COAST DISTRICT: MR M MARKUS  
 THE HEAD OF SCM, MATZIKAMA MUNICIPALITY: MS H MEYER  
 THE HEAD OF SCM, CEDERBERG MUNICIPALITY: MS J MAARMAN  
 THE HEAD OF SCM, BERGRIVIER MUNICIPALITY: MR I SAUNDERS  
 THE HEAD OF SCM, SALDANHA BAY MUNICIPALITY: MR H MEEDING  
 THE HEAD OF SCM, SWARTLAND MUNICIPALITY: MR P SWART  
 THE HEAD OF SCM, CAPE WINELANDS DISTRICT: MS R LEO  
 THE HEAD OF SCM, WITZENBERG MUNICIPALITY: MR M FRIESLAAR  
 THE HEAD OF SCM, DRAKENSTEIN MUNICIPALITY: MR H VERGOTINE  
 THE HEAD OF SCM, STELLENBOSCH MUNICIPALITY: MR D JACOBS  
 THE HEAD OF SCM, BREEDE VALLEY MUNICIPALITY: MR M POTGIETER  
 THE HEAD OF SCM, LANGEBERG MUNICIPALITY: MR S NGCONGOLO  
 THE HEAD OF SCM, OVERBERG DISTRICT: MS D KAPOT-WITBOOI  
 THE HEAD OF SCM, THEEWATERSKLOOF MUNICIPALITY: MR A HENDRICKS  
 THE HEAD OF SCM, OVERSTRAND MUNICIPALITY: MR C LE ROUX  
 THE HEAD OF SCM, CAPE AGULHAS MUNICIPALITY: MR R SEFOOR  
 THE HEAD OF SCM, SWELLEN DAM MUNICIPALITY: MR B BEYERS  
 THE HEAD OF SCM, GARDEN ROUTE DISTRICT: MR T MPURU  
 THE HEAD OF SCM, KANNALAND MUNICIPALITY: MR E VAN ROOI (ACTING)  
 THE HEAD OF SCM, HESSEQUA MUNICIPALITY: MS A DU PLESSIS  
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 THE HEAD OF SCM, OUDTSHOORN MUNICIPALITY: MR JC LADOUCE  
 THE HEAD OF SCM, BITOU MUNICIPALITY: MR P CASA (ACTING)  
 THE HEAD OF SCM, KNYSNA MUNICIPALITY: MS F KRUGER  
 THE HEAD OF SCM, CENTRAL KAROO DISTRICT: MS A LENDERS (ACTING)  
 THE HEAD OF SCM, LAINGSBURG MUNICIPALITY: MR K GERTSE  
 THE HEAD OF SCM, PRINCE ALBERT MUNICIPALITY: MS C BAADTJIES (ACTING)  
 THE HEAD OF SCM, BEAUFORT WEST MUNICIPALITY: MS SA POTHBERG  
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 THE DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONOMIC SERVICES (MS A PICK) (ACTING)  
 THE DEPUTY DIRECTOR-GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MR IG SMITH) (ACTING)  
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 THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MR P PIENAAR) (ACTING)  
 THE CHIEF DIRECTOR: LOCAL GOVERNMENT PUBLIC FINANCE (MR M SIGABI) (ACTING)  
 THE CHIEF DIRECTOR: ASSET MANAGEMENT (MS N EBRAHIM) (ACTING)  
 THE CHIEF DIRECTOR: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN)  
 THE CHIEF FINANCIAL OFFICER (MS A SMIT)

THE HEAD: OFFICE OF THE FINANCE MINISTRY (MS C GREEN)  
 THE DIRECTOR: BUSINESS INFORMATION AND DATA MANAGEMENT (MS T BOSSER) (ACTING)  
 THE DIRECTOR: FINANCIAL GOVERNANCE (MS M VAN NIEKERK)  
 THE DIRECTOR: FISCAL POLICY (DR N NLEYA)  
 THE DIRECTOR: INFRASTRUCTURE (MR K LANGENHOVEN)  
 THE DIRECTOR: LOCAL GOVERNMENT ACCOUNTING (MR L BRINDERS)  
 THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MR M BOOYSEN)  
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (VACANT)  
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR M SIGABI) (PRO TEM)  
 THE DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MR R MOOLMAN)  
 THE DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING (MR A REDDY)  
 THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS T VAN DE RHEEDE) (ACTING)  
 THE DIRECTOR: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MR S ARNOLD) (ACTING)  
 THE DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS T RAKIEP) (ACTING)  
 THE DIRECTOR: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS N ISMAIL)  
 THE DIRECTOR: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A MAZOMBA)  
 THE PROVINCIAL AUDITOR  
 MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT  
 THE HEAD OF DEPARTMENT: LOCAL GOVERNMENT  
 THE CHIEF DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS – NATIONAL TREASURY (MR J HATTINGH)  
 THE CHIEF DIRECTOR: MFMA IMPLEMENTATION – NATIONAL TREASURY (MR TV PILLAY)

## **REVIEW AND ASSESSMENT OF MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICIES**

### **1. PURPOSE**

- 1.1 This Circular seeks to ensure that all municipalities and municipal entities have and implement a Supply Chain Management (SCM) policy that is compliant with the legislative framework and consistent with the latest legislative prescripts as prescribed in Section 111 and 112 of the Municipal Management Framework Act 56, 2003 (MFMA) and SCM Regulations 2 and 3 which encapsulated with section 217 of the Constitution.
- 1.2 To request municipalities to submit the latest approved SCM policies (goods and services and Infrastructure Model Policy) for annual review.
- 1.3 The Provincial Treasury intends to assess all SCM policies on the alignment to the National Treasury's Model policy and provide municipalities with recommendations where deemed necessary and appropriate.
- 1.4 The policy assessment pursues to establish whether municipal policies encompass a range of discretionary information that conform to the requirements of the MFMA SCM Regulations, Preferential Procurement Regulations, 2017 National Treasury Circulars, the Construction Industry Development Board Act (CIDB Act).

### **2. BACKGROUND**

- 2.1 Promulgated in the Local Government: the MFMA 56 of 2003, requires the Municipality to have and implement a SCM Policy which gives effect to the provisions of Part 1 of Chapter 11 of the Act that deals with 'Supply Chain Management'.
- 2.2 The National Treasury (NT) issued MFMA Circular No. 22 in August 2005 instructing each municipal council to adopt a policy that gives effect to the South Africa Constitution and other Supply Chain Management legislative regimes. The Circular provided a Model Policy and a code of ethical standards to be adopted or adapted by municipalities and municipal entities.

- 2.3 Subsequently, NT MFMA Circular No. 77, 2015 was issued to provide guidance for a suitable supply chain management system for infrastructure delivery. The Circular highlighted the Model SCM Policy for Infrastructure Procurement and Delivery Management Regulation for adoption as of October 2015.
- 2.4 To date several circulars and other prescripts has been issued by National Treasury, which warranted inclusion into the municipal SCM polices as part of the SCM National Reforms.

### **3. SCM POLICY ASSESSMENT PROCESS**

- 3.1 The policy assessment process is aimed at determining whether Municipalities have implemented a Supply Chain Management Policy in a manner, which gives effect to the provisions of section 217 of the Constitution, section 112 of the MFMA and are aligned to the National Treasury's Model Policy, guidelines and circulars as periodically issues by NT.
- 3.2 On an annual basis the Provincial Treasury will embark on a supply chain management policy assessment process.
- 3.3 Furthermore, policies will be assessed for compliance, management comments based on Provincial Treasury findings are sought prior to policy being adopted by the Municipality.
- 3.4 Thus far, the Provincial Treasury has assessed all 30 municipal SCM policies, therefore, it will restart the Policy Review process by prioritising the municipalities policies which were reviewed and amended during 2018/19 financial year.

### **4. REQUEST**

- 4.1 Municipalities and municipal entities are kindly requested to forward their latest SCM policies adopted by Municipal Council for assessment for the 2019/20 financial year.
- 4.2 Upon submission of the policies, please indicate the date of adoption of the policy, council resolutions and the last date of review of the policy. Municipalities are herewith further requested to comply with the contents of this circular.
- 4.3 SCM policies and any further enquiries must be submitted to Ms Nolutando Makholwa at email: [Nolutando.Makholwa@westerncape.gov.za](mailto:Nolutando.Makholwa@westerncape.gov.za) and telephone number: 021 483 6362.
- 4.4 It will be highly appreciated if the SCM policies are submitted to our offices by no later than Friday, **29 November 2019**.
- 4.5 Municipalities are requested to comply with the requirement of this circular.



**MR RODNEY MOOLMAN**  
**DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT**  
**DATE:** 6 November 2019