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#### Reference number: RCS/C.5

Private Bag X9165 CAPE TOWN 8000

# TREASURY CIRCULAR MUN NO. 1 /2020

THE MAYOR, CITY OF CAPE TOWN: MR D PLATO THE MAYOR, WEST COAST DISTRICT MUNICIPALITY: MR H CLEOPHAS THE MAYOR, MATZIKAMA MUNICIPALITY: MS M BAINS 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: MR C SYLVESTER THE MAYOR, BITOU MUNICIPALITY: MR MP LOBESE THE MAYOR, KNYSNA MUNICIPALITY: MR A TSENGWA (ACTING) THE MAYOR, CENTRAL KAROO DISTRICT MUNICIPALITY: DR A RABIE THE MAYOR, LAINGSBURG MUNICIPALITY: MR M GOUWS THE MAYOR, PRINCE ALBERT MUNICIPALITY: MR G LOTTERING THE MAYOR, BEAUFORT WEST MUNICIPALITY: MR N CONSTABLE THE MUNICIPAL MANAGER, CITY OF CAPE TOWN: MR L MBANDAZAYO THE MUNICIPAL MANAGER, WEST COAST DISTRICT MUNICIPALITY: MR D JOUBERT THE MUNICIPAL MANAGER, MATZIKAMA MUNICIPALITY: MR L PHILLIPS (ACTING) THE MUNICIPAL MANAGER, CEDERBERG MUNICIPALITY: MR H SLIMMERT (ACTING) 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 THE MUNICIPAL MANAGER, CAPE WINELANDS DISTRICT MUNICIPALITY: MR H PRINS THE MUNICIPAL MANAGER, WITZENBERG MUNICIPALITY: MR D NASSON THE MUNICIPAL MANAGER, DRAKENSTEIN MUNICIPALITY: DR J LEIBBRANDT THE MUNICIPAL MANAGER, STELLENBOSCH MUNICIPALITY: MS G METTLER THE MUNICIPAL MANAGER, BREEDE VALLEY MUNICIPALITY: MR D MCTHOMAS THE MUNICIPAL MANAGER, LANGEBERG MUNICIPALITY: MR SA MOKWENI THE MUNICIPAL MANAGER, OVERBERG DISTRICT MUNICIPALITY: MR D BERETTI THE MUNICIPAL MANAGER, THEEWATERSKLOOF MUNICIPALITY: MR G MATTHYSE 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 THE MUNICIPAL MANAGER, GARDEN ROUTE DISTRICT MUNICIPALITY: MR M STRATU THE MUNICIPAL MANAGER, KANNALAND MUNICIPALITY: MR R STEVENS THE MUNICIPAL MANAGER, HESSEQUA MUNICIPALITY: MR J JACOBS THE MUNICIPAL MANAGER, MOSSEL BAY MUNICIPALITY: ADV. MG GILIOMEE

THE MUNICIPAL MANAGER, GEORGE MUNICIPALITY: MR T BOTHA THE MUNICIPAL MANAGER, OUDTSHOORN MUNICIPALITY: MR A PAULSE THE MUNICIPAL MANAGER, BITOU MUNICIPALITY: ADV. L NGOQO THE MUNICIPAL MANAGER, KNYSNA MUNICIPALITY: DR S VATALA THE MUNICIPAL MANAGER, CENTRAL KAROO DISTRICT MUNICIPALITY: MR S JOOSTE THE MUNICIPAL MANAGER, LAINGSBURG MUNICIPALITY: MR J KOMANISI (ACTING) THE MUNICIPAL MANAGER, PRINCE ALBERT MUNICIPALITY: MS A VORSTER THE MUNICIPAL MANAGER, BEAUFORT WEST MUNICIPALITY: MR K HAARHOFF THE CHIEF FINANCIAL OFFICER, CITY OF CAPE TOWN: MR K JACOBY THE CHIEF FINANCIAL OFFICER, WEST COAST DISTRICT MUNICIPALITY: DR JCP TESSELAAR THE CHIEF FINANCIAL OFFICER, MATZIKAMA MUNICIPALITY: MR J BOOYSEN THE CHIEF FINANCIAL OFFICER, CEDERBERG MUNICIPALITY: MR E ALFRED THE CHIEF FINANCIAL OFFICER, BERGRIVIER MUNICIPALITY: MR F LÖTTER THE CHIEF FINANCIAL OFFICER, SALDANHA BAY MUNICIPALITY: MR S VORSTER THE CHIEF FINANCIAL OFFICER, SWARTLAND MUNICIPALITY: MR M BOLTON THE CHIEF FINANCIAL OFFICER, CAPE WINELANDS DISTRICT MUNICIPALITY: MS FA DU RAAN-GROENEWALD THE CHIEF FINANCIAL OFFICER, WITZENBERG MUNICIPALITY: MR A RAUBENHEIMER THE CHIEF FINANCIAL OFFICER, DRAKENSTEIN MUNICIPALITY: MR J CARSTENS THE CHIEF FINANCIAL OFFICER, STELLENBOSCH MUNICIPALITY: MR K CAROLUS THE CHIEF FINANCIAL OFFICER, BREEDE VALLEY MUNICIPALITY: MR R ONTONG THE CHIEF FINANCIAL OFFICER, LANGEBERG MUNICIPALITY: MR B BROWN THE CHIEF FINANCIAL OFFICER, OVERBERG DISTRICT MUNICIPALITY: MR C HOFFMAN THE CHIEF FINANCIAL OFFICER, THEEWATERSKLOOF MUNICIPALITY: MR D LOUW THE CHIEF FINANCIAL OFFICER, OVERSTRAND MUNICIPALITY: MS S REYNEKE-NAUDÉ THE CHIEF FINANCIAL OFFICER, CAPE AGULHAS MUNICIPALITY: MR H VAN BILJON THE CHIEF FINANCIAL OFFICER, SWELLENDAM MUNICIPALITY: MR H SCHLEBUSCH THE CHIEF FINANCIAL OFFICER, GARDEN ROUTE DISTRICT MUNICIPALITY: MR JW DE JAGER THE CHIEF FINANCIAL OFFICER, KANNALAND MUNICIPALITY: MR R BUTLER 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: MS Z VAN ROOYEN (ACTING) THE CHIEF FINANCIAL OFFICER, OUDTSHOORN MUNICIPALITY: (VACANT) 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 THE CHIEF FINANCIAL OFFICER, LAINGSBURG MUNICIPALITY: MS A GROENEWALD 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, SWELLENDAM 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 THE HEAD OF SCM, MOSSEL BAY MUNICIPALITY: MR D SCHOLTZ THE HEAD OF SCM, GEORGE MUNICIPALITY: MR B GERICKE THE HEAD OF SCM, OUDTSHOORN MUNICIPALITY: MR JC LADOUCE THE HEAD OF SCM, BITOU MUNICIPALITY: MS 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 THE HEAD OFFICIAL: PROVINCIAL TREASURY (MR D SAVAGE) THE DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONOMIC SERVICES (MS J GANTANA) (ACTING) THE DEPUTY DIRECTOR-GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MR IG SMITH) (ACTING) THE CHIEF DIRECTOR: PUBLIC POLICY SERVICES (MR A PHILLIPS) THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS A PICK) (ACTING) THE CHIEF DIRECTOR: LOCAL GOVERNMENT PUBLIC FINANCE (VACANT) 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)

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# LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT FORUM MEETINGS FOR THE 2020/21 FINANCIAL YEAR: PROVINCIAL SCM FORUM MEETING – 20 MARCH 2020

#### 1. PURPOSE

- 1.1 To inform all municipalities and municipal entities of the scheduled dates of the Local Government Supply Chain Management Forum meetings for 2020/21 financial year as well as the SCM Forum meeting scheduled for 20 March 2020 (4<sup>th</sup> quarter of 2019/20 financial year) Venue to be confirmed.
- 1.2 To request all municipalities and municipal entities to submit one (1) name of a representative, preferably the SCM Manager or CFO, who will attend the Supply Chain Management Forum.
- 1.3 Where the senior official is unable to attend the forum meeting, the municipality and municipal entity may nominate a representative, preferably an official of the municipality's Supply Chain Management unit.
- 1.4 The purpose of the SCM Forum meeting is to fully align the municipalities with the Strategic direction of the Western Cape Government and Provincial SCM Roadmap, which cover the four (4) main streams: SCM Governance, SCM Technology, SCM Capacity and Training and Strategic Procurement and unpack various potential projects under each quadrant.
- 1.5 The Vision-Inspired Priority is to steer all efforts of the WCG and Municipalities to promote the interests of the all citizens of the Western Cape.
- 1.6 It is the Vision of the WCG, underpinned by supporting core values, that provides the foundation upon which the culture ethos and journey of the WCG is based and that ultimately allows for a citizen-centric and innovative organisation. It further follows that citizen centricity enjoins us to engage with citizens in a two-way manner this implies that citizen opinion and feedback is guaranteed.

# 2. BACKGROUND

- 2.1 In terms of section 5(3) of the MFMA (Act 56 of 2003), a Provincial Treasury may assist municipalities and municipal entities in building their capacity for efficient, effective and transparent financial management.
- 2.2 The Directorate, Local Government: Supply Chain Management facilitates this mandate by providing assistance and guidance to municipalities and municipal entities on the regulatory framework that governs Supply Chain Management. The support, assistance and guidance that is provided is aimed at capacitating SCM on the areas of deficiencies, risks and governance that have been identified with the aim of enabling municipalities to achieve the next level of financial capability maturity.
- 2.3 The aim of the SCM forum is to assist on issues such as managing transformation within SCM, developing coherent policy and setting norms and standards for service delivery and to enhance interdepartmental SCM relations and the exchange of information, while taking a long-term perspective on spending and policy from an SCM perspective.
- 2.4 To date Supply Chain Management fora have taken place on a quarterly basis with the aim of providing additional support to municipalities in the implementation of the provisions of the Municipal Finance Management Act No. 56 of 2003 and other applicable legislation relating to Supply Chain Management.
- 2.5 The SCM forum meeting further seeks to be a co-operative communication between the Provincial Treasury and municipalities, with the view to share experiences and best practices. The forum meetings have been a success and have been supported by all 30 municipalities within the Western Cape.
- 2.6 In light of recent developments within the Provincial Treasury's strategy, it was decided to use SCM as a tool to assist in driving local economic development from a district perspective. It is also envisaged to build efficiency gains within SCM at municipalities.

#### 3. OBJECTIVES TO BE ACHIEVED THROUGH THE SCM/LED FORUM MEETING

- 3.1 To create a culture of excellence and efficiency as well as to address capacity (expertise) shortfalls and setting benchmarks in the development of financial governance, thereby implementing and developing good financial governance policies and improving financial governance skill and efficiency for SCM.
- 3.2 The purpose of the forum meetings is to address numerous implementation challenges arising from day to day operations of SCM duties and functions.
- 3.3 To promote effective co-ordination between SCM practitioners, training providers and external service providers.
- 3.4 To share and deliberate the overcoming of challenges posed by compliance requirements in tandem with increasing calls for procurement as a lever for economic transformation.
- 3.5 To share and disseminate ideas and information, especially new approaches and enhancements.
- 3.6 To promote uniformity and consistency amongst SCM practitioners in the interpretation of policy and prescripts.
- 3.7 To promote professional development, uniformity and consistency amongst SCM practitioners in the interpretation of policy and prescripts within the Western Cape municipalities.

- 3.8 To undertake such tasks, activities and projects this will benefit SCM in general.
- 3.9 To strengthen the partnership between municipalities and the Provincial Treasury as envisaged by the Municipal Governance Review Outlook (MGRO) process.
- 3.10 To strengthen the partnership between the SCM and LED Units to ensure that municipalities integrate LED projects which is aligned to the SCM Regulations and Public Participation Project so that local suppliers get work, skills are transferred and long-term jobs are created.
- 3.11 To create an enabling environment which will assist municipalities with the effective management of assets and strengthen economic growth through infrastructure development, maintenance and addressing service delivery challenges at Local Government level.
- 3.12 To promote the construction procurement framework and gates proposed in the Infrastructure Delivery Management System to municipal specific operational requirements.

# 4. FREQUENCY OF THE SCM FORUM MEETINGS

- 4.1 The SCM Forum meeting will convene on a quarterly basis, as per the proposed dates.
- 4.2 The Director and or the Deputy Director of the Provincial Treasury: LGSCM will chair the meetings.

# 5. PROPOSED DATES FOR THE SCM/LED FORUMS

5.1 The proposed dates for the forum meetings are as follows:

Quarter	Type of Forum	Date
Quarter 4 - 2019/20	Provincial SCM Forum	Friday, 20 March 2020
Quarter 1 – 2020/21	Provincial SCM Forum	Friday, 15 May 2020
Quarter 2 – 2020/21	Provincial SCM Forum	Friday, 14 August 2020
Quarter 3 – 2020/21	Provincial SCM Forum	Friday, 13 November 2020
Quarter 4 – 2020/21	Provincial SCM Forum	Friday, 12 March 2021

- 5.2 The proposed dates may change depending on the impact of major events on the local or provincial sphere and may require a change in the dates scheduled.
- 5.3 Venues and other logistical arrangements will be confirmed and communicated prior to the scheduled dates per quarter.

#### 6. ATTENDANCE OF THE SCM FORUM MEETINGS

- 6.1 At least one senior official per Municipality is required to attend the SCM Forum, meeting preferably the Head of Supply Chain Management or the Chief Financial Officer and a representative of the LED Department.
- 6.2 Where the senior official is unable to attend the forum meeting, the Municipality may nominate a representative, preferably an official of the Municipality's supply chain management unit.
- 6.3 Attendance is of utmost importance for municipalities as it will assist them in their daily supply chain operations. Furthermore, it will assist them to iron out those issues which will be raise by the Auditor–General. The SCM Forum meeting is also a platform whereby municipalities and municipal entities raised their own issues and concerns that plague them in their daily operations.

## 7. AGENDA ITEMS TO BE DISCUSSED

- 7.1 Municipalities and municipal entities will be afforded the opportunity to forward their proposed agenda items periodically at least two (2) weeks before the commencement of the forum meeting.
- 7.2 The Agenda items will be underpinned by the Provincial SCM Roadmap that covers the four (4) main streams: SCM Governance, SCM Technology, SCM Capacity and Training and Strategic Procurement and further informed by burning issues relevant at the time.

# 8. REQUEST

- 8.1 A circular will be sent prior to each forum meeting informing all Municipalities and municipal entities of the date and venue. Municipalities and municipal entities will be requested to forward the following:
  - Municipalities and municipal entities are requested to forward the name, designation and contact details of the representative, who will be attending the Supply Chain Management Forum meeting; and
  - The proposed agenda items, if any.
- 8.2 Failure to submit requested information on time often makes it difficult to co-ordinate and arranges these forum meetings. To this effect we kindly request your cooperation.
- 8.3 It will be highly appreciated if these details are submitted not later than **Tuesday**, **25 February 2020**.
- 8.4 via e-mail to <u>Mariam.Abrahams@westerncape.gov.za</u>.
- 8.5 Any enquiries in this regard may be directed to **Ms Letitia Sallies on (021) 483 3180**.

Your co-operation will be highly appreciated.

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MR RODNEY MOOLMAN DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT DATE: 21 February 2020

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