



Reference number: RCS/C.6

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TREASURY CIRCULAR NO. 5/2022

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)

THE EXECUTIVE AUTHORITY: SALDANHA BAY IDZ LICENCING COMPANY (MINISTER D MAYNIER)

THE EXECUTIVE AUTHORITY: WESTERN CAPE CULTURAL COMMISSION (MINISTER A MARAIS)

THE EXECUTIVE AUTHORITY: WESTERN CAPE LANGUAGE COMMITTEE (MINISTER A MARAIS)

THE EXECUTIVE AUTHORITY: WESTERN CAPE HERITAGE (MINISTER A MARAIS)

THE EXECUTIVE AUTHORITY: CASIDRA (MINISTER IH MEYER)

THE EXECUTIVE AUTHORITY: WESTERN CAPE LIQUOR AUTHORITY (MINISTER A MARAIS) (ACTING)

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THE ACCOUNTING OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MR R ADAMS)

THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (MR D SAVAGE)

THE ACCOUNTING OFFICER: VOTE 4: COMMUNITY SAFETY (ADV. Y PILLAY)

THE ACCOUNTING OFFICER: VOTE 5: EDUCATION (MR B WALTERS)

THE ACCOUNTING OFFICER: VOTE 6: HEALTH (DR K CLOETE)

THE ACCOUNTING OFFICER: VOTE 7: SOCIAL DEVELOPMENT (DR R MACDONALD)

THE ACCOUNTING OFFICER: VOTE 8: HUMAN SETTLEMENTS (MS P MAYISELA)

THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MS K SHIPPEY)

THE ACCOUNTING OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MS J GOOCH)

THE ACCOUNTING OFFICER: VOTE 11: AGRICULTURE (DR M SEBOPETSA)

THE ACCOUNTING OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MR S FOURIE)

THE ACCOUNTING OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR G REDMAN)

THE ACCOUNTING OFFICER: VOTE 14: LOCAL GOVERNMENT (MR G PAULSE)

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THE CHIEF FINANCIAL OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MS N PETERSEN)

THE CHIEF FINANCIAL OFFICER: VOTE 3: PROVINCIAL TREASURY (MS A SMIT)

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THE CHIEF FINANCIAL OFFICER: VOTE 5: EDUCATION (MR L ELY)

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THE CHIEF FINANCIAL OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MR JO SMITH)

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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)

For information

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 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MR T NTSHINGILA)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR I TSIE)
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 THE DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MR R MOOLMAN)
 THE DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING (MS A ABOO)
 THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS T VAN DE RHEEDE)
 THE DIRECTOR: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK) (PRO TEM)
 THE DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS N EBRAHIM)
 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 DEPUTY DIRECTOR-GENERAL: CORPORATE ASSURANCE, DEPARTMENT OF THE PREMIER (MS H ROBSON)

PROCUREMENT PLANNING REQUIREMENTS FOR THE 2022/23 FINANCIAL YEAR

1. PURPOSE

- 1.1 The purpose of this communiqué is to articulate the requirements for the submission and reporting of annual procurement plans and quarterly reporting for the 2022/23 financial year via the Automated Procurement Planning Toolkit and the manual reporting templates for public entities.

2. BACKGROUND

- 2.1 Treasury Circular 35/2020 was issued to introduce the automated procurement planning requirements to accounting officers and accounting authorities as well as the roll out plan for provincial departments only as the toolkit has not been configured to make provision for provincial public entities at this stage.
- 2.2 Subsequently, Treasury Circular 3/2021 was issued to provide an update to accounting officers and accounting authorities on the current status of the implementation of the automated procurement planning toolkit and to articulate the requirements for the submission and reporting of procurement plans for the 2021/22 financial year.
- 2.3 The automated tool was implemented and was available for capturing as at 17 February 2021 enabling provincial departments to capture its 2021/22 annual procurement plans and quarterly feedback for the 2021/22 financial year. The procurement planning toolkit is web based and can be accessed via chrome on the following link: <https://pte-tool.westerncape.gov.za/>
- 2.4 Eleven (11) out of the thirteen (13) departments have transitioned to the automated toolkit. The plans and quarterly feedback have been captured to date (up to Quarter 3) on the tool for the 2021/22 financial year.
- 2.5 The two remaining departments (Department of Education and Health) are in the process of transitioning to the automated tool and will be required to submit the said plans and quarterly feedback via the automated tool for the 2022/23 financial year.
- 2.6 Note: that once all departments are on the automated procurement planning toolkit, the Provincial Treasury will be in a position to produce a Provincial Procurement Plan as well as view progress on such plans. Having such data capability in the Province will allow for a diverse range of initiatives/ interventions that will move us progressively in a space to address gaps in planning, research opportunities for cost efficiencies and leveraged buying as well as investigate potential value for money in provincial procurement.
- 2.7 Value for money through procurement will be a key focus in determining how the Province utilises resources through procurement, effectively, economically and without waste, with due regard for the total costs and benefits and the contribution to the outcomes that each procuring entity is wanting to achieve. This will also be aimed at striking a balance between economy, effectiveness and efficiency as a way of thinking in using resources optimally.
- 2.8 It will also be an ideal instrument that will provide input into the budgeting and planning cycles with a greater level of data and information support that will inform and advise on budgeting and planning as it relates to procurement.
- 2.9 Therefore, at this inception phase, it is critical that the importance of data credibility and data capture be emphasized in order that we move closer towards attaining the end goal for procurement planning and its usefulness toward value for money purchasing.

3. DATA INTEGRITY CONCERNS NOTED DURING 2021/22 ON THE AUTOMATED TOOL AND PROPOSED ACTIONS

3.1 The following data integrity concerns have been identified for the 2021/22 financial year in terms of plans and quarterly feedback that was captured on the automated toolkit that require actions from departments to improve the data integrity on the system:

3.1.1 Annual Procurement Planning schedules (inclusive of Annual Engagement and Annual Performance Planning schedules):

(a) Departments are required to capture a detailed description of the engagements listed on the annual engagement plan. Departments tend to provide a brief description of the engagement which makes analytics of the information problematic.

3.1.2 Quarterly Reporting:

(a) It was noted that departments are inserting a full stop or not completing the successful suppliers name in full when capturing awards on the system. Departments are advised to capture the successful supplier's name in full whilst the PT is in the process of linking the information to the Central Supplier Database;

(b) Departments are required to capture the correct awarded amounts when reporting its quarterly awards. It was found that departments are not amending the estimated amount on the tool to reflect the actual awarded amounts;

(c) Ensure that all extensions and expansions are reported on the automated procurement planning toolkit; and

(d) All new procurement items above R100 00 to be added to the procurement plan must be added as part of the quarterly feedback.

4. REPORTING REQUIREMENTS FOR 2022/23 FINANCIAL YEAR

4.1 Accounting officers and accounting authorities must adhere to the following annual and quarterly reporting requirements for procurement planning for the 2022/23 financial year. Note that departments are required to report on the automated procurement planning toolkit and public entities are required to report via the manual reporting templates attached hereto marked Annexure A to G:

REQUIREMENT	DUE DATE
Final Annual Procurement Plan 2020/21 Stakeholder Engagement Plan SCM Performance Plan Empowerment Impact Assessment Plan	31 March 2022
Quarterly Progress Report: 1 st Quarter	15 July 2022
Quarterly Progress Report: 2 nd Quarter	17 October 2022
Quarterly Progress Report: 3 rd Quarter	16 January 2023
Quarterly Progress Report: 4 th Quarter	15 April 2023

- 4.2 It must be noted that public entities will for now until further notice be required to report via the manual reporting mechanism as the Provincial Treasury's intent is to first stabilise the automated environment for provincial departments, after which the public entity requirements will be assessed and configured on the system.
- 4.3 Accounting officers are required to note that once the plan is signed off on the system, it is accepted that the plan is submitted to the Provincial Treasury and hence hard copies are not required to be submitted to the Provincial Treasury. The Provincial Treasury will download a report of all plans that have been signed off for audit purposes. Departments can download its own signed-off report in terms of its submission for compliance purposes and for audit evidence.
- 4.4 The annual procurement plan must include –
- all procurement of goods and services in excess of R100 000 (incl. VAT); and
 - all capital as well as maintenance work in excess of R500 000 (incl. VAT).
- 4.5 It is the intent of the Provincial Treasury to publish all approved procurement plans on our website so that suppliers can be kept abreast of procurement opportunities in the Province. This will be done once accounting officers have approved and signed-off their plans on the automated procurement planning template. Note that the PT will also record any subsequent amendments made to procurement plans on the website so there is no confusion as to what business opportunities are available and when they will be made available. This is also aligned to the providing meaningful procurement disclosure to the public that will in the long term add value and ensure transparency.
- 4.6 The above initiative is in keeping with the National Treasury (NT) requirements to publish all procurement plans on the SAGOV Portal (previously the eTender portal). The PT has been engaging with the NT on the possibility of streamlining the reporting requirements given that the automated procurement planning toolkit has already been implemented within the province. It was indicated by the NT that there is opportunity for an interface between the SAGOV portal and the automated procurement planning toolkit in terms of a feed between the two systems and proposals were made by the NT on how this could be done to avoid duplication of effort for the province. However, this requires further discussion and unpacking to enable this mechanism for the province. This will however only gain traction once the National Treasury has issued the Instruction Note in terms of the governance requirements as it relates to the SAGOV portal.

5. REQUEST

- 5.1 Accounting officers and accounting authorities must note the content of this Provincial Treasury Circular and communicate these requirements to officials under their control and responsible for the functions depicted in this Circular.
- 5.2 All departments are required to capture, submit and approve all plans and quarterly feedback via the automated procurement planning toolkit by the dates indicated in paragraph 4.1 above, whilst accounting authorities must adhere to the manual reporting templates attached.
- 5.3 Departmental users must utilise their Western Cape login details to access the automated procurement planning toolkit via: <https://pte-tool.westerncape.gov.za/>
- 5.4 All accounting authorities must submit all approved plans and quarterly feedback to: Pt.Procplan@westerncape.gov.za

6. ENQUIRIES

- 6.1 All enquiries in respect of this circular or any other enquiries in respect of procurement planning must be directed to: Pt.Procplan@westerncape.gov.za

NADIA EBRAHIM

DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT

DATE: 2 March 2022