

Reference number: RCS/C.6

Private Bag X9165  
CAPE TOWN  
8000

## TREASURY CIRCULAR NO.27/2022

THE PREMIER

THE MINISTER OF AGRICULTURE

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 INFRASTRUCTURE

THE MINISTER OF LOCAL GOVERNMENT, ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING

THE MINISTER OF MOBILITY

THE MINISTER OF POLICE OVERSIGHT AND COMMUNITY SAFETY

THE MINISTER OF SOCIAL DEVELOPMENT

THE SPEAKER: PROVINCIAL PARLIAMENT

THE DEPUTY SPEAKER: PROVINCIAL PARLIAMENT

THE EXECUTIVE AUTHORITY: WESTERN CAPE GAMBLING AND RACING BOARD (MINISTER M WENGER)

THE EXECUTIVE AUTHORITY: WESTERN CAPE NATURE CONSERVATION BOARD (MINISTER A BREDELL)

THE EXECUTIVE AUTHORITY: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MINISTER M WENGER)

THE EXECUTIVE AUTHORITY: SALDANHA BAY IDZ LICENCING COMPANY (MINISTER M WENGER)

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 R ALLEN)

THE ACCOUNTING OFFICER: VOTE 1: PREMIER (DR H MALILA)

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 (MR G GERBER)

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 V DUBE)

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

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

THE CHIEF FINANCIAL OFFICER: VOTE 1: PREMIER (MR D BASSON)

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

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

THE CHIEF FINANCIAL OFFICER: VOTE 4: COMMUNITY SAFETY (MR M FRIZLAR)

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

THE CHIEF FINANCIAL OFFICER: VOTE 6: HEALTH (MR S KAYE)

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

THE CHIEF FINANCIAL OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR F DE WET)

THE CHIEF FINANCIAL OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR RT MOSOME)

THE CHIEF FINANCIAL OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (ADV. C SMITH)

THE CHIEF FINANCIAL OFFICER: VOTE 11: AGRICULTURE (MR F HUYSAMER)

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 SEWLLALL-SINGH)

For information

THE ACCOUNTING AUTHORITY: WESTERN CAPE GAMBLING AND RACING BOARD (MR D LAKAY)  
 THE ACCOUNTING AUTHORITY: WESTERN CAPE NATURE CONSERVATION BOARD (PROF. D HENDRICKS)  
 THE ACCOUNTING AUTHORITY: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR D GREEN)  
 THE ACCOUNTING AUTHORITY: SALDANHA BAY IDZ LICENCING COMPANY (DR J STEGMANN)  
 THE ACCOUNTING AUTHORITY: WESTERN CAPE CULTURAL COMMISSION (MS J MOLELEKI)  
 THE ACCOUNTING AUTHORITY: WESTERN CAPE LANGUAGE COMMITTEE (MS J MOLELEKI)  
 THE ACCOUNTING AUTHORITY: WESTERN CAPE HERITAGE (MR M DLAMUKA)  
 THE ACCOUNTING AUTHORITY: CASIDRA (PROF. J KIRSTEN)  
 THE ACCOUNTING AUTHORITY: WESTERN CAPE LIQUOR AUTHORITY (ADV. T SIDAKI)  
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MR P ABRAHAMS)  
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (DR R OMAR)  
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MS W STANDER)  
 THE CHIEF EXECUTIVE OFFICER: SALDANHA BAY IDZ LICENCING COMPANY (MS K BEUKES)  
 THE CHIEF EXECUTIVE OFFICER: CASIDRA (DR K DU PLESSIS)  
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LIQUOR AUTHORITY (ADV. L PETERSEN) (ACTING)  
 THE CHIEF EXECUTIVE OFFICER: ATLANTIS SPECIAL ECONOMIC ZONE (MR P VOGES)  
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MS Z SIWA)  
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (MR M BHAYAT)  
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MS K ZAMA)  
 THE CHIEF FINANCIAL OFFICER: SALDANHA BAY IDZ LICENCING COMPANY (MR H BONESCHANS)  
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE CULTURAL COMMISSION (MS B RUTGERS)  
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LANGUAGE COMMITTEE (MS B RUTGERS)  
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE HERITAGE (MS B RUTGERS)  
 THE CHIEF FINANCIAL OFFICER: CASIDRA (MR F VAN ZYL)  
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LIQUOR AUTHORITY (MR S GCWABE)  
 THE CHIEF FINANCIAL OFFICER: ATLANTIS SPECIAL ECONOMIC ZONE (MS W SAIB)  
 THE DIRECTOR: GOVERNMENT MOTOR TRANSPORT (MR R WIGGILL)  
 THE HEAD OFFICIAL: PROVINCIAL TREASURY (MR D SAVAGE)  
 THE DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONOMIC SERVICES (DR R HAVEMANN)  
 THE DEPUTY DIRECTOR-GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MS J GANTANA)  
 THE CHIEF DIRECTOR: PUBLIC POLICY SERVICES (MS S ROBINSON)  
 THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS A PICK)  
 THE CHIEF DIRECTOR: LOCAL GOVERNMENT PUBLIC FINANCE (MR S KENYON)  
 THE CHIEF DIRECTOR: ASSET MANAGEMENT (MR I SMITH)  
 THE CHIEF DIRECTOR: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN)  
 THE CHIEF FINANCIAL OFFICER (MS A SMIT)  
 THE HEAD: OFFICE OF THE FINANCE MINISTRY (MR R BRUETON)  
 THE DIRECTOR: BUSINESS INFORMATION AND DATA MANAGEMENT (MR P PIENAAR)  
 THE DIRECTOR: FINANCIAL GOVERNANCE (MS M VAN NIEKERK)  
 THE DIRECTOR: FISCAL POLICY (MR M BOOYSEN) (PRO TEM)  
 THE DIRECTOR: INFRASTRUCTURE (MR K LANGENHOVEN)  
 THE DIRECTOR: LOCAL GOVERNMENT ACCOUNTING (MR F SALIE)  
 THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MR M BOOYSEN)  
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MR T NTSHINGILA)  
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR I TSIE)  
 THE DIRECTOR: LOCAL GOVERNMENT MFMA COORDINATION (MR D CRONJE)  
 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)

# REPEAL OF THE WESTERN CAPE PROVINCIAL TREASURY INSTRUCTIONS: CHAPTER 16B SUPPLY CHAIN MANAGEMENT FOR THE DELIVERY AND MAINTENANCE OF INFRASTRUCTURE, THE STANDARD FOR A CONSTRUCTION PROCUREMENT SYSTEM AND THE STANDARD FOR AN INFRASTRUCTURE DELIVERY MANAGEMENT SYSTEM AND MATTERS INCIDENTAL THERETO

## 1. PURPOSE

- 1.1 The purpose of this circular is to inform all Accounting Officers, Chief Executive Officers and Infrastructure Managers of:
- a) The repeal of the **Framework for the Western Cape Infrastructure Delivery Management System (WC IDMS)** for the Health and Education Sectors dated **15 March 2011**, as a policy instrument to improve educational and health infrastructure delivery, with effect from 1 September 2022;
  - b) The **amendment of prior Cabinet resolutions**, namely where “an agreement at the top management level was endorsed to designate the Department of Transport and Public Works as the preferred implementing agent for capital infrastructure development and maintenance in the PGWC” to, *to designate the Department of Transport and Public Works (DTPW) as an implementing agent for capital infrastructure development and maintenance in the Western Cape Government (WCG)*; and
  - c) The **repeal of the Western Cape Provincial Treasury Instructions: Chapter 16B Supply Chain Management (SCM) for the delivery and maintenance of infrastructure (PTI 16B, 2012)** inclusive of the Standard for a Construction Procurement System and the Standard for an Infrastructure Delivery Management System.

## 2. BACKGROUND

- 2.1 During 2009, as part of the Modernisation Programme: Corporate Services and Macro Organisational Arrangements, “...an agreement at the top management level was endorsed to designate the Department of Transport and Public Works as the preferred implementing agent for capital infrastructure development and maintenance in the PGWC”.
- 2.2 Following the publication of the IDMS and IDM Toolkit Version 3 of 2010, the WCG customised this generic IDMS issued by national government to a Western Cape specific version of the IDM Toolkit, namely the WC IDMS, dated 15 March 2011. This was approved and is enforced through the PTI 16B, 2012, the Standard for a Construction Procurement System and the Standard for an Infrastructure Delivery Management System. PTI 16B, 2012 was formally issued on 30 March 2012 in Treasury Circular No. 14/2012.
- 2.3 An independent review (dated 23 January 2020) was conducted on the implementation of the WC IDMS and the Standard for Infrastructure Procurement and Delivery Management (SIPDM) in the Departments of Education and Health, the Department of Transport and Public Works and Provincial Treasury. This review established, amongst others, that the WC IDMS is outdated and that it, including the Provincial Treasury Instructions are inconsistent with new developments, i.e., the national prescripts, One IDMS launched in 2018 and the Framework for Infrastructure Delivery and Procurement Management (FIDPM) of 2019. The Review recommended, amongst other, that the WC IDMS and the related Provincial Treasury Instructions be withdrawn and be replaced with the One IDMS and the FIDPM.

- 2.4 Following the Independent Review Report, Legal Services researched and set out the regulatory framework applicable to health and education infrastructure development, and submitted a report on 16 October 2020, where they found that certain aspects of PTI 16B, 2012 are inconsistent with the applicable regulatory framework and recommended that all relevant documents issued by the WCG pertaining to infrastructure delivery management, including Service Delivery Agreements (SDAs) between departments, should be aligned with the most recent legislative prescripts currently applicable, including the FIDPM.
- 2.5 On 20 July 2022, the provincial Cabinet:
- a) **Approved** the repeal of the Framework for the WC IDMS for the Health and Education Sectors dated 15 March 2011, and amended prior Cabinet resolutions which designated the DTPW as an implementing agent for capital infrastructure development and maintenance in the WCG, with effect from 1 September 2022; and
  - b) **Noted** the intention of the Provincial Treasury to repeal, with effect from 1 September 2022, the:
    - i. **“Western Cape Provincial Treasury Instructions: Chapter 16B Supply Chain Management (SCM) for the Delivery and Maintenance of Infrastructure**, issued in terms of section 18(2)(a) of the Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA) by the then Provincial Minister responsible for financial matters, Mr A Winde, on 28 March 2012 (PTI 16B.);
    - ii. **Standard for a Construction Procurement System**, first edition, issued by the Provincial Treasury, dated 1 April 2012; and
    - iii. **Standard for an Infrastructure Delivery Management System**, first edition, issued by the Provincial Treasury, dated 1 April 2012”.
- 2.6 Following the repeal of the WC IDMS and the amendment of the related provincial Cabinet resolutions, the Provincial Minister of Finance and Economic Opportunities repealed PTI 16B, 2012 as well as the Standard for a Construction Procurement System and the Standard for an Infrastructure Delivery Management System, on 25 August 2022, effective 1 September 2022 (see attached repeal certificate).

### 3. REGULATORY FRAMEWORK FOR INFRASTRUCTURE DELIVERY AND PROCUREMENT MANAGEMENT

- 3.1 The applicable regulatory framework will apply, i.e., the National Treasury Instruction No. 3 of 2019/2020 relating to the FIDPM, the One IDMS, and the Standard for Uniformity (SFU) in Engineering and Construction Works Contracts as issued by the Construction Industry Development Board (cidb), that became effective from 8 August 2019.

### 4. CONSULTATIONS AND COMMUNICATIONS

- 4.1 The independent review was extensively consulted with officials from the respective departments. The Report of Legal Services was presented to the IDMS Committee. The first option considered was to align PTI 16B, 2012 with the national regulatory framework. An IDMS sub-committee was constituted for this purpose, however, this option proved to be challenging and the recommendation was to rather repeal PTI 16B, 2012 in its entirety. The IDMS Committee agreed to the proposal of the sub-committee.
- 4.2 On 2 August 2022, the IDMS Committee members were informed by means of email communication, about the outcome of the provincial Cabinet resolutions and were requested to align their respective SDAs, documentation, processes, etc. where required.

4.3 Amongst other, the following specific engagements were facilitated by Provincial Treasury with the affected departments, to amend their SDAs to align it with the new dispensation:

- a) 15 August 2022 (Education and Health and Wellness); and
- b) 19 August 2022 (Education, Health and Wellness and DTPW).

4.4 Furthermore, Provincial Treasury has already reviewed and communicated with the Departments of Education and Health and Wellness on their revised SDAs submitted, making the effective date of 1 September 2022, more attainable.

## **5. ACTIONS REQUIRED**

5.1 Departments responsible for infrastructure delivery and procurement will be required to align all their relevant policies, processes and documents pertaining to infrastructure delivery and procurement management, with the applicable infrastructure related regulatory framework by 1 September 2022.

5.2 SDAs between the client departments (Education and Health and Wellness) with the DTPW as an implementing agent will require realignment to take account of the repeal of the WC IDMS and PTI 16B, 2012 inclusive of the Standard for a Construction Procurement System and the Standard for an Infrastructure Delivery Management System, and be further aligned with the applicable legislative prescripts and the FIDPM. Amongst other, the sector specific regulatory framework will also need to be taken account of, and any reference to the WC IDMS, PTI 16B, 2012 the Standard for a Construction Procurement System and the Standard for an Infrastructure Delivery Management System will need to be removed.

5.3 Supply Chain Management must be performed in line with the applicable regulatory framework, and the Departments of Education, Health and Wellness and DTPW will be required to review and amend their current Accounting Officer's Systems and Delegations as required.

## **6. ONE IDMS MODULES AND CAPACITATION**

6.1 The National Treasury has regularly been updating National and Provincial stakeholders on the progress of the consolidation, enhancement and systematic capturing of the IDMS Body of Knowledge (IDMSBOK). The National Treasury has loaded the respective modules and supporting documents onto Google Drive which can be accessed through the following link:

<https://drive.google.com/drive/folders/1DSit3y8bOUVotyogOE9o-kdCUUCfV8aJ?usp=sharing>

6.2 **IDMS Modules loaded and available are:**

- a) Module 2: Institutional System;
- b) Module 3: Infrastructure Asset Management;
- c) Module 5: Supply Chain Management;
- d) Module 6: Portfolio Management;
- e) Module 7: Programme Management;
- f) Module 8: Operations and Maintenance Management; and
- g) Module 9: Project Management.

### 6.3 IDMS Supporting Documents loaded and available are:

- a) **Module 6:** Infrastructure Asset Management Plan (IAMP) Template.
- b) **Module 7:** Infrastructure Procurement Strategy (IPS) Template, Infrastructure Programme Implementation Plan (IPIP) Template, Infrastructure Programme Management Plan (IPMP) Template and the End of Year Report (EoYR) Template.
- c) **Module 8:** Operation Management Plan (OMP) Outline, Maintenance Management Plan (MMP) Outline and the Operations and Maintenance Management Review Report (OMMRR) Outline. The Updated Asset Register (UAR) Outline is currently in technical review and will be distributed in due course.
- d) **Module 9:** Initiation Report (IR), Concept Report (CR), Design Development Report (DDR), Design Documentation Report (DDR), Works Report (WR), Handover Report (HR) and Closeout Report (CR) Outlines.

### 6.4 Four learning programmes are being offered through the Public Service Sector Education and Training Authority (PSETA) environment, i.e.:

- a) Supply Chain Management – Unit Standard 119345 has been approved, and pilot training was performed from 15 to 19 August 2022;
- b) Planning and Budgeting - Unit Standard 120302 has been approved, and training will be provided on a date set by National Treasury;
- c) Performance and Risk Management - Unit Standard 120303 is in progress; and
- d) IDMS Institutional System - Unit Standard is still to be confirmed.

## 7. EFFECTIVE DATE

- 7.1 The repeal of the PTI 16B, 2012 as well as the Standard for a Construction Procurement System and the Standard for an Infrastructure Delivery Management System, is effective from 1 September 2022.

## 8. ENQUIRIES

- 8.1 The information contained in this circular must be brought to the attention of all officials involved in the delivery and procurement management of infrastructure.

- 8.2 Enquiries on the content of this circular should be raised with the following officials:

Mr Klaas Langenhoven

Email: [Klaas.Langenhoven@westerncape.gov.za](mailto:Klaas.Langenhoven@westerncape.gov.za)

OR

Mrs Sharon van Breda

Email: [Sharon.VanBreda@westerncape.gov.za](mailto:Sharon.VanBreda@westerncape.gov.za)

**MR D SAVAGE**  
**HEAD OFFICIAL: PROVINCIAL TREASURY**