



Reference number: RCS/C.6

Private Bag X9165
CAPE TOWN
8000

TREASURY CIRCULAR NO. 44 OF 2018 (SUPPLEMENTARY 1 OF 2023)

- 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 L SCHUURMAN)
- 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 SEWALL-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)
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 THE CHIEF FINANCIAL OFFICER: CASIDRA (MR F VAN ZYL)
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 THE DIRECTOR: GOVERNMENT MOTOR TRANSPORT (MR R WIGGILL)
 THE HEAD OFFICIAL: PROVINCIAL TREASURY (MR D SAVAGE)
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 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)
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 THE DIRECTOR: FINANCIAL GOVERNANCE (MS M VAN NIEKERK)
 THE DIRECTOR: FISCAL POLICY (MR M BOOYSEN)
 THE DIRECTOR: INFRASTRUCTURE (MS S VAN BREDA) (ACTING)
 THE DIRECTOR: LOCAL GOVERNMENT ACCOUNTING (MR F SALIE)
 THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MS N RINQUEST) (ACTING)
 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 (MS L SALLIES) (ACTING)
 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 M NICHOLAS)
 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)

EXTENSION OF FRAMEWORK AGREEMENT FOR THE PROVISION OF TRANSVERSAL SECURITY CONTRACTS FOR THE WESTERN CAPE GOVERNMENT

1. PURPOSE

- 1.1 The purpose of this circular is to inform institutions of the extension of the transversal security services framework agreement for Western Cape institutions for a further 3 months from 1 April 2023 - 31 June 2023.

2. BACKGROUND AND MOTIVATION

- 2.1 Treasury Circular No. 44 of 2018 was issued to inform institutions of the implementation of the framework agreement for the provision of transversal security services for the Western Cape Government (WCG) for a period of 3 years with the option to extend for one year.
- 2.2 Given the pending legal matter with one of our suppliers and the delays in handing down judgment by the court, the Provincial Treasury administratively activated the relevant clause in the Framework Agreement allowing for the extension of the framework agreement period from 1 April 2022 until 31 March 2023 at the same terms and conditions, which included all services as provided by the framework in urban and rural areas. The request was supported by the Transversal Bid Adjudication Committee and was approved by the Head Official: Provincial Treasury, as the delegated authority, on 23 September 2021.
- 2.3 Treasury Circular No. 44 of 2018 (Supplementary 2 of 2022), provided feedback regarding the legal matter concerned, to which judgment was handed down on 1 July 2022.
- 2.4 The Court was approached on 2 December 2022 for leave to appeal on the judgment given that there appears to be certain patent challengeable flaws in the judgment and as advised by counsel in the matter, together with a prospect of success opinion being expressed by said counsel. The ruling on the leave to appeal application is still pending.
- 2.5 Although the demand management processes for the renewal of the current security framework agreement commenced in 2021, various factors have impacted the process such as the above-mentioned court ruling and a lengthy transversal specification development process.
- 2.6 In addition, there has been an overwhelming response to the bid invitation i.e., almost four times the number of bids received in the previous bid invitation process for the existing framework contract, which impacts on the evaluation timelines and subsequent award of the framework agreement.
- 2.7 Based on aforementioned factors, it is unlikely that the new framework will be in place; nor will departments / public entities have sufficient time to conclude new contracts for its sites with service providers by the expiration date of the current security framework agreement together with appropriate handover processes by 31 March 2023.

3. REQUEST

- 3.1 Departments are requested to evaluate the risks and options in terms of their current security contracts at institutions in rural areas expiring on 31 March 2023 and determine the most prudent method to ensure the continuation of their service needs up until 30 June 2023. The options to be considered are:
 - a) to extend their existing contracts to 30 June 2023 at the same terms and conditions via the institution's SCM processes and delegations.
 - b) to invite a new contract from the current framework for the period ending 30 June 2023; and
 - c) utilisation of emergency delegations where needs are deemed urgent, meeting the requirements of emergency as defined in the departmental accounting officer's system.

- 3.2 In terms of the expansion/extension of services exceeding the R15 million (including VAT) 15 per cent; such cases must be reported to the Provincial Treasury and the Auditor-General within ten (10) working days after the Accounting Officer has granted approval for the expansion.
- 3.3 Institutions are required to note and adhere to the content of this circular and engage with the Provincial Treasury as and when required.
- 3.4 Departments must keep a record of all decisions as evidence of the decision-making process.
- 3.5 The Provincial Treasury will communicate further on the developments as it relates to the new security framework.

DAVID SAVAGE
HEAD OFFICIAL: PROVINCIAL TREASURY
DATE: