

Private Bag X9165
CAPE TOWN
8000

Reference number: RCS/C.6

TREASURY CIRCULAR NO. 23/2020

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 FRITZ)

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 (MR G MORRIS)

THE ACCOUNTING OFFICER: VOTE 5: EDUCATION (MR BK SCHREUDER)

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 J SAMSON)

THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR P VAN ZYL)

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 B WALTERS)

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 (MS O SAMUELS)

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

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

For information

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)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE GAMBLING AND RACING BOARD (MR D LAKAY)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE NATURE CONSERVATION BOARD (PROF. G MANEVELDT)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR B FIGAJI)
 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 (MR A MOOS)
 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 (MR T HARRIS)
 THE CHIEF EXECUTIVE OFFICER: SALDANHA BAY IDZ LICENCING COMPANY (MS K BEUKES)
 THE CHIEF EXECUTIVE OFFICER: CASIDRA (MR A SEYMOUR)
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LIQUOR AUTHORITY (ADV L PETERSEN) (ACTING)
 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)
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 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 DIRECTOR: GOVERNMENT MOTOR TRANSPORT (MR R WIGGILL)
 THE HEAD OF SCM: VOTE 1: PREMIER (MR K JACKSON) (ACTING)
 THE HEAD OF SCM: VOTE 3: PROVINCIAL TREASURY (MS T NDLAZI) (ACTING)
 THE HEAD OF SCM: VOTE 4: COMMUNITY SAFETY (MR R LAWRENCE)
 THE HEAD OF SCM: VOTE 5: EDUCATION (MRS R DE BRUYN)
 THE HEAD OF SCM: VOTE 6: HEALTH (MS E ISAACS)
 THE HEAD OF SCM: VOTE 7: SOCIAL DEVELOPMENT (MS P MABHOKWANA)
 THE HEAD OF SCM: VOTE 8: HUMAN SETTLEMENTS (MS L NEL)
 THE HEAD OF SCM: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR N RHAPALE) (ACTING)
 THE HEAD OF SCM: VOTE 10: TRANSPORT AND PUBLIC WORKS (MR J VAN RENSBURG)
 THE HEAD OF SCM: VOTE 11: AGRICULTURE (MR C STARLING)
 THE HEAD OF SCM: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MR M HARTMAN)
 THE HEAD OF SCM: VOTE 13: CULTURAL AFFAIRS AND SPORT (MS L SAWALL)
 THE HEAD OF SCM: VOTE 14: LOCAL GOVERNMENT (MR A SEALE)
 THE HEAD OFFICIAL: PROVINCIAL TREASURY (MR D SAVAGE)
 THE DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONOMIC SERVICES (MR AA PHILLIPS) (ACTING)
 THE DEPUTY DIRECTOR-GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MS J GANTANA)
 THE CHIEF DIRECTOR: PUBLIC POLICY SERVICES (MR M BOOYSEN) (ACTING)
 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)
 THE HEAD: OFFICE OF THE FINANCE MINISTRY (MS C GREEN)
 THE DIRECTOR: BUSINESS INFORMATION AND DATA MANAGEMENT (MR P PIENAAR)
 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 (VACANT)
 THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MR D CRONJE) (ACTING)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MR C MAPEYI)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR M SIGABI)
 THE DIRECTOR: LOCAL GOVERNMENT MFMA COORDINATION (MR EJ JOHANNES) (ACTING)
 THE DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MR R MOOLMAN)
 THE DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING (VACANT)
 THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS T VAN DE RHEEDE) (ACTING)
 THE DIRECTOR: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK) (PRO TEM)
 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 DEPUTY DIRECTOR-GENERAL: CORPORATE ASSURANCE, DEPARTMENT OF THE PREMIER (MS H ROBSON)

WESTERN CAPE GOVERNMENT'S BUSINESS CONTINUITY PLAN FOR DISASTER PROCUREMENT REQUIREMENTS IN RESPECT OF COVID-19 PANDEMIC

1. PURPOSE

- 1.1 The purpose of this Circular is to further augment on the guidance provided by the Provincial Treasury to all accounting officers/accounting authorities on emergency procurement requirements and related matters as a result of the Coronavirus (COVID-19) pandemic to ensure strengthened governance support and enablement.
- 1.2 These requirements are in addition to specific requirements issued in:
 - [Treasury Circular No. 11 of 2020 WCG Procurement Requirements COVID-19 Disaster with Annexures](#), and
 - [Treasury Circular No. 21 of 2020 NT Instruction no. 05 of Emergency Procurement COVID-19 with Annexures](#).

2. BACKGROUND

- 2.1 As of 15 March 2020, the COVID-19 has been classified as a Disaster in terms of Section 23 of the Disaster Management Act, 2002 (Act No. 57 of 2002) ("the DMA"). It has further been classified as a national state of disaster in terms of Section 27 of the DMA.
- 2.2 On 23 March 2020, the President announced a 21-day lockdown period with effect from 23:59 on 26 March 2020 due to rapid increase of the number of confirmed cases in respect of the COVID-19 pandemic which was further extended to 30 April 2020.
- 2.3 **Provincial Treasury Circulars 11 and 21 cited above are aimed at focusing on uniformity in the procurement system across provincial institutions and to guide emergency procurement undertaken.** This is in addition to the procurement system as encapsulated in departmental accounting officers' systems issued in terms of section 38 of the PFMA and the emergency procurement policies already in place within this system of controls by departments.

3. FURTHER AUGMENTATION

- 3.1 This Circular provides for the following additional mechanisms to ensure operations are guided by the necessary due diligence practices that are rational, reasonable and practical in response to the disaster needs:

4. ESTABLISHMENT OF A CENTRAL PROCUREMENT ADVISORY COMMITTEE (CPAC)

- (a) Given the nature of the pandemic and the nature and scope of the support required from the PT for procurement and finance, the Provincial Treasury hereby establishes a Western Cape Central Procurement Advisory Committee (CPAC) to support and promote efficiencies in responses to provincial institutions.
- (b) The Terms of Reference and SOP for the CPAC is attached herewith marked "Annexure A" and "Annexure B" respectively.
- (c) The aim of the CPAC is to provide the Provincial Treasury and provincial accounting officers an understanding of and control over the fiscal envelope and the governance as it relates to procurement given that the pandemic does not allow for the routine established engagement model with provincial institutions that is ordinarily in place.

- (d) The CPAC will guide emergency and lockdown procurement and financial requirements of essential products and/or services that are referred to it by provincial institutions for disaster relief needs of the Province. This team will be constituted of critical procurement and financial specialists from within the Provincial Treasury (PT). The CFOs from the Department of Health, Transport and Public Works, Local Government and Social Development have also received appointments letters to form part of the membership of the CPAC as indicated in Table 1 hereunder. Departmental representation will be informed by the matters before the CPAC for discussion and the PT will advise departments as to when their particular CFOs will be required to attend and form part of the CPAC deliberations.

Table 1: CPAC Membership

Name	Department	Focus Area
Isac Smith	PT (Chairperson)	SCM and Finance
Nadia Ebrahim	PT	SCM and Governance
Anthony Phillips	PT	Budgets and Cash Management
Analiese Pick	PT	Finance and Budgets
Simon Kaye	DOH	SCM and Finance
Chantal Smith	DTPW	SCM and Governance
Bhavana Sewlall-Singh	DLG	SCM and Finance
Juan Smith	DSD	SCM and Finance
Colin Deiner	PDMC	Disaster Management
Morne Williams	Internal Audit	Internal Audit
Tasneem Rakiep	PT	Secretariat

- (e) Internal audit (IA) within the Department of the Premier will be co-opted to advise the CPAC deliberations in order to provide proactive recommendations in respect of any significant risk exposures stemming from the proposed approach / transaction, based on consideration of the relevant prescripts, governance requirements, risk management and internal control framework and considering the need for adequate control versus efficiency.
- (f) The Roles and Responsibilities of the CPAC may be described as follows:
- Evaluate financial and procurement requirements, queries and proposals received from HODs with respect to COVID-19 disaster response and recovery activities and make recommendations and provide guidance on supply chain management and financing arrangements;
 - Troubleshoot problems and challenges received and experienced by the PDMC as it relates to finance and procurement.
 - Provide guidance as required on donations requests in cash and kind to the relevant accounting officers as per PT Circular 22;

- iv. Consider financial and procurement requests brought before it in terms of control measures where consultation is required with the Provincial Treasury in respect of PT Circulars 11 and 21 above by:
- Performing legitimacy tests, including considering factors that might influence the subsequent awards;
 - Advising on potential risks of bias;
 - Reviewing and advising on appropriate procurement modalities;
 - Reviewing and advising on value-for-money risks;
 - Reviewing and advising on service provider delivery risks;
 - Checking that the necessary funds are available, or might reasonably be made available through budget re-prioritisation and/or emergency funding procedures;
 - Consider and make recommendations on potential risks to the Province and mitigation required;
 - Proactively address any potential internal control issues and risk exposures that may present itself in process; and
 - Advising the relevant accounting officers.

5. ADJUSTED THRESHOLD VALUE TO UTILISE THE e-PROCUREMENT SYSTEM (ePS)

- a) Provincial institutions may utilise the ePS for the provision of essential goods and/or services related to COVID-19 for a threshold value above R500 000 as required.
- b) Provincial institutions may not be able to utilize the normal bidding processes during the different levels of lockdown and will be unable to comply with hard copy documentation and other manual requirements. The ePS may then also be utilised if provincial institutions have procurement requirements above R500 000.
- c) To note that some provincial institutions have already been advised by the PT prior to the issuance of this Circular to utilise the ePS for such procurement requirements and have already utilised the ePS for procurement requirements above R500 000 given the urgent need to respond to the disaster procurement requirements. This Circular also aims to formalise this advice provided.
- d) When utilising 4.1.2 (a) - (c) above provincial institutions must document such decision-making in respect of emergency procurement requirements and make provision in its motivation that bid advertisements will be placed on the ePS and will only be available to suppliers registered on the Central Supplier Database (CSD) and the Western Cape Supplier Evidence Bank as these databases are the feeder databases to the ePS.
- e) Bidders will be required to submit the original bid documents uploaded onto the IPS after the lockdown period is over and provincial institutions have resumed occupation of their respective accommodation of government buildings. All regulated requirements in respect of preventing the spread of the virus must be adhered to.
- f) A documented process flow is attached hereto marked "Annexure C" to guide provincial institutions when utilising the IPS. The formal bidding template referred to in Annexure F will

be available on the system with effect from 21 May 2020. An excel workbook for calculation of preference points on the 90/10 preference points system has also been attached for utilisation.

- 5.1 Existing bid documents and governance requirements that are enabled through the ePS and Western Cape Supplier Evidence Bank (WCSEB), may be utilised as supporting evidence.
- 5.2 Institutions are required to verify the tax compliance status, potential conflict of interest and status of suppliers on the National Treasury's database of restricted suppliers and tender defaulters on the CSD and not on the WCSEB before the award of a contract.
- 5.3 It must be noted that for these key decisions the necessary and practical internal controls must be built in as far as it is reasonably possible to do so and provincial institutions are to ensure that the necessary evidence is kept supporting their management decisions.

6. HONOURING EXISTING CONTRACTS & PAYMENT OF SUPPLIERS

- 6.1 Annexure "D" Attached herewith provides guidance on honouring existing contracts and payment of suppliers. This must be read in conjunction with Annexure "E" *Competition Commission Rules for COVID-19*.

7. AVOIDING ABUSE OF SUPPLY CHAIN MANAGEMENT SYSTEM

- 7.1 All existing measures required in terms of applicable legislation, regulations, instructions and policies to address abuse of the supply chain management system shall remain applicable and must be duly implemented in the event of any disaster category occurring within the Western Cape.

8. DATE OF COMMENCEMENT

- 8.1 The guidance and requirements included herein are applicable with immediate effect.

9. REQUEST

- 9.1 Accounting officers and accounting authorities are required to:
 - a. Document all processes and procedures followed for audit purposes;
 - b. Note that the SCM and IPS helpdesk will be fully operational during the lockdown and the normal protocol would apply; and
 - c. Ensure that the content of this Circular is brought to the attention of all relevant officials within their institution.



JULINDA GANTANA

DEPUTY DIRECTOR GENERAL: GOVERNANCE AND ASSET MANAGEMENT

DATE: 1 June 2020

TERMS OF REFERENCE

COVID-19

CENTRAL PROCUREMENT ADVISORY COMMITTEE

12 May 2020

1. BACKGROUND

- 1.1 As of 15 March 2020, the COVID-19 has been classified as a Disaster in terms of Section 23 of the Disaster Management Act, 2002 (Act No. 57 of 2002) ("the DMA"). It has further been classified as a national state of disaster in terms of Section 27 of the DMA.
- 1.2 The National Executive is therefore primarily responsible for the co-ordination and management of the COVID-19 Disaster (pursuant to Section 26(1) of the DMA), and provincial organs of state must play a supportive role to the National Executive. Provincial support must be provided in close co-operation with the National Executive; undertaken in consultation with all relevant disaster management centres; and provided in accordance with any contingency plans, emergency procedures and disaster management plans that are applicable at a national, provincial and municipal level.
- 1.3 Given the above, the Provincial Treasury issued Treasury Circular No. 11 of 2019/20 to provide guidance to provincial institutions on the existing measures available to ensure the timely, lawful and effective procurement of essential goods and/or services required to respond to the COVID-19 Disaster.
- 1.4 On 23 March 2020, the President announced a 21-day lockdown period with effect from 23:59 on 26 March 2020 due to rapid increase of the number of confirmed cases in respect of the COVID-19 pandemic.
- 1.5 Given the nature of the pandemic and the nature and scope of the support required from the PT for procurement and finance, the Provincial Treasury hereby establishes a Western Cape Central Procurement Advisory Committee (CPAC) to support and promote efficiencies in responses to departments.
- 1.6 The CPAC will guide procurement and financial requirements of essential products and/or services that are referred to it by provincial departments for disaster relief needs of the province.
- 1.7 This team will be constituted from critical procurement and financial specialists from the Provincial Treasury, Department of Health, Transport and Public Works, Local Government and any other procurement specialist within other provincial departments as well as Internal audit from the Department of the Premier in consultation with the Head: Provincial Treasury.

2. PURPOSE AND OBJECTIVE

- 2.1 To support and promote efficiencies in responses to pandemic needs and to have a handle on the provincial fiscal envelope and governance around procurement from a consolidated perspective given that the lock down does not allow for the routine established engagement model with departments that is ordinarily in place.
- 2.2 The CPAC will be required to guide and advise on the governance requirements as it relates to budgeting, cash management, financial systems, procurement, logistics and donations in cash and kind.
- 2.3 The CPAC further provides for additional procurement and expenditure measure to address the programme of preventing the spread of the COVID-19 virus by:
 - a) establishing a mechanism / transversal system for financial control and risk management in order to account for funds for the COVID-19 disaster; and
 - b) availing the system to internal audit scrutiny to proactively pick up internal control risks and any significant risk exposure.

3. KEY CONSIDERATIONS

3.1 It is important for the performance of its roles, responsibilities and function that the CPAC take cognisance of the following institutional arrangements that have been established to mobilise disaster relief functions in the Province as it relates to financial management and procurement:

- a) The principle procuring institution (PPI) for essential health related goods and services and co-ordination thereof will be the responsibility of the supply chain management division of the Department of Health as part of its core mandate and authority to deliver on health-related goods and services and patient care. It is also resource-capable from the technical, skills and capability perspectives that are necessary to respond immediately to COVID-19.
- b) The Department of Local Government (DLG) in terms of its core responsibility in terms of disaster relief coordination and its functional responsibilities in respect of the local sphere of government will be responsible for local coordination and logistics as well as the management of the WCDMC. The DLG will co-partner with the Department of Transport and Public Works (responsible for transport and logistics and facility custodianship) and the Department Social Development (responsible for all social and humanitarian relief) in the main and with other departments as required as it relates to the COVID-19 pandemic.
- c) The Head of the Provincial Disaster Management Centre, under the administrative instruction of the Accounting Officer for the Department of Local Government, and in term of section 30 of the Disaster Management Act (57 of 2002) remains responsible supervising the identification and coordination of disaster response activities including potential procurement partnership arrangements.

3.2 The following circulars have been issued on the financial and procurement requirements in response to COVID-19:

- a) System Circular No. 1 of 2020: Business continuity measures in preparation of COVID-19 for the corporate financial systems (BAS, LOGIS & PERSAL) and its related business intelligence tools;
- b) Treasury Circular No. 11 of 2020: Western Cape Government's Procurement Requirements in response to the Declaration of a National Disaster due to the CORONAVIRUS (COVID-19) Pandemic, including Annexures;
- c) Treasury Circular No. 11 of 2020 (Supplementary 1 of 2020): Western Cape Government's Business Continuity Plan for Disaster Procurement Requirements in respect of the lockdown for the COVID-19 pandemic;
- d) Treasury Circular No. 12 of 2020: Financial Measure in Response to COVID-19;
- e) Treasury Circular No. 13/2020 dated 25 March 2020: To provide Accounting Officers with the principles and programme regarding the rollover of unspent funds and retention of over-collected own revenue from 2019/20 to 2020/21;
- f) PT Circular 21 of 2020/21: National Treasury Instruction No. 05 of 2020/21: Emergency Procurement in response to National State of Disaster - Covid-19; and
- g) PT Circular 22 of 2020/2020: Facilitating the Receipt, Reporting and Accounting of In-Kind and Cash Donations to the Western Cape Government Departments and Entities

4. MEMBERSHIP

- 4.1 This CPAC will constitute critical procurement and financial specialists from within the Provincial Treasury (PT). The CFOs from the Department of Health, Transport and Public Works, Local Government and Social Development have also received appointments letters to form part of the membership of the CPAC as indicated in Table 1 hereunder. Departmental representation will be informed by the matters before the CPAC for discussion and the PT will advise departments as to when their particular CFOs will be required to attend and form part of the CPAC deliberations.

TABLE 1:

Name	Department	Focus Area
Isac Smith	PT (Chairperson)	SCM and Finance
Nadia Ebrahim	PT	SCM and Governance
Anthony Phillips	PT	Budget and Cash Management
Analiese Pick	PT	Finance and Budget
Simon Kaye	DOH	SCM and Finance
Chantal Smith	DTPW	SCM and Governance
Bhavana Sewlall-Singh	DLG	SCM and Finance
Juan Smith	DSD	SCM and Finance
Colin Deiner	PDMC	Disaster Management
Morne Williams	Internal Audit	Internal Audit
Tasneem Rakiep	PT	Secretariat

5. Internal audit (IA) within the Department of the Premier will be co-opted to advise the CPAC deliberations in order to provide proactive recommendations in respect of any significant risk exposures stemming from the proposed approach / transaction, based on consideration of the relevant prescripts, governance requirements, risk management and internal control framework and considering the need for adequate control versus efficiency.

6. ACCOUNTABILITY

- 6.1 The committee members are accountable to their respective Heads of Department. The committee has recommendatory powers only and has been put in place to support assist and guide departments from a procurement and financial management perspective and hence performs no administrative decision-making.

7. CHAIRPERSON

- 7.1 The function of Chairperson will be the responsibility of the Provincial Treasury.

8. FREQUENCY AND RECORDING OF MEETINGS

- 8.1 Meetings will be held weekly via Microsoft teams or in person at the discretion of the chairperson or as frequently as required in terms of need.
- 8.2 The Chairperson will ensure that meetings are minuted and recorded.

9. QUORUM

- 9.1 The quorum will be 50% + of the official membership.

10. EFFECTIVE DATE AND TERM

- 10.1 The CPAC will be effective for the period of lockdown and post lockdown until until such time that the national state of disaster has been uplifted.

11. ROLES AND FUNCTIONS

- 11.1 The Roles and Responsibilities of the CPAC may be described as follows:
- a. Evaluate financial and procurement queries and proposals received from HODs with respect to COVID-19 disaster response and recovery activities and make recommendations and provide guidance on supply chain management and financing arrangements;
 - b. Troubleshoot problems and challenges received experienced by the WCDMC with respect to the above;
 - c. Guide and make recommendations on donations requests in cash and kind to the relevant HODs;
 - d. Consider financial and procurement requests brought before it by:
 - i. performing legitimacy tests, including considering factors that might influence the subsequent awards;
 - ii. advising on potential risks of bias;
 - iii. reviewing and advising on appropriate procurement modalities;
 - iv. reviewing and advising on value-for-money risks
 - v. reviewing and advising on service provider delivery risks
 - vi. checking that the necessary funds are available, or might reasonably be made available through budget re-prioritisation and/or emergency funding procedures; and
 - vii. consider and make recommendations on potential risks to the Province and mitigation required.

STANDARD OPERATING PROCEDURE FOR CPAC

1. PURPOSE

- 1.1 To provide a simple step by step guide to the relevant Head of Departments (Department of Health, Local Government, Transport and Public Works, Social Development and Agriculture) on matters that may be referred to the CPAC for advisory support.

2. PROCESS

- 2.1 The relevant delegated authority may refer the following matters to the CPAC:
- a. Matters that require a procurement response not catered for in PT Circular No. 11 of 2019/20 and PT Circular 21 of 2020/21 or any other aspects of procurement requiring guidance;
 - b. Problems and challenges experienced by the PDMC with respect to procurement related matters;
 - c. Matters related to donations received in cash or kind that is not covered in PT Circular No. 22 of 2020;
 - d. Consultation with respect to all COVID-19 disaster related donations above R2 million; limited bidding over R5 million and contract expansions and extensions in excess 30 per cent or R30 million for construction-related goods, works or services and in excess of 25 per cent or R25 million of the original contract value if the variation is for goods, works or services to prevent an escalation of the Disaster or to alleviate, contain or minimise the effects of the Disaster; and
 - e. Any other matter from a procurement and finance perspective that may be deemed critical to WCG's response to COVID-19 that requires consultation with the CPAC.
- 2.2 Matters must be referred to the Chairperson of the CPAC:

Isac Smith preferably via email to Isac.Smith@westerncape.gov.za
Nadia Ebrahim @ Nadia.Ebrahim@westerncape.gov.za
cc: Tasneem Rakiep@ Tasneem.Rakiep@westerncape.gov.za (Secretariat)

If referred to the Chairperson telephonically then an email request must follow the telephonic discussion.

- 2.3 The existing templates for limited bidding/extensions/expansions of contract must be utilised. The motivation must be detailed enough for the CPAC to apply its mind to the case at hand. The submission must be endorsed by the relevant CFO.
- 2.4 Matters requiring the advisory support of the CPAC must be referred to the committee as soon as practically possible to avoid matters becoming urgent in nature.
- 2.5 The CPAC will review, evaluate and where required request any further information via email or Microsoft Teams meeting prior to providing the necessary guidance to the relevant HOD.
- 2.6 Internal Audit representation on the CPAC has been included to proactively identify any significant risk exposures stemming from the proposed approach / transaction, based on consideration of the relevant prescripts, governance requirements, risk management and internal control framework and considering the need for adequate control versus efficiency.
- 2.7 The final response will be provided via a Microsoft Teams meeting/written response whichever may be the most appropriate medium in the circumstances. The written response to the relevant HOD will be communicated via the committee member identified as the most appropriate member to deal with the matter via email deemed to be an accepted method of communication in the circumstances.
- 2.8 Should any follow up communication be required, this must be done via the same protocol mentioned above.
- 2.9 Microsoft Teams will be used as a rule for meetings to limit physical contact. However, if deemed necessary to meet face to face, this will be done in an appropriate space that can accommodate the social distancing requirement.
- 2.10 Matters received by the CPAC will be logged in terms of priority and matters that are urgent will be dealt with first. The relevant HOD will be advised of the turnaround time for a response. The CPAC will endeavour to respond to the relevant HOD within a maximum period of 24 hours, however an appropriate turnaround time will be determined based on the nature of the matter.

PROCESS FLOW FOR CPAC

Dept. delegated authority to submit request for consultation to CPAC Chairperson (Isac Smith).

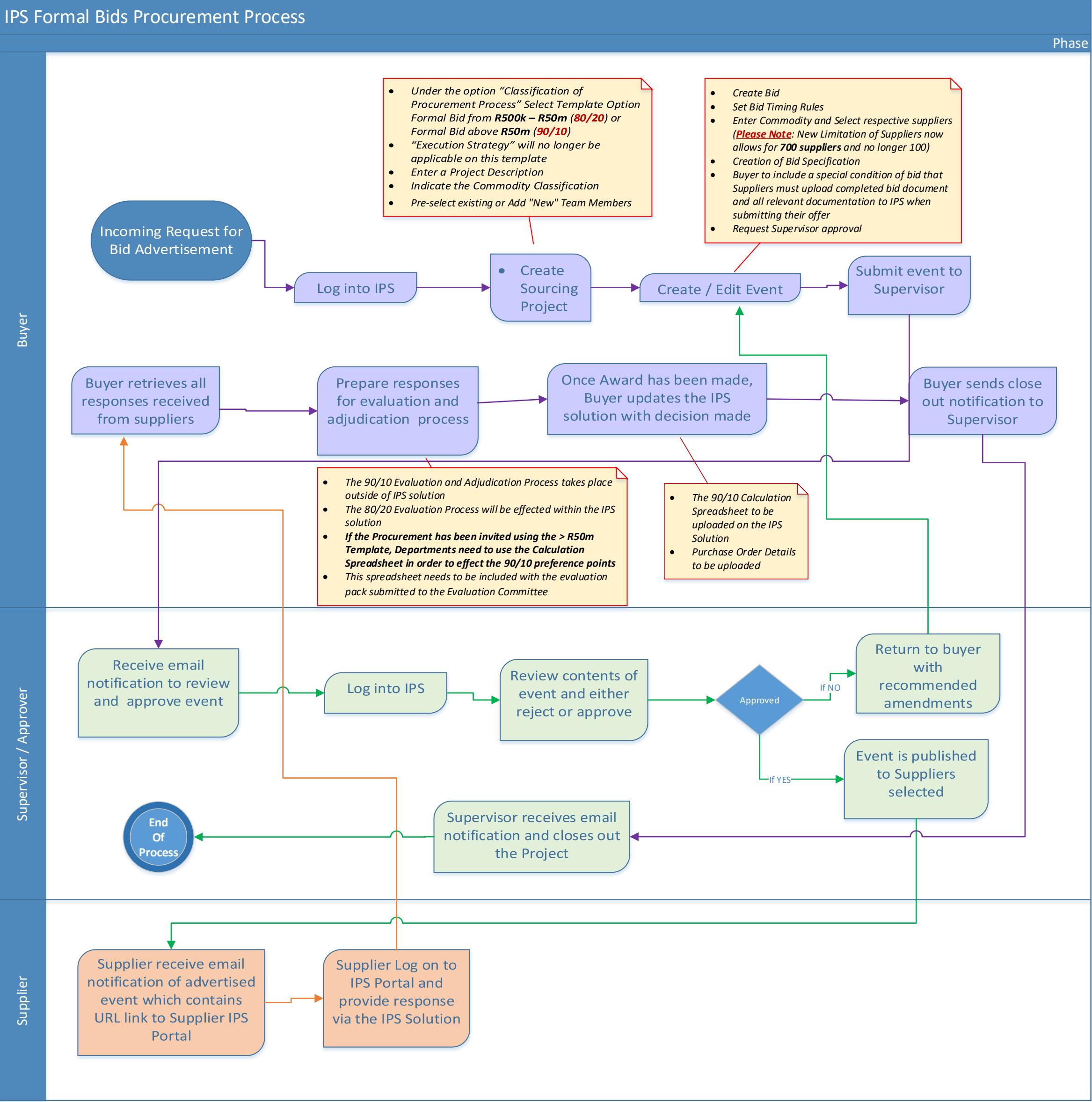


CPAC to review & evaluate holistically from a SCM, governance and finance perspective.



Final response provided via a meeting/ written response. If via meeting a written response will follow.

1. Submission from departments must be endorsed by the departmental CFO from where the request is emanating
2. Applicable template must be used i.e. limited bidding/extension/expansion etc.
3. Submission to include a motivation in order for the CPAC to apply its mind that must at minimum cover the following:
 - Motivation for the procurement method chosen i.e. limited bid (sole/single source) or extension/expansion and reasons and using this method. The existing templates referred to in point 2 above must be enclosed);
 - The motivation must be detailed enough for the CPAC to apply its mind to the case at hand;
 - An indication as to what extent that market will not respond to the current circumstances
 - Availability of supply in terms of demand etc.;
 - Financial and budgetary implications;
 - Risks identification if not recommended; and
 - Anything else deemed necessary that will strengthen the request.
4. Urgent matters requiring a quicker turnaround than others must be indicated by the requesting departments and these will be prioritised accordingly taking into consideration any competing requirements.
5. Turnaround time will be communicated.
6. CPAC will endeavour to respond within a 24-hour turnaround time provided that all information to make the recommendation is available for deliberation and recommendation.
7. A written recommendation will be provided to the Requesting Department signed -off by the CPAC Chairperson.



1. HONOURING EXISTING CONTRACTS & PAYMENT OF SUPPLIERS

- 1.1 Contract Price is defined in terms of paragraph 1.3 of the General Terms and Conditions of Contract (GCC). Paragraph 17.1 of the GCC requires that prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorised in Special Conditions of Contract (SCC) or in the purchaser's request for bid validity extension, as the case may be. These must also be read in conjunction with the applicable bid documents and the associated terms of reference and SCC which may have specific clauses in how changes in the rate of exchange and price escalations may be dealt with in contract.
- 1.2 The COVID-19 pandemic may be considered as a force majeure event as envisaged under paragraph 25 of the GCC. The purpose of force majeure provisions, allows a service provider to claim an event of force majeure as a valid reason for not being in a position to perform its obligations in terms of a contract. Therefore, if an event of force majeure exists, which actually prevents contractual performance, the service provider is required to notify the procuring institution that it will not be in a position to perform the affected contractual obligations. A valid claim of force majeure would then prevent the service provider being put in breach of its contractual obligations and from having to face possible cancellation of the contract, penalties or other contractual remedies.
- 1.3 Whilst enforcing specific performances clauses and default clauses are part of the remedies that may be used in normal circumstances, the current circumstances will not weigh in favour of the procuring institutions to enforce them except to frustrate the contracting relationship as the contracting vendor will more often than not, not be in a position to make good on the performance given the current lock down set of circumstances.
- 1.4 In this context paragraph 21.3 of the GCC iterates that no provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority. Paragraph 21.4 of the GCC provides further that the right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.
- 1.5 Paragraph 21.6 of the GCC also allows that upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without cancelling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract. In current set of circumstances this would be an applicable remedy, should the need arise given that the extenuating circumstances are beyond the control of the supplier.
- 1.6 From a governance and control perspective it is important to note that in this time of crisis that there is also a ripe market for opportunists to exploit the crisis and the related scarcity, supply and demand conditions in the market. To this end the Minister of Trade, Industry and Competition has in response as at 03 April 2020 issued regulations on Competition Tribunal Rules for COVID-19 Excessive Pricing Complaint Referrals. (See Annexure E attached herewith).