

Reference number: RCS/C.6

Private Bag X9165
CAPE TOWN
8000

TREASURY CIRCULAR NO. 32/2021

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 (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 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 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 SEWLALL-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 M SPICER)
 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 S SYMINGTON)
 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)
 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 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 (DR R HAVEMANN) (PRO TEM)
 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 (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 (MR F SALIE)
 THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MR M BOOYSEN)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MS K NEETHLING) (ACTING)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MS E WENN) (ACTING)
 THE DIRECTOR: LOCAL GOVERNMENT MFMA COORDINATION (MR S KENYON) (PRO TEM)
 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)

E-PROCUREMENT SOLUTION IMPLEMENTATION

1. PURPOSE

- 1.1 The purpose of this communique is to advise accounting officers and accounting authorities of the:
- a) Implementation of the eProcurement Solution (ePS) developed in-house by the Provincial Treasury as required by paragraph 5.3.1 (a) of the Chapter 16A of the PTIs as from 1 October 2021 and the governance requirements in terms of the ePS.

2. BACKGROUND

- 2.1 The ePS has been implemented within the Province since 2012 as part of the overall Western Cape Government Strategy to improve how businesses interact with the WCG in the procurement process using technology as an enabler as it relates to the procurement of formal quotations.
- 2.2 The Western Cape Supplier Evidence Bank (WCSEB) is a central repository of governance documentation that is used by institutions for the invitation of price quotations (competitive and limited), the receipt thereof and the adjudication of bids submitted by suppliers.
- 2.3 Whilst NT has placed a moratorium on the procurement of financial systems, the Provincial Treasury received a deviation approval to continue with the ePS until such time that the Integrated Financial Management System (IFMS) is implemented via the National Treasury. The following conditions have been stipulated by the National Treasury, noting that the PT is comfortable that it has satisfied these conditions with the current ePS and will continue to do so with the in-house developed ePS:
- a. WCG will be required to transition to the IFMS when the IFMS is rolled-out to replace the ePS and related IFMS functionalities;
 - b. the WCG needs to ensure that it complies with all policy prescripts applicable to the functional areas supported by the system;
 - c. the approval granted to WCG does not entail condonation of any past and potential non-compliance with policy prescripts;
 - d. should WCG enter into any contract, the contract terms should include an exit clause of six (6) months' notice that releases WCG from related contract in the event that the IFMS is ready for implementation before the end of the contract; and
 - e. approval is only limited to the scope of the moratorium and excludes matters related to procurement and contract renewal/extensions where specific Supply Chain Management (SCM) processes apply.
- 2.4 To date, the PT with the support of the Department of Transport of Public Works developers and the Centre for e-Innovation in liaison with a core group of provincial departmental officials developed a replacement ePS (for procurement requirements between R2 000 and R1 000 000) and it is at this juncture that the province is preparing for the implementation of the new system that will require a co-ordinated effort between the PT and all provincial institutions. In the interim, the PT entered into a contract with SAP for a period of one year, from 1 April 2021 up to 31 March 2022 in order to roll-out the new in-house developed ePS.

3. DECOMMISSIONING AND CLOSE OUT PROCESS OF THE IPS

3.1 Table 1 hereunder depicts the timelines and associated processes for decommissioning:

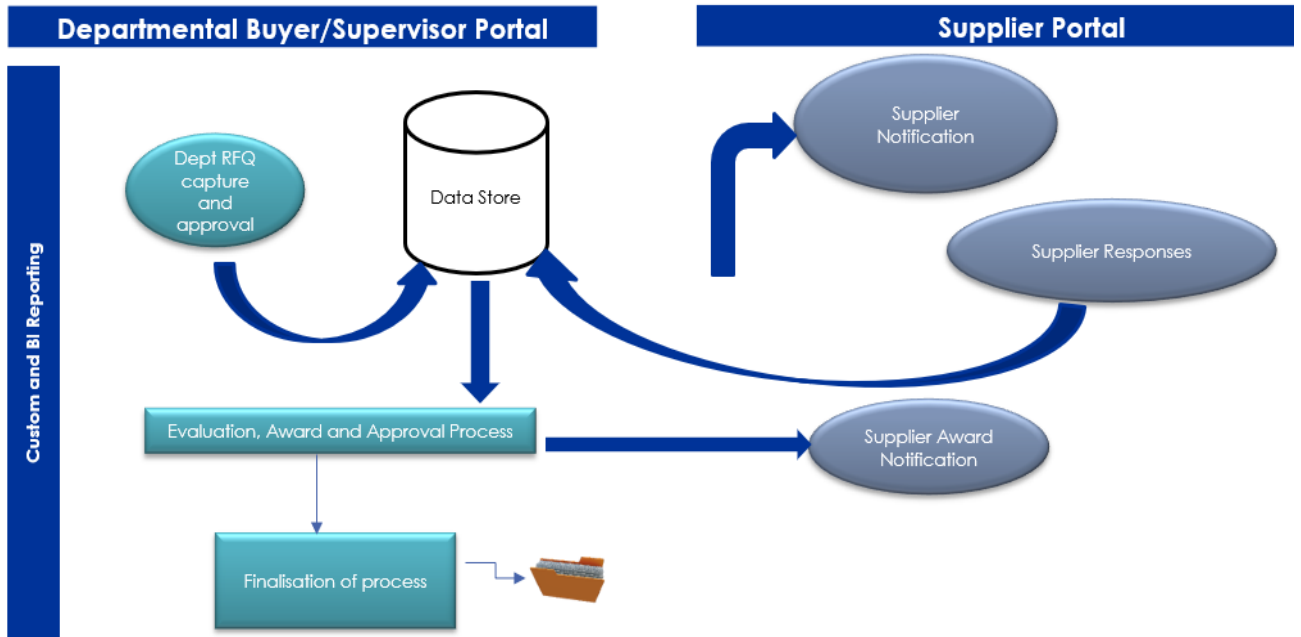
Table 1:

DATE	PROCESS
1 June 2021	The ePS pilot phase has already been initiated at the Department of Health and the Department of the Premier. The Provincial Treasury is following a phased-in, commodity approach for the implementation and roll-out of the ePS similar to the SAP/Ariba implementation process previously utilised.
7 September 2021	All suppliers on the WCSEB were notified by means of email notification to activate their profile on the ePS
1 October 2021 up until 30 November 2021	The roll out to the remainder of the departments and public entities post the pilot phase was articulated in Treasury Circular No. 26 of 2021
1 October 2021 up until 30 November 2021	departments and public entities are required to advertise the commodities as identified via Treasury Circular No. 26 of 2021 via the ePS system (attached herewith for ease of reference as " Annexure A "). The remainder of the commodities must be advertised via the SAP/Ariba portal.
from 1 December 2021	the ePS will be fully implemented with all Request for Quotations (RFQ's) being advertised via the ePS system. Institutions are required to note that <u>NO RFQ's will be allowed to be advertised on SAP/Ariba post 1 December 2021</u>
15 December 2021.	The closing date of the last RFQ on SAP/Ariba
15 December 2021 – 31 March 2021	The de-commission process period Requirements will be articulated in a separate circular in due course.
31 March 2022	SAP contract will come to its natural end. Envisaged that e-PS (phase 1) will be rolled out to all institutions.

4. E-PROCUREMENT SOLUTION (ePS) GOVERNANCE REQUIREMENTS

- 4.1 As indicated above, the ePS will be fully implemented by departments and public entities as from 1 December 2021. The value proposition of the ePS for departments and public entities is that it enables easier compliance with Section 217 of the Constitution, automating manual procurement processes to improve productivity, reducing paperwork and telephone and fax costs, etc; working with the latest and verified supplier information held centrally; requests for quotations are automatically scored in line with the PPPFA; ensuring a fair and transparent system that limits opportunities for irregularities, and fraud and collusion between suppliers and staff and provides appropriate and accurate management information and audit trail of all transactions.
- 4.2 The value proposition for businesses/suppliers is that it provides procurement opportunities to a wider spectrum of suppliers stimulating competition; automating manual processes (streamlining of procurement processes); ensuring ease of doing business with WCG; affording better transparency and accountability and providing assistance and support to suppliers.

4.3 The context of the ePS is demonstrated in the below diagram:



4.4 The management of the supplier portal will be done in-house by the Provincial Treasury. The development of the ePS necessitated a change in business processes which have already been workshopped with provincial SCM officials. "**Annexure B**" attached herewith for ease of reference expands on the functionality and business process changes to the ePS.

5. REQUEST

5.1 Accounting Officers and accounting authorities must:

- a) ensure that the content of this Circular is brought to the attention of all relevant officials within their institution;
- b) monitor compliance to the requirements of this Circular where procurement has been decentralised;
- c) utilise the content of this Circular to implement the ePS business process changes as from **1 October 2021**;

d) Note that the following Treasury circulars are repealed and replaced by this Circular:

- *Annexure B of Treasury Circular No. 28 of 2019;*
- *Paragraph 6 of Treasury Circular No. 28 of 2019 (Supplementary 3 of 2020);*
- *Paragraph 4 of Treasury Circular No. 29 of 2019 (Supplementary 1 of 2020); and*
- *Paragraph 3.4 (c)(i-ii) of Treasury Circular 25 of 2021.*

e) that any enquiries relating to this Circular may be directed to:

SCM Helpdesk: SupplyChainManagement.HDPFMA@westerncape.gov.za



NADIA EBRAHIM
DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT
DATE: 27 September 2021