



Reference number: RCS/C.6

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## TREASURY CIRCULAR NO. 5/2023

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)

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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: POLICE OVERSIGHT AND COMMUNITY SAFETY (ADV. Y PILLAY)

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

THE ACCOUNTING OFFICER: VOTE 6: HEALTH AND WELLNESS (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)

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

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

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THE CHIEF FINANCIAL OFFICER: VOTE 6: HEALTH AND WELLNESS (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)

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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

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 THE CHIEF FINANCIAL OFFICER: CASIDRA (MR F VAN ZYL)  
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 THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MS N RINQUEST)  
 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)  
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 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 2023/24 FINANCIAL YEAR**

### **1. PURPOSE**

- 1.1 The purpose of this Circular is to communicate the requirements for the submission and reporting of the annual procurement plans and the quarterly reporting for the 2023/24 financial year via the Automated Procurement Planning Toolkit (hereafter referred to as the toolkit) for departments and the manual reporting templates for public entities.

## **2. BACKGROUND**

- 2.1 Treasury Circular No. 35 of 2020 was issued on 1 November 2020 to introduce the automated procurement planning requirements to accounting officers and accounting authorities.
- 2.2 Subsequently, the Provincial Treasury (PT) issued Treasury Circular No. 3 of 2021 which provided an update on the status of the implementation of the automated procurement planning toolkit and articulated the requirements for the submission and reporting of procurement plans for the 2021/22 financial year.
- 2.3 In 2022, the PT issued Treasury Circular No. 5 of 2022 which articulated the procurement planning requirements for the 2022/2023 financial year.
- 2.4 All thirteen (13) departments have now transitioned to the toolkit. The plans and quarterly feedback have been captured to date (up to Quarter 3) on the toolkit in terms of the 2022/23 financial year.
- 2.5 Note: Since all departments are on the automated procurement planning toolkit, the Provincial Treasury is able 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.
- 2.6 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.
- 2.7 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.
- 2.8 Therefore, at this inception phase, it is critical that the importance of data credibility and data capture be emphasized to attain the end goal for procurement planning and its usefulness toward value for money purchasing.

## **3. DATA INTEGRITY CONCERNS NOTED DURING 2023/24 ON THE AUTOMATED TOOL AND PROPOSED ACTIONS**

- 3.1 The following data integrity concerns were identified for the 2022/23 financial year requiring attention 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; and
    - (b) Engagements appear in progress for the financial year and is not amended to complete.

### 3.1.2 Quarterly Reporting:

- (a) Departments do not submit requests for extensions to the PT prior to the due date of submission which could pose an audit risk.
- (b) All schedules are not approved by the due date.
- (c) Departments inserts a full stop or do not complete the successful supplier's 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 configuring the tool to link the information to the Central Supplier Database (CSD).
- (d) Departments are required to capture the correct awarded amounts when reporting its quarterly awards. Estimated amounts needs to be amended on the tool to reflect the actual awarded amounts.
- (e) It is advised that order numbers are captured as OR – number for effortless linkage to Logis and the eProcurement Solution.
- (f) Ensure all extensions and expansions are reported on the automated procurement planning toolkit as required by paragraph 3.1.7 of Treasury Circular No. 16 of 2022; and
- (g) All new procurement items above R100 000.00 are added to the procurement plan via the procurement planning tab or the quarterly feedback tab.

3.1.3 The PT is configuring the toolkit to allow for framework agreement call offs as the existing quarterly feedback tab/schedule is not sufficiently catering for the needs of the departments. Progress in terms of the implementation of the framework agreement call offs on the toolkit will be communicated with departments by means of a supplementary circular to this one.

## 4. REPORTING REQUIREMENTS FOR 2023/24 FINANCIAL YEAR

4.1 Accounting officers and accounting authorities must adhere to the following annual and quarterly reporting requirements for procurement planning for the 2023/24 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 D:

REQUIREMENT	DUE DATE	APPLICABLE DEPARTMENT
Final Annual Procurement Plan 2023/24 Stakeholder Engagement Plan SCM Performance Plan	31 March 2023	All except Department of Infrastructure and Department of Mobility
Final Annual Procurement Plan 2023/24 Stakeholder Engagement Plan SCM Performance Plan	31 May 2023	Department of Infrastructure and Department of Mobility
Quarterly Progress Report: 1 <sup>st</sup> Quarter	17 July 2023	All
Quarterly Progress Report: 2 <sup>nd</sup> Quarter	16 October 2023	All
Quarterly Progress Report: 3 <sup>rd</sup> Quarter	15 January 2024	All
Quarterly Progress Report: 4 <sup>th</sup> Quarter	15 April 2024	All

- 4.2 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).
- 4.3 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 It must be noted that public entities will still be required to report via the manual reporting mechanism until further notice.
- 4.5 Paragraph 4.1.3 and 4.1.5 of NT SCM Instruction 2 of 2016/17 states:

*“4.1.3 Table the reports (paragraph 4.1.2) on the status of the procurement plan of provincial institutions at the provincial legislatures i[on] a quarterly basis; and  
4.1.5 Submit reports to the provincial legislatures/parliament by the 15<sup>th</sup> of the month following the end of the quarter.”*

Departments and public entities are required to note the reporting requirement as indicated above, to ensure compliance and mitigate non-compliance to said requirements. It is advised that departments export (extract) the progress report as soon as all the schedules are approved on the toolkit and provide it to the provincial legislature for noting. Functionality also exists for departments to snip dashboards already configured on the system; and to paste these to any reporting format that is required by departments.

- 4.6 It remains the intent of PT to publish all approved procurement plans on the PT's website so that suppliers are 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 providing meaningful procurement disclosure to the public that will in the long term add value and ensure transparency.
- 4.7 The above initiative is in keeping with the National Treasury requirements to publish all procurement plans on the SAGOV Portal (eTender Portal). During the 2022/23 financial year there have been ongoing engagements between the NT and the PT on the possibility of streamlining the reporting requirements given that the toolkit has already been implemented within the Province. The NT confirmed that an interface between the SAGOV portal (eTender Portal) and the toolkit is possible and will avoid duplication of effort for the Province. The PT is awaiting the project plan/implementation plan from NT to formally commence with the integration process.

## **5. REFRESH PROGRAMME INFORMED BY THE PROCLAMATION BY THE PRESIDENT OF THE REPUBLIC OF SOUTH AFRICA**

- 5.1 On 20 February 2023, the President of the Republic of South Africa signed the proclamation for the Premier of the Western Cape Province to amend schedule 2 of the Public Service Act, 1994 by substituting the designations of the Western Cape provincial departments and the heads thereof, with effect from 1 April 2023. The proclamation in essence has created two new departments namely, Department of Infrastructure and the Department of Mobility.

- 5.2 The Department of Transport and Public Works and the Department of Human Settlements are currently undergoing an institutional refresh process. In order to give a true reflection of the two (2) department's procurement plans for the 2023/24 financial year, the toolkit will have to be aligned and configured to the latest departmental structures which has not yet been made available/confirmed at the time of issuance of the circular. This may impact on the two (2) department's ability to capture their procurement plans by the due date of 31 March 2023. Given that budgets will need to be loaded on the BAS system in terms of the appropriate revised structures and profiles, and the procurement planning toolkit will require to be appropriately aligned, it therefore necessitated that the Provincial Treasury review the deadline for the submission of annual procurement plans in terms of the reporting date to allow for this transition. The procurement plan toolkit proposed actions and responsibilities in terms of the refresh program are attached hereto marked Annexure E.
- 5.3 The annual procurement plan for the 2023/24 financial year, stakeholder engagement plan and SCM Performance Plan for the Departments of Infrastructure and Mobility as reflected in paragraph 4.1 above as **31 May 2023**.
- 5.4 The PT will work closely with the two new departments from a configuration, implementation and reporting perspective. It is further advised that the Departments of Transport and Public Works and Human Settlements, ensure that their respective Quarter 4 progress reports are approved and closed-out as soon as possible, on or before the due date 17 April 2023 to cater for this transition.

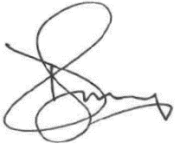
## **6. REQUEST**

- 6.1 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.
- 6.2 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 of public entities must adhere to the manual reporting templates attached.
- 6.3 Departmental users must utilise their Western Cape Government login details to access the toolkit via chrome:  
<https://pte-tool.westerncape.gov.za/>
- 6.4 All accounting authorities must submit all approved plans and quarterly feedback to:  
[Pt.Procplan@westerncape.gov.za](mailto:Pt.Procplan@westerncape.gov.za)
- 6.5 Users may be added to the toolkit by completing and submitting the attached Departmental User Role Allocation form (attached herewith as Annexure F) which repeals and replaces Annexure B issued via Treasury Circular No. 35 of 2020.

## 7. ENQUIRIES

7.1 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](mailto:PT.Procplan@westerncape.gov.za)



**DAVID SAVAGE**  
**HEAD OFFICIAL: PROVINCIAL TREASURY**  
**DATE:** 24 March 2023