



Reference number: RCS/C.6

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TREASURY CIRCULAR NO. 7/2024

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

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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 (DR K DU PLESSIS)

THE EXECUTIVE AUTHORITY: WESTERN CAPE LIQUOR AUTHORITY (MINISTER R ALLEN)

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

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PROCUREMENT PLANNING REQUIREMENTS FOR THE 2024/25 FINANCIAL YEAR

1. PURPOSE

- 1.1 This Circular serve to convey the requirements for the submission and reporting of the annual procurement plans and the quarterly reporting for the 2024/25 financial year, utilising the Automated Procurement Planning Toolkit (hereafter referred to as the toolkit) for departments and the manual reporting templates for the Department of Infrastructure and public entities.

2. BACKGROUND

- 2.1 Procurement Planning plays a pivotal role in aligning procurement activities with service delivery objectives and budgets. With service delivery increasingly reliant on procurement, its strategic importance has markedly increased. In 2021, the Provincial Treasury (PT) introduced an automated procurement planning toolkit to all 13 provincial departments, facilitating the creation of a Provincial Procurement Plan and tracking progress. This data capability enables initiatives to address planning gaps, pursue cost efficiencies, and explore potential value for money in provincial procurement.
- 2.2 Emphasising value for money through procurement will be central in determining how resources are utilised in the province, ensuring effectiveness, efficiency and economy while considering the overall costs, benefits and desired outcomes of each procuring entity. Striving for a balance between economy, effectiveness and efficiency is paramount in optimal resource utilisation.
- 2.3 The Procurement Planning toolkit is instrumental as it provides input into budgeting and planning cycles with an enhanced data and information support, informing and advising on procurement-related budgeting and planning.
- 2.4 At this initial phase, it is imperative to highlight the significance of data credibility and capture to progress towards achieving the ultimate goal for procurement planning and its role in facilitating 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 have been identified for the 2023/24 financial year regarding plans and quarterly progress feedback captured on the automated toolkit, necessitating actions from departments to enhance data integrity on the system:
 - (a) **Annual Procurement Planning schedules** (inclusive of Annual Engagement and Annual Performance Planning schedules): Departments are urged to provide detailed descriptions of engagements listed on the annual engagement plan to facilitate meaningful analytics and ensure that engagements are marked as complete for the financial year.
 - (b) **Quarterly Reporting:** Various issues such as submission extensions, incomplete information capture and inaccurate reporting of awarded amounts were noted. Departments are advised on rectification measures and adherence to reporting guidelines to mitigate audit risks. Compliance to SCM Instruction 2 of 2016/17 is emphasized. See Table 1 hereunder:

Table 1

Detail of Issue	PT Recommendation
1. Submission of requests for extensions to the PT before the due date for the plan as well as on quarterly feedback, delays performance reporting to departments from PT via the SCM Insight Reports. Repetitive request for extensions from the same department/s.	Better planning and including control measure to mitigate risks of late submissions.
2. All schedules are not approved by the due date.	Ensure completeness of reporting requirement prior to sign-off by the delegated authority.
3. Incorrect Award Amounts: departments are not amending the estimated amount on the tool to reflect the actual awarded amounts.	Due diligence on capturing information is required as this has a ripple effect on performance information attributed to the department

Detail of Issue	PT Recommendation
4. Extensions and Expansions not captured.	Ensure that 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
5. New items not captured.	All new procurement items above R100 000.00 are added to the procurement plan via the procurement planning tab or the quarterly feedback tab.

3.2 For Noting:

- a) The existing quarterly feedback tab/schedule on the toolkit has not been sufficiently configured to cater for the capture of framework agreements due to fiscal constraints encountered during the 2023/24 financial year. The PT therefore halted the configuration of the toolkit to allow for framework agreements.
- b) The Provincial Treasury is currently looking at mechanisms to rationalize all Information and Communication Technology (ICT) projects for procurement for seamless integration and to reduce reporting fatigue.

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 2024/25 financial year detailed in Table 2 below:

Table 2

REQUIREMENT	DUE DATE	APPLICABLE DEPARTMENT
Final Annual Procurement Plan 2024/25, inclusive of Stakeholder Engagement Plan SCM Performance Plan	2 April 2024	All departments and entities.
Quarterly Progress Report: 1 st Quarter	15 July 2024	All
Quarterly Progress Report: 2 nd Quarter	16 October 2024	All
Quarterly Progress Report: 3 rd Quarter	15 January 2025	All
Quarterly Progress Report: 4 th Quarter	15 April 2025	All

4.2 Note that departments (with the exception of the Department of Infrastructure) are required to report on the automated procurement planning toolkit and the Department of Infrastructure and public entities are required to report via the manual reporting templates attached hereto marked Annexures A to D:

4.3 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).

4.4 Once the plan is signed off on the system a report of all signed-off plans will be downloaded for audit purposes by the Provincial Treasury. Departments may download its own signed-off report for compliance purposes and for audit evidence.

4.5 The Department of Infrastructure and public entities will utilise manual reporting templates for submission.

4.6 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[o]n a quarterly basis; and

4.1.5 Submit reports to the provincial legislatures/parliament by the 15th of the month following the end of the quarter."

The reporting requirements must be adhered to by departments and public entities, ensuring compliance and mitigating non-compliance risks. 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.

4.7 Approved procurement plans will be published on the PT's website, enhancing transparency and providing suppliers with information on procurement opportunities. Ongoing discussions between NT and PT aim to streamline reporting obligations, potentially integrating the SAGOV portal (eTender Portal) with the toolkit to eliminate redundant efforts. The PT is currently awaiting the project plan/implementation plan from the NT to formally initiate the integration process.

5. ENHANCEMENTS ON THE AUTOMATED PROCUREMENT PLANNING TOOLKIT

5.1 In response to data integrity concerns noted during 2023/24, enhancements were made to the Automated Procurement Planning toolkit quarterly feedback tab, including:

(a) Finalising the process of linking the information to the Central Supplier Database (CSD) and activation of the supplier look-up functionality to minimise errors.

(b) Incorporating functionalities to ensure accurate reporting of award: i.e. once a department selects the complete status the "Award Commitment /Est. Exp Year 1,2 and 3" amounts defaults to R0 and departments are required to capture the correct awarded amounts when reporting its quarterly awards.

(c) Streamlining the reporting process for LOGIS orders for easier linkage to the ePS: i.e. when the procurement item is awarded; the Department must select the "complete" status on the quarterly feedback tab and indicate "yes" if the order is a Logis order. The Department is only required to capture the six (6) numbers of the Logis order as the "OR-" is automated for easier linkage of the Logis order number to the eProcurement Solution.

6. REQUEST

6.1 Accounting officers and accounting authorities must note the content of this Circular and are urged to communicate these requirements to the relevant officials and ensure compliance with the specified requirements.

6.2 Departments (excluding of the Department of Infrastructure) must utilise the automated procurement planning toolkit for submission and approval of plans and quarterly feedback, whilst the Department of Infrastructure and accounting authorities of public entities adhere to the manual reporting templates attached.

6.3 Departmental users must access the toolkit via Google chrome using their Western Cape Government login details:

<https://pte-tool.westerncape.gov.za/>

6.4 Approved plans and quarterly feedback from the Department of Infrastructure and accounting authorities must submit to:

PT.Procplan@westerncape.gov.za

6.5 Users requiring access to the toolkit must complete and submit the Departmental User Role Allocation form (Annexure E) 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

LEE-ANNE CUPIDO

ACTING DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT