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Enquiries : Mr R. Masambo (Ext: 4230)  
Ref : MPT14/4/1/1

## PROVINCIAL TREASURY CIRCULAR NO. 36 OF 2016

TO:

THE ACCOUNTING OFFICER: VOTE 1: OFFICE OF THE PREMIER (MR T. MDAKANE)  
THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (MS N.Z. NKAMBA)  
THE ACCOUNTING OFFICER: (ACTING): VOTE 4: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (MR G.S. NTOMBELA)  
THE ACCOUNTING OFFICER: VOTE 5: AGRICULTURE, RURAL DEVELOPMENT, LAND AND ENVIRONMENTAL AFFAIRS-(MS S.P. XULU)  
THE ACCOUNTING OFFICER: (ACTING): VOTE 6: ECONOMIC DEVELOPMENT AND TOURISM (MR J.S. MGIDI)  
THE ACCOUNTING OFFICER: VOTE 7: EDUCATION (MRS M.O.C. MHLABANE)  
THE ACCOUNTING OFFICER: VOTE 8: PUBLIC WORKS, ROADS AND TRANSPORT (MR K.M. MOHLASEDI)  
THE ACCOUNTING OFFICER: VOTE 9: COMMUNITY SAFETY, SECURITY AND LIAISON (MR W. MTHOMBOHI)  
THE ACCOUNTING OFFICER (ACTING): VOTE 10: HEALTH (DR S. MOHANGI)  
THE ACCOUNTING OFFICER: VOTE 11: CULTURE, SPORT AND RECREATION (MR S.W. MNISI)  
THE ACCOUNTING OFFICER: VOTE 12: SOCIAL DEVELOPMENT (MS N.L. MLANGENI)  
THE ACCOUNTING OFFICER: VOTE 13: HUMAN SETTLEMENTS (MR K. MASANGE)

THE CHIEF FINANCIAL OFFICER: VOTE 1: OFFICE OF THE PREMIER (MR S.S.SHONGWE)  
THE CHIEF FINANCIAL OFFICER: VOTE 3: PROVINCIAL TREASURY (MR M.A. KHOZA)  
THE CHIEF FINANCIAL OFFICER: VOTE 4: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (MR S.E.B MATSEBULA)  
THE CHIEF FINANCIAL OFFICER (ACTING): VOTE 5: AGRICULTURE, RURAL DEVELOPMENT, LAND AND ENVIRONMENTAL AFFAIRS (MR S.M. MASEKO)  
THE CHIEF FINANCIAL OFFICER: VOTE 6: ECONOMIC DEVELOPMENT AND TOURISM (MR C.T. DLAMINI)  
THE CHIEF FINANCIAL OFFICER (ACTING): VOTE 7: EDUCATION (MRS T.F. NTULI)  
THE CHIEF FINANCIAL OFFICER: VOTE 8: PUBLIC WORKS, ROADS AND TRANSPORT (MS H.N. MDAKA)  
THE CHIEF FINANCIAL OFFICER: VOTE 9: COMMUNITY SAFETY, SECURITY AND LIAISON (MS S.S. SEFALA)  
THE CHIEF FINANCIAL OFFICER: VOTE 10: HEALTH (MR C.B. MNISI)  
THE CHIEF FINANCIAL OFFICER (ACTING): VOTE 11: CULTURE, SPORT AND RECREATION (MR N.C. MAMARU)  
THE CHIEF FINANCIAL OFFICER: VOTE 12: SOCIAL DEVELOPMENT (MR J.B. MBATHA)  
THE CHIEF FINANCIAL OFFICER (ACTING): VOTE 13: HUMAN SETTLEMENTS (MR T.C. MASHILE)

THE CHIEF EXECUTIVE OFFICER: MPUMALANGA ECONOMIC GROWTH AGENCY (MR X.G.S. SITHOLE)  
THE CHIEF EXECUTIVE OFFICER: MPUMALANGA GAMBLING BOARD (MR B. MLAMBO)  
THE CHIEF EXECUTIVE OFFICER (ACTING): MPUMALANGA TOURISM AND PARKS AGENCY (MR V.A. SIBIYA)  
THE CHIEF EXECUTIVE OFFICER: MPUMALANGA REGIONAL TRAINING TRUST (MR R. OOSTHUIZEN)

THE CHIEF FINANCIAL OFFICER: MPUMALANGA ECONOMIC GROWTH AGENCY (MR E. POTGIETER)  
THE CHIEF FINANCIAL OFFICER: MPUMALANGA GAMBLING BOARD (MR L. MASEKO)  
THE CHIEF FINANCIAL OFFICER: MPUMALANGA REGIONAL TRAINING TRUST (MR M.G. JAFTA)  
THE CHIEF FINANCIAL OFFICER (ACTING): MPUMALANGA TOURISM AND PARKS AGENCY (MR M. MAPHIWA)

THE CHIEF DIRECTORATE: SUSTAINABLE RESOURCE MANAGEMENT  
THE CHIEF DIRECTORATE: FINANCIAL GORVENANCE  
THE CHIEF DIRECTORATE: ASSETS AND LIABILITIES MANAGEMENT

## PROVINCIAL TREASURY CIRCULAR NO. 36 OF 2016

### INVITATION FOR COMMENTS ON THE DRAFT INSTRUCTION NOTES REGARDING SUPPLY CHAIN MANAGEMENT TO BE ISSUED IN TERMS OF THE REVISED TREASURY REGULATIONS

#### 1. INTRODUCTION

- 1.1. This circular serves to invite comments from departments and public entities regarding the draft Instruction Notes on Supply Chain Management to be issued in terms of the revised Treasury Regulations.

#### 2. BACKGROUND

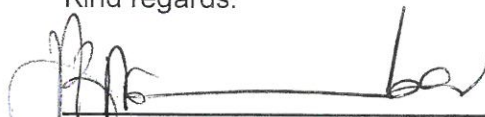
- 2.1. The National Treasury has embarked on a process of revising the Treasury Regulations pertaining to the procurement of goods, works and services and the revision is nearing to an end. The Supply Chain Management Regulations in part, require the National Treasury to prescribe procedures through the issuing of Instruction Notes to Government institutions for purposes of enforcing implementation thereof.
- 2.2. Therefore, in the light of the above, the following Instruction Notes have been drafted and are circulated to your institutions for review and comments (see attached copies):
- 2.2.1. Procurement by means other than competitive bids;
  - 2.2.2. Compliance with ethical standards, Code of Conduct and ethics for Supply Chain Management Practitioners and role-players;
  - 2.2.3. Contract Management;
  - 2.2.4. Report on deviation from Bid Committee recommendations;
  - 2.2.5. Performance Management and reporting ; and
  - 2.2.6. Threshold values in respect of procurement of goods, works and services; declaration of interest and other administrative requirements.

#### 3. INVITATION FOR COMMENTS

- 3.1. Departments and public entities are hereby requested to review the attached drafts mentioned above and submit their comments to the Provincial Treasury on or before 10 July 2016.
- 3.2. For more information, you are kindly requested to liaise with Mr Caesar Twala at (013) 7664224 or alternatively at e-mail address: [ctwala@mpg.gov.za](mailto:ctwala@mpg.gov.za)

It is trusted that you will find this in order and looking forward to your comments before the due date.

Kind regards.



MS N.Z. NKAMBA  
HEAD OFFICIAL  
DATE: 30/10 /2016



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

Private Bag X115, Pretoria, 0001

Enquiries: Schalk Human Tel: (012) 315-5886 Fax: (012) 326 5445 E mail: [schalk.human@treasury.gov.za](mailto:schalk.human@treasury.gov.za)

**HEAD SCM OFFICIALS OF PROVINCIAL TREASURIES  
HEAD SCM OFFICIALS OF NATIONAL DEPARTMENTS**

Dear Colleagues

**COMMENTS ON THE DRAFT SCM INSTRUCTIONS TO BE ISSUED IN TERMS OF THE  
REVISED TREASURY REGULATIONS**

The Office of the Chief Procurement Officer (O-CPO) has completed the revision of the SCM Treasury Regulations and processing them for promulgation. Parts of the SCM regulations require National Treasury to prescribe further by issuing instructions in order to assist with the implementation of regulations. Therefore, the following instructions were developed and are circulated for your review and comments, and are attached to this letter:

1. Procurement by means other than competitive bids;
2. Compliance with Ethical Standards, Code of Conduct and Ethics for SCM Practitioners and role players;
3. Contract Management;
4. Report on Deviation from Bid Committee Recommendations;
5. Performance Management and Reporting; and
6. Threshold values in respect of procurement of goods and services; declaration of interest and other administrative requirements.

In this regard, the O-CPO requests all National Departments and Provincial Heads of SCM to review the draft Instruction Notes and provide inputs by the 16 May 2016. All inputs and queries should be addressed to Paul Arendse at [paul.arendse@treasury.gov.za](mailto:paul.arendse@treasury.gov.za).

Your inputs are of vital importance to the successful implementation of SCM modernisation reform agenda.

Regards,

**ESTELLE SETAN  
ACTING CHIEF PROCUREMENT OFFICER**

DATE: 25/4/2016



## **national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

**TO ALL : ACCOUNTING OFFICERS OF DEPARTMENTS AND CONSTITUTIONAL INSTITUTIONS**

**ACCOUNTING AUTHORITIES OF PUBLIC ENTITIES LISTED IN SCHEDULES 3A and 3C TO THE PFMA**

**HEAD OFFICIALS OF PROVINCIAL TREASURIES**

**NATIONAL TREASURY INSTRUCTION NO. XX OF 2015/2016**

**SUPPLY CHAIN MANAGEMENT : PROCUREMENT BY OTHER MEANS THAN COMPETITIVE BIDS**

### **1. PURPOSE**

The purpose of this *Treasury Instruction* is to prescribe to Accounting Officers and Accounting Authorities a process for managing unsolicited bids, limited source bids, emergency procurement and transversal contracts.

### **2. BACKGROUND**

In addition to the procurement of goods and services via petty cash, written quotations and competitive bids procurement may also be effected by other means but the procedures in this *Instruction Note* must be followed.

### **3. UNSOLICITED BIDS**

- 3.1. The Accounting Officer or Accounting Authority must reject any unsolicited bid unless all of the following information is obtained from the proposer:
  - 3.1.1 the proposer's name, address, identification or registration number (if a legal entity), VAT registration number and the contact details of the proposer's authorised representative;
  - 3.1.2 identification of any confidential or proprietary data not to be made public
  - 3.1.3 the names of all public entities that have received a similar bid or to whom bids will be furnished;
  - 3.1.4 a current original Tax Clearance Certificate from the proposer and, in the case of consortium, current original Tax Clearance Certificates from each member of the consortium, which can be obtained via the Central Supplier Database (CSD);
  - 3.1.5 a declaration of interest containing all the particulars set out in Standard Bid Documentation (SBD) 4, issued by the National Treasury;
  - 3.1.6 a declaration of the proposer's past supply chain practices containing the particulars set out in SBD 8, issued by the National Treasury; and

**National Treasury Instruction No. xx of 2016/2017**  
**Procurement by Other Means**

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- 3.1.7 a signed declaration from the proposer stating that the unsolicited bid was not as a result of any non-public information obtained from officials, employees, or related parties of the institution or any other institution.
- 3.2 The Accounting Officer or Accounting Authority must reject any unsolicited bid if the proposal:
  - 3.2.1 relates to known institutional requirements that can be acquired using conventional competitive bidding methods;
  - 3.2.2 relates to products or services which are generally available;
  - 3.2.3 does not relate to the institution's powers or functions;
  - 3.2.4 contravenes any legislation; or
  - 3.2.5 is not submitted by a duly authorised representative of the proposer.
- 3.3 The institution must, prior to negotiating a proposal agreement with the proposer, undertake a comprehensive evaluation of the bid including a detailed feasibility study evaluating all the costs and benefits of procuring the product or service from the proposer including, but not limited to:
  - 3.3.1 the potential contribution of the proposal to the institution's strategic objectives as identified in its strategic growth and development plan;
  - 3.3.2 an assessment of whether or not the proposed cost is realistic, affordable and justified;
  - 3.3.3 a risk assessment identifying all the risks of proceeding with the proposal;
  - 3.3.4 an assessment of any unique, innovative, researched or meritorious methods, approaches or concepts demonstrated in the unsolicited bid;
  - 3.3.5 an assessment of the overall scientific, technical or socio-economic merit of the unsolicited bid; and
  - 3.3.6 any other fact which, in the opinion of the institution, is relevant to the unsolicited bid.
- 3.4 If the institution decides to proceed with considering an unsolicited bid the Accounting Officer or Accounting Authority must negotiate a proposal agreement with the proposer of the bid in order to guide the process in terms of this *Treasury Instruction* and in order to establish, *inter alia*:
  - 3.4.1 the methodology for determining any costs to be reimbursed to the proposer should the procurement process result in an award for the product or service being made to a party other than the proposer;
  - 3.4.2 the procedure for further developing the proposed project and responding to issues raised by the institution;
  - 3.4.3 the responsibility for developing bid documents in accordance with the institution's supply chain management process, which process must always be under supervision of the institution;
  - 3.4.4 that the information in the proposal agreement must be treated by all parties as confidential;
  - 3.4.5 the acquisition of any intellectual property rights;
  - 3.4.6 that the institution will not be responsible or liable for any costs other than the direct costs incurred by the proposer in developing technical and other materials unique to the institution and relevant to the unsolicited bid;
  - 3.4.7 that the institution will not be responsible for any costs incurred by the proposer in preparing and submitting the unsolicited bid; and
  - 3.4.8 that the institution may not utilise the proposer's proprietary information in the event of consensus not being reached to proceed with the proposal; and
  - 3.4.9 that the institution will be responsible for obtaining any independent advice unless the proposer withdraws the unsolicited bid in which case the proposer will be liable to the institution for the costs.
- 3.5 If the Accounting Officer or Accounting Authority decides to contemplate an unsolicited bid a registered letter must be sent to the proposer of the unsolicited bid advising of the decision to contemplate the unsolicited bid.

**National Treasury Instruction No. xx of 2016/2017**  
**Procurement by Other Means**

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- 3.6 If a proposal agreement is concluded the institution must prepare and issue bid documents which must include:
- 3.6.1 the preparation of a Request for Information (RFI) to test the market for the existence of any other entities capable of providing the product or service;
  - 3.6.2 the preparation of a draft contract for the provision of the product or service should there be inadequate response to the RFI;
  - 3.6.3 the preparation of a Request for Proposal (RFP), with a draft contract, should there be one or more adequate responses to the RFQ; and
  - 3.6.4 a competitive bidding process, disclosing that the bid originated from an unsolicited bid proposal, in terms of the institution's supply chain management process for all the entities qualified in the RFQ;
- 3.7 Written non-disclosure undertakings must be obtained from any external party (e.g. expert or consultant) who has access to any confidential material or information relating to an unsolicited bid.
- 3.8 An institution must not use any data, concept, idea or any other part of an unsolicited bid for solicitation or in negotiations with any other entity unless the procurement proceeds and the proposer is notified of, and agrees, to the intended use. The prohibition of the use of any data, concept, idea or any other part of an unsolicited bid by the institution does not preclude the use thereof if it becomes available from another source without restriction.

**4. LIMITED SOURCE BIDDING**

- 4.1 All possible suppliers of goods and services who could fulfil the institution's requirements must be considered and included in the business case for the limited source bidding process.
- 4.2 All limited source bids in excess of R1 000 000, including all relevant taxes, must be reported to the relevant treasury quarterly detailing the goods and/or services required; the suppliers invited to bid; reasons why normal competitive bidding could not take place; date of procurement; and total rand value of procurement.

**5. EMERGENCY PROCUREMENT**

- 5.1. Goods and services may only be procured through an emergency procurement process in circumstances where such procurement is of a serious and urgent nature and involves:
- 5.1.1 actual or possible severe injury, death or suffering;
  - 5.1.2 security of the State being compromised;
  - 5.1.3 serious damage to property;
  - 5.1.4 interruption of essential services; or
  - 5.1.5 damage to the environment.
- 5.2 An emergency procurement process must not be used if the serious or urgent nature of the procurement could be alleviated using interim measures in order to allow normal procurement processes to be used.
- 5.3 All emergency procurement in excess of R100 000, including all relevant taxes, must be reported to the relevant treasury quarterly detailing the goods and/or services required; the suppliers invited to bid; nature of the emergency; date of becoming aware of the emergency; reasons why normal competitive bidding could not take place; reasons why the urgent procurement could not have been alleviated using interim measures until normal procurement processes could be used; date of procurement; and total rand value of procurement.

**6. INFRASTRUCTURE PROCUREMENT**

- 6.1. The Standard for Infrastructure Procurement and Delivery Management prescribed in the National Treasury Instruction No. 4 of 2015/2016 must be complied with in the planning, design, procurement or execution of infrastructure projects.
- 6.2. Accounting Officers and Accounting Authorities of all institutions to which National Treasury Instruction No. 4 of 2015/2016 applies must develop a suitable supply chain management policy for infrastructure procurement and delivery management.

**7. APPLICABILITY**

This *Treasury Instruction* applies to all National and Provincial Departments, Constitutional Institutions and Schedule 3A and 3C of the Public Entities.

**8. EFFECTIVE DATE**

This *Treasury Instruction* takes effect from XX XXXXX XXXX.

**9. DISSEMINATION OF INFORMATION CONTAINED IN THIS TREASURY INSTRUCTION**

- 9.1 Heads of Provincial Treasuries must bring the contents of this *Treasury Instruction* to the attention of all Accounting Officers of Departments in their respective Provinces.
- 9.2 Accounting Officers of Departments and Constitutional Institutions must bring the contents of this *Treasury Instruction* to the attention of Chief Financial Officers and Procurement and Provisioning Officials of their respective Departments; and all Accounting Authorities of Public Entities reporting to the Executive Authority of their respective Departments, if applicable.
- 9.3 The contents of this *Treasury Instruction* must be brought to the attention of Chief Financial Officers and Procurement and Provisioning Officials of all Public Entities, including Municipalities and Municipal Entities, by Accounting Officers and Accounting Authorities.

**10. AUTHORITY FOR THIS INSTRUCTION**

This *Treasury Instruction* is issued in terms of Section 76(4) (c) of the PFMA.

**11. CONTACT INFORMATION**

Enquiries related to this *Treasury Instruction* may be directed to:  
The Director: SCM POLICY  
Ms Mpho Nxumalo  
Phone: 012 315 5208  
Email: [Mpho.Nxumalo@treasury.gov.za](mailto:Mpho.Nxumalo@treasury.gov.za)

**KENNETH BROWN**  
**CHIEF PROCUREMENT OFFICER**  
**DATE: XX XXXXX XXXX**



## **national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

**TO: ACCOUNTING OFFICERS OF ALL DEPARTMENTS AND CONSTITUTIONAL INSTITUTIONS**

**ACCOUNTING AUTHORITIES OF ALL SCHEDULE 3A AND 3C PUBLIC ENTITIES**

**HEAD OFFICIALS OF PROVINCIAL TREASURIES**

**NATIONAL TREASURY INSTRUCTION NO X OF 2016/2017  
COMPLIANCE WITH ETHICAL STANDARDS, CODE OF CONDUCT AND CODE OF ETHICS FOR SUPPLY CHAIN MANAGEMENT PRACTITIONERS AND ROLE PLAYERS**

**1. PURPOSE**

To prescribe a Code of Conduct and Code of Ethics for Supply Chain Management Practitioners and Role Players

**2. BACKGROUND**

- 2.1. Treasury Regulation 182(5) prescribes that employees involved in the Supply Chain Management System of a Department, a Constitutional Institution or a 3A or 3C Public Entity, including Members of Bid Committees, **must sign and adhere** to the Code of Conduct for Supply Chain Management Practitioners and Committee Members, the Code of Ethics for Supply Chain Management and other relevant codes as may be prescribed by National Treasury Instruction.
- 2.2. The requirement to sign a Code of Conduct was not covered in the 2005 Treasury Regulations. Practice Note Number SCM 4 of 2003 is repealed in its entirety to align with the ethos of the new regulations whilst all the principles have been re-incorporated in this Instruction.

**3. COMPLIANCE WITH ETHICAL STANDARDS, CODE OF CONDUCT AND CODE OF ETHICS**

- 3.1. Accounting Officers/ Accounting Authorities of Institutions or their delegates to which this instruction applies must ensure that Supply Chain Management practitioners and all other employees involved in the Supply Chain Management of the Institution annually sign a code of conduct and code of ethics on or before the **30<sup>th</sup> of April** of each financial year.
- 3.2. An Accounting Officer/ Accounting Authority of an Institution or his/her delegate must ensure that employees who join the Supply Chain Management of the Institution or who due to change in their job profile are involved in the Supply Chain Management of the Institution, sign the code of conduct and ethics within three months after assuming their responsibilities.
- 3.3. An Accounting Officer/ Accounting Authorities of Institutions or his/ her delegate to which this Instruction applies must ensure that Members of Bid Committees and any other members who are invited to participate in a Bid Meeting sign a declaration of confidentiality and impartiality for all Bid Meetings. A standard copy of the



**Compliance with Code of Conduct and Code of Ethics, Declaration of Confidentiality and Impartiality**

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declaration of confidentiality and Impartiality is attached as **Annexure A**. Information provided in **Annexure A** is minimum information, Institutions may add more information as long as it remains within the subject, content and intention of the declaration.

**THE CODE OF CONDUCT MUST CONSIST OF AT LEAST THE FOLLOWING PRINCIPLES:**

**3.4. General Principles**

- 3.4.1. The Government of South Africa commits itself to a policy of fair dealing and integrity in the conducting of its business. The position of a Supply Chain Management (SCM) practitioner is, therefore, a position of trust, implying a duty to act in the public interest. Practitioners should not perform their duties to unlawfully gain any form of compensation, payment or gratuities from any person, or supplier/contractor for themselves, their family or their friends.
- 3.4.2. Practitioners should ensure that they perform their duties efficiently, effectively and with integrity, in accordance with the relevant legislation and regulations including the Public Service Regulations issued by the Department of Public Service and Administration, National Treasury Regulations and Treasury Instructions and directives issued by Accounting Officer/ Authorities. They should ensure that public resources are administered responsibly.
- 3.4.3. Practitioners should be fair and impartial in the performance of their functions. They should at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual. They should not abuse power and authority vested in them.
- 3.4.4. Practitioners should comply with the Code of Conduct for the Public Service as contained in Chapter 2 of the Public Service Regulations, 2001 especially items C4.5 to C4.12 and C5.3 to C5.4 thereof.

**3.5. Conflict of Interest**

- 3.5.1. SCM Practitioners, to the extent required by their position, should declare any business, commercial and financial interest or activities undertaken for financial gain that may raise a possible conflict of interest.
- 3.5.2. Practitioners should not place themselves under any financial or other obligation to outside individuals or organizations that might seek to influence them in the performance of their official duties.
- 3.5.3. Practitioners should not take improper advantage of their previous office after leaving their official position.

**3.6. Accountability**

- 3.6.1. Practitioners are accountable for their decisions and actions to the public.
- 3.6.2. Practitioners should use public property scrupulously.
- 3.6.3. Only Accounting Officers/Accounting Authorities or their delegate have the authority to commit the government to any transaction for the procurement of goods and/ or services.
- 3.6.4. All transactions conducted by a practitioner should be recorded and accounted for in an appropriate accounting system. Practitioners should not make any false or misleading entries into such a system for any reason whatsoever.

**Compliance with Code of Conduct and Code of Ethics, Declaration of Confidentiality and Impartiality**

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**3.7. Openness**

- 3.7.1. Practitioners should be as open as possible about all decisions and actions that they take. They should give reasons for their decisions and restrict information only if it is in the public interest to do so.

**3.8. Confidentiality**

- 3.8.1. Any information that is the property of government or its suppliers should be protected at all times. No information regarding any bid/ contract/ bidder/ contractor may be revealed if such an action will infringe on the relevant bidder's / contractor's personal right.
- 3.8.2. Matters of confidential nature in possession of supply chain practitioners should be kept confidential unless legislation, the performance of duty or provisions of law requires otherwise. Such restrictions should also apply after separation from service.

**3.9. Bid Specification team**

- 3.9.1. Bid specification team must draft specifications and terms of contract in a fair and impartial manner without favouring any potential supplier or group of potential suppliers.

**3.10. Bid Evaluation and/ or Adjudication Teams**

- 3.10.1. Bid evaluation/ adjudication teams should regulate supply chain management on behalf of the institution in an honest, fair, impartial, transparent, cost-effective and accountable manner in accordance with the accounting officer's / authority's directives/ delegated powers.
- 3.10.2. The evaluation / adjudication team may be authorised to deal with and adhere to the prescribed legislation, directives and procedures in respect of supply chain management in order to perform effectively and efficiently.
- 3.10.3. All members of bid committees should be cleared at the level of "CONFIDENTIAL" and should be required to declare their financial interest annually.
- 3.10.4. No person should-
- 3.10.4.1. Interfere with the supply chain management system of an institution; or
- 3.10.4.2. Amend or temper with any bid after its submission.

**3.11. Combative Practices**

- 3.11.1. Combative practices are unethical and illegal and should be avoided at all cost. They include but are not limited to:
- (i) Suggestions to fictitious lower quotations;
  - (ii) Reference to non-existent competition;
  - (iii) Exploiting errors in bids;
  - (iv) Soliciting bids from bidders whose names appear on the list of restricted bidders/ suppliers/ persons or tender defaulters.
- 3.12. An Accounting Officer or Accounting Authority of an Institution or his/her delegate must ensure that all signed code of conduct, declaration of confidentiality and impartiality are properly filed for future reference and audit purposes.

**4. REPEAL OF PRACTICE NOTE SCM 4 OF 2003**

- 4.1. Practice Note Number SCM 4 of 2003 on Code of Conduct for Supply Chain Management Practitioners is hereby repealed.

National Treasury Instruction No. xx of 2016/2017

Compliance with Code of Conduct and Code of Ethics, Declaration of Confidentiality and Impartiality

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**5. APPLICABILITY**

- 5.1. This Instruction applies to all departments, constitutional institutions and public entities listed in Schedule 3A and 3C to the PFMA.

**6. DISSEMINATION OF INFORMATION CONTAINED IN THIS INSTRUCTION**

- 6.1. Heads of Provincial Treasuries are requested to bring the contents of this instruction to the attention of Accounting Officers and Supply Chain Management Officials of their respective provincial departments;
- 6.2. Accounting Officers of National and Provincial Departments are requested to bring the contents of this instruction to the attention of Accounting Authorities and the Supply Chain Management Officials of Schedule 3A and 3C of the Public Entities reporting to their respective Executive Authorities.

**7. NOTIFICATION TO THE AUDITOR-GENERAL**

The Auditor-General will be notified of the contents of this Instruction.

**8. AUTHORITY FOR THIS INSTRUCTION AND EFFECTIVE DATE**

This Instruction is issued in terms of Section 76(4) (c) of the PFMA and it takes effect from **xxxxxxxx**

**9. CONTACT INFORMATION**

Enquiries related to this Instruction may be directed to:  
Mpho Nxumalo  
Director: SCM Policy  
Phone: 012 315 5208  
Email: [mpho.nxumalo@treasury.gov.za](mailto:mpho.nxumalo@treasury.gov.za)

**KENNETH BROWN**  
**CHIEF PROCUREMENT OFFICER**  
**DATE:**



## **national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

**TO ALL : ACCOUNTING OFFICERS OF DEPARTMENTS AND  
CONSTITUTIONAL INSTITUTIONS**

**ACCOUNTING AUTHORITIES OF PUBLIC ENTITIES LISTED IN  
SCHEDULES 3A and 3C TO THE PFMA**

**HEAD OFFICIALS OF PROVINCIAL TREASURIES**

**NATIONAL TREASURY INSTRUCTION NO. XX OF 2015/2016**

### **CONTRACT MANAGEMENT**

#### **1. PURPOSE**

The purpose of this *Treasury Instruction* is to prescribe to Accounting Officers and Accounting Authorities procedures for managing contracts in addition to the requirements of legislation and Treasury Regulations.

#### **2. BACKGROUND**

- 2.1 Treasury Regulations 196 to 199 prescribe contract management requirements which must be implemented for all contracts entered into by institutions.
- 2.2 Additional contract management procedures are detailed below which must be adhered to by all institutions.

#### **3. CONTRACT STRATEGY FACTORS**

- 3.1 A documented strategy must be developed for all contracts over R100 000, including all relevant taxes, which must be in accordance with the institution's procurement strategy. Each contract strategy must address:
  - 3.1.1 The institution's critical success factors in order to achieve its strategic objectives and how the contract will assist in achieving the critical success factors;
  - 3.1.2 Alternatives to entering into the contract including consideration of existing contracts;
  - 3.1.3 Duration of the contract;
  - 3.1.4 How the institution will manage its own obligations during the contract period;
  - 3.1.5 How the institution will ensure that the supplier will meet minimum performance criteria and how the supplier's performance will be managed;
  - 3.1.6 A risk assessment and how each risk will be mitigated and managed;
  - 3.1.7 Whether or not a Service Level Agreement should be entered into with the supplier and how the Service Level Agreement will be monitored and managed;
  - 3.1.8 Consideration of, and details of how, possible contract renewal, extension, amendment or expansion will be managed; and

**National Treasury Instruction No. xx of 2016/2017**  
**Contract Management**

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- 3.1.9 The development of a contract exit strategy including fulfilment of responsibilities by the parties or default by a party to the contract.
- 3.2 All contracts over 60 months in duration or in excess of R100 million, including all relevant taxes, must be referred to the relevant treasury together with the documented strategy referred to in 3.1 above.
- 3.3 A contract of over 60 months in duration or in excess of R100 million, including all relevant taxes, may not be entered into prior to written permission from the relevant Treasury.

**4. ADMINISTRATIVE PROCEDURES AND REQUIREMENTS**

The Accounting Officer or Accounting Authority of the institution must ensure that all contracts entered into for the procurement of goods, works or services comply with the standard bid documentation requirements, General Conditions of Contract and Service Level Agreements.

**5. APPLICABILITY**

This *Treasury Instruction* applies to all National and Provincial Departments, Constitutional Institutions and Schedule 3A and 3C Public Entities.

**6. EFFECTIVE DATE**

This *Treasury Instruction* takes effect from XX XXXXX XXXX.

**7. DISSEMINATION OF INFORMATION CONTAINED IN THIS TREASURY INSTRUCTION**

- 8.1. Heads of Provincial Treasuries must bring the contents of this *Treasury Instruction* to the attention of all Accounting Officers of Departments in their respective provinces.
- 8.2. Accounting Officers of Departments and Constitutional Institutions must bring the contents of this *Treasury Instruction* to the attention of:
  - Chief Financial Officers and Procurement and Provisioning Officials of their respective departments; and
  - all Accounting Authorities of Public Entities reporting to the Executive Authority of their respective Departments, if applicable.
- 8.3. The contents of this *Treasury Instruction* must be brought to the attention of Chief Financial Officers and procurement and provisioning officials of all Public Entities, including municipalities and Municipal Entities, by Accounting Officers and Accounting Authorities.

**8. AUTHORITY FOR THIS INSTRUCTION**

This *Treasury Instruction* is issued in terms of Section 76(4) (c) of the PFMA.

National Treasury Instruction No. xx of 2016/2017  
Contract Management

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9. CONTACT INFORMATION

Enquiries related to this *Treasury Instruction* may be directed to:  
The Director: SCM POLICY  
Ms Mpho Nxumalo  
Phone: 012 315 5208  
Email: [Mpho.Nxumalo@treasury.gov.za](mailto:Mpho.Nxumalo@treasury.gov.za)

KENNETH BROWN  
CHIEF PROCUREMENT OFFICER  
DATE: XX XXXXX XXXX



## **national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

**TO: ACCOUNTING OFFICERS OF ALL DEPARTMENTS AND  
CONSTITUTIONAL INSTITUTIONS**

**ACCOUNTING AUTHORITIES OF ALL SCHEDULE 3A AND 3C  
PUBLIC ENTITIES**

**HEAD OFFICIALS OF PROVINCIAL TREASURIES**

**NATIONAL TREASURY INSTRUCTION NO X OF 2016/2017**

**REPORT ON DEVIATION FROM BID RECOMMENDATIONS**

### **1. PURPOSE**

- 1.1. The purpose of this Treasury Instruction is to provide clarity on the reporting procedure to be followed where there is disagreement between the Bid Evaluation Committee and the Bid Adjudication Committee or where there is disagreement between the Bid Adjudication committee and the Accounting Officer or Accounting Authority and to provide for the reporting period to the relevant treasury.

### **2. BACKGROUND**

- 2.1. Treasury Regulation 179 provides that if the Bid Adjudication Committee disagrees with the recommendation of the Bid Evaluation Committee and decides to recommend to the Accounting Officer, Accounting Authority or Delegated Authority, a bid other than the one recommended by the Bid Evaluation Committee, its recommendation must include the reasons for the decision. Regulation 181(2) (c) provides that relevant treasuries are to be notified in the event of awards deviating from recommendations. The report must be in writing, be accompanied by the reasons for the award; and contain the information and be submitted within a timeframe and in a format, as prescribed by the National Treasury Instruction.
- 2.2. In line with Treasury Regulations 179 and 181(2) the Instruction seeks to provide clarity on the reporting requirements, the dates and format of the reports.

### **3. REPORTING TO RELEVANT TREASURIES IN THE CASE OF DEVIATION FROM THE RECOMMENDATIONS OF A BID COMMITTEE**

- 3.1. An Accounting Officer or Accounting Authority of an Institution to which this instruction applies must report to the relevant treasury where Adjudication Committee or the Accounting Officer / Authority decide to award a bid to a bidder other than the one recommended by the evaluation or adjudication committee respectively.
- 3.2. The Accounting Officer / Authority should, within seven (7) working days, in writing, notify the Auditor-General, the relevant provincial treasury and the National Treasury and, in the case of a public entity, also the parent department, of the reasons for deviating from the recommendations. The report must at least contain the following information:

**National Treasury Instruction No. xx of 2016/2017**  
**Deviation from Bid Recommendations**

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- a) Name of Procuring Entity;
  - b) Accounting Officer;
  - c) Address & Contact Details;
  - d) Bid Advertisement Date;
  - e) Bid No / Description;
  - f) Number of Bidders;
  - g) Bid Evaluation Report Reference;
  - h) Bid Evaluation Report Recommended Bidder;
  - i) Bid Adjudication Report Reference;
  - j) Bid Adjudication Report Recommended Contractor; and
  - k) Reasons for deviating from Bid Adjudication Report Recommendations.
- 3.3. The report to the National Treasury must be addressed to the Office of the Chief Procurement Officer for Attention: The Chief Director: SCM Governance Monitoring and Compliance.

**4. APPLICABILITY**

- 4.1. This Instruction applies to all Departments, Constitutional Institutions and Public Entities listed in Schedule 3A and 3C to the PFMA.

**5. DISSEMINATION OF INFORMATION CONTAINED IN THIS INSTRUCTION**

- 5.1. Heads of Provincial Treasuries are requested to bring the contents of this Instruction to the attention of Accounting Officers and Supply Chain Management officials of their respective Provincial Departments;
- 5.2. Accounting Officers of National and Provincial Departments are requested to bring the contents of this Instruction to the attention of Accounting Authorities and the Supply Chain Management officials of Schedule 3A and 3C of the Public Entities reporting to their respective Executive Authorities.

**6. NOTIFICATION TO THE AUDITOR-GENERAL**

The Auditor-General will be notified of the contents of this Instruction.

**7. AUTHORITY FOR THIS INSTRUCTION AND EFFECTIVE DATE**

This Instruction is issued in terms of Section 76(4) (c) of the PFMA and it takes effect from **1 April 2016**

**8. CONTACT INFORMATION**

Enquiries related to this Instruction may be directed to:  
Mpho Nxumalo  
Director: SCM Policy  
Phone: 012 315 5208  
Email: [mpho.nxumalo@treasury.gov.za](mailto:mpho.nxumalo@treasury.gov.za)

**KENNETH BROWN**  
**CHIEF PROCUREMENT OFFICER**  
**DATE:**





## **national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

**TO ALL: ACCOUNTING OFFICERS OF DEPARTMENTS AND CONSTITUTIONAL INSTITUTIONS**

**ACCOUNTING AUTHORITIES OF PUBLIC ENTITIES LISTED IN SCHEDULES 3A AND 3C TO THE PFMA**

**HEAD OFFICIALS OF PROVINCIAL TREASURIES**

**NATIONAL TREASURY INSTRUCTION NO. XX OF 2015/2016**

**PERFORMANCE MANAGEMENT AND REPORTING**

### **1. PURPOSE**

The purpose of this *Treasury Instruction* is to prescribe to Accounting Officers and Accounting Authorities Procedures for Managing Supply Chain Management performance in addition to the requirements of Legislation and Treasury Regulations.

### **2. BACKGROUND**

- 2.1 Treasury Regulation 213 requires institutions to implement and maintain an effective and efficient internal performance monitoring and evaluation system in order to determine whether supply chain management processes are being followed and whether desired objectives are being achieved.
- 2.2 The performance management and evaluation system's objectives are to promote continuous improvement in service delivery, lower supply chain management risk factors and minimise costs.
- 2.3 The system must encompass the institution's supply chain management demand, acquisition, contract management, logistics, movable asset management, disposals and risk management.
- 2.4 This Instruction Note specifies the requirements of institutions' supply chain management performance monitoring and evaluation systems in order to inform and enhance future supply chain management performance.

### **3. SYSTEM FOR PERFORMANCE MONITORING AND EVALUATION**

The Accounting Officer or Accounting Authority of all institutions to which this *Treasury Instruction* applies must:

**National Treasury Instruction No. xx of 2016/2017**  
**Performance Management and Reporting**

- 3.1 Develop and maintain a record of all contracts awarded to suppliers and service providers which record must include all relevant information including, but not limited to:
  - 3.1.1 Date/s of advertisement/s for procuring goods or services;
  - 3.1.2 Bid committee meeting dates;
  - 3.1.3 Contract award date;
  - 3.1.4 Date of signing the contract;
  - 3.1.5 Total value of the goods or services including all relevant taxes;
  - 3.1.6 Date of concluding a Service Level Agreement;
  - 3.1.7 All contract deviations;
  - 3.1.8 Date/s of suspending or cancelling the contract;
  - 3.1.9 Details of the Project Manager/s; and
  - 3.1.10 Date of finalisation of the contract, service or supply.

The record of all contracts awarded to suppliers and service providers referred to above must be retained for a minimum period of 5 years.
- 3.2 Before initiating the procurement, identify the key strategic and operational performance targets to be achieved as well as any anticipated efficiency gains;
- 3.3 Before entering into a contract identify the key reports to be produced to assess and monitor the contract as well as their frequency and to whom such reports will be distributed;
- 3.4 Ensure that all Supply Chain Management policies and procedures as well as all relevant legislation and any other prescripts will not be contravened or circumvented;
- 3.5 Compile a close out report in respect of all orders or contracts in excess of R500 000 including all applicable taxes. The close out report must include at least the following:
  - 3.5.1 Whether or not the supply of goods or services adhered to each of the five pillars of procurement (value for money; open and effective competition; ethics and fair dealing; accountability and reporting; and equity);
  - 3.5.2 The extent to which the institution's objectives were met in respect of the supply of goods or services compared with the key strategic and operational performance targets to be achieved identified in 3.2 above;
  - 3.5.3 An overall assessment of the supplier/service provider including adherence to the contract and the Service Level Agreement;
  - 3.5.4 An overall assessment of the institution's adherence to the contract, Service Level Agreement and all legislation or prescripts; and
  - 3.5.5 Identification of all improvements which could be implemented to enhance Supply Chain Management performance within the institution.
- 3.6 Compile an action plan with timelines, responsibilities and accountabilities in order to implement the improvements identified in 3.5.5 above.
- 3.7 Effectively monitor the action plan in 3.6 above in order to effect ongoing improvement in the institution's service delivery, supply chain management risk mitigation and the minimisation of costs.

**National Treasury Instruction No. xx of 2016/2017**  
**Performance Management and Reporting**

**4. APPLICABILITY**

This *Treasury Instruction* applies to all National and Provincial Departments, Constitutional Institutions and Schedule 3A and 3C of the Public Entities.

**5. EFFECTIVE DATE**

This *Treasury Instruction* takes effect from XX XXXXX XXXX.

**6. DISSEMINATION OF INFORMATION CONTAINED IN THIS TREASURY INSTRUCTION**

- 6.1. Heads of Provincial Treasuries must bring the contents of this *Treasury Instruction* to the attention of all Accounting Officers of Departments in their respective Provinces.
- 6.2. Accounting Officers of Departments and Constitutional Institutions must bring the contents of this *Treasury Instruction* to the attention of:
  - 6.2.1 Chief Financial Officers and Procurement and Provisioning Officials of their respective Departments; and
  - 6.2.2 All Accounting Authorities of Public Entities reporting to the Executive Authority of their respective Departments, if applicable.
- 6.3. The contents of this *Treasury Instruction* must be brought to the attention of Chief Financial Officers and Procurement and Provisioning Officials of all Public Entities, including Municipalities and Municipal Entities, by Accounting Officers and Accounting Authorities.

**7. AUTHORITY FOR THIS INSTRUCTION**

This *Treasury Instruction* is issued in terms of Section 76(4) (c) of the PFMA.

**8. CONTACT INFORMATION**

Enquiries related to this *Treasury Instruction* may be directed to:  
The Director: SCM POLICY  
Ms Mpho Nxumalo  
Phone: 012 315 5208  
Email: [Mpho.Nxumalo@treasury.gov.za](mailto:Mpho.Nxumalo@treasury.gov.za)

**KENNETH BROWN**  
**CHIEF PROCUREMENT OFFICER**  
**DATE: XX XXXXX XXXX**



## **national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

**TO ALL : ACCOUNTING OFFICERS OF DEPARTMENTS AND CONSTITUTIONAL INSTITUTIONS**

**ACCOUNTING AUTHORITIES OF PUBLIC ENTITIES LISTED IN SCHEDULES 3A and 3C TO THE PFMA**

**HEAD OFFICIALS OF PROVINCIAL TREASURIES**

### **NATIONAL TREASURY INSTRUCTION NO. XX OF 2015/2016**

#### **THRESHOLD VALUES IN RESPECT OF PROCUREMENT AND PROVISIONING OF GOODS AND SERVICES, DECLARATIONS OF INTEREST AND OTHER ADMINISTRATIVE REQUIREMENTS**

##### **1. PURPOSE**

The purpose of this *Treasury Instruction* is to prescribe to Accounting Officers and Accounting Authorities the threshold values for procurement and provisioning of goods and services and procedures and requirements relating thereto.

##### **2. BACKGROUND**

- 2.1 Treasury Regulation 189 (1) requires Accounting Officers and Accounting Authorities to procure goods and services by means of petty cash purchases, written price quotations or competitive bids in accordance with prescribed thresholds.
- 2.2 Procurement of goods and services may also be effected in terms of unsolicited bids, limited source bidding, emergency procurement, transversal contracts or in terms of other applicable legislation. If such procurement and provisioning is implemented all the necessary prescripts must be adhered to by Accounting Officers or Accounting Authorities of institutions.

##### **3. THRESHOLD VALUES FOR PROCUREMENT AND PROVISIONING**

The following threshold values must be applied for the procurement and provisioning of all goods and services referred to in 2.1 above with effect from xxxxxxxxxxxx:

- 3.1 Petty cash purchases up to a transaction value of R2 500 (two thousand and five hundred rands), which amount is to include all relevant taxes, may be procured

## National Treasury Instruction No. xx of 2016/2017

### Threshold values in respect of procurement and provisioning of goods and services, declarations of interest and other administrative requirements

without inviting competitive bids or price quotations. Accounting Officers or Accounting Authorities must establish internal instructions and standard operating procedures for petty cash purchases within the institution.

- 3.2 Procurement greater than R2 500 but not exceeding R30 000 (thirty thousand rands), which amount is to include all relevant taxes, must be effected in terms of at least 3 (three) prior written quotations from, where applicable, a database of prospective suppliers. Orders must be placed against written confirmation from the selected supplier if the quotation was submitted verbally.
- 3.3 Procurement greater than R30 000 but not exceeding R500 000 (five hundred thousand rands), which amount is to include all relevant taxes, must be effected in terms of written invitations and written price quotations prior to the procurement from as many suppliers as possible which are registered on the database of prospective suppliers.
- 3.4 Where no suitable suppliers are available from the database of prospective suppliers written price quotations must be obtained from at least 3 (three) other possible suppliers. If it is not possible to obtain at least 3 (three) written price quotations the reasons should be recorded and approved by the Accounting Officer or Accounting Authority.
- 3.5 Procurement greater than R500 000 (five hundred thousand rands) must be effected in terms of a competitive bidding process:
  - 3.5.1 Competitive bids must be advertised in the Government Tender Bulletin and the eTender Publication Portal. Other appropriate media may also be used for advertisements where deemed necessary.
  - 3.5.2 In determining transaction values goods, works and services consisting of different parts or items must be treated and dealt with as a single transaction.

#### 4. ADMINISTRATIVE PROCEDURES AND REQUIREMENTS

The Accounting Officer or Accounting Authority of the institution must ensure that:

- 4.1. All contracts entered into for the procurement of goods, works or services comply with the standard bid documentation requirements, General Conditions of Contract and Service Level Agreements.
- 4.2. A declaration of interest as detailed in Annexure "A" hereto is obtained from all bidders in respect of written price quotations, competitive bids, proposals and applications for registration on a database of prospective suppliers.
- 4.3. All contracts awarded over R500 000 (five hundred thousand rands) are reported to the relevant treasury within 10 working days on a template as detailed on Annexure "B" hereto.

#### 5. APPLICABILITY

This *Treasury Instruction* applies to all national and provincial departments, constitutional institutions and schedule 3A and 3C public entities.

**National Treasury instruction No. xx of 2016/2017**

**Threshold values in respect of procurement and provisioning of goods and services,  
declarations of interest and other administrative requirements**

**6. EFFECTIVE DATE**

This *Treasury Instruction* takes effect from XX XXXXX XXXX.

**7. DISSEMINATION OF INFORMATION CONTAINED IN THIS TREASURY INSTRUCTION**

- 7.1 Heads of Provincial Treasuries must bring the contents of this *Treasury Instruction* to the attention of all Accounting Officers of Departments in their respective Provinces.
- 7.2 Accounting Officers of Departments and Constitutional Institutions must bring the contents of this *Treasury Instruction* to the attention of:
- Chief Financial Officers and Procurement and Provisioning Officials of their respective Departments; and
  - All Accounting Authorities of Public Entities reporting to the Executive Authority of their respective Departments, if applicable.
- 7.3 The contents of this *Treasury Instruction* must be brought to the attention of Chief Financial Officers and Procurement and Provisioning Officials of all Public Entities, including Municipalities and Municipal Entities, by Accounting Officers and Accounting Authorities.

**8. AUTHORITY FOR THIS INSTRUCTION**

This *Treasury Instruction* is issued in terms of Section 76(4) (c) of the PFMA

**9. CONTACT INFORMATION**

Enquiries related to this *Treasury Instruction* may be directed to:  
The Director: SCM POLICY  
Ms Mpho Nxumalo  
Phone: 012 315 5208  
Email: [Mpho.Nxumalo@treasury.gov.za](mailto:Mpho.Nxumalo@treasury.gov.za)

**KENNETH BROWN  
CHIEF PROCUREMENT OFFICER  
DATE: XX XXXXX XXXX**

**DECLARATION OF INTEREST**

A declaration of interest is to be completed by all bidders in respect of written price quotations, competitive bids and proposals as well as for all applicants for registration on a database of prospective suppliers.

Failure to complete and submit a declaration of interest or falsifying any declaration of interest will render a quotation, bid, proposal or application invalid.

A separate declaration of interest must be completed by all bidder and applicants. All individuals and/or all the directors of a company and/or all members of a close corporation and/or all partners in a partnership and/or all participants in a joint venture and/or all trustees of a trust must complete a declaration of interest.

<b>1</b>	Surname		
<b>2</b>	Full First names		
<b>3</b>	South African identity number		
<b>4</b>	Passport number Date of issue of passport Country of issue Passport expiry date		
<b>5</b>	Residential address Postal Code		
<b>6</b>	Postal address Postal Code		
<b>7</b>	Income tax number		
<b>8</b>	Tax compliance status		
<b>9</b>	VAT number (if applicable)		
<b>10</b>	Directorships of public companies, including company registration numbers Furnish a separate list if necessary		
<b>11</b>	Directorships of private companies, including company registration numbers Furnish a separate list if necessary		

12	Memberships of close corporations, including CC registration numbers. Furnish a separate list if necessary		
13	Trusteeships, including trust registration numbers and Master's Office where trust was registered. Full names and identity numbers of all other trustees of trusts must also be furnished. Furnish a separate list if necessary		
14	Partnerships, including full names and identity numbers of all partners. Furnish a separate list if necessary		
15	Details of all close family members employed by the State or who have been employed by the State in the past 3 years [spouse/s or common law spouse/s; children (including natural, adopted and step children); parents; grandchildren (including natural, adopted and step grandchildren); siblings (including natural siblings; half siblings; and step siblings)] Furnish a separate list if necessary <ul style="list-style-type: none"> <li>- Surname</li> <li>- Full first names</li> <li>- SA Identity number</li> <li>- Passport number</li> <li>- State institution where employed</li> </ul>		
16	Details of all previous contracts awarded to you (or any entity where you are or were a director, member, partner or trustee) by the State Furnish a separate list if necessary <ul style="list-style-type: none"> <li>- Details of contract, including contract number and State institution</li> <li>- Award date</li> <li>- Value of contract</li> <li>- Contract completion date</li> </ul>		
17	Have you been convicted of any offence involving theft, fraud, corruption, perjury or uttering in the past 10 years? Full details to be furnished.		



18	Have you ever colluded with any person in terms of doing business or potentially doing business with the State in the past 10 years? Full details to be furnished.		
19	Have you colluded in any way with any person in respect of this bid or application? Full details to be furnished.		

I confirm that all the information furnished in this declaration of interest is true and correct in all respects and understand that the bid or application will be declared invalid if any information supplied above is incomplete or has been falsified:

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Witness: \_\_\_\_\_ Date: \_\_\_\_\_

**CONTRACTS AWARDED**

All contracts awarded over R500 000 (five hundred thousand rands) must be reported to the relevant treasury within 10 (ten) working days of the award of the contract in accordance with the template below:

1	Contract number	
2	Contract details	
3	Bid Specification Committee meeting date/s	
4	Date of bid advertisement	
5	Bid Evaluation Committee meeting date/s	
6	Bid Adjudication Committee meeting date/s	
7	Date of award of contract	
8	Were properly completed declarations of interest obtained from all persons obliged to furnish such declarations? If not detailed reasons for not invalidating the bid to be furnished.	
9	Full details of Contractor/s	
10	Contract value, including all relevant taxes	
11	Is the full contract value, including all relevant taxes, included in the institution's approved budget?	
12	Contract duration	
13	Contract commencement date	
14	Has a Service Level Agreement been finalised with the contractor/s?	

15	Has the institution appointed a Project Manager responsible for overseeing this contract? If not full details of how this contract is to be managed to be furnished.	
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Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
Accounting Authority / Accounting Officer or delegated official.

Full names of responsible official : \_\_\_\_\_



**Budget Council**

**Consultation on the Revised SCM Treasury Regulations and Instructions**

20 June 2016

**PURPOSE**

1. To inform the Budget Council on the latest proposed amendments to the revised SCM Treasury Regulations and Instructions which the O-CPO consulted with the Heads of SCM in Provincial Treasuries and National departments during the months of May 2016 and June 2016 respectively.

**BACKGROUND**

2. During 2012, the National Treasury undertook a comprehensive review of the Treasury Regulations. This was taken as great opportunity to consolidate the numerous SCM instructions issued to enhance the regulations. In addition to policy amalgamation and procurement identified as a lever in promoting Government transformation agenda the purpose of the review was to address Government socio economic objective within the SCM value chain. During 2012, the National Treasury undertook a comprehensive review of the Treasury Regulations that were published in 2005.
3. The purpose of the review was to ensure alignment of the Treasury Regulations, which included the SCM regulations, with local and international financial management best practices. After an intensive consultative process, draft SCM regulations were outlined and published in Government Gazette No. 35939 dated 30 November 2012, for public comment in terms of Section 78 of the Public Finance Management Act (PFMA). Comments were received and further internal consultation conducted.
4. Subsequent to the initial attempt at aligning the SCM regulations, there were additional developments within the SCM landscape that necessitated further modifications. These changes, announced in the Minister of Finance 2013 budget speech, entailed the establishment of the Office of the Chief Procurement Officer, standardising the procurement of critical items across Government and the long term modernisation of the entire system. This meant further work had to be done to ensure provision is made within the legislative framework to address these developments.
5. As this revision was only done after the procedural consultation had been conducted, it became eminent that engagement with the key impacted stakeholders being the National and Provincial spheres of Government be done. It is in light of the above, the revised SCM regulations were circulated for comments and consulted for inputs from Provincial Treasuries and National Departments before being tabled for promulgation.

## OVERVIEW ON THE REVISED REGULATIONS AND INSTRUCTIONS

- 7 The SCM regulations have been revised accordingly bring about the following changes:
  - 7.3 Elaborate in more detail on the compilation, functions including roles and responsibilities of bid committees, members and advisors, and the decision-making authority thereof;
  - 7.4 Provides clarity and uniform norms and standards in the different ranges of procurement, and particular emphasis on:
    - 7.4.1 Transversal contract;
    - 7.4.2 Limited source bidding;
    - 7.4.3 Emergency procurement;
    - 7.4.4 Unsolicited bids;
    - 7.4.5 Strategic procurement; and
    - 7.4.6 Procurement from contracts concluded by other organs of state.
  - 7.5 Additional chapter on the Procurement, delivery, maintenance and disposal of infrastructure;
  - 7.6 A provision for the development, implementation and maintenance of a central supplier database for the whole of government.
- 8 To further effect some mandatory requirement wherein National Treasury has to prescribe, the following six (6) Instructions to be issued upon the promulgation of the revised SCM regulations were drafted:
  - 8.1 Procurement by other means other than Competitive bids;
  - 8.2 Compliance with ethical standards, code of conduct and ethics for SCM practitioners and role players;
  - 8.3 Contract Management;
  - 8.4 Deviation from bid recommendations;
  - 8.5 Performance Management and Reporting; and
  - 8.6 Threshold values in respect of procurement of goods and services; declaration of interest and other administrative requirements.
- 9 The Instructions listed above are aimed at providing more guidance and ensuring uniformity in the implementation of the SCM regulations. The following as brief outline of each draft Instruction:
  - 9.1 **Procurement by other means other than Competitive bids:** This Instruction elaborates in detail how institutions can handle unsolicited, limited source and emergency procurement should they find it not possible to go through the normal prescribed procurement. It also brings more emphasis on the application of the issued infrastructure procurement instruction.

- 9.2 **Compliance with ethical standards, code of conduct and code of ethics for SCM practitioners and role players:** A number of SCM is compromised by the behaviour of practitioners and role players; therefore, this Instruction is aimed at standardising the behavioural conduct of practitioners and role players when performing their day to day SCM functions.
- 9.3 **Contract Management:** The Instruction outlines the strategic factors that should be clearly stipulated by institutions in their contract or service level agreements. This will ensure proper contract management. It further provides guidelines on administrative procedures and requirements to be complied with when entering into contracts including the handling of contracts over 60 months or in excess of R100 million.
- 9.4 **Report on Deviations from Bid Recommendations:** There are instances where there are disagreements on the evaluation or recommendation of bids. These disagreements, in some instances result in litigation in or cancellation of the process. Therefore, Instruction provides a mechanism of handling such disagreements to ensure fairness in the process and accountability of decision taken.
- 9.5 **Performance Management and Reporting:** Supply Chain Management is a supportive function to institutions which plays a pivotal role in ensuring that institutions meet their objectives through the effective and efficient utilisation of government scarce resources. Thus, regular monitoring of SCM performance will assist in determining whether desired objectives are achieved. This instruction provides a framework on SCM performance management and evaluation system's objectives to promote continuous improvement in SCM processes.
- 9.6 **Threshold Values in respect of procurement of goods and services, declaration of interest and other administrative requirements:** This Instruction outlines the different procurement processes to be applied for the stipulated threshold values per case of acquisition. It also prescribes a template to be issued to bidders for their declaration of interest.
- 10 The attached revised Regulations and Instruction that will be issued, encompasses all the views of Provincial Treasuries and National Departments. The drafts were circulated to Provincial Treasuries on 26 April 2016 with a request to submit written inputs. The inputs were received during the discussions at the workshops held on 17 and 18 May 2016 and 31 May 2016 additional views were obtained from the written inputs provided. It should also be noted that all Provincial Treasuries and National Departments were represented.

**RECOMMENDATION**

- 11 It is recommended that the Budget Council notes the process of consultation with Provincial Treasuries in concluding the process of formulating the draft Instructions in anticipation of the promulgation of the National Treasury Regulations.



**Kenneth Brown**  
**Chief Procurement Officer**

**Date:** 21/6/2016

**Contact person:**

Schalk Human  
Acting Chief Director: Policy and Legal  
Office of the Chief Procurement Officer  
Tel: 012 315 5886