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Provinciale Tesourie

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Ref : MPT 14/4/1/2

## PROVINCIAL TREASURY CIRCULAR NO. 50 OF 2018

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### TO:

THE MUNICIPAL MANAGER: EHLANZENI DISTRICT MUNICIPALITY (MR FS SIBOZA)  
THE MUNICIPAL MANAGER: BUSHBUCKRIDGE LOCAL MUNICIPALITY (MS C NKUNA)  
THE MUNICIPAL MANAGER (ACTING): CITY OF MBOMBELA (MR N DIAMOND)  
THE MUNICIPAL MANAGER: NKOMAZI LOCAL MUNICIPALITY (MR MD NGWENYA)  
THE MUNICIPAL MANAGER (ACTING): THABA CHWEU LOCAL MUNICIPALITY (MR SS MATSI)  
THE MUNICIPAL MANAGER: GERT SIBANDE DISTRICT MUNICIPALITY (MR CA HABILE)  
THE MUNICIPAL MANAGER (ACTING): CHIEF ALBERT LUTHULI LOCAL MUNICIPALITY (MR MA DLAMINI)  
THE MUNICIPAL MANAGER (ACTING): DIPALESENG LOCAL MUNICIPALITY (MS TC MAMETJA)  
THE MUNICIPAL MANAGER (ACTING): DR PIXLEY KA SEME (MR P THWALA)  
THE MUNICIPAL MANAGER (ACTING): GOVAN MBEKI LOCAL MUNICIPALITY (MR C MOROLO)  
THE MUNICIPAL MANAGER: LEKWA LOCAL MUNICIPALITY (MS GP MHLONGO - NTSHANGASE)  
THE MUNICIPAL MANAGER: MKHONDO LOCAL MUNICIPALITY (MR M KUNENE)  
THE MUNICIPAL MANAGER: MSUKALIGWA LOCAL MUNICIPALITY (MR M ZUNGU)  
THE MUNICIPAL MANAGER: NKANGALA DISTRICT MUNICIPALITY (MS MM SKHOSANA)  
THE MUNICIPAL MANAGER: (ACTING) DR JS MOROKA LOCAL MUNICIPALITY (MR MF MONKOE)  
THE MUNICIPAL MANAGER: EMAKHAZENI LOCAL MUNICIPALITY (MS EK TSHABALALA)  
THE MUNICIPAL MANAGER (ACTING): EMALAHLENI LOCAL MUNICIPALITY (MR HS MAISELA)  
THE MUNICIPAL MANAGER (ACTING): STEVE TSHWETE LOCAL MUNICIPALITY (MR B KHENISA)  
THE MUNICIPAL MANAGER: THEMBISILE HANI LOCAL MUNICIPALITY (MR O NKOSI)  
THE MUNICIPAL MANAGER (ACTING): VICTOR KHANYE LOCAL MUNICIPALITY (MS ST MATLADI)

THE ACTING DIRECTOR GENERAL: OFFICE OF THE PREMIER OF MPUMALANGA (MR KM MOHLASEDI)  
HEAD: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (MR P NYONI)

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

**EMPOWERMENT OF CO-OPERATIVES AND COMPANIES OWNED BY PERSONS WITH DISABILITIES WHEN PROCURING GOODS, SERVICES AND WORKS IN LINE WITH THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017**

**1. PURPOSE**

The purpose of this circular is to remind Accounting Officers of Municipalities and Municipal Entities about the implementation of the Preferential Procurement Regulations of 2017.

**2. BACKGROUND**

The Office of the Chief Procurement Officer in the National Treasury has published the revised Preferential Procurement Regulations in terms of section 5 of the Preferential Procurement Policy Framework Act, 2000 (Act no.5 of 2000) (PPPFA) wherein all organs of state are to utilize the revised Act with effect from 1 April 2017.

**3. DISCUSSION**

The new Preferential Procurement Regulations of 2017 are influenced to a greater extent compared to the previous one by the determination to provide a socio-economic transformation mechanism that will assist in targeting and promoting certain categories of groups, including Exempted Micro Enterprises (EMEs) and Qualifying Small Enterprise (QSE) which is owned by 51% blacks, women, youth, military veterans, people with disabilities, cooperatives and black people living in rural or underdeveloped areas and / or townships.

**4. PROVINCIAL TREASURY'S DIRECTIVE**

Part of our mandate is to oversee and monitor the processes that are followed by public sector institutions in procuring goods, works and services in the Province. However in addition you are requested to also prioritise the empowerment of **co-operatives and companies owned by disabled people** when procuring goods, services and works.


All municipalities will be required to report on the empowerment of all the designated groups in line with the new Preferential Procurement Regulations of 2017. Attached is a reporting template for this purpose.

**DISSEMINATION OF INFORMATION**

Municipal Managers are requested to bring the contents of this Circular to the attention of the Chief Financial Officers and Heads of Supply Chain Management units for implementation in order to enhance compliance.

Your co-operation is much appreciated.

Kind regards,



**MS NZ NKAMBA**

**HEAD: PROVINCIAL TREASURY**

**DATE: 17/09/2018**