



REFERENCE: T16/4/R

ENQUIRIES: Letitia Sallies

TREASURY CIRCULAR MUN NO 39 of 2013

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THE MAYOR, WEST COAST DISTRICT MUNICIPALITY: MR JH CLEOPHAS
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THE MAYOR, CEDERBERG MUNICIPALITY: MR J WHITE
THE MAYOR, BERGRIVIER MUNICIPALITY: MR EB MANUEL
THE MAYOR, SALDANHA BAY MUNICIPALITY: MR F SCHIPPERS
THE MAYOR, SWARTLAND MUNICIPALITY: MR T VAN ESSEN
THE MAYOR, CAPE WINELANDS DISTRICT MUNICIPALITY: MR N DE BRUYN
THE MAYOR, WITZENBERG MUNICIPALITY: MR S LOUW
THE MAYOR, DRAKENSTEIN MUNICIPALITY: MS G VAN DEVENTER
THE MAYOR, STELLENBOSCH MUNICIPALITY: MR C SIDEGO
THE MAYOR, BREEDE VALLEY MUNICIPALITY: MR BD KIVEDO
THE MAYOR, LANGEBERG MUNICIPALITY: MS D GAGIANO
THE MAYOR, OVERBERG DISTRICT MUNICIPALITY: MR L DE BRUYN
THE MAYOR, THEEWATERSKLOOF MUNICIPALITY: MR CB PUNT
THE MAYOR, OVERSTRAND MUNICIPALITY: MS N BOTHA-GUTHRIE
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THE MAYOR, SWELLENBAM MUNICIPALITY: COUNCILLOR N MYBURGH
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THE MAYOR, HESSEQUA MUNICIPALITY: MS E NEL
THE MAYOR, MOSSEL BAY MUNICIPALITY: MR M FERREIRA
THE MAYOR, GEORGE MUNICIPALITY: MR C STANDERS
THE MAYOR, OUDTSHOORN MUNICIPALITY: MR G APRIL
THE MAYOR, BITOU MUNICIPALITY: MR M BOOYSEN
THE MAYOR, KNYSNA MUNICIPALITY: MS J WOLMARANS
THE MAYOR, CENTRAL KAROO DISTRICT MUNICIPALITY: MR E NJADU
THE MAYOR, LAINGSBURG MUNICIPALITY: MR W THERON
THE MAYOR, PRINCE ALBERT MUNICIPALITY: MR G LOTTERING
THE MAYOR, BEAUFORT WEST MUNICIPALITY: MR T PRINCE

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THE MUNICIPAL MANAGER, OVERBERG DISTRICT: MR WA Du Toit (Acting)
THE MUNICIPAL MANAGER, THEEWATERSKLOOF MUNICIPALITY: MR HSD WALLACE
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THE MUNICIPAL MANAGER, GEORGE MUNICIPALITY: MR T BOTHA
THE MUNICIPAL MANAGER, OUDTSHOORN MUNICIPALITY: MR R LOTTERING (ACTING)
THE MUNICIPAL MANAGER, BITOU MUNICIPALITY: MR A PAULSE
THE MUNICIPAL MANAGER, KNYSNA MUNICIPALITY: MS L WARING
THE MUNICIPAL MANAGER, CENTRAL KAROO DISTRICT: MR S JOOSTE (ACTING)
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THE MUNICIPAL MANAGER, PRINCE ALBERT MUNICIPALITY: MR HF METTLER
THE MUNICIPAL MANAGER, BEAUFORT WEST MUNICIPALITY: MR J BOOYSEN

THE CHIEF FINANCIAL OFFICER, CITY OF CAPE TOWN: MR K JACOBY
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THE CHIEF FINANCIAL OFFICER, SWARTLAND MUNICIPALITY: MR K COOPER
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THE CHIEF FINANCIAL OFFICER, STELLENBOSCH MUNICIPALITY: MR M BOLTON
THE CHIEF FINANCIAL OFFICER, BREEDE VALLEY MUNICIPALITY: MR D McTHOMAS
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THE CHIEF FINANCIAL OFFICER, OVERSTRAND MUNICIPALITY: MRS S REYNEKE
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THE CHIEF FINANCIAL OFFICER, KANNALAND MUNICIPALITY: MR N DELO
THE CHIEF FINANCIAL OFFICER, HESSEQUA MUNICIPALITY: MS L VILJOEN
THE CHIEF FINANCIAL OFFICER, MOSSEL BAY MUNICIPALITY: MR H BOTHA
THE CHIEF FINANCIAL OFFICER, GEORGE MUNICIPALITY: MR K JORDAAN
THE CHIEF FINANCIAL OFFICER, OUDTSHOORN MUNICIPALITY: MR F HUMAN (ACTING)
THE CHIEF FINANCIAL OFFICER, BITOU MUNICIPALITY: MR F LOTTER
THE CHIEF FINANCIAL OFFICER, KNYSNA MUNICIPALITY: MR G EASTON
THE CHIEF FINANCIAL OFFICER, CENTRAL KAROO DISTRICT: MR N NORTJE (ACTING)
THE CHIEF FINANCIAL OFFICER, LAINGSBURG MUNICIPALITY: MS A GROENEWALD
THE CHIEF FINANCIAL OFFICER, PRINCE ALBERT MUNICIPALITY: MR J NEETHLING
THE CHIEF FINANCIAL OFFICER, BEAUFORT WEST MUNICIPALITY: MR J BOOYSEN

THE HEAD OF SCM, CITY OF CAPE TOWN: MR L SHNAPS
THE HEAD OF SCM, WEST COAST DISTRICT: MR M MARKUS
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THE HEAD OF SCM, CEDERBERG MUNICIPALITY: MS J MAARMAN (ACTING)
THE HEAD OF SCM, BERGRIVIER MUNICIPALITY: MR J JONKER
THE HEAD OF SCM, SALDANHA BAY MUNICIPALITY: MS H MEEDING
THE HEAD OF SCM, SWARTLAND MUNICIPALITY: MR P SWART
THE HEAD OF SCM, CAPE WINELANDS DISTRICT: MR GJP FALCK
THE HEAD OF SCM, WITZENBERG MUNICIPALITY: MR H VERGOTINE
THE HEAD OF SCM, DRAKENSTEIN MUNICIPALITY: MR D JACOBS
THE HEAD OF SCM, STELLENBOSCH MUNICIPALITY: (VACANT)
THE HEAD OF SCM, BREEDE VALLEY MUNICIPALITY: MR M BOONZAAIER
THE HEAD OF SCM, LANGEBERG MUNICIPALITY: MR S NGCONGOLO
THE HEAD OF SCM, OVERBERG DISTRICT: MR D LAMBRECHTS
THE HEAD OF SCM, THEEWATERSKLOOF MUNICIPALITY: MR A HENDRICKS
THE HEAD OF SCM, OVERSTRAND MUNICIPALITY: MS R LA COCK
THE HEAD OF SCM, CAPE AGULHAS MUNICIPALITY: MR R SEFOOR
THE HEAD OF SCM, SWELLENDAM MUNICIPALITY: MR B BEYERS
THE HEAD OF SCM, EDEN DISTRICT: MR T MPURU
THE HEAD OF SCM, KANNALAND MUNICIPALITY: MR D LINKS
THE HEAD OF SCM, HESSEQUA MUNICIPALITY: MR R BENT
THE HEAD OF SCM, MOSSEL BAY MUNICIPALITY: MS E NEL
THE HEAD OF SCM, GEORGE MUNICIPALITY: MR B GERICKE
THE HEAD OF SCM, OUDTSHOORN MUNICIPALITY: MR JC LADOUCE
THE HEAD OF SCM, BITOU MUNICIPALITY: MR P PETERS
THE HEAD OF SCM, KNYSNA MUNICIPALITY: MR W FILLIES
THE HEAD OF SCM, CENTRAL KAROO DISTRICT: MS L STRUMPHER
THE HEAD OF SCM, LAINGSBURG MUNICIPALITY: MR K GERTSE
THE HEAD OF SCM, PRINCE ALBERT MUNICIPALITY: MR D PLAATJIES (ACTING)
THE HEAD OF SCM, BEAUFORT WEST MUNICIPALITY: MS SA POTHBERG

THE HEAD OFFICIAL: PROVINCIAL TREASURY (DR JC STEGMANN)
THE HEAD: BRANCH FISCAL AND ECONOMIC SERVICES (MR H MALILA)
THE HEAD: BRANCH GOVERNANCE AND ASSET MANAGEMENT (MR Z HOOSAIN)
THE HEAD: PUBLIC POLICY SERVICES (MR A PHILLIPS)
THE HEAD: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS JD GANTANA)
THE HEAD: LOCAL GOVERNMENT PUBLIC FINANCE (MR M SIGABI) - ACTING
THE HEAD: ASSET MANAGEMENT (MR IG SMITH)
THE HEAD: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN)
THE CHIEF FINANCIAL OFFICER (MR A GILDENHUYNS)
THE HEAD: OFFICE OF THE MINISTRY (MS T EVANS)

THE SENIOR MANAGER: BUSINESS INFORMATION AND DATA MANAGEMENT (MR PP PIENAAR)
THE SENIOR MANAGER: FINANCIAL GOVERNANCE (MR B VINK)
THE SENIOR MANAGER: FISCAL POLICY (MS C HORTON)
THE SENIOR MANAGER: INFRASTRUCTURE (MR M WUST)
THE SENIOR MANAGER: LOCAL GOVERNMENT ACCOUNTING (MS N OLIPHANT)
THE SENIOR MANAGER: LOCAL GOVERNMENT BUDGET OFFICE (MR ML BOOYSEN)
THE SENIOR MANAGER: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MR F SABBAT)
THE SENIOR MANAGER: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR SIGABI)
THE SENIOR MANAGER: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MR R MOOLMAN) (ACTING)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT ACCOUNTING (MR A REDDY)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS M SHERATON-KORSTEN)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS N EBRAHIM)
THE SENIOR MANAGER: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS A SMIT)
THE SENIOR MANAGER: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A BASTIAANSE)

THE PROVINCIAL AUDITOR
MASTER RECORDS OFFICIAL: FINANCIAL MANAGEMENT
THE HEAD OF DEPARTMENT: LOCAL GOVERNMENT AND HOUSING

RE: Invitation and Evaluation of bids based on a stipulated minimum threshold for Local Production and Content for Electrical and Telecom Cable Products and Solar Water Heater Components.

1. Purpose

1.1. The purpose of this communicate is to disseminate National Treasury's Instruction Notes, regarding the invitation and evaluation of bids relating to the designated sectors for local production and content.

1.2. The following National Treasury instruction notes have been attached for your perusal and hereto marked as the following:

- Annexure A – *Invitation and evaluation of bids on a stipulated minimum threshold for local production and content for **electrical and telecom cable products**; and*
- Annexure B - *Invitation and evaluation of bids on a stipulated minimum threshold for local production and content for **solar water heater components**.*

1.3 Municipalities and municipal entities are informed that a Provincial workgroup, represented by the Provincial Treasury and other stakeholders, has been established to address the implementation issues in respect of local content.

2. Background

2.1 Since the adoption of the revised Preferential Procurement Regulations, 2011, the Department of Trade and Industry has since designated various of sectors for local

production and content where such bids must be advertised and adjudicated as stipulated in the Guidelines of Department of Trade and Industry (DTI).

- 2.2 To this end **the DTI** has designated and determined the stipulated minimum threshold for solar water heater components - (*storage tanks / geysers is 70% and solar collectors is 70%*) and *electrical and telecom cable products is 90%*.

3. Application of the National Treasury Instruction Notes

- 3.1 Municipalities and municipal entities are hereby informed of the following, when applying these instruction notes:

- 3.2 Take cognisance of paragraph 9.2 of both NT Instruction Notes, which states that the ***"instruction applies to all bids (written price quotations and advertised competitive bids) in excess of R30 000.00 (all applicable taxes included)."***

- 3.3 The Provincial Treasury is currently liaising with the National Treasury to determine whether or not the R30 000.00 as stated above makes provision for all designated sectors. Municipalities and municipal entities will be informed in due course.

- 3.4 Nonetheless, cognisance must be taken of the fact that Provincial Treasury is currently dealing with all the issues which were raised during previous engagements with the *Department of Trade and Industry (DTI)*, the *National Treasury (NT)*, the *Provincial Treasury (PT)* and the *South African Bureau of Standards (SABS)* relating to the implementation of the local production and content and issues as outlined in paragraph 3.3.

- 3.5 Subsequent to the issuance of the National Treasury Instruction Notes of the local production and content, the Provincial Treasury has established a **Provincial Treasury WorkGroup** for Local Production and Content to drive and address the implementation issues in respect of the local production and content requirements.

4. Request

- 4.1 The Accounting Officers of municipalities and municipal entities are hereby requested to disseminate the content of the attached National Treasury Instruction Notes to the attention of all relevant officials within their institutions.

- 4.2 Note that the Instruction Notes are applicable as from **13 May 2013** (electrical and telecom cable products) and **5 August 2013** (solar water components).

5. Contact Information

- 5.1. Any enquiries relating to local production and content and all required documentation to be submitted to the Department of Trade and Industry (DTI) as indicated in the Instruction Notes must be directed to:

The Department of Trade and Industry

Private Bag x84

Pretoria

0001

For Attention: Dr. Tebogo Makube

Chief Director: Industrial Procurement

Industrial Development Division

Tel: (012) 394 3927

Fax: (012) 394 4927

Cell: 082 481 8173

E-mail: TMakube@thedti.gov.za

- 5.2. Any further enquiries may also be directed to the Provincial Treasury:

MFMA Supply Chain Management Helpdesk

Western Cape Provincial Treasury

4 Dorp Street

Tower Block

Cape Town

8000

Tel: 021 483 3180

E-mail: SupplyChainManagement.HDMFMA@westerncape.gov.za

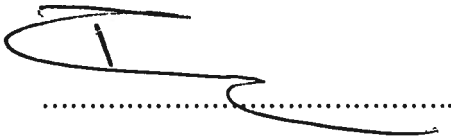
- 5.3 Attached hereto also find the following documentation for your further perusal:

- *Guidance document for calculation of local content;*
- *SATS 1286: 2011 (SABS technical specification);*

- *Standard bidding document (SBD / MBD 6.2); and*
- *The Declaration C submitted by the successful bidders.*

Your co-operation will be highly appreciated.

Kind Regards,



MR RODNEY MOOLMAN

ACTING SENIOR MANAGER: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT

PROVINCIAL TREASURY

DATE: 16-09-2013