



# PROVINCIAL TREASURY

Provincial Government of the Western Cape

## MOVEABLE ASSET MANAGEMENT

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**REFERENCE:** T16/5  
**ENQUIRIES:** BP Cakata

### TREASURY CIRCULAR, 53 /2010

THE ACCOUNTING OFFICER: VOTE 1:	PREMIER (ADV B GERBER)
THE ACCOUNTING OFFICER: VOTE 2:	PROVINCIAL PARLIAMENT (MR P WILLIAMS)
THE ACCOUNTING OFFICER: VOTE 3:	PROVINCIAL TREASURY (DR JC STEGMANN)
THE ACCOUNTING OFFICER: VOTE 4:	COMMUNITY SAFETY (DR GA LAWRENCE)
THE ACCOUNTING OFFICER: VOTE 5:	EDUCATION (MS P VINJEVOLD)
THE ACCOUNTING OFFICER: VOTE 6:	HEALTH (PROF KG HOUSEHAM)
THE ACCOUNTING OFFICER: VOTE 7:	SOCIAL DEVELOPMENT (MS K LUBELWANA)
THE ACCOUNTING OFFICER: VOTE 8:	HOUSING (MR M TSHANGANA)
THE ACCOUNTING OFFICER: VOTE 9:	ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR R ELLIS)
THE ACCOUNTING OFFICER: VOTE 10:	TRANSPORT AND PUBLIC WORKS (MR J FOURIE)
THE ACCOUNTING OFFICER: VOTE 11:	AGRICULTURE (MS J ISAACS)
THE ACCOUNTING OFFICER: VOTE 12:	ECONOMIC DEVELOPMENT AND TOURISM (MR S FOURIE)
THE ACCOUNTING OFFICER: VOTE 13:	CULTURAL AFFAIRS AND SPORT (MR B WALTERS)
THE ACCOUNTING OFFICER: VOTE 14:	LOCAL GOVERNMENT (DR H FAST)
THE CHIEF FINANCIAL OFFICER: VOTE 1:	PREMIER (MR P O'BRIEN)
THE CHIEF FINANCIAL OFFICER: VOTE 2:	PROVINCIAL PARLIAMENT (MR R HINDLEY) (ACTING)
THE CHIEF FINANCIAL OFFICER: VOTE 3:	PROVINCIAL TREASURY (MR A GILDENHUYS)
THE CHIEF FINANCIAL OFFICER: VOTE 4:	COMMUNITY SAFETY (MR M FRIZLAR)
THE CHIEF FINANCIAL OFFICER: VOTE 5:	EDUCATION (MR L ELY)
THE CHIEF FINANCIAL OFFICER: VOTE 6:	HEALTH (MR A VAN NIEKERK)
THE CHIEF FINANCIAL OFFICER: VOTE 7:	SOCIAL DEVELOPMENT (MR JO SMITH)
THE CHIEF FINANCIAL OFFICER: VOTE 8:	HOUSING (MR D BASSON)
THE CHIEF FINANCIAL OFFICER: VOTE 9:	ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR AA GAFFOOR)
THE CHIEF FINANCIAL OFFICER: VOTE 10:	TRANSPORT AND PUBLIC WORKS (MR CR ISMAY)
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 (MR D BASSON)
THE SUPPLY CHAIN MANAGER: VOTE 1:	PREMIER (MS A STASSEN)
THE SUPPLY CHAIN MANAGER: VOTE 3:	PROVINCIAL TREASURY (MR A SEALE)
THE SUPPLY CHAIN MANAGER: VOTE 4:	COMMUNITY SAFETY (MS E ISAACS)
THE SUPPLY CHAIN MANAGER: VOTE 5:	EDUCATION (MR W CARELSE)
THE SUPPLY CHAIN MANAGER: VOTE 6:	HEALTH (MR I SMITH)
THE SUPPLY CHAIN MANAGER: VOTE 7:	SOCIAL DEVELOPMENT (MS P MABHOKWANA)
THE SUPPLY CHAIN MANAGER: VOTE 8:	HOUSING (MS L NEL)
THE SUPPLY CHAIN MANAGER: VOTE 9:	ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR W PHASWANE)
THE SUPPLY CHAIN MANAGER: VOTE 10:	TRANSPORT AND PUBLIC WORKS (ADV. C MENTOOR)
THE SUPPLY CHAIN MANAGER: VOTE 11:	AGRICULTURE (MS M VAN BREDA)
THE SUPPLY CHAIN MANAGER: VOTE 12:	ECONOMIC DEVELOPMENT AND TOURISM (MR D PAULSE)
THE SUPPLY CHAIN MANAGER: VOTE 13:	CULTURAL AFFAIRS AND SPORT (MR A ADONIS)
THE SUPPLY CHAIN MANAGER: VOTE 14:	LOCAL GOVERNMENT (MS L NEL)

THE PROVINCIAL AUDITOR

MASTER RECORDS OFFICIAL: FINANCIAL MANAGEMENT

## ELECTRONIC PURCHASING SYSTEM (EPSI) AND WESTERN CAPE SUPPLIER DATABASE (WCSD) INFORMATION CIRCULAR

### 1. PURPOSE

- 1.1. To inform all departmental Accounting Officers, Chief Financial Officers and Supply Chain Management (SCM) Managers of the progress made as well as challenges encountered in implementing the requirements depicted in Treasury Circular 10/2010.

## **2. BACKGROUND**

- 2.1. On 25 March 2010, Treasury Circular 10/2010 (TC 10/2010) was circulated to the Accounting Officers, Chief Financial Officers and Supply Chain Management Managers of all Provincial departments. In the circular, Provincial Treasury informed departments on the way forward regarding compliance issue on the EPSi and WCSD. This circular was received with apprehension and some departments went as far as requesting that it be retracted.
- 2.2. Departmental concerns were resolved with each department that followed the channels as depicted in the circular for raising its concerns. Whilst it was the intention of Provincial Treasury as communicated in TC 10/2010 to grant access to only officials within the department's SCM units, departments indicated that this would negatively affect the way that procurement activities were being conducted and could possibly even hamper service delivery. As a result, this requirement was reviewed by the Provincial Treasury.

## **3 SOURCELINK**

- 3.1 The pilot phase of the EPSi Enhancements as sited in Treasury Circular 10/2010 began on 14 July 2010 with the last pilot presentation occurring on 23 July 2010. The four pilot departments were the Department of Community Safety, the Department of Cultural Affairs and Sport, the Department of Environmental Affairs and Development Planning and the Provincial Treasury. The enhancement went live at all pilot departments on 27 July 2010. The pilot departments have provided PT with feedback on the enhancement so as to facilitate further enhancement if required or prompt further roll out to other provincial departments. The users of Sourcelink at the Pilot Departments indicated that Sourcelink was generally faster, the adjudication process was quicker, they did however indicate that the challenge was that suppliers were not responding to enquiries in the manner that they should e.g. quoting for one item whereas the quote calls for a number of different items.
- 3.1. The Generic Accounting Officer's System which was envisaged to be issued by July 2010 together with other National Treasury directives has had an impact on the extent of the implementation of Treasury Circular 10/2010.
- 3.2. The following requirements have been held in abeyance until further notice:
  - 3.2.1. Only users within the SCM unit being allowed to source quotations on the EPSi
  - 3.2.2. User's test on completion of Sourcelink training.
  - 3.2.3. The blocking of users from adding new enquiries where they have not completed the adjudication process
  - 3.2.4. The profiling of EPSi users and identification of pre requisite training
  - 3.2.5. The enhancement of the points breakdown to include functionality

- 3.3. Provincial Treasury is actively monitoring the process of granting access to new users and Quadrem Tradeworld is monitoring all newly trained users over a period of two weeks after the training session has been concluded. The manner of this follow up and monitoring of effectiveness of training is through telephonic calls being made by the buyersupport helpdesk of Quadrem Tradeworld to the newly trained users to establish difficulties experienced by the users when utilising the EPSi.
- 3.4. Currently there are three reports that Provincial Treasury is requesting from Sourcelink and these are the:
- a) Adjudication Statistics report;
  - b) User adjudication report; and
  - c) User list for both the WCSD and EPSi
  - d) It is requested that should departments require further reports than the ones stipulated above, that the requests for the proposed reports be sent to Provincial Treasury in writing. These requests are to reach Provincial Treasury by no later than close of business on Monday 17 January 2010 and must be addressed to the responsible official:

**Ms Pumeza Cakata**  
**Room 3.07**  
**15 Wale Street**  
**8000**

- 3.5. The adjudication statistics reports together with the user adjudication report have been forwarded to the departments. The intention of this is to assist SCM Managers:
- 3.5.1. identify any non compliant users; and to
  - 3.5.2. Monitor the user performance on the EPSi.
- 3.6. It has come to the Provincial Treasury's attention that some departments are requesting Quadrem / Tradeworld to forward the details of suppliers as well as the quotations that are received from suppliers/ service providers after the closing time as stipulated in the request for quotation (RFQ) advert placed on Sourcelink. It has also been noted that Quadrem /Tradeworld has been contacting departments when there have been quotations that have been received after the closing time to establish whether these quotations should be captured with the other quotations and that departments are accepting these late quotations.

This practice is causing confusion for suppliers and many queries/ complaints from disgruntled suppliers/ service providers for Quadrem /Tradeworld as in some cases their offers are being accepted and in some they are not. In the past Quadrem Tradeworld was making the details of the suppliers/ service providers who submitted their offers late available to departments but it must be noted by departments that from the date of

signature of this circular, no such information shall be provided. Quadrem Tradeworld Tradeworld will ensure that all quotations received by the closing time stipulated on the RFQ are captured on Sourcelink within two hours after the RFQ closing time. The service provider, namely Quadrem Tradeworld will assume the risk where the supplier's late quotation is found to have been received by them within the prescribed closing time. (It must be noted that the supplier would have to prove that the quotation was received by the closing time i.e. proof of transmission of a fax to Quadrem Tradeworld will not suffice.)

#### 4 WCS D

4.1. Whilst it was communicated in paragraph 8 of TC10/2010 that from 1 July 2010 it would be compulsory for suppliers to be registered on the WCS D thus departments were only allowed to source quotations from suppliers who are registered on the WCS D, this requirement has been held in abeyance. Furthermore As a result of this requirement being held in abeyance:

4.1.1. Suppliers whose tax clearance certificates have expired are being suspended on the WCS D, however, it must be note that suspended suppliers' quotations are still accessible on Sourcelink.

4.1.2. The Declaration of interest is not being housed on the WCS D.

4.2. It has come to the attention of Provincial Treasury that departments are passing over suppliers for not being registered on the WCS D. Furthermore that this requirement is being extended to suppliers who are submitting bid offers. It is requested that:

4.2.1. Departments please discontinue the practice of passing over suppliers who are not registered on the supplier database;

4.2.2. Departments should however explain to suppliers that because they are not registered, they will not qualify for the preference points on Sourcelink as their HDI status has not been verified. As a result the service provider / supplier will only qualify for the points for price and that this may impact on their chances of obtaining contracts as the awards are made based on the points scored for preference points and points for price.

4.2.3. Departments inform suppliers that registration on the supplier database is free;

4.2.4. It takes the service provider 7 working days to register a supplier on the WCS D provided that the supplier has provided all supporting documentation as indicated on the WCS D registration form.

4.2.5. **DEPARTMENTS ARE THEREFORE RESPONSIBLE FOR ENSURING THAT SUPPLIERS COMPLETE THE DECLARATION OF INTEREST AS WELL AS VERIFY THAT THE SUPPLIER'S TAX AFFAIRS ARE IN ORDER.**

4.3. It has come to Provincial Treasury's attention that departments are referring suppliers to Provincial Treasury for registration on the Western Cape Supplier Database. Whilst this is not incorrect, it often leads to a delay in the processing of the registration as Provincial Treasury merely forwards the registration forms to the service provider responsible for the registration and maintenance of supplier details. Furthermore, the service provider is also responsible for dealing with supplier queries and providing assistance and guidance relating to the registration process and also for notifying suppliers of outstanding documents required for the registration to be completed. It is requested that all supplier queries regarding the registration process for the Western Cape Supplier Database be referred to the Supplier **Database Helpdesk on 0861 225 577 or 021 680 4666.**

## 5 REQUEST

5.1. The Provincial Treasury hereby requests that all provincial departments note and comply with the contents of this Circular

Your co-operation in this regard will be appreciated.



**Nadia Ebrahim**

**Director: Moveable Asset Management**

**Provincial Treasury**

**DATE: 08 December 2010**