



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

**TO: ACCOUNTING OFFICERS OF ALL DEPARTMENTS AND CONSTITUTIONAL INSTITUTIONS
ACCOUNTING AUTHORITIES OF ALL SCHEDULE 2 AND 3 PUBLIC ENTITIES**

NATIONAL TREASURY CIRCULAR NO 3 OF 2015/2016

CENTRAL SUPPLIER DATABASE

1. PURPOSE

- 1.1 The purpose of this circular is to inform departments, constitutional institutions and public entities listed in Schedule 2 and 3 to the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) about National Treasury's single platform, the **Central Supplier Database (CSD)**, for the registration of prospective suppliers including the verification functionality of key supplier information.
- 1.2 This circular is also aimed at informing accounting officers and accounting authorities of the current transitional arrangements prior to the mandatory application of the CSD with effect from 1st April 2016.

2. BACKGROUND

- 2.1 In terms of section 38 (1) (a) (iii) and 51 (1) (iii) of the PFMA, the accounting officer of a department or constitutional institution and the accounting authority of a public entity listed in Schedule 2 and 3 to the PFMA must ensure that their respective institution has and maintains an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost effective.
- 2.2 It is also a requirement that, all goods and services procured through quotations, should be sourced from suppliers listed in the institutions prospective supplier database. However, the process of registration and verification of supplier information has not been uniform and standardised for all organs of state, making it difficult to do business with government.
- 2.3 The National Treasury decided to establish and administer the CSD, as well as facilitating the verification of supplier information on behalf of all Departments,

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Constitutional institutions and Public entities listed in Schedule 2 and 3 of the PFMA to avoid the multiple registrations by prospective suppliers with each organ of state they intend doing business with and the discrepancies resulting from the verification process done by institutions.

3. TRANSITIONAL PERIOD

- 3.1 In the transitional period until 31 March 2016, accounting officers and accounting authorities are required to commence with the migration of their current supplier database to ensure accuracy and validity of information prior to mandatory implementation to the CSD.
- 3.2 Taking cognizance of paragraph 3.1 above, it would not be necessary for institutions to renew their own lists of prospective suppliers as per paragraph 5 of National Treasury practice note no 8 of 2007/2008 dated 29 November 2007.
- 3.3 However, institutions may invite and accept price quotations from their current existing lists of prospective suppliers and utilise the CSD for the verification of key information related to bids received until 31 March 2016 when complete registration and verification will be performed on the CSD.
- 3.4 With effect from 1 April 2016, institutions may not extend any existing contracts for computerised database systems that record details of their prospective suppliers and may not institute any new computerised databases systems for management of their list of prospective suppliers without a written approval of the National Treasury. Any computerised database systems in departments, constitutional institutions and public entities that are operational during the transition period, may be utilised until the expiry of contracts related to such systems. In cases where existing contracts expire during the transitional period, such contracts may be extended but not beyond 1 April 2016 without a written approval of the National Treasury.
- 3.5 During the transitional period, institutions must obtain a **Supplier Number** and **Unique registration reference number** to verify a prospective supplier's key information on the CSD. With effect from 1 April 2016, institution will be able to verify supplier key information directly on the CSD without requesting a supplier number and registration security code.

4. DATA MIGRATION

- 4.1 Institutions are required to forward their data (list of prospective suppliers) to the National Treasury in terms of Data preparation and conversion job aid. The Data preparation and conversion job aid may be accessed on the following link:

http://ocpo.treasury.gov.za/Resource_Centre/CSD/JOB%20AID_CSD%20Data%20Preparation%20and%20Conversion.pdf

4.2 In a case where data referred to in paragraph 4.1 above cannot be migrated to the CSD, accounting officers and accounting authorities must notify the affected prospective suppliers to self-register on the CSD or alternatively assist them with the registration process.

5. SUBMISSION OF COMPLIANCE DOCUMENTS BY BIDDERS

5.1 It is not necessary for prospective bidders to submit hard copies as proof of compliance to key information as mentioned paragraph 7.2 of this circular if registered on the CSD. In a case where a prospective supplier is not registered on the CSD during the transitional period, institutions may verify the prospective supplier's key information manually till 31 March 2016.

6. PROSPECTIVE SUPPLIERS' REGISTRATION SUPPORT

All institutions must provide CSD registration support to prospective suppliers who are unable to self-register or require assistance with registration.

7. CENTRAL SUPPLIER DATABASE

7.1 The CSD is available already, therefore, Accounting Officers and Accounting Authorities of institutions¹ are encouraged to invite and accept price quotations from the list of prospective suppliers listed on the CSD; and

7.2 Verify the following key information for bids² received from prospective suppliers' key information on the CSD:

- a) Business registration, including details of directorship and membership;
- b) Bank account holder information³;
- c) In the service of the state status;
- d) Tax compliance status;
- e) Identity number;
- f) B-BBEE status level; and
- g) Tender defaulting and restriction status.

7.3 With effect from 1 April 2016, accounting officers and accounting authorities may not award any bid to a supplier not registered as a prospective supplier on the CSD.

¹ *Institutions* mean all institutions to which this circular is applicable to.

² *Bids*: includes price quotations, advertised competitive bids, limited bids and proposals.

³ *Bank account holder information, In the service of the state status and B-BBEE status level* would only be verified through the CSD from 1 April 2016 and institutions are required to manually verify this information during the transitional period.

- 7.4 If it is not possible to obtain price quotations from the list of prospective suppliers recorded on the CSD, institutions must conduct a market analysis to identify possible supplier(s), record the process and submit to the accounting officer or accounting authority or an appropriately delegated official for approval. The identified supplier(s) should be registered on the CSD before orders are processed.

8. APPLICABILITY

This Circular applies to all departments, constitutional institutions and public entities listed in Schedule 2 and 3 to the PFMA.

9. DISSEMINATION OF INFORMATION CONTAINED IN THIS CIRCULAR

- 9.1 Heads of provincial treasuries are requested to bring the contents of this circular to the attention of accounting officers and supply chain management officials of their respective provincial departments;
- 9.2 Accounting officers of national and provincial departments are requested to bring the contents of this circular to the attention of accounting authorities and the supply chain management officials of Schedule 3A and 3C public entities reporting to their respective executive authorities; and
- 9.3 Accounting authorities of Schedule 2, 3B and 3D public entities are requested to bring the contents of this circular to the attention of the supply chain management officials of their public entities.

10. NOTIFICATION TO THE AUDITOR-GENERAL

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

11. INFORMATION

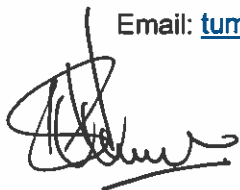
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