



Environment House, Cnr Steve Biko Road & Soutpansberg Street, Cnr Steve Biko Road & Soutpansberg Street.
Private Bag X447, Pretoria, 0001

REQUEST FOR QUOTATION OF GOODS AND SERVICES

RFQ NO: **DFFEQ0007(24/25)**

IMPORTANT INFORMATION FOR CONSIDERATION BY SUPPLIERS

NOTE:

- Tenderers are required to use this Request for Quotation (RFQ) Form when quoting and include VAT per item (where applicable), and the quotation must be in your company's letterhead, correct banking details should be also included on the quotation.
 - Quotations received after the closing date and time, at the Quotations@dff.gov.za will NOT be accepted for consideration.
 - For quotations with a Rand value up to R50 000 000, the preference point system of **80/20** will apply, where **80** points will be for (Price) and **20** points will be for **Specific Goals** (more than 50% ownership by (either Black, Women or Disability) in terms of section 2(1)(d) of the Preferential Procurement Policy Framework Act, 2000, (Act No 5 of 2000),
 - A trust, consortium or joint venture will qualify for Preference Points if their average combined ownership is more than 50% (fifty percent) of ownership on specific goals (e.g. two or more companies claiming preference points, Ownership/ Directorship will be combined and divided by the number of companies to ascertain the preference points),
 - DFFE reserves the right to request additional information to validate any information submitted by bidders including preference points claimed,
 - Unless specifically stated by DFFE in the specification, all received prices must be firm until the required goods or services are delivered to the specified location. **No price adjustment will be accepted, except those that are subject to rate of exchange.**
 - For bidders to claim preference points, the following must be adhered to;**
 - Submit a complete and signed SBD 6.1 which is used for claiming specific goals.
 - Submit a Medical Certificate signed by a medical practitioner with a practice number when claiming for disability.
 - Submit a SANAS/ Companies and Intellectual Property Commission(CIPC) Accredited B-BBEE certificate or sworn affidavit indicating the level of ownership in the enterprise by persons historically disadvantaged by unfair discrimination on the basis of race; gender or
 - Submit ownership Certificate issued by the Companies and Intellectual Property Commission (CIPC)
 - CSD Registration Report or MAAA..number.
 - Failure on the part of a tenderer to submit proof or document required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.
 - DFFE reserves the right to:**
 - Perform due diligence during evaluation of quotations on information submitted by tenderers.
 - NOT to appoint any tenderer.
 - Tenderers must Indicate delivery timelines and quotation expiry date (**Unless otherwise stated, quotations will be deemed valid for a period of 30 days from the date RFQ closes**)
 - Tenderers are required to duly complete and sign the **SBD 4, SBD 6.1** forms respectively,
 - DFFE reserves the right to negotiate price with the preferred tenderers in line with the legislative requirements.
- In a case where there are pictures and or brand names on the specification, tenderers must note that those pictures are for illustration purpose and similar or equivalent brand specifications will be accepted by the Department.**

SUPPLIER DETAILS (TO BE COMPLETED BY THE USER)

SUPPLIER NAME:			
TEL NO:		EMAIL ADDRESS:	
CENTRAL SUPPLIER DATABASE (CSD) NUMBER			
ATTENTION TO:			
DATE REQUESTED:	07 May 2024		
SERVICE/GOODS LOCATION			

SUBMIT QUOTATION TO DEPARTMENT OF ENVIRONMENT, FORESTRY AND FISHERIES

ATTENTION TO:			
TEL NO:		EMAIL ADDRESS:	Quotations@dff.gov.za
CC EMAIL ADD :	Sinothando Sithole sisithole@dff.gov.za		
CLOSING DATE: 15 May 2024 (Quotations to be advertised for at least 5 days)	CLOSING	TIME	1 1 : 0 0
MANDATORY REQUIREMENTS (YES/NO)	Proof Attached (to be completed by DFFE)		
Professional registration:	NO		
Food Premises Certificate issued by the Municipality	NO		

*Any reference to words "Bid" or "Bidder" herein and/or in any other documentation shall be construed to have the same meaning as the words "Tender" or "Tendere"

<p>The above mandatory requirements will apply, and bidders' must submit the requested requirements indicated above with the RFQ documents at the closing date and time of the RFQ. Bidders who fail to comply with any of the mandatory requirements will be disqualified and not be evaluated further.</p>		



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NO	BRIEF DESCRIPTION OF ITEM(S)/ SERVICE(S) REQUIRED	UNIT OF ISSUE (BOX/ ITEM)	QUANTITY OF ITEM(S)	UNIT AMOUNT	TOTAL AMOUNT (to be same as the quotation attached)
	Conference Package 22 May 2024 in Hazyview, Mpumalanga				
01	<p>Half-Day Conferencing package,Package inclusive of :</p> <ul style="list-style-type: none"> • Arrival tea • Mid Morning Tea • Lunch with 1 soft drink per person <p>Important notes:</p> <ul style="list-style-type: none"> • Conference Facilities must be in Hazyview, Mpumalanga • Suppliers are requested to submit/ attach their Tourism Grading Certificate, refer to the attached Instruction Note No: 3 of 2017-2018 	Each	70		
02	<p>Equipment for hire:</p> <ul style="list-style-type: none"> • Projector, 1 PA system and 2 roving mics 				
TOTAL AMOUNT (Exl. 15% VAT)					R
TOTAL VAT 15%					R
GRAND TOTAL AMOUNT (Incl. 15% VAT for VAT Vendors)					R
Note:All delivery costs all applicable taxes, includes value- added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills					

*Any reference to words "Bid" or "Bidder" herein and/or in any other documentation shall be construed to have the same meaning as the words "Tender" or "Tenderer"

<p>development levies must be included in the bid price, for delivery at the prescribed destination.</p> <p>NB: the service provider must submit a valid quotation as per the above guideline on his/ her letterhead reflecting the item descriptions; validity; banking details contact details and CSD MAAA number.</p>		
	<p>NB: No goods/ services should be delivered before an official order is received from the Department of Forestry, Fisheries and the Environment.</p> <ul style="list-style-type: none"> • Failure to deliver goods within the agreed timelines might result in an order being cancelled and possible inclusion on the Database of Restricted suppliers by the National Treasury 	

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

Any person (natural or juristic) may make an offer or offers in terms of this invitation to bid. In line with the principles of transparency, accountability, impartiality, and ethics as enshrined in the Constitution of the Republic of South Africa and further expressed in various pieces of legislation, it is required for the bidder to make this declaration in respect of the details required hereunder.

Where a person/s are listed in the Register for Tender Defaulters and / or the List of Restricted Suppliers, that person will automatically be disqualified from the bid process.

2. Bidder's declaration

2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest¹ in the enterprise, employed by the state? **YES/NO**

2.1.1 If so, furnish particulars of the names, individual identity numbers, and, if applicable, state employee numbers of sole proprietor/ directors / trustees / shareholders / members/ partners or any person having a controlling interest in the enterprise, in table below.

Full Name	Identity Number	Name of State institution

2.2 Do you, or any person connected with the bidder, have a relationship with any person who is employed by the procuring institution? **YES/NO**

¹ the power, by one person or a group of persons holding the majority of the equity of an enterprise, alternatively, the person/s having the deciding vote or power to influence or to direct the course and decisions of the enterprise.

2.2.1 If so, furnish particulars:

.....
.....

2.3 Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract? **YES/NO**

2.3.1 If so, furnish particulars:

.....
.....

3 DECLARATION

I, _____ the _____ undersigned, (name)..... in submitting the accompanying bid, do hereby make the following statements that I certify to be true and complete in every respect:

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium² will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted

² Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.

- 3.6 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....
Signature	Date
.....
Position	Name of bidder

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022

This preference form must form part of all tenders invited. It contains general information and serves as a claim form for preference points for specific goals.

NB: BEFORE COMPLETING THIS FORM, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER AND PREFERENTIAL PROCUREMENT REGULATIONS, 2022

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to invitations to tender:

- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included).
- The applicable preference point system for this tender is the 80/20 preference point system.

1.2 Points for this tender shall be awarded for:

- (a) Price; and
- (b) Specific Goals.

1.3 **To be completed by the organ of state:**

The total points for this tender are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOALS	20
Total points for Price and SPECIFIC GOALS	100

1.4 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

1.5 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

- (a) **“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations,

competitive tendering process or any other method envisaged in legislation;

- (b) “**price**” means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (c) “**rand value**” means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (d) “**tender for income-generating contracts**” means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and
- (e) “**the Act**” means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

3.1.1 THE 80/20 PREFERENCE POINT SYSTEMS

A maximum of 80 points is allocated for price on the following basis:

80/20

$$Ps = 80 \left(1 - \frac{Pt - Pmin}{Pmin} \right)$$

Where

- Ps = Points scored for price of tender under consideration
- Pt = Price of tender under consideration
- Pmin = Price of lowest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

4.1. In terms of **Regulation 4(2)** of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:

- (a) any other invitation for tender, that is 80/20 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system, then the organ of state must indicate the points allocated for specific goals for 80/20 preference point system.

Table 1: Specific goals for the tender and points claimed are indicated per the table below.

Note to tenderers: The tenderer must indicate how they claim points for each preference point system.)

The specific goals allocated points in terms of this tender	A: Number of points allocated (80/20 system) (To be completed by the organ of state)	B: Number of points claimed (80/20 system) (To be completed by the tenderer) B=A(20)
more than 50% (fifty percent) ownership by Black people	20	
more than 50% (fifty percent) ownership by Women	20	
more than 50% (fifty percent) ownership by people with disabilities	20	
NB: POINTS CLAIMED BY SUPPLIER MUST BE THE SAME AS POINTS IN A FOR SPECIFIC GOALS		

DECLARATION WITH REGARD TO COMPANY/FIRM

4.2. Name of company/firm.....

4.3. Company registration number:

4.4. TYPE OF COMPANY/ FIRM

- Partnership/Joint Venture / Consortium
- One-person business/sole propriety
- Close corporation
- Public Company
- Personal Liability Company
- (Pty) Limited
- Non-Profit Company
- State Owned Company

[TICK APPLICABLE BOX]

4.5. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;

- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
 - (a) disqualify the person from the tendering process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person’s conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution, if deemed necessary.

.....

SIGNATURE(S) OF TENDERER(S)

SURNAME AND NAME:

DATE:

ADDRESS:

.....

.....

.....



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 2 AND 3 TO THE PFMA**

HEAD OFFICIALS OF PROVINCIAL TREASURIES

NATIONAL TREASURY INSTRUCTION NO. 03 OF 2017/2018

COST CONTAINMENT MEASURES

1 PURPOSE

- 1.1 This Treasury Instruction repeals Treasury Instruction No. 2 of 2016/2017 on Cost Containment Measures for departments, constitutional institutions and public entities listed in Schedules 2 and 3 to the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999).
- 1.2 Cost containment measures applicable to executive authorities will be prescribed in the revised Ministerial Handbook.

2 BACKGROUND

- 2.1 Section 38(1)(b) of the PFMA requires accounting officers of departments and constitutional institutions to be responsible for the effective, efficient, economical and transparent use of their respective institutions' resources. Sections 38(1)(c)(iii) and 51(1)(b)(iii) of the PFMA require accounting officers and accounting authorities to take effective and appropriate steps to manage the available working capital of their respective institutions efficiently and economically.
- 2.2 Accounting officers and accounting authorities are therefore required to implement control measures to ensure that all expenditure in their respective institutions is necessary, appropriate, cost-effective and is recorded and reported, as prescribed by the relevant legislative framework.
- 2.3 In giving effect to this requirement, accounting officers and accounting authorities are responsible for ensuring that all employees are mindful of the current economic realities and the need to intensify efforts to improve efficiency in expenditure.
- 2.4 On 30 September 2016, the National Treasury issued Treasury Instruction No. 2 of 2016/2017 on cost containment measures which took effect from 1 November 2016.
- 2.5 During implementation of the Treasury Instruction mentioned in paragraph 2.4 above, it came to light that certain provisions are impractical to implement, hence posing difficulties to ensure full compliance with Treasury Instruction No. 2 of 2016/2017. Therefore accounting officers and accounting authorities are required to implement the cost containment measures set out in paragraphs 4 and 5 below.

Cost Containment Measures

- 2.6 The enclosed **Annexure A** contains cost containment measures that accounting officers and accounting authorities may consider introducing to further curtail operational costs and to eliminate non-essential expenditure.

3 ENFORCEMENT OF COST CONTAINMENT MEASURES

- 3.1 Accounting officers of departments and constitutional institutions are reminded that section 38(1)(c)(ii) of the PFMA require accounting officers to take effective and appropriate steps to prevent unauthorised expenditure (in the case of departments) and irregular expenditure and fruitless and wasteful expenditure (in the case of all institutions). Section 51(1)(b)(ii) of the PFMA requires similar of accounting authorities of public entities.
- 3.2 In terms of sections 45(c) and 57(c) of the PFMA, employees must (within their areas of responsibility), take effective and appropriate steps to prevent unauthorised expenditure (in the case of employees of departments) and irregular expenditure and fruitless and wasteful expenditure (in the case of employees of all institutions).
- 3.3 Non-compliance with the provisions of this Treasury Instruction can constitute grounds for financial misconduct, as regulated in Chapter 10 of the PFMA.
- 3.4 Irregular expenditure resulting from non-compliance with this Treasury Instruction must be recorded as such in the irregular expenditure register and disclosed appropriately in the annual financial statements of the institution.

4 COST CONTAINMENT MEASURES

Engagement of professional service providers (consultants)

- 4.1 Accounting officers and accounting authorities must ensure that consultants are appointed only where this is a cost-effective alternative to the utilisation of staff employed by the department, constitutional institution or the public entity concerned. The appointment of consultants must be supported by a motivated business case setting out an analysis of the underlying skills gap and a diagnosis of requirements and specified deliverables, as approved by the accounting officer or accounting authority.
- 4.2 Bid documentation for the appointment of consultants must include a clause that rates of remuneration will be subject to negotiation, not exceeding the applicable rates as contained in the guidelines referred to in paragraph 4.3 below.
- 4.3 Accounting officers and accounting authorities must adopt a fair and reasonable remuneration framework for consultants, taking into account –
- (a) The “Guideline on Fees for Audits done on behalf of the Auditor-General of South Africa (AGSA)¹” as issued by the South African Institute of Chartered Accountants (SAICA);
 - (b) The “Guide on Hourly Fee Rates for Consultants”, as issued by the Department of Public Service and Administration (DPSA); and/or
 - (c) Remuneration guidelines issued by professional service organisations or regulatory bodies, as may be relevant.

¹ The rates in the “Guideline on Fees for Audits done on behalf of the Auditor-General of South Africa (AGSA)” may be used even though the assignment may not be audit related.

Cost Containment Measures

- 4.4 When negotiating cost-effective consultancy rates for international consultants and expert advisors, accounting officers and accounting authorities may also take into account the relevant international and market-determined reference rates.
- 4.5 Consultants must, where practical, be appointed on an output-specified basis, subject to a clear specification of deliverables and associated remuneration. Where consultants are appointed on a time and cost basis, this must be accompanied by regular monitoring and reporting on activities, outputs and deliverables.
- 4.6 Consultancy contracts must include overall cost ceilings by specifying whether the contract price is inclusive or exclusive of travel and subsistence disbursements.
- 4.7 Accounting officers and accounting authorities may approve alternative travel and subsistence arrangements for international consultants and expert advisors, taking into account relevant cost-efficiency measures.
- 4.8 Accounting officers and accounting authorities must ensure that appropriate monitoring and reporting requirements are set for all consultancy contracts and that penalty provisions are invoked when deemed necessary.

Catering expenses

- 4.9 Accounting officers and accounting authorities must implement policies and procedures to eliminate unnecessary catering expenses.
- 4.10 Departments, constitutional institutions and public entities may not incur catering expenses for internal meetings², unless approved otherwise by the relevant accounting officer or accounting authority.
- 4.11 Notwithstanding the provisions of paragraph 4.10 above, departments, constitutional institutions and public entities may incur catering expenses for official engagements that last for five (5) continuous hours or more, including –
- (a) the hosting of conferences, workshops, indabas, forums, recruitment interviews, training sessions or hearings;
 - (b) meetings related to commissions or committees of inquiry; or
 - (c) meetings hosted by the accounting officer or accounting authority, including governance committee meetings.

Entertainment expenses

- 4.12 Entertainment allowances for qualifying persons³ may not exceed two thousand rand (R2000) per person per financial year, unless approved otherwise by the accounting officer or accounting authority.
- 4.13 Entertainment allowances for accounting officers, accounting authorities⁴, chief executive officers or other persons in charge of public entities may not exceed four thousand rand (R4000) per person per financial year, unless approved otherwise by the National Treasury.

² For purposes of applying this paragraph of the Treasury Instructions, meetings held with employees from the same institution who are not based at the centre where the meeting is being held are not considered as internal meetings.

³ Qualifying persons are those employees who are allocated an entertainment allowance in terms of a policy of the institution.

⁴ Where the public entity has a board or controlling body, the entertainment allowance of R4000 shall be applicable to that board or controlling body as a collective and not for individual members.

Alcohol expenses

- 4.14 Expenditure on alcoholic beverages may not be included in the accommodation or subsistence costs of employees of departments, constitutional institutions or public entities or by persons appointed in terms of section 12A⁵ of the Public Service Act, 1994.
- 4.15 Expenses related to alcohol may not be claimed as part of reimbursable expenses, including entertainment expenses, by employees of departments, constitutional institutions or public entities or by persons appointed in terms of section 12A of the Public Service Act, 1994.
- 4.16 Accounting officers and accounting authorities may only incur expenses on alcoholic beverages at –
- (a) state banquets;
 - (b) functions hosted for the promotion of South Africa and its goods or services; or
 - (c) the hosting of foreign dignitaries.

Expenses related to social functions and corporate branded items

- 4.17 Accounting officers and accounting authorities must ensure that social functions, team building exercises, year-end functions, sporting events, budget vote dinners and other functions that have a social element are not financed from the budgets of their respective institutions or by any suppliers or sponsors.
- 4.18 Expenditure may not be incurred by departments, constitutional institutions and public entities on corporate branded items of clothing or goods for personal use of employees (other than uniforms, office supplies and tools of trade) unless costs related thereto are recovered from those employees that are availed the items.
- 4.19 Accounting officers and accounting authorities may incur expenditure to host farewell functions in recognition of employees who –
- (a) retire after serving the department, constitutional institution or public entity for ten (10) or more years; or
 - (b) retire on grounds of ill health.

Expenses on newspapers and other publications

- 4.20 Newspapers and other related publications for the use of employees must be discontinued on expiry of existing contracts or supply orders.

Expenses related to telephone, cellular phones and data facilities

- 4.21 Accounting officers and accounting authorities must implement policies and procedures to effectively manage and monitor expenses related to telephones, cellular phones and data facilities, including the recovery of costs for the private use thereof by employees.

⁵ Persons appointed in terms of section 12A of the Public Service Act, 1994 refers to special advisors appointed for each Minister or Premier.

Cost Containment Measures

- 4.22 The allocation of cellular phones and data facilities and the reimbursement of communication related expenses must be managed in accordance with the requirements associated with an employee's responsibilities rather than levels of occupational positions.
- 4.23 Accounting officers and accounting authorities **may**, subject to paragraph 4.24 below, participate in the transversal term contract (RT15) arranged by National Treasury for the acquisition of mobile communications services. Documents related to this transversal term contract can be downloaded via the following web link:
<http://www.treasury.gov.za/divisions/ocpo/ostb/contracts/default.aspx>
- 4.24 If accounting officers and accounting authorities decide not to participate in the transversal term contract referred to in paragraph 4.23 above, the accounting officers or accounting authorities concerned must report the discounts that will be achieved by their respective institutions and obtain approval from National Treasury prior to the conclusions of their mobile communication services contracts. This information must be submitted to the National Treasury via e-mail to transversal.contracting@treasury.gov.za.

Expenses related to advertising

- 4.25 Accounting officers and accounting authorities must exercise strict control of public communication campaigns, publications and advertisements to ensure moderation and cost-effectiveness. Vacancies must, where practical, be advertised through bulk advertisements with minimal information related to the position. Detailed job specifications related should be provided on the website of the department, constitutional institution or public entity.

Hiring of Venues

- 4.26 Expenditure on the hiring of venues for official engagements must be strictly controlled and government-owned facilities and resources must be used unless such venues are not available.

5 COST CONTAINMENT MEASURES RELATED TO THE HOSTING OF AND ATTENDANCE AT CONFERENCES OR EVENTS

Review of planned conferences⁶ and events

- 5.1 Before approving the hosting of conferences or events, accounting officers and accounting authorities must ensure that the costs associated with such have been reliably estimated, cost-effective options have been assessed and that sufficient budgeted funds are available to host the conference or event.
- 5.2 When assessing whether to host conferences or events, at least the following costs must also be taken into account –
- (a) employee time for conference or event preparation and planning;
 - (b) employee time for attendance at the conference or event or en route; and
 - (c) any other costs referred to in paragraph 5.6 below that are charged for the hosting or running of the conference or event.

⁶ A conference is a formal meeting of people with a shared interest, typically taking place over several days and includes conventions, symposiums, roundtables, and exhibitions where participants exchange ideas, debate or discuss matters of a specialized or professional nature that is necessary for pursuing.

Cost Containment Measures

- 5.3 When assessing cost-effective options to host conferences or events for 300 or more delegates, accounting officers and accounting authorities must take cognisance of the cost restrictions referred to in paragraph 5.5 below.
- 5.4 Accounting officers and accounting authorities must treat each conference or event that is hosted as a separate project and all expenditure incurred by the department, constitutional institution or public entity for hosting a conference or event must be recorded against the relevant items associated with a project.

Hosting of conferences or events (within the borders of South Africa)

- 5.5 Accounting officers and accounting authorities may proceed with the hosting of conferences or events where the expenses related thereto do not exceed the rates referred to in **Table 1** of this Treasury Instruction. The National Treasury may periodically review these amounts.

Table 1: Rates set for hosting of conferences or events per person per day

<i>Hotel Grading</i>	<i>Cost per delegate per day</i>
3 Star	R 350.00
4 Star	R 480.00
5 Star	R 565.00

Inclusive of conference or event package, food and beverages excluding costs of other services and items that conference or event organizers will require.

- 5.6 For the purposes of paragraph 5.5 above, the following services that are required by the conference or event organisers are excluded from the costs referred to in **Table 1** –
- (a) hiring of the venue, including the hiring of rooms for official business;
 - (b) usage of audio visual and other equipment;
 - (c) computer, fax, internet and telephone access;
 - (d) printing;
 - (e) outlays for conference or event preparation and planning;
 - (f) transportation of equipment or material to be showcased at the conference or event;
 - (g) speaker fees;
 - (h) administrative expenses;
 - (i) translation and interpretation expenses; or
 - (j) security costs to ensure the safety of attendees or dignitaries.
- 5.7 Where the expenses related to a conference or event exceeds the rates referred to in paragraph 5.5 above, the accounting officer or accounting authority must obtain prior written approval from the relevant treasury before proceeding with any arrangements related to that conference or event. If such prior written approval is not obtained, the expenditure related thereto shall be regarded as irregular expenditure and *ex post facto* approval may not be granted by the relevant treasury.

Cost Containment Measures

- 5.8 When approaching the relevant treasury for approval in terms of paragraph 5.7 above, the accounting officer or accounting authority must, as a minimum, submit the following information –
- (a) the nature of the conference or event;
 - (b) the target audience;
 - (c) the total number of anticipated delegates;
 - (d) the attendance cost per person;
 - (e) the breakdown of the conference or event expenses;
 - (f) how the conference or event contributes to the mandate of the department, constitutional institution or public entity; and
 - (g) how the conference or event contributes to relationships with stakeholders.
- 5.9 Accounting officers and accounting authorities must exercise effective control of conference or event expenses and avoid incurring non-essential expenditure by identifying opportunities to maximise the use of government owned facilities and resources, where available.
- Attendance at external conferences or events (within the borders of South Africa)**
- 5.10 Accounting officers and accounting authorities must establish policies and procedures to manage applications by employees to attend conferences or events hosted by professional bodies or non-governmental institutions (external conferences or events) held within the borders of South Africa, taking into account their merits and benefits, costs and available alternatives.
- 5.11 Accounting officers and accounting authorities may consider appropriate benchmark costs with other professional bodies or regulatory bodies prior to granting approval for an employee to attend a conference or event within the borders of South Africa. Such benchmark costs may not exceed R2 500 per employee per day. The National Treasury may periodically review this amount.
- 5.12 If the amount referred to in paragraph 5.11 above exceeds R2 500 per employee per day, the accounting officer or accounting authority may consider granting approval for employees of their respective institutions to attend.
- 5.13 The amount of R2 500 or the amount approved in terms of paragraph 5.12 above excludes costs related to travel, accommodation and related expenses, however includes the following –
- (a) conference or event registration expenses;
 - (b) incidental expenses; and
 - (c) any other expense incurred in relation to the conference or event.
- 5.14 Accounting officers and accounting authorities must ensure that travel and subsistence expenses related to their respective employees are consistent with National Treasury Instruction No. 04 of 2017/2018 on Cost Containment Measures related to Travel and Subsistence.
- 5.15 When reviewing applications from employees to attend conferences or events within the borders of South Africa, accounting officers and accounting authorities must at least take the following into account –

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- (a) the employee's role and responsibilities and the anticipated benefits of the conference or event;
- (b) whether the conference or event addresses relevant concerns of the institution;
- (c) the appropriate number of employees attending the conference or event; and
- (d) the availability of funds to meet expenses related to the conference or event.

5.16 Employees of departments, constitutional institutions and public entities must, where applicable, take advantage of early registration discounts for conferences or events.

5.17 Employees of departments, constitutional institutions and public entities may not participate in conferences or events that offer inappropriate marketing benefits such as laptops, tablets and other similar electronic equipment to attendees.

Attendance at external conferences, events and study tours (outside South Africa)

5.18 Accounting officers and accounting authorities must establish policies and procedures for the approval of employees attending conferences, events and study tours hosted by professional bodies and other governmental or non-governmental institutions held outside the borders of South Africa (external conferences, events and study tours), taking into account their merits, benefits, costs and available alternatives.

5.19 Expenses related to the attendance of external conferences, events or study tours may not exceed R60 000 per employee per conference, event or study tour. The National Treasury may periodically review this amount.

5.20 If the amount referred to in paragraph 5.19 above exceeds R60 000 per employee per conference, event or study tour, the accounting officer or accounting authority may consider granting approval for employees of their respective institutions to attend.

5.21 The amount of R60 000 or the amount approved in terms of paragraph 5.20 above excludes costs related to travel, accommodation and related expenses, but includes costs related to the following –

- (a) conference registration expenses;
- (b) incidental expenses; and
- (c) any other expense incurred in relation to the conference, event or study tour.

5.22 Accounting officers and accounting authorities must ensure that travel and subsistence expenses related to their respective employees are consistent with National Treasury Instruction No. 04 of 2017/2018 on Cost Containment Measures related to Travel and Subsistence.

5.23 When considering applications by employees to attend conferences, events or study tours outside the borders of South Africa, accounting officers and accounting authorities must at least take the following into account –

- (a) the employee's role and responsibilities and anticipated benefits of the conference, event or study tour;
- (b) whether the conference, event or study tour addresses relevant concerns of the institution;
- (c) the number of employees attending the conference, event or study tour is limited to one (1), unless approved otherwise by the accounting officer or accounting authority; and

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- (d) funds are available in the institution's budget to meet expenses related to the conference, event or study tour.

- 5.24 Employees of departments, constitutional institutions and public entities must, where applicable, take advantage of early registration discounts by seeking the required approvals to attend well in advance of the conference, event or study tour.

6 TRAVEL AND SUBSISTANCE

Accounting officers and accounting authorities must ensure that all travel and subsistence expenditure incurred by their respective institutions is consistent with National Treasury Instruction No. 04 of 2017/2018 on Cost Containment Measures related to Travel and Subsistence.

7 REQUESTS FOR TREASURY APPROVAL

- 7.1 Accounting officers of national departments, constitutional institutions and accounting authorities of national public entities must submit requests for treasury approvals, as referred to in paragraph 4.13 and 5.7 above to:

**The Director-General
National Treasury
Private Bag X115
PRETORIA
0001**

For attention: The Accountant-General

- 7.2 Accounting officers of provincial departments and accounting authorities of provincial public entities must submit requests for approval, as referred to in paragraph 5.7 above, to their respective provincial treasuries.

8 ADDITIONAL COST CONTAINMENT MEASURES

In addition to the cost containment measures prescribed in paragraphs 4 and 5 above, accounting officers and accounting authorities are urged to consider implementing additional cost containment measures as contained in the enclosed **Annexure A**. Such measures are considered necessary especially in light of the current economic realities.

9 APPLICABILITY

This Treasury Instruction applies to all departments, constitutional institutions and public entities listed in Schedules 2 and 3 to the PFMA.

10 EFFECTIVE DATE

This Treasury Instruction takes effect from the date of issue.

11 REPEAL OF NATIONAL TREASURY INSTRUCTION NO. 2 OF 2016/2017

National Treasury Instruction No. 02 of 2016/2017 on Cost Containment Measures dated 30 September 2016 is hereby repealed.

12 DISSEMINATION OF INFORMATION CONTAINED IN THIS TREASURY INSTRUCTION

- 12.1 Accounting officers of national departments are requested to bring the contents of this Treasury Instruction to the attention of all:

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- (a) accounting officers of constitutional institutions that receive transfers and subsidies from its vote; and
 - (b) accounting authorities of public entities reporting to their executive authorities.
- 12.2 Head officials of provincial treasuries are requested to bring the contents of this Treasury Instruction to the attention of all accounting officers of departments and accounting authorities of public entities in their respective provinces.

13 AUTHORITY FOR THIS INSTRUCTION

This Treasury Instruction is issued in terms of section 76(4) (b) of the PFMA.

14 CONTACT INFORMATION

Enquiries related to this Treasury Instruction may be directed to:

Moipone Ramoipone

Director: PFMA Support

Office of the Accountant-General

Phone: 012 315 5284

E-Mail: oagqueries@treasury.gov.za; or

PFM queries portal: <http://pfmportal.treasury.gov.za/>



JAYCE M NAIR
ACTING ACCOUNTANT-GENERAL

DATE: 15/05/2017

**ADDITIONAL COST CONTAINMENT MEASURES FOR CONSIDERATION BY
ACCOUNTING OFFICERS AND ACCOUNTING AUTHORITIES**

Inventory

1. Supplier and early settlement discounts can be negotiated to secure lower prices.
2. Savings on the amount of paper used may be considered by printing draft documents 'back to back' and by using colour printing facilities sparingly.
3. The use of electronic mail (email) should be encouraged instead of postage.
4. Consideration should be given to purchasing software licenses through the State Information Technology Agency (SITA) to leverage economies of scale and preferential rates.

Water and Electricity

5. Water and electricity must be used sparingly to lower utility costs.

Communication

6. Telephone and/or video conferencing facilities should be used, where possible, to avoid unnecessary travel and subsistence costs.

Advertising

7. Consideration should be given to utilising the services of the Government Communications and Information System (GCIS) for media related needs.

Miscellaneous measures

8. There should be synergy between similar business activities to avoid duplication of processes and efforts.
9. Labour saving devices should be shared within the establishment to optimize the capacity utilization of each device.
10. Warranties on motor vehicles and computer equipment should, where possible, be extended for reasonable periods instead of procuring new motor vehicles and computer equipment.
11. Purchasing of new furniture and equipment and office refurbishments should only be undertaken where absolutely necessary.