LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

Ref. no: 11/1/6/R
Enquiries: Mahlatji MD
Date: 24 April 2014

TREASURY INSTRUCTION NOTE NO. 2 OF 2014

THE PREMIER

SPEAKER OF LIMPOPO LEGISLATURE
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THE MEC FOR AGRICULTURE
THE MEC FOR FINANCE
THE MEC FOR ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM
THE MEC FOR HEALTH AND SOCIAL DEVELOPMENT
THE MEC FOR ROADS AND TRANSPORT
THE MEC FOR PUBLIC WORKS
THE MEC FOR SAFETY, SECURITY AND LIAISON
THE MEC FOR CO-OPERATIVE GOVERNANCE HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
THE MEC FOR SPORT, ARTS AND CULTURE

For information

THE SPEAKER: PROVINCIAL LEGISLATURE
THE DEPUTY SPEAKER: PROVINCIAL LEGISLATURE

ALL OTHER MEMBERS OF THE LEGISLATURE

THE ACCOUNTING OFFICER: VOTE 01: DIRECTOR GENERAL
THE ACCOUNTING OFFICER: VOTE 2: SECRETARY FOR PROVINCIAL LEGISLATURE
THE ACCOUNTING OFFICER: VOTE 03: EDUCATION
THE ACCOUNTING OFFICER: VOTE 04: AGRICULTURE
THE ACCOUNTING OFFICER: VOTE 05: PROVINCIAL TREASURY
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THE ACCOUNTING OFFICER: VOTE 10: SAFETY, SECURITY AND LIAISON
THE ACCOUNTING OFFICER: VOTE 11: CO-OPERATIVE GOVERNANCE HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
THE ACCOUNTING OFFICER: VOTE 12: SOCIAL DEVELOPMENT
THE ACCOUNTING OFFICER: VOTE 13: SPORT, ARTS AND CULTURE

THE ACCOUNTING AUTHORITY: LIMPOPO ECONOMIC DEVELOPMENT AGENCY

THE ACCOUNTING AUTHORITY: LIMPOPO GAMBLING BOARD
THE ACCOUNTING AUTHORITY: LIMPOPO TOURISM AGENCY

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Tel: (015) 298 7000, Fax: (015) 295 7010 Website: http//www.limpopo.gov.za

THE ACCOUNTING AUTHORITY: ROAD AGENCY LIMPOPO
THE ACCOUNTING AUTHORITY: GATEWAY AIRPORTS AUTHORITY LIMITED

THE MANAGING DIRECTOR: LIMPOPO ECONOMIC DEVELOPMENT AGENCY
THE CHIEF EXECUTIVE OFFICER: LIMPOPO GAMBLING BOARD
THE CHIEF EXECUTIVE OFFICER: LIMPOPO TOURISM AGENCY
THE CHIEF EXECUTIVE OFFICER: ROAD AGENCY LIMPOPO
THE CHIEF EXECUTIVE OFFICER: GATEWAY AIRPORTS AUTHORITY LIMITED

THE CHIEF FINANCIAL OFFICER: VOTE 01: OFFICE OF THE PREMIER OFFICER
THE CHIEF FINANCIAL OFFICER: VOTE 02: LIMPOPO LEGISLATURE
THE CHIEF FINANCIAL OFFICER: VOTE 03: EDUCATION
THE CHIEF FINANCIAL OFFICER: VOTE 04: AGRICULTURE
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THE CHIEF FINANCIAL OFFICER: VOTE 07: HEALTH AND SOCIAL DEVELOPMENT
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THE PROVINCIAL AUDITOR

LIMPOPO PROVINCIAL TREASURY: SUPPLY CHAIN MANAGEMENT INSTRUCTION NOTES

1. PURPOSE

1.1. The purpose of this instruction note is to give effect to the revised Provincial SCM framework.

1.2. To provide Provincial Departments and Public Entities with the new provincial SCM Instruction Notes together with their Checklists and Templates.

2. LEGISLATIVE MANDATE

2.1. Section 38 (1) (a) (i) of the PFMA states that the Accounting Officer for a Department, trading entity or constitutional institution must ensure that that department, trading entity or constitutional

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institution has and maintains effective, efficient and transparent systems of financial and risk management and internal control.

3. BACKGROUND

3.1. For years the Province has used systems, processes and practices which does not meet the business needs or were incorrectly used due to poor process discipline.

3.2. The Treasury SCM Division embarked on an assessment of the current procurement practices and processes and has identified various gaps resulting from the lack of the internal control/compliance resulting in the inability of SCM structures to perform their duties efficiently and effectively.

3.3. In closing the gaps the Provincial Treasury embarked on the development of standard procedures that would guide the operations of SCM function within the Province to improve the state of internal controls and the effective functioning thereof.

3.4. The Treasury has developed twenty (20) Supply Chain Management Instruction Notes, together with their Checklist Lists and Templates for implementation by provincial institutions. To this end, provincial departments and public entities have been trained on the application of these Instruction Notes.

4. REQUIREMENT

4.1. Each Department and Public Entity is required to revise its supply chain management procedure in line with these instruction notes.

4.2. Departments are required to liaise with Provincial Treasury for guidance on the implementation of the instruction notes.

4.3. The Instruction Note pack includes the following documents:

4.3.1. SCM Legislative Framework
4.3.2. Acronyms and Definitions in SCM
4.3.3. Guidelines for Code of Conduct for SCM Practitioners and Other Officials
4.3.4. Demand Management
4.3.5. Specification Development
4.3.6. Duties and Powers of Committees
4.3.7. ToR for BSC
4.3.8. Bid Compilation
4.3.9. Advertising and Publication of bids and quotations
4.3.10. Receiving, Handling and Evaluation of Quotations
4.3.11. Receiving, Handling and Evaluation of Solicited Bids
4.3.12. Receiving, Handling and Evaluation of Un-solicited Bids
4.3.13. ToR for BEC
4.3.14. ToR for BAC
4.3.15. Negotiations
4.3.16. Deviations from Policy and Emergency Requirements
4.3.17. Sole Suppliers
4.3.18. Appointment of Consultants
4.3.19. Contract Management
4.3.20. Service Level Agreements

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4.3.21. Risk Management
4.3.22. Records Management
4.3.23. Performance Management and Monitoring

5. APPLICABILITY

5.1. The instruction note is applicable to all the Departments (Votes) and Public Entities within Limpopo Provincial Administration and replaces all previous provincial SCM circulars, practice notes, directives and instructions.

6. AUTHORITY FOR THIS INSTRUCTION NOTE

6.1. The instruction note is issued in terms of Section 18 (1) (c) of the PFM Act read together with Section 18 (2) (a), (b), (f) and (i).

7. EFFECTIVE DATE FOR IMPLEMENTATION

7.1. The effective date of the instruction note is 02 May 2014.

8. CONTACT OFFICE

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