



**treasury**

Department  
Treasury  
PROVINCE OF KWAZULU-NATAL

Treasury House  
145 Chief Albert Luthuli Road  
Pietermaritzburg 3201  
P O Box 3613  
Pietermaritzburg 3200  
Tel: +27 (0) 33 897 4200  
Fax: +27 (0) 33 342 4316  
Internet: [www.kzntreasury.gov.za](http://www.kzntreasury.gov.za)

## KZN PROVINCIAL TREASURY

Reference: Municipal Supply Chain Management Policies  
Contact Person: Mr N Sphengane  
Contact Details: 033 897 4528

**TO: MUNICIPAL ACCOUNTING OFFICERS  
MUNICIPAL CHIEF FINANCIAL OFFICERS  
HEADS OF MUNICIPAL SUPPLY CHAIN MANAGEMENT**

### **PROVINCIAL CIRCULAR NO. 4 OF 2016/17: SUPPLY CHAIN MANAGEMENT POLICY REVIEWS**

#### **1. PURPOSE**

The purpose of this circular is to communicate and initiate a refined approach to municipal supply chain management policy reviews.

#### **2. BACKGROUND**

Regulation 3(1) (b) of the Municipal Supply Chain Management Regulations requires the Accounting Officers of municipalities and Accounting Authorities of municipal entities to review the implementation of the supply chain management policy at least once per annum. Regulation 3(2) (c) further requires the Accounting Officer/Authority to report any deviation from the guideline standard to the National and Provincial Treasuries. To give effect to the Regulations, KwaZulu-Natal municipalities have been submitting policies for review to the Provincial Treasury at least once per year or as and when there are amendments municipalities intend to make in their respective supply chain management policies. In response, Provincial Treasury would highlight all inconsistencies with the applicable legislation and advise municipalities on the proposed way forward.

On 13 – 14 August 2015, the KwaZulu-Natal Provincial Government hosted a successful Procurement Indaba at the Durban International Convention Centre. The resolutions of the Procurement Indaba covered a wide spectrum of both challenges and opportunities in the

public sector procurement space. Chief among the resolutions is the placing of public procurement at the centre stage for Radical Economic Transformation. To realize, inter alia, this resolution, Provincial Treasury has developed a new approach to municipal policy reviews.

### **3. AMENDMENT AND ADOPTION OF NEW MUNICIPAL SUPPLY CHAIN POLICIES**

Provincial Treasury will conduct roadshows in the month of April 2017. The aim of these roadshows is to introduce changes to the Preferential Procurement Policy Framework Act (PPPFA) Regulations 2017, to inform the general public, prospective suppliers and all concerned parties about the impact of the implementation of the Procurement Indaba resolutions and to consult the same audience on other ways to improve the public procurement space. Immediately following the roadshows, Provincial Treasury will consult all municipal councils on amendments to respective supply chain policies to give effect to Radical Economic Transformation. The expected outcomes of this process is the collaborative development of supply chain policies that respond to the needs of the communities we serve as well as to drive and foster Radical Economic Transformation in the province.

Municipalities are therefore requested not to submit policies for review to Provincial Treasury. Furthermore, all policies that have been submitted but not reviewed by Provincial Treasury, will be reviewed in the process highlighted in paragraph 3 of this Circular. Provincial Treasury will keep a database of all new municipal policies and where an amendment is required, will advise the municipality and provide all the necessary assistance. Municipalities with pressing policy matters may still contact Provincial Treasury for advice and guidance.

### **4. APPLICABILITY**

This circular applies to all KwaZulu-Natal Municipalities.

### **5. EFFECTIVE DATE**

The effective date for this Circular is 01 April 2017.

## 6. CONTACT INFORMATION

Enquiries related to this Circular may be directed to:

Mr N.A. Sphengane

Director: Contract Management and SCM Policy Development

Tel: (033) 897 4528

Email: [nyaniso.sphengane@kzntreasury.gov.za](mailto:nyaniso.sphengane@kzntreasury.gov.za)

A handwritten signature in black ink, appearing to read 'Magagula', written over a horizontal line.

**Mr L.S. Magagula**

**Head of Department: KZN Provincial Treasury**

**Date:** 02/05/2017