



KWAZULU-NATAL PROVINCE

TREASURY
REPUBLIC OF SOUTH AFRICA

DIRECTORATE:

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Provincial Supply Chain Management

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

COMMUNIQUE REGARDING THE IMPLEMENTATION OF KWAZULU – NATAL PROVINCIAL TREASURY CIRCULAR NUMBER 5 OF 2020/2021: MAXIMISING PUBLIC PROCUREMENT FOR RADICAL ECONOMIC TRANSFORMATION THROUGH THE PPPFA REGULATIONS, 2017

1. PURPOSE

The purpose of this communique is to remind the Accounting Officers and Accounting Authorities of the reporting requirements in terms of KwaZulu-Natal Provincial Treasury Circular No 5 of 2020/21 and other matters connected thereon.

2. BACKGROUND

2.1 The KwaZulu-Natal Provincial Treasury Circular No 5 of 2020/21 prescribe that:

- The Institutions must apply the pre-qualification criteria and or subcontracting requirement when procuring goods that fall under Operation Vula Priority Sectors (Bakery, Clothing, Leather, Textile, Fertilizers, Detergents, Furniture, Infrastructure Development, Paper and Paper Pulp).
- All tender specifications relating to Operation Vula commodities that are above R1000 000 (incl VAT) be submitted to Treasury for vetting, prior to advertisement of tenders.
- The Institutions must report the expenditure on designated groups by the end of each quarter but not later than the 7th. To ensure uniformity, a reporting template was issued together with the circular.

2.2 It has, however, come to light that some Accounting Officer and Accounting Authorities of Institutions are not complying with the provisions of the above-mentioned Circular thus weakening the spirit of Operation Vula. From Provincial Treasury perspective, the Circular empowers the Institutions to take legislative measures to protect or advance persons, or categories of persons disadvantaged by unfair discrimination in order to promote the achievement of equality.

**KWAZULU – NATAL PROVINCIAL TREASURY SCM CIRCULAR NO. 2A OF 2020/2021:
PRE-ORDER COMPLIANCE ASSESSMENT**

2.3 The Province is determined to address the imbalance of the past through a structured programme called Operation Vula. Therefore, the non-compliance with the Circular has made it difficult to measure the progress made thus far and the impact thereof.

2.4 The Provincial Treasury has considered it prudent to issue this reminder to Accounting Officers and Accounting Authorities before a non-compliance report is tabled to the Provincial Executive Council.

3. WAY FORWARD

3.1 Institutions must comply with the KwaZulu-Natal Provincial Treasury Circular No 5 of 2020/21, attached herewith for ease of reference;

3.2 Institutions must make concerted effort to procure from enterprises that are owned by Women, Youth, Military Veterans and People with Disabilities;

3.3 In order to measure the impact and ensure that the expenditure report drawn from BAS is accurate, the Institutions must:

- Ensure that the information captured on BAS is correct and accurate, especially the Central Suppliers Database Numbers;
- Ensure that when entering into agreements with the implementing agents such as DBSA, a strict condition is imposed to comply with the PPPFA Regulations, 2017 by targeting the designated groups to achieve RET objectives.

4. REQUEST

4.1 Accounting Officers and Accounting Authorities must:

(a) Ensure that the contents of this communicate are brought to the attention of all relevant officials within their institutions;

(b) That any queries relating to this communicate may be directed to Mr Nyaniso Sphengane on (033) 897 4528 or RET.vetting@kzntreasury.gov.za.



Mr S. Moodley
KZN Provincial Accountant General

Date: 10/01/22



Mrs N. Shezi
Acting Head of Department: KZN Provincial Treasury

Date: 11 January 2022