



Supply Chain Management

DATABASE OF RESTRICTED SUPPLIERS AND TRAINING ON THE REVISED PREFERENTIAL PROCUREMENT REGULATIONS, 2011

PURPOSE

This circular aims to draw the attention of accounting officers of municipalities and municipal entities to the following supply chain management reforms and support.

DATABASE OF RESTRICTED SUPPLIERS

Publication on National Treasury website

The Database of Restricted Suppliers (previously known as the List of Restricted Suppliers) has been published on the National Treasury website to improve transparency and accountability in supply chain management processes. This can be accessed on www.treasury.gov.za (on the home page, click on link "Database of Restricted Suppliers"). The Database of Restricted Suppliers will be updated on a continuous basis.

You are kindly requested to provide information on any supplier that has been restricted in terms of MFMA Circular 43 for inclusion in this Database of Restricted Suppliers.

Amended verification procedures

Accounting officers were required, prior to the award of any contract above R100 000, to verify whether the recommended bidder or any of its directors are prohibited from doing business with the public sector by forwarding an e-mail for such verification to restrictions@treasury.gov.za. The requirement to submit a request is no longer applicable as this is addressed with the publication of the database.

With effect from the date of issuance of this circular, prior to the award of any contract (this includes contracts emanating from written price quotations in excess of R10 000, competitive bids and limited bids), accounting officers are required to verify the status of recommended bidders [including their director(s)/ owner(s)/trustee(s)] by checking the Database of Restricted Suppliers in order to ensure that no

recommended bidders or any of their directors / owners / trustees are listed as companies or persons prohibited from doing business with the public sector.

The amended verification procedures provided above therefore amends the verification procedures contained in MFMA Circular No 46 dated 17 March 2008.

The verification procedures relating to the "Register for Tender Defaulters" remains unchanged.

TRAINING ON THE REVISED PREFERENTIAL PROCUREMENT REGULATIONS, 2011

The revised Preferential Procurement Regulations, 2011 was promulgated by the Minister of Finance on 8 June 2011 in Government Gazette No 34350. These Regulations shall come into effect on 7 December 2011. The grace period of six months allows for suppliers to obtain their B-BBEE rating and the National Treasury to conduct awareness sessions / workshops and issue guidelines to empower supply chain practitioners to effectively implement the revised regulations. The current Preferential Procurement Regulations, 2001 will remain applicable until 7 December 2011.

Accounting officers are, therefore, advised to refrain from utilizing any service provider offering training in this regard until such time that guidelines on the implementation of the revised Preferential Procurement Regulations are issued by the National Treasury. Upon issuance of such guidelines, the decision for supply chain management practitioners to attend training provided by accredited service providers, validated by the National Treasury, may be taken on merit.

CONCLUSION

Accounting Officers are requested to ensure that the matters and procedures contained in this Circular are implemented. The implementation will be reviewed during the annual audit process with municipalities and municipal entities.

Please bring the contents of this Circular to the attention of senior management, supply chain management practitioners and members of bid committees in the municipality or municipal entity. All enquiries relating to this Circular should be marked for the attention of Mr. Jan Breytenbach and emailed to the addressed below.

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