



Reference number: RCS/C.5

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CAPE TOWN
8000

TREASURY CIRCULAR MUN NO. 5/2024

- THE MAYOR, CITY OF CAPE TOWN
- THE MAYOR, WEST COAST DISTRICT MUNICIPALITY
- THE MAYOR, MATZIKAMA MUNICIPALITY
- THE MAYOR, CEDERBERG MUNICIPALITY
- THE MAYOR, BERGRIVIER MUNICIPALITY
- THE MAYOR, SALDANHA BAY MUNICIPALITY
- THE MAYOR, SWARTLAND MUNICIPALITY
- THE MAYOR, CAPE WINELANDS DISTRICT MUNICIPALITY
- THE MAYOR, WITZENBERG MUNICIPALITY
- THE MAYOR, DRAKENSTEIN MUNICIPALITY
- THE MAYOR, STELLENBOSCH MUNICIPALITY
- THE MAYOR, BREEDE VALLEY MUNICIPALITY
- THE MAYOR, LANGEBERG MUNICIPALITY
- THE MAYOR, OVERBERG DISTRICT MUNICIPALITY
- THE MAYOR, THEEWATERSKLOOF MUNICIPALITY
- THE MAYOR, OVERSTRAND MUNICIPALITY
- THE MAYOR, CAPE AGULHAS MUNICIPALITY
- THE MAYOR, SWELLENDAM MUNICIPALITY
- THE MAYOR, GARDEN ROUTE DISTRICT MUNICIPALITY
- THE MAYOR, KANNALAND MUNICIPALITY
- THE MAYOR, HESSEQUA MUNICIPALITY
- THE MAYOR, MOSSEL BAY MUNICIPALITY
- THE MAYOR, GEORGE MUNICIPALITY
- THE MAYOR, OUDTSHOORN MUNICIPALITY
- THE MAYOR, BITOU MUNICIPALITY
- THE MAYOR, KNYSNA MUNICIPALITY
- THE MAYOR, CENTRAL KAROO DISTRICT
- THE MAYOR, LAINGSBURG MUNICIPALITY
- THE MAYOR, PRINCE ALBERT MUNICIPALITY
- THE MAYOR, BEAUFORT WEST MUNICIPALITY

} For information

- THE MUNICIPAL MANAGER, WEST COAST DISTRICT MUNICIPALITY: MR D JOUBERT
- THE MUNICIPAL MANAGER, MATZIKAMA MUNICIPALITY: MR L PHILLIPS
- THE MUNICIPAL MANAGER, CEDERBERG MUNICIPALITY: MR G MATTHYSE
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 THE MUNICIPAL MANAGER, PRINCE ALBERT MUNICIPALITY: MR A HENDRICKS
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 THE CHIEF DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS – NATIONAL TREASURY (MR J HATTINGH)
 THE CHIEF DIRECTOR: MFMA IMPLEMENTATION – NATIONAL TREASURY (MR TV PILLAY)

ANNUAL REVIEW OF MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICIES FOR THE 2024/25 FINANCIAL YEAR

1. PURPOSE

- 1.1 To inform municipalities and municipal entities of the Provincial Treasury's Supply Chain Management (SCM) policy assessment for the 2024/25 financial year, in accordance with Municipal Finance Management Act SCM Regulations 2 and 3.
- 1.2 To request all municipalities and municipal entities to submit their SCM policies to the Provincial Treasury for assessment.

2. BACKGROUND

- 2.1 MFMA SCM regulation 2 requires each municipality and municipal entity to have and implement an SCM policy that gives effect to s. 217 of the Constitution, Ch. 11 of the MFMA and is consistent with other applicable legislation.
- 2.2 MFMA Circular No. 22 issued a model policy for SCM, which was applicable no later than 1 July 2006. Numerous policy and regulatory updates have taken effect since the issuance of the model policy.

3. ASSESSMENT PROCESS

- 3.1 The Provincial Treasury's annual policy assessment process determines whether:
 - a) municipalities and municipal entities have implemented a SCM policy to give effect to s. 217 of the Constitution, s. 112 of the MFMA and which is aligned to the National Treasury's Model Policy;
 - b) municipal policies contain a range of discretionary information that complies with the MFMA and SCM Regulations, and all other relevant prescripts; and
 - c) municipalities have consistently implemented policy amendments, e.g. the Preferential Procurement Regulations 2022, and the amendment to procurement thresholds relevant to MFMA SCM Regulations 16 – 19 (Gazette date: 14 December 2023).

4. REQUEST

- 4.1 The Provincial Treasury hereby requests municipalities and municipal entities to forward their latest adopted policies for the 2024/25 financial year **by no later than 31 March 2024**, including but not limited to:
 - Supply Chain Management Policy, its associated delegations and all applicable Standard Operating Procedures;
 - The Preferential Procurement Policy, if not included in the SCM Policy;
 - The Supply Chain Management Policy Framework for Infrastructure Delivery and Procurement Management (FIPDM), if not included in the SCM Policy;
 - Date of adoption of the each of the aforementioned policies;
 - Council resolutions confirming the adoption of each of the aforementioned policies; and
 - Last review date of each of the aforementioned the policies.

4.2 Any enquiries in this regard may be directed to the following officials:

- Mr Dean Lukas - 021 483 6210; email: Dean.Lukas@westerncape.gov.za;
- Ms Letitia Sallies - 021 483 3180; email: Letitia.Sallies@westerncape.gov.za;



MS SANTIÉ ROY

DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT