



water & sanitation

Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA



EdTM

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MINISTER OF WATER AND SANITATION

NATIONAL ASSEMBLY: QUESTION 1839 FOR WRITTEN REPLY

A draft reply to the above mentioned question asked by Mrs Z B N Balindlela (DA) is attached for your consideration.

DIRECTOR-GENERAL

DATE: 23/6/15

DRAFT REPLY APPROVED/AMENDED

**MRS NP MOKONYANE
MINISTER OF WATER AND SANITATION**

DATE: 29.06.15

NATIONAL ASSEMBLY

FOR WRITTEN REPLY

QUESTION NO 1839

DATE OF PUBLICATION IN INTERNAL QUESTION PAPER: 22 MAY 2015
(INTERNAL QUESTION PAPER NO. 15)

1839. Mrs Z B N Balindlela (DA) to ask the Minister of Water and Sanitation:

- (1) Whether she has taken any steps to implement the recommendations of the Auditor-General with regard to preventing the procurement of goods and services with a transaction value below R500 000 without obtaining the required price and quotations; if not, why not; if so, what are the relevant details with regard to each recommendation;
- (2) whether she has taken any steps to implement the recommendations of the Auditor-General with regard to preventing the procurement of goods and services with a transaction value above R500 000.00 without inviting competitive bids; if not, why not; if so, what are the relevant details with regard to each recommendation?

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REPLY:

- (1) Yes, steps have been taken to implement the recommendations of the Auditor-General with regard to preventing the procurement of goods and services with a transaction value below R500 000, refer below:
 - The Accounting officer invites and accepts written price quotations for requirement up to an estimated value of R500 000.00 from as many suppliers as possible, that are registered on the list of prospective suppliers.
 - Where no suitable suppliers are available from the list of prospective suppliers, written price quotations may be obtained from other possible suppliers.
 - If it is not possible to obtain at least three (3) written price quotations, the reason should be recorded and approved by the accounting officer/ authority or his /her delegate.
 - The Supply Chain Management policy which incorporates the above and other quotation process has been approved and is currently utilized within the Water Trading Entity as a guideline for the procurement process which include other related National Treasury practices notes and related circulars issued by other authorities within the Water and Infrastructure Sector e.g. CIDB Regulations.
- (2) Yes, steps have been taken to implement the recommendations of the Auditor-General with regard to preventing the procurement of goods and services with a transaction value above R500 000.00, refer below:
 - Accounting officer invite competitive bids for all procurement above R500 000.00.

- Competitive bids are advertised in the Government Tender Bulletin and in other appropriate media should an accounting officer deem it necessary to ensure greater exposure to potential bidders. The responsibility for advertisement cost lies with the relevant accounting officer.
- Should it be impractical to invite competitive bids for specific procurement, e.g. in urgent or emergency case or in case of a sole supplier, the accounting officer/ authority may procure the required goods and services by other means, such as price quotations or negotiations in accordance with Treasury Regulation 16A6.4. The reasons for deviating from inviting competitive bids are recorded and approved by the accounting officer or his/ her delegate. The Accounting officer reports within ten (10) working days to the relevant treasury and the Auditor-General all cases where goods and services above the value of R1 Million (VAT inclusive) were description of the goods or services, the name/s of the suppliers/s, the amount/s involved and the reasons for dispensing with the prescribed competitive bidding process.
- Goods, works or services may not deliberately be split into parts or items of lesser value merely for the sake of procuring the goods, works or service otherwise than through the prescribed procurement process. When determining transaction values, a requirement for goods, works or services consisting of different parts or items must as far as possible be treated and dealing with as a single transaction
- Accounting officers apply the prescripts of the preferential procurement policy Framework Act, 2000 (Act No. 5 of 2000) and its associated Regulations for all procurement equal to or above R30 000.00.00 (VAT included) less than R30 000, if and when appropriate.
- The Supply Chain Management policy which incorporates the above and other Bids process has been approved and is currently utilized within the Water Trading Entity as a guide-line for the procurement process which include other related National Treasury practices notes and related circulars issued by other authorities within the Water and Infrastructure Sector e.g. CIDB Regulations.

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