



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Private Bag X115, Pretoria, 0001

TO: ACCOUNTING OFFICERS OF ALL NATIONAL DEPARTMENTS AND
CONSTITUTIONAL INSTITUTIONS

ACCOUNTING AUTHORITIES OF ALL SCHEDULE 2 AND 3 PUBLIC ENTITIES

HEAD OFFICIALS OF PROVINCIAL TREASURIES

NATIONAL TREASURY INSTRUCTION NO. 08 OF 2019/2020:

EMERGENCY PROCUREMENT IN RESPONSE TO NATIONAL STATE OF DISASTER

1. PURPOSE

1.1 The purpose of this Instruction is to—

- 1.1.1. facilitate emergency procurement to deal with the COVID-19 pandemic which was declared a national state of disaster (the Disaster) on 15 March 2020; and
- 1.1.2. avoid the abuse of the supply chain management (SCM) system to deal with the Disaster.

2. BACKGROUND

- 2.1 On 15 March 2020, President Cyril Ramaphosa announced the declaration of a national state of disaster following the World Health Organisation declaring the COVID-19 outbreak as a pandemic as well as measures that must be implemented by the nation.
- 2.2 The Department of Public Service and Administration issued Circular 07 of 2020 that gives guidelines for the containment and management of the Corona Virus in the Public Service. Paragraph 2.6.19 of the said Circular reads as follows:

2.6.19. It is incumbent on departments to procure sufficient hand sanitisers, soap, gloves, masks, tissues and when possible temperature scanners for use to monitor employee's possible exposure in terms of the COVID-19 symptoms. The procurement of such equipment must be defrayed from departments existing budget allocations. Such screening must be done by personnel with the requisite expertise.

- 2.3 On 18 March 2020, regulations under the Disaster Management Act, 2002, were published in the *Gazette* regarding steps to prevent an escalation of the disaster or to alleviate, contain and minimise the effects of the Disaster. These regulations provide that institutions must comply with the Public Finance Management Act and the



applicable emergency provisions in the regulations and instructions issued under that Act.

- 2.4 Institutions will have to put in place additional measures to address the programme of preventing the spread of the COVID-19 virus and these measures will require that a procurement process is followed.
- 2.5 The nature of the goods that are required are not goods ordinarily procured and the high demand of these items by both the private and public sector may lead to uncompetitive and inflated prices.
- 2.6 To assist with the challenges that this pandemic will have on SCM operations, the National Treasury has put in place measures to assist the institutions to procure the basic preventative items to contain and manage the transmission of the COVID-19 virus.
- 2.7 This will ensure that the goods procured, comply with the specification as determined by the National Department of Health and at negotiated prices as agreed with suppliers.
- 2.8 National Treasury has engaged with Transversal Contract suppliers of these items and has put measures in place to ensure continuity of supplies and to keep the prices in check (**Annexure A: Table 1**).
- 2.9 For items that are not on Transversal Contracts, the OCPO has sought quotations on behalf of institutions from the suppliers (**Annexure A: Table 2**).
- 2.10 The list of items, suppliers and prices are attached as **Annexure A**. This Annexure may be updated from time to time during this period and it is advisable to frequently check for updates.

3. COVID-19 EMERGENCY PROCUREMENT PROCEDURES

- 3.1 The central facilitation of procurement negotiations for these items is crucial as it will assist in the following:
 - 3.1.1 Pre-negotiated prices based on economies of scale;
 - 3.1.2 Security of supply; and
 - 3.1.3 Prevent rogue and panic buying.
- 3.2 This Instruction applies to items and suppliers listed on **Annexure A**.
- 3.3 **Use of Transversal Contracts:**
 - 3.3.1 Items on **Annexure A: Table 1** are items on Transversal Contracts.
 - 3.3.2 Institutions that are already participants on these contracts may continue placing orders as usual.
 - 3.3.3 Where an institution is not a participant of the mentioned Transversal Contracts, the accounting officer or accounting authority may procure the listed items on **Annexure A: Table 1** from these contracts without obtaining participation approval from the National Treasury Transversal Contracting Unit.



3.4 **Items not on Transversal Contracts:**

- 3.4.1 Items on **Annexure A: Table 2** are items that are not on Transversal Contracts.
- 3.4.2 National Treasury have made alternative arrangements with the suppliers providing the items listed on Table 2.
- 3.4.3 Accounting officers and accounting authorities may place orders with the suppliers listed on Table 2 for the specific required items.

3.5 **Items not on Annexure A (Table 1 and 2)**

- 3.5.1 If an item is not listed on Annexure A, and is deemed to be a specific requirement for the Institution, the Emergency procurement prescripts may be followed:
 - i. Accounting officers of national and provincial departments and accounting authorities of national and provincial public entities may deviate for inviting competitive bidding in cases of emergency – paragraphs 8.1 and 8.2 of National Treasury SCM Instruction 3 of 2016/17. This does not require National Treasury's approval.
 - ii. In terms of paragraph 9.2 of the National Treasury Instruction SCM No. 3 of 2016/17, accounting officers and accounting authorities may expand contracts for goods up to 15% or R15 million. For expansions in excess, the relevant treasury must approve. For the purposes of this Instruction, the requirement of paragraph 9.2 of the said instruction is waived for procurement of items related to COVID-19.

3.6 **Reporting requirement**

All items procured in terms of paragraph 3.5 as emergency procurement related to COVID-19 must be reported to the relevant treasury within 30 days. The report to the relevant treasury must contain the following information:

- i. Description of item
- ii. Supplier name
- iii. Unit price
- iv. Quantity
- v. Total price
- vi. Saving achieved when compared to the prices listed on **Annexure A**
- vii. Motivation for deviating from the items listed in **Annexure A** (if applicable)

3.7 **General compliance measures**

- 3.7.1 Where more than one supplier is listed per item, institutions may procure from any suppliers that have stock available.
- 3.7.2 Where an institution or a provincial treasury already have a contract(s) in place for the same items listed in **Annexure A**, the institution must honour the contract and continue to procure from that contract.
- 3.7.3 Where these items are included in existing Facilities Management Contracts, Institutions may negotiate with the Facilities Management Service Provider to provide



these items. Contracts may be expanded or varied (refer paragraph 3.5(ii)), but only for items that will aid the prevention of the spread of the virus. Institutions must not pay prices in excess of the prices provided for in **Annexure A**.

- 3.7.4 If an institution experiences any challenge with ordering the required items listed in **Annexure A**, it must immediately communicate the challenge to National Treasury Transversal Contracting Unit to intervene.
- 3.7.5 National Treasury will issue a communication once the risk of depletion of supplies are established.
- 3.7.6 Institutions may approach any other supplier to obtain quotes and may procure from such suppliers on condition that-
- i. the items are to the specifications as determined by the National Department of Health;
 - ii. the prices are equal or lower than the prices in **Annexure A**; and
 - iii. the supplier is registered in the Central Supplier Database.
- 3.7.7 Where Institutions already procured items, prior to the issue of this Instruction, under the Emergency Procurement procedures as stipulated in paragraphs 8.1 and 8.2 of National Treasury SCM Instruction 3 of 2016/17, such procurement must be reported within 10 days to the relevant treasury.

4. IMPACT ON PROCUREMENT PROCESSES

4.1 TENDER BRIEFING SESSIONS

- 4.1.1 Public Procurement is essential in preventing the spread of the virus and some processes within the procurement process are prone to interaction with various stakeholders, such as tender briefing sessions and public tender opening.
- 4.1.2 To ensure that service delivery is not negatively impacted and to complement the measures announced by the President, National Treasury advises that institutions must, as far as possible, avoid convening briefing sessions.
- 4.1.3 Briefing sessions should not be made compulsory or mandatory, unless otherwise approved by the accounting officer or accounting authority.
- 4.1.4 Bidders may be requested to send electronic mails for any enquiries related to the bid. The institution must specify the period within which the e-mail enquiries must be sent. The institution must respond to all enquiries related to the bid at least a week before the closing date of the bid. A schedule of the questions and answers must be uploaded on the institution's website and or any other measure to ensure that all bidders receive the information.
- 4.1.5 Institutions may extend the response period for bids beyond the required 21 days to accommodate the enquiry process, but not more than 40 days.
- 4.1.6 Where briefing session cannot be avoided, the session must be arranged in such a way that the number of attendees does not exceed 100 people per session, taking into



consideration the venue capacity and the guidelines issued around maintaining a safe distance between persons. This can be achieved by hosting more than one briefing session and implementing an RSVP process so that institutions can control the number of persons attending each session.

- 4.1.7 Institutions may also consider other means of conducting the briefing sessions such as podcasting, teleconferencing, Microsoft Teams, Zoom, and similar enablers.
- 4.1.8 In the case of bids that have already been advertised with a determined briefing date, the bid closing date and briefing session date may be extended to accommodate the logistical arrangements to effect the necessary health requirements as published. The revised dates must be republished on the eTender publication portal and the organ of state's website where possible.
- 4.1.9 Institutions must ensure that, in respect of all procurement activities, all precautionary measures issued by the Department of Health and other relevant authorities are strictly observed to prevent the spread of the COVID-19 virus.

4.2 PUBLIC OPENING OF TENDERS

Where there is a public bid opening, the institution must comply with the regulations made under the Disaster Management Act, 2002, published in the *Gazette* on 18 March 2020.

5. APPLICABILITY

This Instruction applies to all national and provincial departments, constitutional institutions and public entities listed in Schedules 2 and 3 to the Public Finance Management Act, 1999.

6. DISSEMINATION OF INFORMATION CONTAINED IN INSTRUCTION

- 6.1 Heads of provincial treasuries are requested to bring the contents of this Instruction to the attention of accounting officers and supply chain management officials of their respective provincial departments.
- 6.2 Accounting officers of national and provincial departments are requested to bring the contents of this Instruction to the attention of accounting authorities and the supply chain management officials of Schedule 3A and 3C public entities reporting to their respective executive authorities.
- 6.3 Accounting authorities of Schedule 2, 3B and 3D public entities are requested to bring the contents of this Instruction to the attention of the supply chain management officials of their public entities.

7. NOTIFICATION TO THE AUDITOR-GENERAL

A copy of this Instruction will be submitted to the Auditor-General for notification.

8. AUTHORITY FOR THIS CIRCULAR AND EFFECTIVE DATE

- 8.1 This Instruction is issued in terms of section 76(4)(c) and (g) of the Public Finance Management Act, 1999 and takes effect from the date of issue.
- 8.2 This Instruction will be in effect until the national state of disaster, declared on 15 March 2020, lapses or terminates or until this Instruction is withdrawn.

9. CONTACT INFORMATION

Any enquiries in respect of this instruction must be submitted to:

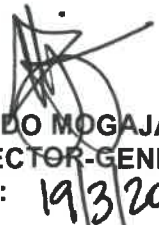
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DONDO MOGAJANE
DIRECTOR-GENERAL: NATIONAL TREASURY

Date: 19/3/2020 .

Annexures Attached:

Annexure A - Table 1: Items on Transversal Contracts

Annexure A - Table 2: Items not on Transversal Contracts

Annexure B : Contact Details of Suppliers