



**OFFICE OF THE CHIEF FINANCIAL OFFICER**

Steve Vukile Tshwete Complex • Zone 6 Zwelitsha, • 5608, Private Bag X0032 • BHISHO 5605 REPUBLIC OF SOUTH AFRICA

**INTERNAL MEMORANDUM**

<b>TO</b>	<b>ALL PROGRAMME MANAGERS</b>
	<b>ALL CHIEF DIRECTORS</b>
	<b>ALL DIRECTORS</b>
	<b>ALL CHIEF USERS</b>
	<b>ALL STAFF MEMBERS</b>
<b>SUBJECT</b>	<b>THE EFFECTS OF THE REPEALED PPR OF 2017 ON PROCUREMENT OF GOODS AND SERVICES FOR ALL PUBLIC INSTITUTIONS</b>
<b>DATE</b>	<b>06 MAY 2022</b>

**1. PURPOSE**

- 1.1. The purpose of this memorandum is to communicate the decision taken by National Treasury and the Provincial Treasury to immediately suspend all procurement activities above R30 000.

**2. DISCUSSION**

- 2.1. On 4 March 2022, Circular number 15 of 2021/22 was received from the Supply Chain Management office outlining the validity of the current Preferential Procurement Regulations of 2017 (PPR 2017), attached hereto.
- 2.2. The current PPR of 2017 was challenged in the court of law on its validity and was found to be invalid.
- 2.3. Due to the outcome of the court verdict, all procurement above R30 000 where the PPR of 2017 would apply in evaluation of quotations and bids are suspended until further guidance is received from National Treasury both from the Court review process or the proclamation of the new PPR of 2022.
- 2.4. This means that the SCMU will not be able to procure goods and services above R30 000 effective from 16 February 2022.

*The effects of the repealed PPR of 2017 on procurement of goods and services for all public institutions*



- 2.5. All requests for quotations above R30 000,00 or tenders that were considered before 16 February 2022 is regarded as regular and can still be considered for procurement.
- 2.6. All projects that are above R1m will still be presented to the Departmental Bid Specification Committee as per Procurement Plan however, it will not be advertised until National Treasury provide clarity in this regard.
- 2.7. For now, colleagues are encouraged to procure from existing contracts which are applicable to the services required, such as:
  - 2.7.1 Travel and Accommodation,
  - 2.7.2 Exam related materials and transportation,
  - 2.7.3 Learner Teacher Support materials.
  - 2.7.4 LAIS Programmes,
  - 2.7.5 Hostel catering,
  - 2.7.6 ICT systems and support,
  - 2.7.7 ICT equipment which will be finalised soon,
  - 2.7.8 Security Services,
  - 2.7.9 Technical Equipment for MST grant,
  - 2.7.10 PSU for infrastructure services,
  - 2.7.11 Airtime and data
- 2.8. Emergency requests (life and death situations) can be considered and not induced emergencies.
- 2.9. Where services required are not provided for in the existing contracts, the Supply Chain Management Unit will make use of contracts arranged by other state organs – Piggy-Backing or Transversal Contracts. These will be arranged through our Provincial Treasury through Supply Chain Management in order to circumvent irregular expenditure.
- 2.10. Programme Managers are required to submit a list of all essential requirements for services or goods to be procure which are not catered for in the above list of



existing contracts. Such list will be consolidated and submitted to National Treasury for exemption in their prescribed format.

2.11. Any queries in this regard must be communicated through the Office of the Chief Director – Supply Chain Management, Mr M Harmse or the Office of the Director Demand Management, Ms L Lupondwana.

Yours in Good Governance.

**MS N. NGCINGWANA**  
**CHIEF FINANCIAL OFFICER**

08 May 2022

**DATE**