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Enquiries: PJ Abrahams

Procurement Management Minute: 0004/2021

To: Superintendent-General, Deputy Directors-General, Chief Directors, Directors, Deputy Directors and SCM Officials and SCM Champions

Subject: Revised business case template for items listed on the Annual Procurement Plan

1. The purpose of this minute is to inform officials of the revised business case template that must be completed for all items above the value of R100 000 and listed on the approved Annual Procurement Plan in terms of the demand management system and procurement strategy.
2. Attached hereto is a revised business case template that must be completed by responsibility managers who annually identify items for procurement.
3. The business case template has been revised based on the increase of the threshold values in respect of National Treasury Supply Chain Management (SCM) Instruction No. 02 of 2021/22, dated 08 June 2021.
4. The Western Cape Education Department (WCED) needs to identify the goods and services required to achieve the outcomes envisaged in the WCED's Strategic Plan. This is an exercise to be performed by the end user (programme manager/responsibility manager) in conjunction with the supply chain practitioner with the assistance of a technical strategic sourcing specialist/analyst as and when required. The aim is to ensure that value for money is achieved. Both current and future needs should be determined based on the WCED's Strategic Plan and included in the approved Annual Procurement Plan.
5. These needs should be documented by responsibility managers in the form of a business case when submitting their requisitions to the Supply Chain Unit for all items listed on the approved Annual Procurement Plan. The business case must be compiled by the

responsibility manager and must then be submitted to the relevant Branch Head/ Deputy Director-General or the accounting officer for approval.

6. According to the WCED's approved Accounting Officer's System, a business case must include the following:
 - a) High level statement of needs
 - b) Links between the needs and the programme's strategic outcomes
 - c) Comprehensive understanding of the market and operating environment
 - d) Indication of whole-of-life costs
 - e) Costs/benefits/risks analysis.
7. The business case template must also be used in ALL instances where limited bidding is used as the procurement method. Furthermore, provincial transversal contracts must be substantiated by an approved business case and must follow a strategic sourcing methodology which must be governed by the existing requirements for supply chain management.
8. All WCED officials must comply with the provisions of this minute, National Treasury Regulations and Instructions, Western Cape Provincial Treasury Instructions, the Accounting Officer's System and SCM Delegations regarding procurement processes to avoid any non-compliance.
9. This minute is implemented with immediate effect.
10. The contents of this minute must be brought to the attention of all WCED officials.

SIGNED: LJ ELY

DEPUTY DIRECTOR-GENERAL: CORPORATE SERVICES

DATE: 2021-12-14