



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

TO: ACCOUNTING OFFICERS OF DEPARTMENTS AND CONSTITUTIONAL INSTITUTIONS

ACCOUNTING AUTHORITIES OF PUBLIC ENTITIES LISTED IN SCHEDULE 2 AND 3 TO THE PFMA

HEAD OFFICIALS OF PROVINCIAL TREASURIES

NATIONAL TREASURY INSTRUCTION NO 01 OF 2017/2018

NATIONAL TRAVEL AND ACCOMMODATION PROJECT TRANSITIONAL PERIOD EXTENSION UP TO 30 SEPTEMBER 2017

1. PURPOSE

- 1.1. This National Treasury Instruction is to inform accounting officers of departments and constitutional institutions and accounting authorities of public entities listed in schedule 2 and 3 to the PFMA on the **transitional arrangements with regard to travel management services** up to 30 September 2017 prior to the mandatory implementation of the National Travel Policy Framework that will take effect from 1 October 2017.

2. BACKGROUND AND CURRENT STATUS

- 2.1. In terms of section 38 (1) (a) (iii) and 51 (1) (iii) of the PFMA, the accounting officer and the accounting authority must ensure that their respective institution has and maintains an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost effective.
- 2.2. To date the National Treasury has implemented the following interventions for travel and accommodation as enablers to reduce cost on this spend category:
- (a) Issued National Treasury Instruction No.03 of 2016/2017 – Cost Containment Measures related to Travel and Subsistence (3 September 2016)
 - (b) Issued National Treasury Instruction No.04 of 2016/2017 – Minimum Bid Specification Requirements for Travel Management Services which aims at Standardising government's engagement with travel management companies by issuing uniform bid documents, including improved management reporting and standardised uniform remuneration model for travel management companies across government (15 February 2017);
 - (c) A National Travel Policy Framework (NTPF) that will become fully effective in the second quarter of 2017/2018.

NATIONAL TRAVEL AND ACCOMMODATION PROJECT INTERIM ARRANGEMENTS UP TO 30
SEPTEMBER 2017

3. TRANSITIONAL PERIOD

- 3.1. The extended transitional period will be from date of issue of this SCM Instruction to 30 September 2017.
- 3.2. National Treasury issued National Treasury Instruction No.04 of 2016/2017 – Minimum Bid Specification Requirements for Travel Management Services later than expected and as a result the transitional period needs to be extended further to allow Institutions to prepare their bids and appoint Travel Management Companies.
- 3.3. All bidding processes must be finalised before 30 September 2017. The following must be taken into consideration:
 - 3.3.1. Where current contracts with Travel Management Companies are already running on a month-to-month extension, these contracts may be extended until 30 September 2017. New bid processes must be initiated so that the new contracts are implemented by latest 1 October 2017.
 - 3.3.2. Where current contracts with Travel Management Companies expire before 30 September 2017, the new bid processes must be initiated timeously so that the new contracts are implemented by 1 October 2017.
 - 3.3.3. Where contracts with Travel Management Companies expire after 30 September 2017, these contracts must be honoured until its completion. After the expiry of such contracts, departments, constitutional institutions and public entities must implement the national travel and accommodation strategy by issuing their own bids in terms of National Treasury Instruction No.04 of 2016/2017 – Minimum Bid Specification Requirements for Travel Management Services.
 - 3.3.4. Departments, constitutional institutions and public entities that have already issued tenders based on National Treasury Instruction No.04 of 2016/2017 – Minimum Bid Specification Requirements for Travel Management Services, must continue and finalise the tender process before 30 September 2017.
- 3.4. When departments, constitutional institutions and public entities are extending contracts to 30 September 2017, they are advised to take paragraph 9 of *National Treasury SCM Instruction Note 3 2016/2017* into consideration regarding the extension of contracts.

4. SUMMARY OF PROCESS AND TIMELINES

- 4.1. The following reflect the timelines of the process for the issuing of the National Travel Policy Framework and the revision of National Treasury Instruction No.03 of 2016/2017 – Cost Containment Measures related to Travel and Subsistence (3 September 2016):
 - (a) National Treasury will issue an Instruction in April 2017 that will give effect to the National Travel Policy Framework to be fully implemented by 1 October 2017.
 - (b) National Treasury will simultaneously issue a revised Cost Containment Instruction to be in line with the National Travel Policy Framework to ensure that there is no conflict between the two documents, both to become effective 1 October 2017.

5. APPLICABILITY

This Treasury Instruction is applicable to domestic and international travel and accommodation services and applies to all departments, constitutional institutions and public entities listed in Schedules 2 and 3 to the PFMA.

NATIONAL TRAVEL AND ACCOMMODATION PROJECT INTERIM ARRANGEMENTS UP TO 30
SEPTEMBER 2017

6. DEVIATIONS FROM THIS TREASURY INSTRUCTION

- 6.1. Requests for deviations from provisions contained in this Treasury Instruction may be considered in terms of section 79 of the PFMA.
- 6.2. Any request for a deviation in terms of section 79 of the PFMA shall only be considered after the Chief Procurement Officer has been consulted on the request and has consented to the deviation.
- 6.3. All requests for deviations from this Treasury Instruction must be forwarded in writing to:

**The Director-General
National Treasury
Private Bag X115
PRETORIA
0001**

For attention: The Chief Procurement Officer

7. EFFECTIVE DATE

This National Treasury SCM Instruction takes effect from date of issue.

**8. REPLACEMENT OF NATIONAL TREASURY SCM INSTRUCTION NO 6 OF
2016/2017**

This National Treasury Instruction replaces *National Treasury SCM Instruction No.6 of 2016/2017* dated 20 September 2016.

9. DISSEMINATION OF INFORMATION CONTAINED IN THIS INSTRUCTION

- 9.1. Accounting officers of departments and constitutional institutions are requested to bring the contents of this Treasury Instruction to the attention of :
- (a) Chief financial officers; and
 - (b) Supply chain management officials of their respective institutions.
- 9.2. Head Officials of provincial treasuries are requested to bring the contents of this Treasury Instruction to the attention of all accounting officers of departments in their respective provinces.
- 9.3. Accounting Authorities of public entities listed in Schedule 2 and 3 to the PFMA are requested to bring the contents of this Treasury Instruction to the attention of chief financial officers and the supply chain management officials of their respective public entities.

10. AUTHORITY FOR THIS INSTRUCTION

This National Treasury Instruction is issued in terms of section 76(4)(c) of the PFMA.

NATIONAL TRAVEL AND ACCOMMODATION PROJECT INTERIM ARRANGEMENTS UP TO 30
SEPTEMBER 2017

11. CONTACT INFORMATION

Enquiries related to this Treasury Instruction may be directed to:

Potso Makgatho

Deputy Director: Strategic Procurement

Email: potso.makgatho@treasury.gov.za

Telephone: 012 315 5351

Graham Louw

Director: Strategic Procurement

Email: graham.louw@treasury.gov.za

Telephone: 012 315 5073

travelpolicyqueries@treasury.gov.za



LINDY BODEWIG
ACTING ACCOUNTANT GENERAL

DATE: 07/04/17