

**File No:** SQ 1/B

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**TO ALL ACCOUNTING OFFICERS OF NATIONAL DEPARTMENTS**

**SPECIALIST FUNCTIONS: TREASURY PRACTICE NOTE NO. 15 OF 2002**

**ACQUISITION OF ACCOMODATION AND/OR CONFERENCE FACILITIES FOR CONFERENCES, SEMINARS, BOSBERADE, ETC**

1. The Standing Committee on Public Accounts (SCOPA) recently noted with concern the extent to which procurement regulations are being floundered for the acquisition of accommodation and/or conference facilities for conferences, seminars, workshops, bosberade, etc.
2. The State Tender Board Regulations (ST 37) currently provide that non-accredited departments may, in accordance with the following, acquire accommodation and/or conference facilities for conferences, workshops, seminars, bosberade, etc.

<b>AMOUNT</b>	<b>PROCUREMENT MECHANISM</b>
Up to R500 000 per case	Price Quotations
R500 001 to R750 000 per case	Departmental tenders
R750 001 onwards per case	Tenders to be invited by the Office of the State Tender Board

3. These regulations also require that acceptance of such price quotations are subject to the following:

- The applicability of the conditions of the State Tender Board Regulations (ST 36) which requires, amongst others, that all contracts be in writing;
  - Quotations exceeding the estimated value of R30 000 (thirty thousand rand), must be invited upon approval by the departmental standing tender committee;
  - Quotations must be obtained from all possible suppliers (including those that are on the list of prospective suppliers) in the specific area where the facilities are required, within a reasonable period so as to encourage fair competition; and
  - Quotations must be finalised in accordance with the standing delegations.
4. Departments that have been granted accreditation by the National Treasury may acquire accommodation and conference facilities in accordance with the following:

AMOUNT	PROCUREMENT MECHANISM
Up to R500 000 per case	Price Quotations
R500 001 to R 5 million per case	Departmental tenders
R5 000 001 onwards per case	Tenders to be invited by the Office of the State Tender Board

5. To give effect to the aforementioned regulations and to promote sound procurement practices, accounting officers are required to ensure that:
- all procurement regulations are adhered to, including the Preferential Procurement Regulations;
  - all agreements that are entered into for the acquisition of accommodation and/or conference facilities are in writing; and
  - no expenditure is permitted without proper supporting vouchers.
6. Accounting officers must also ensure that timeous disciplinary action is taken against officials who flounder procurement regulations. In this regard, attention is drawn on the following provisions of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999):

**Section 38(1)(a)(iii)** : 'the accounting officer must ensure that the department has and maintains an appropriate procurement and provisioning administration

system which is fair, equitable, transparent, competitive and cost-effective'

**Section 38(1)(c)(ii)** : 'the accounting officer must take effective and appropriate steps to prevent unauthorised, irregular, fruitless and wasteful expenditure'

**Section 38(1)(h)** : 'the accounting officer must take effective and appropriate disciplinary steps against any official who –

- contravenes or fails to comply with a provision of the PFMA;
- commits an act which undermines the financial management and internal control system of the department; and
- makes or permits an unauthorised, irregular or fruitless and wasteful expenditure.'

7. Your co-operation in this regard would be appreciated.

**C C W KRUGER**  
**ACTING DIRECTOR-GENERAL**

**DATE:**