

## **Treasury on measures for Coronavirus COVID-19 emergency procurement**

28 Apr 2020

National Treasury is replacing measures relating to Covid-19 Disaster Management Central Emergency Procurement Strategy, namely Instruction Note 3 of 2020/21 and Circular 101. The new measures will be Instruction Note 5 of 2020/21 for PFMA institutions and Circular 102 for MFMA institutions. The new Instruction Note and Circular will be on the National Treasury website soon.

The replacement follows various representations that have raised concerns about the procurement process, that the approach adopted has excluded a number of domestic suppliers and that it covered too wide an array of goods, especially goods that can be manufactured locally.

The replaced Instruction Note and Circular were an initial response to the outbreak of the pandemic, and was to allow for urgent procurement of critical health products at a time of great global shortages. Given the rapid changes in demand for specialised products like testing kits and ventilators and further exacerbated by export bans, a national regulatory approach to procure goods centrally was required.

The Covid-19 pandemic has brought about a new environment, necessitating procurement regulations to keep up with the rapid changes of demand. In the past few weeks there has been an increase in the number of companies able to respond to the emergency procurement needs.

National Treasury is fully committed to the Constitutional objective of having fair, equitable, transparent, competitive and cost-effective procurement processes that take into account the need for procuring essential health products required to fight the COVID-19 pandemic. These processes should be compliant with the country's imperatives of promoting structural transformation and broadening participation in the economy to strengthen economic development and empowerment of previously disadvantaged groups and individuals.

In response to the changing demand and supply as well as to give effect to the strict monitoring and reporting measures required during times of emergency procurement, the new Instruction Note and Circular will:

- provide measures to put in place for COVID-19 emergency procurement
- open the supply of these products to all suppliers conforming to specifications and are registered on the Central Supplier database (CSD) of government. <https://secure.csd.gov.za/>
- outline the required PPE item specifications according to the Department of Trade, Industry and Competition (DTIC), National Department of Health and World Health Organisation requirements
- outline the maximum prices at which government will procure these PPE items

- outline the emergency procurement, monitoring and reporting requirement