



# **national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

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**TO: ACCOUNTING OFFICERS OF NATIONAL DEPARTMENTS AND  
CONSTITUTIONAL INSTITUTIONS  
ACCOUNTING AUTHORITIES OF PUBLIC ENTITIES LISTED IN SCHEDULE  
3A AND 3C TO THE PFMA  
HEAD OFFICIALS OF PROVINCIAL TREASURIES**

## **SUPPLY CHAIN MANAGEMENT:**

### **VERIFYING THE PROHIBITION STATUS OF RECOMMENDED BIDDERS PRIOR TO AWARDING CONTRACTS**

#### **1 PURPOSE**

The purpose of this circular is to draw the attention of accounting officers/ accounting authorities to the fact that they are compelled to verify the prohibition status of recommended bidders prior to awarding any contracts.

#### **2 LEGISLATIVE FRAMEWORK/ REQUIREMENTS**

- 2.1 The National Treasury is mandated to maintain and manage the List of Restricted Suppliers and Register for Tender Defaulters that contains information regarding companies/persons that are prohibited from doing business with the public sector.
- 2.2 Accounting officers/ accounting authorities are compelled in terms of Treasury Regulation 16A9.1(c) to check the National Treasury's database (List of Restricted Suppliers and Register for Tender Defaulters) prior to awarding any contract, to ensure that no recommended bidders or any of its directors are listed as companies or persons prohibited from doing business with the public sector.

#### **3 VERIFYING PROCEDURES**

- 3.1 Accounting officers/ accounting authorities are required to:
  - (i) Forward requests prior to the awarding of any contract to the National Treasury for verification purposes. The designated e-mail address that was developed for this purpose is: [restrictions@treasury.gov.za](mailto:restrictions@treasury.gov.za); and
  - (ii) Check the Register for Tender Defaulters that is available on the National Treasury's web page [[www.treasury.gov.za](http://www.treasury.gov.za)].
- 3.2 It should be noted that the National Treasury normally responds to verification requests within one (1) working day after receipt thereof.

#### **4 MONITORING FINDINGS**

- 4.1 It has come to light that a number of institutions are **not** checking the National Treasury's database (List of Restricted Suppliers and Register for Tender Defaulters) prior to awarding contracts. This undesirable situation unnecessarily places the state at risk of awarding contracts to companies/ persons that have been restricted for having, among other, committed corrupt and fraudulent acts or performed unsatisfactorily to name but a few.
- 4.2 To this end, accounting officers/ accounting authorities are compelled to check the National Treasury's database (List of Restricted Suppliers and Register for Tender Defaulters) prior to awarding any contract above R100 000. Institutions may, however, apply this ruling to the award of contracts with a Rand value less than R100 000 as deemed necessary.

#### **5 APPLICABILITY**


- 5.1 This circular applies to all national and provincial departments, Constitutional institutions and Schedule 3 A and 3C public entities.

#### **6 DISSEMINATION OF INFORMATION CONTAINED IN THIS CIRCULAR**

- 6.1 Heads of provincial treasuries are requested to bring the contents of this circular to the attention of accounting officers of their respective provincial departments.
- 6.2 Accounting officers of national and provincial departments are requested to bring the contents of this circular to the attention of accounting authorities of schedule 3A and 3C public entities reporting to their respective executive authorities.

#### **7 CONTACT PERSON**

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