



national treasury

**Department:
National Treasury
REPUBLIC OF SOUTH AFRICA**

- TO ALL : ACCOUNTING OFFICERS OF DEPARTMENTS AND CONSTITUTIONAL INSTITUTIONS**
- : ACCOUNTING AUTHORITIES OF PUBLIC ENTITIES LISTED IN SCHEDULES 2 AND 3 TO THE PFMA**
- : HEAD OFFICIALS OF PROVINCIAL TREASURIES**

**NATIONAL TREASURY INSTRUCTION NO. 03 OF 2019/2020
FRAMEWORK FOR INFRASTRUCTURE DELIVERY AND PROCUREMENT
MANAGEMENT**

1. PURPOSE

- 1.1. The purpose of this Treasury Instruction is to prescribe minimum requirements for the implementation of the Infrastructure Delivery Management System (IDMS) through the Framework for Infrastructure Delivery and Procurement Management (FIDPM).

2. BACKGROUND

- 2.1. National Treasury SCM Instruction No. 4 of 2015/2016 was issued on 06 November 2015 to give effect to the implementation of the Standard for Infrastructure Procurement and Delivery Management (SIPDM). This Instruction required departments, constitutional institutions and public entities listed in schedule 2 and 3 to adapt their institutional instructions, policies and standard operating procedures to the SIPDM and implement by 1 July 2016.

- 2.2. Consequently, some organs of state initiated the process to begin implementation and institutionalising the SIPDM. During the implementation process, National Treasury received numerous queries regarding certain fundamental aspects in the SIPDM and also noted the misalignment with other exiting relevant government policy prescripts.

3. FUNDAMENTAL AREAS ADDRESSED BY THE SIPDM REVIEW

- 3.1. Recognition of the Standard for Uniformity in Construction Works Contracts as issued by the Construction Industry Development Board supported by the National Treasury Regulations.
- 3.2. Recognition of one institutional Supply Chain Management (SCM) system with differentiated procurement processes as opposed to two SCM systems.
- 3.3. Role of independent reviewers in relation to the ultimate accountability of Bid Committees as prescribed by the National Treasury Regulations.
- 3.4. Alignment of the Preferential Procurement Point System (Method 4) to the Preferential Procurement Policy Framework Act (PPPFA) and its related regulations.

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- 3.5. Alignment of the FIDPM to the revised Infrastructure Delivery Management System (IDMS).
- 3.6. Impact of responsibilities imposed to the National Treasury, Provincial Treasury and Cabinet.
- 3.7. Impact of the prescribed professional registration to the readiness and capacity of institutions.
- 3.8. Impact of the approval process of high-value national and provincial major capital projects and its alignment to National Treasury prescripts.
- 3.9. Role of Treasuries in the gateway review process.
- 3.10. Alignment of procurement threshold to National Treasury prescripts and institutional policies.
- 3.11. In view of the above, the National Treasury undertook a consultative review process that resulted in the Framework for Infrastructure Delivery and Procurement Management (FIDPM).

4. SCOPE OF THE FRAMEWORK

- 4.1. The National Treasury Framework for Infrastructure Delivery and Procurement Management (FIDPM) establishes the governance for Infrastructure Delivery and infrastructure procurement, within the ambit of Clause 217 of the Constitution of the Republic of SA, 1996.
- 4.2. The FIDPM prescribes minimum requirements for the implementation of the Infrastructure Delivery Management System through:
 - (a) Infrastructure Delivery Management processes for portfolio, programme, projects, operations and maintenance of infrastructure and
 - (b) Infrastructure Procurement Gates.
- 4.3. Furthermore, the FIDPM
 - (a) Promote value for money by organs of state throughout all phases of infrastructure delivery and management as well to promote optimal use of resources to achieve the intended outcomes and
 - (b) Facilitates the allocation of clear responsibilities for performing activities and making decisions at control points, stages and procurement gates.

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5. APPLICABILITY

5.1. This National Treasury Instruction, which gives legal effect to the **Framework for Infrastructure Delivery and Procurement Management** is enclosed in **Annexure A** and applies to:

- (a) all departments, constitutional institutions and public entities listed in Schedules 2 and 3 to the PFMA and
- (b) any organ of state, as defined in Section 239 of the Constitution, which implements infrastructure projects on behalf of institutions referred to in (a).

6. EFFECTIVE DATE

This *Treasury Instruction* takes effect from 1st October 2019.

7. REPEAL OF NATIONAL TREASURY

7.1. This Treasury Instruction repeals:

- (a) the National Treasury SCM Instruction Note 4 of 2015/2016:
 - i. Standard for Infrastructure Procurement and Delivery Management that was issued with National Treasury SCM Instruction Note of 2015/2016; and
 - ii. Model Policy for Procurement and Delivery Management that was issued with National Treasury SCM Instruction Note 4 of 2015/2016.

8. DISSEMINATION OF INFORMATION CONTAINED IN THIS TREASURY INSTRUCTION

8.1. Head officials of provincial treasuries are requested to bring the contents of this Treasury Instruction to the attention of all accounting officers of departments and accounting authorities of public entities in their respective provinces.

8.2. Accounting officers of departments and constitutional institutions and accounting authorities of public entities listed in Schedules 2 and 3 to the PFMA must bring the contents of this Treasury Instruction to the attention of chief financial officers and supply chain management officials of their respective institutions.

9. AUTHORITY FOR THIS TREASURY INSTRUCTION

This *Treasury Instruction* is issued in terms of Section 76 (4) (c) and (g) of the PFMA.

10. CONTACT INFORMATION

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