



CENTRAL SUPPLIER DATABASE FOR GOVERNMENT

1. INTRODUCTION

Currently no single consolidated comprehensive supplier database exists for national; provincial or local government causing duplication and fragmentation of supplier information across spheres of government. In addition; information related to compliance requirements are duplicated during procurement processes; processing of payment and audit procedures; which are all examples of financial management activities dependent on supplier information.

The establishment of a Central Supplier Database (CSD) will result in one single database to serve as the source of all supplier information for all spheres of government. The purpose of centralising government's supplier database is to reduce duplication of effort and cost for both supplier and government while enabling procurement processes.

2. WHAT HAPPENS ON 1 SEPTEMBER 2015?

From 1 September 2015 prospective suppliers will be able to self-register on the CSD website www.csd.gov.za. Suppliers can capture and update their information on the CSD at any time; in preparation for the utilisation of supplier data through procurement and financial systems used by all organs of state from 1 April 2016. The period from 1 September 2015 to 31 March 2016; will be referred to as the Interim Period.

Once information has been verified with external data sources; a unique supplier number and security code will be allocated and communicated to the supplier. Suppliers will be required to keep their data updated regularly and should confirm at least once a year that their data is still current and updated. Automatic re-verification of relevant (daily; weekly; monthly; etc.) as required.

Suppliers will be required to select their industry classification as well as the commodities they supply per location. Automated distribution of supplier information to organs of state will be done based on supplier type; supplier location; BBBEE and commodities.

- Identity Information from the Department of Home Affairs (DHA);
- Government employee verification
- Tender defaulters and database of restricted suppliers ; and
- B-BBEE information (if source data for verification purposes is available)

3. WHAT WILL BE REQUIRED FOR SUPPLIERS TO REGISTER?

All suppliers will be required to complete required information on the CSD website and must ensure it is complete; accurate and comprehensive. The following would be amongst the required information:

- Supplier identification information e.g. supplier type; identification number; supplier name; trading name and country of origin;
- Supplier contact information e.g. preferred contact name; preferred communication method; email address; cell phone number; telephone number etc.);
- Supplier address information e.g. country; province; municipality; city; suburb; ward and postal code;
- Bank account information;
- Supplier tax information e.g. valid tax number;
- Ownership information e.g. name and identification number of directors; members etc.
- Association to any other suppliers e.g. branch ; consortium member etc.; and
- Commodities the supplier can supply per location.

Note that a valid email address; identity number; cell phone number and bank account details are mandatory in order to register on the CSD

Apart from the above; it is foreseen that B-BBEE Information will be included in the CSD

4. WHAT CATEGORIES OF SUPPLIERS SHOULD REGISTER?

The following suppliers should register on the CSD

- Individuals;
- Sole-Proprietors;
- Foreign Companies;
- Trusts;
- Public Companies(LTD);
- Private companies (PTY LTDs)
- Non Profit Companies;
- Personal Liability Companies(INC);
- Closed Corporations;
- Co-operatives;
- State Owned Companies (SOC LTD);
- Non Profit External Companies;
- State Owned Entities (e.g. PFMA schedule entities);
- Government Entities (e.g. National departments; Provincial Administration; Metropolitan municipalities; District municipalities; Local Municipalities);
- Partnerships ;
- Statutory Bodies;
- Joint Ventures;
- Consortiums;
- Section Companies;
- Voluntary Associations; and
- Retirement Funds

5. WHICH AUTOMATED VERIFICATIONS WILL BE ENABLED?

On 1 September 2015 the following online verification will be enabled:

- South African Revenue Services (SARS) will enable tax clearance verification of suppliers. Re-verification of tax clearance status will be done automatically when organs of state access a supplier's information via CSD
- Companies and Intellectual Property Commission (CIPC) for automated verification of business registration and business ownership; and
- Check digit verification will enable bank account verification
- Verification of supplier information with the register for tender defaulters and database of restricted suppliers.

On 1 April 2016; four (4) additional online verifications will be enabled to automatically verify:

- Bank Account holder information
- ID numbers of individuals ;
- Government employee; and
- B-BBEE information (if source data for verification purposes is available)

On 1 April 2016; changes to the following verified data will be automatically updated on a daily basis and access to updated data will be available to organs of state:

- Tax clearance status;
- Business registration and business ownership

6. HOW WILL ORGANS OF STATES ASSIST SUPPLIERS TO REGISTER?

Suppliers who are unable to make use of the web based self-registration function will be able to liaise with any organ of state for assistance with self-registration. It is foreseen that the Thusong; Seda and Post Offices in the provinces will also be used to assist with supplier self-registration

7. WHAT HAPPENS TO THE EXISTING SUPPLIER DATABASES IN DEPARTMENTS?

Existing supplier databases will be migrated to the CSD provided the supplier information is complete; accurate and reliable. These will be phased out over time and it will be compulsory to use CSD data. Suppliers will be required to register with departments per usual practice while migration to the CSD takes place

Suppliers on the government's Logis system will be first to migrate to the CSD by 1 September 2015 and therefore suppliers on other ERP or eProcurement systems will follow. Communication will be provided to a supplier requesting validation of information once migration is complete.

8. HOW WILL THE INTERIM PERIOD WORK?

Apart from registering and capturing supplier information on the CSD; suppliers currently on any database of organs of state need to maintain their records through the existing supplier systems for the period 1 September 2015 to 31 March 2016.

During the interim period; suppliers that register on the CSD must provide their CSD supplier number and unique security code as well as any other relevant documentation (not yet electronically verified by the CSD) to the organs of state that they want to do business with.

Organs of state will use the CSD supplier number and unique security code to view/print the verified supplier information from the CSD in order to maintain their current supplier databases.

9. WHAT ARE THE BENEFITS OF THE CSD?

- Suppliers self-registration-placing the onus back on the supplier to ensure their data is up-to-date; complete and accurate;
- Once-off Supplier registration- Suppliers will only be required to register once when they want to do business with the state.

Standardised and electronic verification of supplier information leading to reduced fraud with paper copies and manual processes:

- Tax Clearance status;
- Business registration and business ownership;
- Bank account and bank account holder;
- Citizen identity number;
- Government employee verification;
- Register for tender defaulters and database of restricted suppliers; and
- BBBEE (in future);
- Reduction in duplicate effort and costs reduction for both business and government;
- Significant reduction of the administrative burden for business ; especially small and medium-sized enterprises; and
- Significant reduction of the administrative burden for SCM practitioners including compliance audit effort and cost across the state;
- Single source of supplier information across all spheres of government;
- Reduction of audit queries on suppliers compliance information;
- Same information available to all organs of state;
- Controlled access to information.

10. WHO CAN BE CONTACTED FOR FURTHER INFORMATION ON THE CSD?

Contact National Treasury for further clarity on the process:

csd@treasury.gov.za

012 315 5509

