



SERVICE LEVEL AGREEMENT

SETSOTO LOCAL MUNICIPALITY

And

LEHAKWE CONSULTING

CONTRACT MANAGEMENT TEAM:
T.P MASEJANE - Director;
L.S MOTLOUNG – Contract Management.
CONTACTS: 051 933 9314/9459
FAX: 086 577 9454

STR
L.M.
mem
J.M.
M.B.



SERVICE LEVEL AGREEMENT

ENTERED INTO BY AND BETWEEN

SETSOTO LOCAL MUNICIPALITY

(Income Tax Reference Number: 4000846511)

A Local municipality incorporated in terms of the Laws of the Republic of South Africa, duly represented by **Mr Simon Tshepiso Rankgotho Ramakarane** in his capacity as the Municipal Manager and Accounting Officer.

(Hereinafter referred to as the "Municipality")

and

LEHAKWE CONSULTING

A Close Corporation incorporated in terms of the Laws of the Republic of South Africa with registration number 2007/138306/07 duly represented by **JIBIDLE JOHN MAZINYO** in his capacity as the Director of the said Close Corporation, who is authorized to sign this agreement on behalf of the Close Corporation by Certificate for Authority of Signatory dated 24th June 2014.

(Hereinafter referred to as the "Service Provider")

WHEREAS the Municipality needs to develop the Human Resource Strategy and Review the Human Resource Policies to be able to develop management capabilities and streamline the structure that will lead the Municipality to achieve its organisational goal.

AND WHEREAS the Municipality has invited proposals for the Development of Human Resources Strategy and Review of Human Resources Policies under **REF NUMBER: RFP 06 (2013/2014)**

AND WHEREAS the Service provider has duly responded to the invitation.

AND WHEREAS the Service provider was a successful bidder.

NOW THEREFORE the Municipality hereby appoints the Service Provider to Develop Human Resource Strategy and Review Human Resources Policies subject to the terms of this agreement in conjunction with the bid document, and the Service Provider hereby accepts the appointment.

1. PURPOSE AND OBJECTIVE

- 1.1 The purpose of this agreement is to give effect to the above preamble in particular the Development of Human Resource Strategy and Review of Human Resources Policies for the Municipality.

2. DEFINITIONS

- 2.1 In this agreement, the South African law of interpretation of statutes and contracts will apply in interpreting or assigning any meaning to a word, clause or paragraph.

3. APPOINTMENT

- 3.1 The Municipality appoints **Lehakwe Consulting CC** for the Development of Human Resource Strategy and Review of Human Resources Policies for the Municipality.

4. DURATION

- 4.1 The service provider is appointed for a period of three months commencing on **01st March 2015** notwithstanding date of signature hereof.

5. SERVICES

- 5.1 The Service provider:-
- 5.1.1 Shall render the services in a professional manner, in a high level standard and to the advantage of the Municipality.
 - 5.1.2 Will deliver the service by conducting an assessment and compiling a Human Resources Assessment Report, Develop a Human Resource Strategy and Review the Human Resource Policies of the Municipality within a period of **4 (FOUR) MONTHS**.
 - 5.1.3 Will align the Municipality Human Resource policies with the legislative requirements.
 - 5.1.4 In developing the Human Resource Strategy and Reviewing the Human Resource Policies, the Service Provider shall do so in accordance with the Terms of Reference attached hereto marked "Annexure A".
 - 5.1.5 Shall, at the closure of the project, provide the Municipality with a typed copy and an electronic copies of the Assessment report, Human Resource Strategy and a Reviewed Human Resource Policies.
 - 5.1.6 Will stick to the budget as per attached budget marked "Annexure B".

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5.1.7 Shall keep a record of all service rendered for the duration of this agreement.

5.1.8 Shall comply with all the terms and conditions as set out in this agreement in conjunction with the bid document.

5.2 The Municipality:

5.2.1 Shall make time for the Service provider to enable him to render his service timeously.

5.2.2. Shall avail the required information and documentation timeously.

5.2.3. The Municipality shall avail the requested personnel timeously to allow the Service Provider to provide the required service.

5.2.4 Shall facilitate a workshop when requested by the Service Provider to enable the Service Provider to gather inputs.

5.2.5 Shall insure that the Service Provider is paid within 30 days from the date of submission of the substantiated claim/ invoice.

6. COSTS

6.1 The total costs of the service by the service provider is the total amount of **R266 600.00** inclusive of VAT.

7. PAYMENTS

7.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.

7.2 The service provider shall furnish the Municipality with a statement of account on completion of each milestone as per the proposed budget attached hereto marked "Annexure B".

7.3 The substantiated claim or invoice shall be paid with THIRTY (30) days from the date of submission.

8. INDEMNITY

8.1 The service provider hereby indemnifies the Municipality from any act, negligent or otherwise caused by the service provider, its agent or employee resulting from activities related to the rendering of the service.

9. TERMINATION AND BREACH

9.1 This service level agreement will terminate on the **30th June 2015** or such later date as the parties may agree.

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- 9.2 In the event of breach by either party, the innocent party may terminate the agreement provided that the other party is notified of the breach and called upon to rectify the breach within 21 days and has failed to rectify the breach.
- 9.3 Any party aggrieved by the other to such an extent that the conduct amount to material breach, may seek appropriate relief in court or refer the matter to arbitration.

10. INABILITY TO PERFORM

- 10.1 Neither party will be liable for any failure to meet any of its obligations in terms of this agreement or any delay in meeting them, to the extent to which the failure or delay is caused by any circumstances whatsoever which is beyond its reasonable control, including but not limited to any labour disputes, strike or lockout excluding labour dispute, strikes and lockouts confined mainly to employees of either party, war, riot or civil commotion, any order or regulation of any government or other lawful authority meeting the above requirements or any other cause beyond the reasonable control of that party.
- 10.2 The affected party must give notice in writing to the other party immediately upon the occurrence of an event of *vis major*.

11. DOMICILIA AND NOTICES

- 10.1 The parties choose as their *domicilia citandi et executandi* for all purpose arising from or pursuant to this agreement, their addresses as follows:

10.1.1. The Setsoto Local Municipality

27 Voortrekker Street,
Ficksburg. 9730
Tel: 051 933 9300.
Fax: 051 933 3321
Email: manager@setsoto.co.za

10.1.2. Lehakwe Consulting CC

1 Roelf Dreyer Street,
Pentagon Park,
Bloemfontein, 9301
Tel: 051 436 1219

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Fax: 051 436 1220

Cell: 073 168 8456

Email: jmazinyo@telkomsa.net/ mazinyojj@gmail.com

- 10.2 Any party shall be entitled from time to time, by written notice to the other, to vary its *domicilium* address to any other address within the Republic of South Africa which is not a post office box or poste restante.
- 10.3 Any notice given by one of the parties to the other ("the addressee") which:-
- 10.3.1 Is delivered by hand to the addressee's *domicilium citandi et executandi* shall be presumed to have been received by the addressee on the date of the delivery, until the contrary is proved;
- 10.3.2 Is posted by the prepaid registered post from an address within the Republic of South Africa to the addressee at the addressee's *domicilium citandi et executandi*, shall be presumed until the contrary is proved, to have been received by the addressee on the fifth day of the date of posting; or
- 10.3.3 Is faxed to the chosen fax number, will presumed to be received unless the other party proves the contrary:-
- 10.3.3.1 Within four (4) hours after being faxed during normal business; or
- 10.3.3.2 If not faxed within normal business hours, at twelve o'clock on the first of business that follows the day on which it was faxed.
- 10.4. Either party shall be entitled, on seven (07) days notice to the other, to change the address *domicilium citandi et executandi*.
- 10.5 Notwithstanding anything to the contrary contained or implied in this agreement, a written notice or communication actually received by one of the parties from another, including by way of facsimile transmission, shall be adequate written notice or communication to such party.

11. VARIATION

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11.1 No addition to or variation, cancellation or novation of this agreement and no waiver of any right arising from this agreement or its breach or termination shall be of any force or effect unless reduced to writing and signed by all the parties or their duly authorised representative.

12. RELAXATION

12.1 No latitude, extension of time or other indulgence which may be given or allowed by any other party in respect of the performance of any obligation hereunder or enforcement of any rights arising from this agreement and single or special exercise of any right by any party shall under any circumstance be construed to be an implied consent of such party or operate as a waiver or novation of, or otherwise affect any of that party's rights in terms of or arising from this agreement or stop such party from enforcing, at any time without notice, strict and punctual compliance with each and every provision hereof.

General Conditions of Contract (Service Level Agreement)


1. Definitions

The following terms shall be interpreted as indicated:

- 1.1 "Contract" means the written agreement entered into between the Municipality and the Service provider, as recorded in the contract, signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- 1.2 "Contract price" means the amount payable to the Service provider by the Municipality under the contract for the full and proper performance of the contractual obligations.
- 1.3 "Day" means calendar day.
- 1.4 "Delivery" means delivery in compliance of the conditions of the contract or order
- 1.5 "Vis major" means an event beyond the control of the Service provider and not involving the Service provider's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts or the Service Provider in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.6 "Goods" means professionally developed Human Resource Strategy and


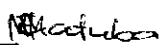
Reviewed Human Resource Policies of the Municipality and other form of service useful to the development of the Human Resource Strategy and Reviewed Policy.

Dated at FICKSBURG on this 9th day of MARCH 2015.

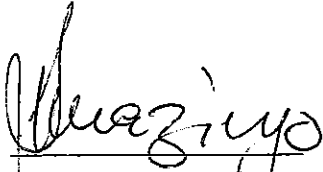


STR RAMAKARANE
MUNICIPAL MANAGER: SETSOTO LOCAL MUNICIPALITY

As WITNESSES:-

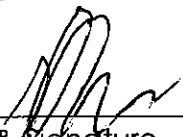

1. LEBONA MOTLEDING 
Name & Signature
2. MATLAPANE MATLAPANE 
Name & Signature

Dated at FICKSBURG on this 02 day of MARCH 2015.



JIBIDLE JOHN MAZINYO
Director: Lehakwe Consulting

As WITNESSES:-

1. 
Name & Signature
2. KOKETSO MOREMEDI 
Name & Signature



SETSOTO

LOCAL MUNICIPALITY
PLAASLIKE MUNISIPALITEIT
MASEPALA WA LEHAE

Head Office
27 Voortrekker Street
FICKSBURG

Tel: (051) 933 9300

Fax: (051) 933 9309

(051) 933 3321

E-mail: hrmanager@setsoto.co.za

DIRECTOR : CORPORATE SERVICES

P.O. Box 116

FICKSBURG

9730

Tel: (051) 933 9303

Fax: (051) 933 9309

E-mail: directorcorporate@setsoto.co.za

All correspondence address to Head Office /Alle korrespondensie gerig te word aan Hoofkantoor /Mangolo ohle a lebiswe Ntlokgolo

CORPORATE SERVICES

ENQUIRIES: T P Masejane

REQUEST FOR PROPOSALS DEVELOPMENT OF HR STRATEGY AND REVIEW OF HR POLICY

TERMS OF REFERENCE

1. INTRODUCTION

Setsoto Local Municipality endeavours to implement an HR Strategy with the aim of developing management capabilities and streamlining the structure that will lead Setsoto to achieve its organisational goal.

2. BACKGROUND

In the context of Developmental Local Government, Setsoto Local Municipality is tasked with the crucial responsibility of fulfilling the constitutional mandates delegated to it. The staff component of Setsoto Local Municipality is the vehicle of service delivery and ultimately responsible for compliance with the constitutional mandates. It is incumbent that (SLM) ensures that its human resources capacity is developed to a level where it can perform its responsibilities in an economical, effective, efficient and accountable manner.

Therefore, Setsoto Local Municipality is looking for a service provider with the competency and capacity of developing the Human Resources Strategy as per the prescripts of Section 51 and Section 67 of the Municipal Systems Act on human resources' matters and Public Service Act of 2007. The overarching objective is to improve the organisational human resource framework, which in turn it will improve service delivery.

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3. SCOPE OF SERVICES

The Setsoto Local Municipality requires from appropriately competent and experienced services provider to develop the HR Strategy covering the following areas:

3.1 Objectives

- 3.1.1 To improve service delivery levels through human resource planning and rationalization and promoting internal efficiency
- 3.1.2 To develop a Human Resource strategy
- 3.1.3 To review the Human Resource Policy
- 3.1.4 To institutionalise mechanisms for customer focus and service delivery including performance review guidelines and incentive systems

3.2 Activities

- 3.2.1 Conducting human resource assessment through consultations.
- 3.2.3 Define norms for service levels expected and develop human resource plan.
- 3.2.4 Revising HR policies in line with new legislative requirements and collective agreements as well as to incorporate and align performance appraisal standards and incentive systems of the municipality.
- 3.2.5 Drawing up recommendations based on functional review to promote internal efficiency

3.3 Outputs

- 3.3.1 Human Resources Assessment Report
- 3.3.2 Human Resources Strategy
- 3.3.3 Revised Human Resources Policy

3.4 Method

- 3.4.1 Sampling from all categories of staff
- 3.4.2 Reviewing of all existing documents and interviews with external stakeholders
- 3.4.3 Questionnaires for all categories of staff for organization diagnosis and Human Resources
- 3.4.4 Stakeholder consultations including union representatives and management Representatives
- 3.4.5 Validation through stakeholder consultation
- 3.4.6 Finalization of outputs

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4. GENERAL REQUIREMENTS

The Service Provider appointed must ensure the following:

- A workshop be arranged before the final product is presented, to Management for inputs.
- The Human Resources Strategy documents must be typed and reviewed policies and printed in hard copy upon completion.
- An electronic copy of the document must be provided in Word Format to the Director Corporate Services as well as in PDF Format.

5. MINIMUM REQUIREMENTS

- Comprehensive Company Profile
- Details and proof of experience. (Letters from previous companies)
- Tax clearance certificate
- Company registration certificate and certified ID copies of the members or directors.
- BEE Certificate
- Latest Municipal Water and Electricity Account (from area where offices are based) or lease agreement, which stipulates that services are included in lease amount.

6. QUALIFICATIONS

The following requirements in terms of qualifications are to be provided:

- Proven experience in Development of HR Strategies / Policies

7. SUBMISSION OF PROPOSAL IN TWO PARTS

7.1 Technical Proposal (Functionality)

No.	CRITERIA (TECHNICAL COMPETENCY)	DESCRIPTION	POINTS
1	Track record and experience	Whether the services were provided before, where, and what has been the successes 1 x letter of reference = 10 points 2 x letters of reference = 20 points 3 x letters of reference = 30 points	30
2	Approach and methodology	How will the services provider go about providing these services? Does the service provider have a tried and tested approach, proprietary methodologies and	60

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		tools to ensure success? Entire Project Plan?	
3	Team members experience and qualifications	Is the proposed team representatives been involved in providing the specified services (suitable registration and/or association with the established authority in the country / international body will serve as an additional advantage	10
	TOTAL		100
	SECOND STAGE EVALUATION		
	PRICE		80
	B-BBEE Certificate		20

NB It should be noted that only service providers who have satisfied the above requirement on functionality will be evaluated further.

7.2 Financial Proposal

(Total costs for the development of the whole strategy)

8. GENERAL

8.1. Below are compulsory requirements for this service:

8.1.1 Please note that the successful bidder will be expected to work within the guidelines set-out by Setsoto Municipality and any deviation shall be dealt with harshly and decisively.

9. TERMS AND CONDITIONS

9.1. Setsoto Municipality undertakes to pay within 30 (thirty) days, all valid claims for work done to its satisfaction upon presentation of substantiated claim/invoice.

9.2. All Payments will be subject to approval of work done by the Director Corporate Services.

9.3. A successful service provider must submit a project plan before commencement of the excise, where after a service level agreement will be entered into between the municipality and the successful service provider.


T P MASEJANE
 DIRECTOR CORPORATE SERVICES

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7. Proposed Budget

BUDGET FOR DEVELOPING HR STRATEGY FOR SETSOTO LOCAL MUNICIPALITY

ITEM	UNIT	QUANT	UNIT RATE	AMOUNT
Professional fees	People			
	days			
1. Conducting HR Assessment	<u>days</u>	25	1800.00	<u>45000.00</u>
2. Revising of HR Policies	days	25	1800.00	45000.00
3. Alignment of HR Policies	days	20	1800.00	36000.00
4. HR Assessment Report	days	25	1800.00	45000.00
5. Comprehensive HR Strategy	days	25	1800.00	45000.00
6. Final Report		?	?	28000.00
Sub Total	item			244000.00
Operational costs	item			
Travelling (including rent)		4	1400.00	5600.00
Telecommunication				<u>6000.00</u>
Accommodation				<u>3500.00</u>
Documentation, copying, etc				<u>2000.00</u>
Design, editing and layout				5500.00
Specific cost				
				<u>22600.00</u>
Sub Total				
Professional fees + costs				266600.00
VAT 14%				

NB. Rate Calculated based on DPSA Consultants Fee

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