APPOINTMENT OF CONSULTANTS POLICY

PIXLEY KA SEME
DISTRICT MUNICIPALITY

APPOINTMENT OF CONSULTANTS POLICY

LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003

Date of adoption: 00 November 2016

Section 78 of the Finance Management Act, 2003 (Act 53 of 2003) places the onus on each official within the Municipality to take responsibility for the effective, efficient, economical and transparent use of financial and other resources within that official's area of responsibility. In particular, the official must take effective and appropriate steps to prevent, within that official's area of responsibility, any unauthorized, Irregular, fruitless and wasteful expenditure and any under-collection of revenue due.

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1. Introduction

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, and –

2. Definitions

"accounting officer" means the Municipal Manager.

"municipality" means Pixley Ka Seme District Municipality.

"consultant" means an external person or organization that provides a service to the municipality in those areas, where the municipality lacks the required specialized skills or capacity;

"lack of capacity" means-

- Insufficient physical resources within the municipality;

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- Relevant knowledge, expertise and experience that may not exist within the municipality.

3. Objective

To ensure that consultants are paid within a regulated environment that is fair and equitable, thereby maximizing the value added to the municipality.

4. Objective

This document informs municipal officials of the policy on the appointment of consultants.

5. Legislative Framework

The municipal operations are governed by an array of different acts and this policy should be understood within that context.

The following Acts and prescripts are central in defining municipal boundaries and areas of influence:

- Municipal Structures Act, 1998 (Act 117 of 1998)
- Municipal Systems Act, 2000 (Act 32 of 2000)
- Municipal Finance Management Act, 2003 (Act 53 of 2003)
- Treasury Regulations
- National Treasury Guidelines and Prescripts

6. Consultants

6.1 Appointment of consultants

All appointments of consultants in the municipality shall be in writing, recommended by the Municipal Bid Adjudication Committee and approved by the Accounting Officer.

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Managers may recommend the appointment of consultants to render specific services, should they be of the opinion that the Municipality lacks the required skills or necessary capacity and those funds are available within their existing budgets.

The relevant manager will be responsible to prepare the **"Terms of Reference"** and submission to the Municipal Specifications Committee to recommend to the Accounting Officer for the advertisement to request proposals.

6.1.1 Primary reasons for the appointment of consultants

a) To provide specialised services without any obligation of permanent employment;
b) To benefit from superior knowledge, transfer of skills and upgrading of a knowledge base while executing an assignment; and
c) To provide independent advice on the most suitable approaches, methodologies and solutions of projects.

6.1.2 Minimum requirements when appointing consultants

When appointing consultants, it is necessary to strive to satisfy the following minimum requirements:

a) Meeting the highest standards of quality and efficiency;
b) Obtaining advice that is unbiased that is, being delivered by a consultant acting independently from an affiliation, economic or otherwise, which may cause conflict between the consultant's interest and those of government; and
c) Ensuring that the advices proposed or assignments executed, are meeting the ethical principles of the consultancy professions.

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6.1.3 Selection method(s) for the appointment of consultants

The following are methods most generally used for the appointment of consultants:

a) Quality and cost based selection;
b) Quality based selection;
c) Selection under a fixed budget;
d) Least cost selection; and
e) Single source selection.

6.1.4 Employment contract or agreement

a) All appointments shall be by means of a written contract or agreement, between the Municipality and the consultant concerned.
b) The Accounting Officer shall sign as the duly appointed representative of the Municipality.
c) The Accounting Officer may approve the extension of employment contracts or agreements provided that:

   i. Sufficient funds are available;
   ii. The extension is required as a result of additional operational requirements;
   iii. The original terms of reference have not been deviated from;
   iv. Delivery has been satisfactory and in accordance with the terms of reference; and
   v. There must be a skill transferred.

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6.1.5 Terms and Conditions

Written contracts or agreements shall, as a minimum, contain the following:

a) Defined deliverables;
b) The mechanisms allowing for the frequent monitoring of progress in terms of the agreed objectives;
c) The period of employment;
d) The terms and conditions in terms of a specific regulation, code or collective agreement or tender;
e) The notice period required by either side to terminate the contract;
f) The rates agreed upon;
g) The frequency of payment; and
h) The method of payment.

6.1.6 Payment of consultants

The payment of a consultant appointed on contract shall be:

a) Where the consultant belongs to a professional body, the rate of payments as stipulated by that body; or
b) In any other case, the rate as stipulated by the Auditor-General; or
c) At a rate determined fair or equitable by the Accounting Officer and agreed upon by both parties.

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EXECUTIVE MAYOR:

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