



## CONSULTANTS MONITORING AND MANAGEMENT POLICY

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## **1. INTRODUCTION AND BACKGROUND**

Professional service providers (Consultants<sup>1</sup>) may be appointed for a wide variety of tasks ranging from policy advice, accounting officer's reform management, engineering services, construction supervision, financial services, procurement services, forensic investigations, social and environmental studies and identification, preparation and implementation of projects, internal audits and performance management services.

Consultants should only be engaged when the necessary skills and/or resources to perform a project are not available and the accounting officer cannot be reasonably expected either to train or to recruit people in the time available.

The relationship between the accounting officer and the consultant should be one of purchaser/provider and not employer/employee. The work undertaken by a consultant should be regulated by a contract. The accounting officer are, however, responsible for monitoring and evaluating contractor performance and outputs against project specifications and targets and should take remedial action if performance is below standard

## **2. LEGISLATIVE FRAMEWORK**

- 2.1 Municipal Finance Management Act No 32 of 2000;
- 2.2 Municipal Finance Management Act Regulations;
- 2.3 Municipal : Supply Chain Management Policy
- 2.4 Construction Industry Development Board Act 38 of 2000

## **3. APPLICATION OF THIS POLICY**

This policy applies when the municipality:

- Procures goods or services;
- Procures professional services (Financial, Forensic, Operational etc.)

- Procures engineering and construction works subject to the provisions of the Construction Industry Development Board (CIDB); and
- Disposes goods no longer needed.

#### 4. PROJECT MANAGEMENT

Project management is the *discipline of planning, organising, motivating, and controlling resources to achieve specific goals*. Delivery of the end goal is not only measured by the fact that a project was brought to existence, but also in the manner in which the project was executed and whether the project is in line with the original expectations that the project was intending to deliver.

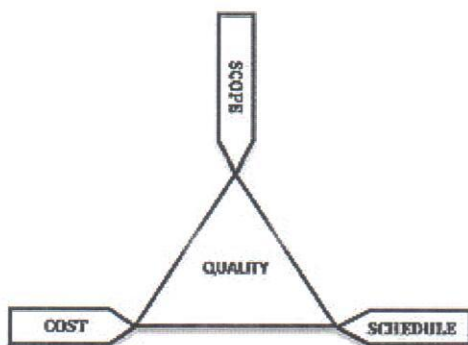
The main challenge of project management is to achieve all of the project goals and objectives while meeting the defined constraints. The constraints are:

Scope

1. Schedule or timeframe
2. Cost or budget
3. Quality

If one of the areas of the constraints changes the others must also change and will have an impact on the quality of the project.

The image below illustrates the project management cycle:



The second challenge is to optimise the allocation of the necessary inputs



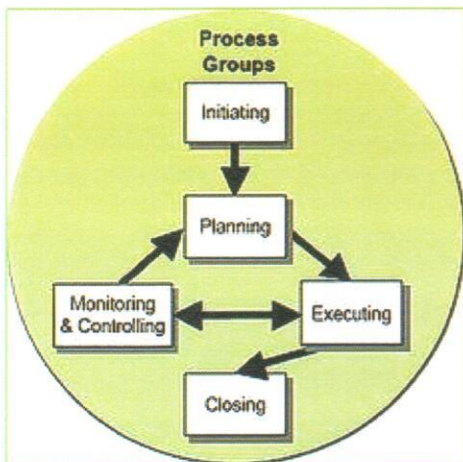
from the consultants and integrate them to meet the pre-defined objectives.

Managing the project performed by a consultant therefore forms an integral part of the success of the end product achieved.

Project management can typically be divided into 5 main phases:

1. Definition/ initiation
2. Planning and design
3. Execution
4. Monitoring and controlling
5. Finalization and closure

The image below illustrates the 5 distinct phases:



#### **4.1. Definition/Initiation**

At the initiation of the project the Accounting Officer has to appoint a municipal official (departmental manager or his delegate) as the project manager of the project. The project manager then needs to define the nature and scope of the task at hand. This task should include a plan the incorporate the following areas:

- 4.1.1. Analysing the Municipal needs/requirements in measurable goals
- 4.1.2. Reviewing the current operations
- 4.1.3. Financial analysis of the costs and benefits including the budget available.
- 4.1.4. Personnel and resources to be involved in

the project

4.1.5. Project Charter (outlines costs, tasks, deliverables and timeframes)

It is essential that this stage of the project is performed well; otherwise it is unlikely that the project will be successful.

## **4.2. Planning and Design**

At completion of the initiation phase the project needs to be planned into the appropriate level of detail. The main purpose of this phase is to plan the timeframe, cost and resources adequately to estimate the work needed and to effectively manage risk during project execution.

As with the Definition/Initiation phase, a failure to adequately plan greatly reduces the project's chances of successfully accomplishing its goals.

As part of this phase it is essential that the accounting officer and the project manager/team evaluate the type of resources required to execute the project.

A needs assessment (assessment of the resources necessary to complete a task or project) must be performed to determine the resources necessary to execute the project by considering the following:

- Current number of resources within the municipality
- Quality and technicality of the resources within the municipality
- Timeframe of the project
- Availability of funds
- Risks involved in the project

Based on above analysis the needs assessment will indicate whether the municipality:

- Has the ability to execute the project internally or,
- To appoint an external consultant to execute the project.

The municipality will generally want/need to appoint a consultant for some of the following reasons:

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

As this policy addresses the monitoring and managing of consultants only the appointment of external consultants will be addressed further in this document.

**Project Planning and Design generally consists of:**

1. Developing the scope statement;
2. Selecting the planning team;
3. Identifying deliverables and creating the work breakdown structure;
4. Identifying the activities needed to complete those deliverables and networking the activities in their logical sequence;
5. Estimating the resource requirements for the activities;
6. Estimating time and cost for activities;
7. Developing the schedule and the budget
8. Risk planning;
9. Gaining formal approval to begin work
10. Advertising and appointing the consultants
  - 10.1 The appropriate procedures in terms of the Supply Chain Management Policy must be followed to appoint the Consultants
  - 10.2 It is essential the quality, expertise and previous experience of the consultant are aligned to the goals and outputs of the project to ensure a successful execution and deliverable.
  - 10.3 A further condition required by the consultant is to provide the municipality with a Gantt Chart (project schedule) outlining the work breakdown of the project (objective, activity, timeframe, cost and deliverables). An example of a Gantt chart is attached to this policy.



10.4 Disciplinary procedures or corrective action measures in the event that the consultant fails to comply with the project schedule stipulations and quality of work, must be properly set out in the service level agreement signed by relevant parties.

### **4.3. Executing the Project**

Executing consists of the *processes used to complete the work defined in the project plan to accomplish the project's requirements.*

Execution process involves coordinating people and resources, as well as integrating and performing the activities of the project in accordance with the project management plan. The deliverables are produced as outputs from the processes performed as defined in the project management plan and other frameworks that might be applicable to the type of project at hand.

At this phase a kick-off meeting between all the relevant parties must be held to discuss the project, timeframes, budget and deliverables in terms of the Gantt chart (project plan). It is also at this stage where the municipality must ensure their own expectations of the activities; budgets and deliverables are in accordance with the consultants Gantt chart. If not these variances must be cleared up and aligned in the kick off meeting. As part of the kick-off meeting the possible challenges and constraints must be outlined and solutions discussed.

Once consensus is reached between the project manager and the consulting team representatives the project will commence.

### **4.4. Monitoring and Controlling**

Project monitoring entails *the supervising of activities in progress to ensure they are on-course and on-schedule in meeting the objectives and performance targets.*

Monitoring and controlling consists of those processes performed to observe project execution so that potential problems can be identified in a timely manner and corrective action can be taken, when necessary, to control the execution of the project. The key benefit is that project performance is observed and measured regularly to identify variances from the project management plan.



A project steering committee must be selected to meet on a regular basis (depending on the type of project the timing will be determined by the committee). The committee must consist of:

1. Project Manager from the Municipality
2. Head of department from relevant department related to the project
3. Project Manager from the consultant firm
4. Any other person elected by the project steering committee

Before every project steering committee the project manager from the municipality is in charge of updating the project plans to reflect actual time elapsed for each task and the deliverables met. The actual results must be measured against the initial project plan to identify issues and risks. By keeping up with the details of progress, the project manager is able to understand how well the project is progressing overall.

The illustration below indicates a monitoring and controlling cycle:



e get back  
on track  
again?  
(corrective  
action)

Monitoring and  
controlling Cycle

Any deficiencies, challenges or budget issues are then dealt with well in advance and can be clarified at the project steering committee meeting. The way-forward to address any challenges must be addressed at the steering committee meeting as well. It is essential to keep minutes of the steering committee meetings.

In multi-phase projects, the monitoring and control process also provides feedback between project phases, in order to implement corrective or preventive actions to bring the project into compliance with the project plan.

No payment to consultants should be effected before the project manager from the municipality has not signed off on the progress in terms of the project schedule. Before signing off the execution of work must be inspected to ensure the work conforms to the quality expected and is within the timeframes and stipulations of the project schedule.

The project schedule and motivations must be attached to all procurement documentation. In the event that the consultant is not performing in terms of the service level agreement the fact must immediately be reported to the Municipal Manager to ensure that corrective action may be taken with immediate effect to prevent the project from failing.

#### **4.5. Finalisation/Closure**

The finalisation and closing of the project includes the formal acceptance of the project and the ending of the project. Therefore just as important as the kick-off meeting was at the initiation of the project the closure is just as essential.

A meeting should be held with the project team and all the relevant parties to formally conclude the project. This meeting will include a recap of the project, documenting things that went right and things that went wrong, strengths and weaknesses of the project and project management processes, and the remaining steps required to terminate the project.

Techniques or processes that worked especially well, or especially poorly, are identified as key learning's of the project. (Key learning's that seem to work consistently on the municipal projects, in many circumstances, might be raised to the level of a best practice and be utilised for all similar projects.)

It is the responsibility of the project manager to build project closure activities into the project schedule. These should be seen as vital parts of the project, not an afterthought as the team is getting disbanded. The project is not



Based on this the project should not be signed off if the project manager is not satisfied with the outcomes and deliverables. Project files and information must be turned over to the municipality to file for audit and administrative purposes.

## 5. PENALTIES

Non-compliance to any of the stipulations contained in this policy will be regarded as misconduct, which will be dealt with in terms of the Disciplinary Code and Procedure and Code of Conduct for municipal employees as enshrined within the Municipal Systems Act.

## 6. DISPUTE RESOLUTION

If there is a dispute about the interpretation or application of this policy any party may refer the matter to the Head of Department. If the dispute is not successfully resolved it may be resolved through the Municipal Grievance Procedure Policy.

A 10x10 grid with a diagonal of green squares from (1,6) to (6,10). Above the grid, there are two boxes: the first box spans columns 6-8 and the second box spans columns 9-10.

**THUS DONE AND SIGNED AT RAMOTSHERE MOILOA LOCAL MUNICIPALITY ON THIS THE 28<sup>th</sup> MAY 2015.**

A handwritten signature in blue ink, appearing to be "A." followed by a large loop.

**Speaker Ramotshere Moiloa Local Municipality**