

MSUNDUZI MUNICIPALITY



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The Msunduzi Municipality

APPOINTMENT OF CONSULTANTS POLICY

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1. INTRODUCTION

2. PREAMBLE

For the purposes of this policy the following definitions apply:

“Accounting Officer”	- The municipal manager
“Budget”	- The appropriated
“CFO”	- Chief Financial Officer
“Municipality”	- Msunduzi Municipality
“Consultant”	- An external person or organization that provides a service to the municipality in those arrears, where the municipality either Lacks the required specialized skills or Capacity.
“Lack of Capacity”	- Insufficient physical resources within the Municipality; - Relevant knowledge, expertise and - experience that may not exist within municipality.

PREAMBLE

Where the need may arise in a department of the municipality to appoint the consultants for the purpose of this Policy, the term consultant includes, among others, consulting firms, management firms, procurement agents, inspection agents, auditors, other multinational organizations, investment and merchant banks, universities, research agencies, government agencies, non-governmental organizations (NGOs) and individuals, the policy will guide the procurement objectives in terms of Section 35 of the Supply Chain Management Policy of Msunduzi Municipality read in conjunction with Regulation 35 of the Municipal Supply Chain Management Regulations promulgated in 2005 and National Treasury guidelines.

1. POLICY OBJECTIVES

The objective is to provide guidelines on the appointment of Consultants by The Msunduzi Municipality.

2. SCOPE OF POLICY

This policy applies to all The Msunduzi Municipal employees, whether full-time or part-time, or paid on a salaried or an hourly individual basis when appointing the consultants.

3. APPLICABLE LEGISLATION

- 3.1 Municipalities must comply with the requirements of the Municipal Finance Management Act, Act 56 of 2003 (MFMA) and The Msunduzi Municipality has incorporated the applicable principles, objectives and prescripts in its policy on the management and control of the appointment of Consultants.
- 3.2 In terms of section 62(1)(c) (i) of the MFMA the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.

- 3.3 The MFMA endeavours “to regulate financial management in the municipalities; to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in those municipalities; and to provide for matters connected therewith.”
- 3.4 In particular, Section 78(1)(b) and (c) of the MFMA places the onus on each employee within the municipality to take responsibility for the effective, efficient, economical and transparent use of financial and other resources within that employee’s area of responsibility. In particular, the employee must take effective and appropriate steps to prevent, within that employee’s area of responsibility, any unauthorised, irregular, fruitless and wasteful expenditure and any under-collection of revenue due.
- 3.5 The Following Acts and Prescripts are central in defining municipality boundaries and areas of influence:
- Municipal Finance Management Act
 - Treasury Regulations
 - National Treasury guidelines and Practice notes

6. ACTUAL POLICY

6.1 APPOINTMENT OF CONSULTANTS

All appointment of consultants in the municipality shall be approved in terms of Supply Chain Management framework of delegations by the Municipality Bid Adjudication Committee.

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

The Project Manager will be responsible to prepare the “**Terms of Reference**” and submission to the Municipality Specification Committee to recommend to the Accounting Officer for the advertisement to request proposals.

6.1.1 PRIMARY REASONS FOR APPOINTMENT OF CONSULTANTS

Consultants are engaged principally for the following reasons:

- To provide specialized services for limited periods without any obligation of permanent employment;
- To benefit from superior knowledge, transfer of skills and upgrading of a knowledge base while executing an assignment;
- 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:

- Meeting the highest standards of quality and efficiency;
- Ensuring that the advices proposed or assignments executed, are meeting the ethical principles of the consultancy professions
- 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 interests and those of government

6.1.3 SELECTION METHOD(S) FOR THE APPOINTMENT OF CONSULTANTS

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

- Quality and cost based selection
- Quality based selection
- Selection under a fixed budget
- Least cost selection
- Single source selection

6.1.4 APPOINTMENT CONTRACTOR 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:
 - Sufficient funds are available;
 - The extension is required as a result of additional operational requirements;
 - The original terms of reference have not been deviated from;
 - Delivery has been satisfactory and in accordance with the terms of reference and there must be a skill transferred.

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 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; and
- b) In any other case, the rate as stipulated by the Auditor-General or at a rate determined fair or equitable by the Accounting Officer and agreed upon by both parties.

7 IMPLEMENTATION AND REVIEW OF THIS POLICY

7.1 The Accounting Officer shall be responsible for the implementation and administration of this policy with the assistance of the Chief Financial Officer once approved by Council.

7.2 In terms of section 17(1) (e) of the Municipal Finance Management Act, 2003 this policy shall be reviewed on annual basis and the reviewed policy tabled to Council for approval as part of the budget process.