

# WEST COAST DISTRICT MUNICIPALITY



## SERVICE LEVEL AGREEMENT

Entered into by and between

### WEST COAST DISTRICT MUNICIPALITY

(hereinafter referred to as the "District Municipality" on the one part and duly represented by Henry Frederick Prins, duly authorised thereto by virtue of his capacity as Municipal Manager;

and

### KGOLO BUSINESS TRUST t/a KGOLO INSTITUTE

(hereinafter referred to as "Service Provider") on the other part, and herein represented by

Mothabela Kgolo Ephraim Makgato, duly authorised thereto by

virtue of his/her capacity as Chief Executive Officer

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## PREAMBLE:

WHEREAS sections 83, 107 and 119 of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003), read with the Municipal Regulations on Minimum Competency Levels, 2007, require municipal officials to meet prescribed competency levels in financial and supply chain management;

AND WHEREAS the Parties wish to enter into an agreement with regard to the Implementation of a Municipal Minimum Competency Levels (MMCL) Training Programme for West Coast District Municipality;

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

## 1. AGREEMENT OVERVIEW

- 1.1 This Agreement represents a 3 (three) year Service Level Agreement (SLA) between Kgolo Business Trust t/a Kgolo Institute and the West Coast District Municipality (WCDM) for the provision and implementation of a Municipal Minimum Competency Levels (MMCL) Training Programme for the West Coast District Municipality.
- 1.2 Annexures attached hereto, form part of the Agreement between the parties.
- 1.3 This Agreement will supersede current processes and procedures, unless explicitly stated herein.

## 2. DEFINITIONS

- 2.1 **"The agreement"** shall mean this Service Level Agreement, together with the Supply Chain documentation, the General Conditions of Contract (GCC), and any other annexures hereto, and **"this agreement"** shall have a corresponding meaning;
- 2.2 **"Accounting Officer"** means the Municipal Manager of the District Municipality;
- 2.3 **"Business Day"** means any calendar day other than Saturday, Sunday or statutory public holidays in the Republic of South Africa;
- 2.4 **"Commencement"** means the date of signing of the Agreement by the representatives of both the West Coast District Municipality (WCDM) and Kgolo Business Trust t/a Kgolo Institute;
- 2.5 **"Contract"** means the Request for a Proposal for Municipal Minimum Competency Levels;

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- 2.6 **"Contract Period"** means the period from the commencement date until the end date;
- 2.7 **"Deliverables"** means all services to be rendered and delivered in terms of this Agreement;
- 2.8 **"General Conditions"** means the General Conditions of Contract prescribed by National Treasury;
- 2.9 **"The Purchaser"** means West Coast District Municipality with principal office at 58 Long Street, Moorreesburg, 7300, Western Cape and herein represented by the Municipal Manager or duly authorised person;
- 2.10 **"National Treasury"** means the National Treasury established in terms of section 5 of the Public Finance Management Act, 1999 (Act No 1 of 1999);
- 2.11 **"Parties"** means the Service Provider and the District Municipality and **"Party"** means any one of them, as the context may indicate;
- 2.12 **"Request for a"** means the request for proposals for Municipal Minimum Competency Levels;
- 2.13 **"The Service Level"** means this Service Level Agreement entered into between the parties including the Contract Documents.

### 3. PURPOSE

The purpose of this Agreement is to:

- 3.1 Provide a clear, concise and measurable description of the level of services to be rendered by Kgolo Institute in respect of the Municipal Minimum Competency Levels (MMCL) Training Programme for the designated officials of the West Coast District Municipality.
- 3.2 Create an environment which is conducive to a co-operative relationship between the District Municipality and Kgolo Institute.
- 3.3 Identify clear and consistent expectations of both parties with regard to the delivery of internet support services.
- 3.4 Outline the accountability, the agreed roles and/or responsibilities of each party to this Agreement.

  
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## 4. OBJECTIVE AND OUTCOMES

- 4.1 The objective of this initiative is to enable participants to apply strategic level financial management competencies that will ensure effective, efficient and economical utilisation of public funds and resources at local government level as intended by legislation and directives.
- 4.2 The broad outcomes to be achieved are the ability to:
- (a) Do strategic management, budgeting implementation and performance management in a municipal setting;
  - (b) Ensure adherence to municipal accounting and risk management requirements;
  - (c) Adhere to governance and legislation requirements in a municipal setting;
  - (d) Do costing and capital planning;
  - (e) Ensure appropriate municipal IT support and project management; and
  - (f) Do supply chain management and engage in public private partnerships that are beneficial for communities.
- 4.3 The general financial and Supply Chain Management skills and competency areas required of officials and to be achieved are:
- (a) Strategic leadership and management;
  - (b) Strategic financial management;
  - (c) Operational financial management;
  - (d) Governance, ethics and values in financial management;
  - (e) Financial and performance reporting;
  - (f) Risk and change management;
  - (g) Project management;
  - (h) Legislation, policy and implementation;
  - (i) Stakeholder relations;
  - (j) Supply chain management; and
  - (k) Audit and assurance.

## 5. SCOPE OF WORK

- 5.1 The Service Provider undertakes to provide the Municipal Minimum Competency Levels (MMCL) Training Programme for the West Coast District Municipality on the terms and conditions set out in this Agreement.

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- 5.2 The Training Programme will cover the following twenty eight (28) identified Unit Standards below:

Sessions	Description	Unit Standards				
Session 1	Legislation & Policy	119334	116361	116343	116348	116344
Session 2	Management	116351	116357	116339	116353	116341
Session 3	Financial Management I	116363	119348	116342	116362	119350
Session 4	Financial Management II	116364	116345	119331	119341	119343
Session 5	Financial Planning	116346	116347	116340	116358	
Session 6	It & PPP	119351	119352	116360	119353	

- 5.3 Twenty four (24) officials will be trained in the respective Departments, i.e. Office of the Municipal Manager, Financial Services, Administration and Community Services and Technical Services.
- 5.4 The scope of the work will be in accordance with the approved Supply Chain Management document.

## 6. OBLIGATIONS OF THE DISTRICT MUNICIPALITY

The District Municipality is obliged to:

- 6.1 Ensure that the officials attend the Training Programme.
- 6.2 Schedule a meeting with the Service Provider to discuss the progress and the outcomes of the Programme.
- 6.3 Keep up to date records of outcomes.
- 6.4 Timeous reporting to management regarding the progress of the officials.
- 6.5 Verify the correctness of invoices provided by Kgolo Institute and notify Kgolo Institute of any possible discrepancies within ten (10) days of receipt of the invoice.
- 6.6 Process and settle invoices within thirty (30) days of receiving the invoice.
- 6.7 All fees and expenses are to be paid to the Service Provider in the currency of the invoice, by electronic transfer of funds.
- 6.8 Payments to Kgolo Institute shall be paid into Kgolo Institute's bank account as identified in writing by Kgolo Institute.

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## 7. OBLIGATIONS OF THE SERVICE PROVIDER

The Service Provider will be required to:

- 7.1 Serve as the contracted Service Provider.
- 7.2 Provide the services with all reasonable care, diligence and skills.
- 7.3 Achieve the outcomes of the Training Programme.
- 7.4 Give advice, provide direction and render assistance on the implementation of the Training Programme.
- 7.5 Provide theory and training in terms of the Municipal Minimum Competency Levels Training Programme Agreement and furthermore to comply with the terms and conditions contained in National Treasury Circulars, the Local Government Municipal Finance Management Act, 2003 (Act No 56 of 2003) and the Municipal Regulations on Minimum Competency Levels, 2007 as published in Government Gazette No. 29967.
- 7.6 Provide skilled and experienced facilitator(s) who shall be dedicated to providing the facilitation services in accordance with the nationally acceptable norms and standards of SAQA.
- 7.7 Be responsible for the management of the Municipal Minimum Competency Levels Training Programme on behalf of the District Municipality and the responsibilities will include the following aspects:
  - (a) Comply with the accreditation requirements of the relevant SETA;
  - (b) Develop a training schedule;
  - (c) Contact learners and frequently communicate with the Skills Development Facilitator;
  - (d) Inform the Skills Development Facilitator of any non-attendance and / or drop-outs of learners on any of the classes in accordance with the schedule;
  - (e) Allow for the replacement of drop-outs within a reasonable period in the first quarter of the Programme;
  - (f) Conduct regular assessment of learners;
  - (g) Moderate various assessments (classroom based and workplace based);

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- (h) Support, co-ordinate and monitor portfolio compilation for every learner;
- (i) Assist learners where required (remedial);
- (j) Provide ongoing progress reports on the learners as well as the Programme (monthly or when requested).

7.8 Record keeping including the following.

- (a) Ensure completion of attendance registers for each session;
- (b) Provide assessment records for each Unit Standard;
- (c) Conduct and record all formative assessments by accredited assessors;
- (d) Provide full record of progress of assessments, documenting education and work competencies;
- (e) Conduct re-assessment(s) and provide full record of progress of re-assessment (remedial);
- (f) Provide full manual and computerized system of learner achievements;
- (g) Document and record project progress meetings;
- (h) Complete and submit a final report with recommendations;
- (i) Ensure full certification (LGSETA and Statement of Results from Kgolo Institute) of each learner upon completion of the training programme;
- (j) Ensure the verification and upload of learner results onto the National Learners' Records Database;
- (k) Maintain records on learners who have successfully completed the course for a minimum period of three (3) years.

7.9 Provide the following.

- (a) All learning material which may be used by learners after the completion of the Training Course;
- (b) All training equipment;
- (c) Other stationary as required;

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- (d) Written notification to the Project Leader of the District Municipality at least seven (7) days in advance of course dates, time schedule and venue for all training activities (facilitation, induction, break away session(s), etc.;
  - (e) Issue certificates to learners who successfully complete the Training Programme as proof that the learner has accumulated sufficient knowledge and understands the learning material.
- 7.10 Manage, monitor and record the process of assessment, moderation, verification and certification.
- 7.11 Fund, organise and manage the Graduation Ceremony that includes:
- (a) Venue with required equipment;
  - (b) All twenty four (24) learners with twenty four (24) guests;
  - (c) Graduation Programme with the input of the District Municipality;
  - (d) Catering for all learners and guests who are attending the Graduation Ceremony;
  - (e) Relevant certification for competent learners.
- 7.12 The Service Provider warrants to the West Coast District Municipality that:
- (a) It has full capacity and authority to enter into and to perform, fulfill its obligations under the Agreement and that the Agreement is executed by a duly authorised representative of the Service Provider;
  - (b) It has the requisite skill, expertise and capacity to perform the services;
  - (c) The services shall be rendered in accordance with the same level of competency expected of a professional firm possessing comparative expertise;
  - (d) The services shall be performed within the stipulated time frames;

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(e) It shall respond to all enquiries from the District Municipality within a reasonable time;

(f) It shall exercise utmost good faith in all its dealings with the District Municipality.

7.13 The Service Provider complies with all relevant Occupational Health and Safety policies and procedures as determined by the West Coast District Municipality and in line with the determinations / regulations as stipulated by the Occupational Health and Safety Act, No. 85 of 1993 as amended by Occupational Health and Safety Act, No. 181 of 1993.

## 8. COMMENCEMENT AND TERMINATION OF THE SERVICE LEVEL AGREEMENT

8.1 The Agreement between the District Municipality and the Service Provider commences on the date on which the Agreement is signed by duly authorised representatives of both the West Coast District Municipality (WCDM) and Kgolo Business Trust /a Kgolo Institute and terminates on completion of this Municipal Minimum Competency Levels (MMCL) Training Programme or as per paragraph 8.2 below.

8.2 The Agreement terminates on an earlier date if the District Municipality and the Service Provider agree to terminate the Municipal Minimum Competency Levels (MMCL) Training Programme Agreement.

## 9. KEY PERSONNEL

Key personnel include individuals that have direct responsibility to implement or manage various aspects covered by this Agreement and who act as contact points for this Agreement.

9.1 The following personnel will act as Project Leaders and will be responsible for the management and implementation of this Agreement.

### For Kgolo Institute:

Name: Mothabela Kgolo Ephraim Makgato

Position: Chief Executive Officer

E-mail address: Ephraim@kgoloinstitute.co.za

Contact No: 012 662 0245 / 073 295 94 93



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Address: P.O. Box 64 Cornwall Hill 0178/  
1214 Celtis Way; 10 Honeybush Lane; Irene Farm Villages; 0157

For the West Coast District Municipality:

Name: Mrs Thelma Steinmann  
Position: Manager: Training and Development  
E-mail address: [tsteinmann@wcdm.co.za](mailto:tsteinmann@wcdm.co.za)  
Contact No: (022) 433-8455  
Address: West Coast District Municipality  
58 Long Street / P.O. Box 242  
Moorreesburg  
7310

- 9.2 Any written correspondence from Kgolo Institute with regard to this Agreement must be provided to Mrs Thelma Steinmann at the above address.

## 10. TERMS OF PAYMENT

- 10.1 The cost of the services rendered for 3 (three) years by the Training Provider amounts to:




R931 044.97 (NINE HUNDRED AND THIRTY ONE THOUSAND AND FORTY FOUR RAND AND NINETY SEVEN CENTS).

- 10.2 This amount is inclusive of VAT.

- 10.3 Payment will be done in accordance of regulations by the Municipality and implemented as follows. Payment will be implemented as follows:

- 10.3.1 R258 782.85 (TWO HUNDRED AND FIFTY EIGHT THOUSAND SEVEN HUNDRED AND EIGHTY TWO RAND AND EIGHTY FIVE CENTS) will be paid on commencement of the training in the 2015 / 2016 FINANCIAL YEAR.

- 10.3.2 Part payment of R376 386.12 (THREE HUNDRED AND SEVENTY SIX THOUSAND THREE HUNDRED AND EIGHTY SIX RAND AND TWELVE CENTS) in the 2016 / 2017 FINANCIAL YEAR will be made to the Service Provider after assessment results have been submitted to the District Municipality. Payment is based on unit

  
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standards completed (assessed and re-assessed, where applicable); and

The final payment will be made upon submission of a final report which includes the recommendations / proposals / remarks regarding the results of training sessions and certificates / statement of results of learners, to the District Municipality.

- 10.3.3 Part payment of R295 876.00 (TWO HUNDRED AND NINETY FIVE THOUSAND EIGHT HUNDRED AND SEVENTY SIX RAND) in the 2017 / 2018 FINANCIAL YEAR will be made to the Service Provider after assessment results have been submitted to the District Municipality. Payment is based on unit standards completed (assessed and re-assessed, where applicable); and

The final payment will be made upon submission of a final report which includes the recommendations / proposals / remarks regarding the results of training sessions and certificates / statement of results of learners, to the District Municipality.

- 10.4 The Service Provider must ensure that the total contract amount is not exceeded.
- 10.5 No additional payment for extra work or amendments to the scope of work will be made without prior discussion and written consent from the District Municipality.
- 10.6 Payment shall only be effected by the District Municipality to the Service Provider in respect of invoices based on the satisfactory delivery of services.
- 10.7 Any amounts disputed in good faith may not be deducted from the invoice but should be notified in writing to the Service Provider within ten (10) days of receipt of the invoice.
- 10.8 Upon receipt of the dispute notice, both parties will work together in good faith to resolve such disputes in a prompt and mutually acceptable manner.
- 10.9 The Service Provider agrees to repay any disputed amounts within ten (10) days once the issues have been resolved.

## 11. INDEPENDENT SERVICE PROVIDER

The Service Provider is appointed as an independent Service Provider, and not as an employee of the District Municipality, and at all relevant times during the duration of this Agreement no employer/employee relationship shall exist between the parties.



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## 12. NOTICE OF *DOMICILIUM*

12.1 Kgofo Business Trust t/a Kgofo Institute hereby chooses

1214 Celtis Way  
10 Honey Bush Lane  
IRENE FARM VILLAGES  
0157 with the Chief Executive Officer as addressee

as its *domicilium* for all matters that may arise from this Agreement including, but not limited to, the receipt of all notices and processes of court.

12.2 Kgofo Business Trust t/a Kgofo Institute will be entitled to change its *domicilium* by means of written notice to the West Coast District Municipality to this effect.

12.3 The West Coast District Municipality (WCDM) chosen *domicilium* is

58 Long Street  
Moorreesburg  
7310, with the Municipal Manager as addressee.

## 13. NOTICE

13.1 All notices served by the Employer on the Training Provider by virtue of this Agreement, shall either be sent by prepaid registered mail, or be delivered to Kgofo Business Trust t/a Kgofo Institute by hand.

13.2 In the case of notices sent by prepaid registered mail, such notices shall be deemed to have been received by Kgofo Business Trust t/a Kgofo Institute at the latest on the 4<sup>th</sup> (fourth) business day after the date of dispatch, unless Kgofo Business Trust t/a Kgofo Institute is able to prove the contrary.

13.3 Notices delivered to Kgofo Business Trust t/a Kgofo Institute by hand and for which a dated acknowledgement of receipt has been obtained, shall be deemed to have been received by Kgofo Business Trust t/a Kgofo Institute on the date of delivery, unless Kgofo Business Trust t/a Kgofo Institute is able to prove the contrary.

13.4 All notices served by Kgofo Business Trust t/a Kgofo Institute on the West Coast District Municipality by virtue of this Agreement shall likewise be

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deemed to have been duly served, provided that the procedure as prescribed in Clauses 13.1 to 13.3 has been followed.

## 14. GENERAL

### 14.1 HEADINGS

The headings of the clauses of the Agreement serve only as reference and shall under no circumstances affect the interpretation of the clauses.

### 14.2 FULL AGREEMENT

This Agreement constitutes the full Agreement between the parties and any amendment, addition or omission thereto, shall be in writing and be signed by both parties, in order to be binding on the parties.

### 14.3 WAIVER

No leniency, waiver or relaxation of any of the conditions of this Agreement by the Employer or the Service Provider, shall prejudice their rights by virtue of the Agreement.

### 14.4 AGREEMENT BINDING

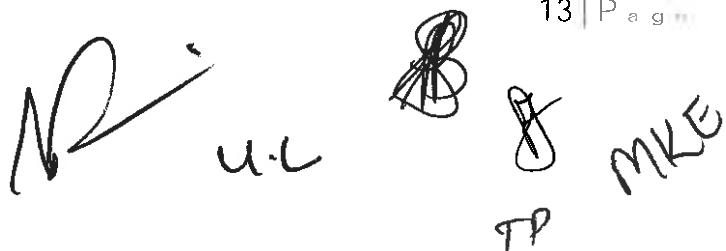
If any of the clauses of this Agreement or annexures thereto are found to be invalid or not binding on the parties, such finding will not affect the validity of this Agreement and the parties agree to be bound by the other provisions of the Agreement.

## 15. DISPUTES

Any dispute between the parties in regard to this Agreement or any matter arising from it may by mutual consent be resolved by arbitration to be held in accordance with the Arbitration Act, 1965, as amended. This in no way detracts from any Party's right to institute action or motion proceedings in any court of competent jurisdiction.

## 16. JURISDICTION

Notwithstanding the provisions of the Magistrates Court Act, 1944 (Act No 32 of 1944) as amended or substituted from time to time, with regard to the powers concerning cause or guilt and/or the amount claimed, the powers with regard to any legal action resultant from this Agreement which the Parties may institute against each other, shall vest in a Magistrates Court. The Parties shall,

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notwithstanding the foregoing, be entitled to institute any legal action against each other exceeding the powers of the Magistrates Court, in a competent High Court.

## 17. LEGAL COSTS

Should the District Municipality, as a result of the Service Provider's non-compliance with any of the provisions of the Agreement, instruct its attorneys to institute a claim or legal action against the Service Provider, the Service Provider shall in both cases be liable for legal costs and expenditure between party and party and attorney and client thus incurred, including specifically, collection fees, which monies shall be payable on request.

## 18. GUARANTEES AND REPRESENTATIONS

The Parties acknowledge that no guarantees and/or representations, verbally and/or in writing, persuaded them to conclude this Agreement and that any guarantees and/or representations (should there have been) are not binding on the Parties, unless contained in this Agreement.

## 19. CESSION

The Parties shall not be entitled cede, transfer, pledge or in any way alienate any of its rights in terms of this Agreement.

## 20. VIS MAJOR

Notwithstanding anything to the contrary contained in this Agreement, should any term or condition of the Agreement become permanently impossible, whether by *vis major*, *casus fortuitus* or any factor beyond the control of the Parties, the Agreement shall automatically be terminated, without any further rights, obligations or claims between the Parties, excluding any existing claims the Parties may have against each.

## 21. BREACH OF CONTRACT

Should any of the Parties refuse, neglect or fail to comply strictly with any one or more of the condition(s) of this Agreement, the aggrieved Party shall, notwithstanding any previous waiver of any of its rights under the Agreement, and without prejudice to any right it may have in law, be entitled, after 7 (seven) days notice to the defaulting Party to comply with such condition(s), and upon failure by the defaulting Party to comply with such notice, or should the defaulting Party comply with such notice but


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thereafter again refuse, neglect or fail to comply with any one or more condition(s), to cancel the Agreement immediately by means of written notice to the defaulting Party to that effect, without prejudice to any of their rights to claim such compensation for damage which the aggrieved Party may suffer because of the defaulting Party's said non-compliance.

SIGNED AT Moorreesburg ON THIS 13<sup>th</sup> DAY OF June 2016 IN THE PRESENCE OF THE UNDERSIGNED WITNESSES:

AS WITNESSES:

1. 

2. 

  
for WEST COAST DISTRICT  
MUNICIPALITY



SIGNED AT PRETORIA ON THIS 13 DAY OF JUNE 2016 IN THE PRESENCE OF THE UNDERSIGNED WITNESSES:

AS WITNESSES:

3. 

4. 

  
for KGOLO INSTITUTE

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