

NTINGA O.R. TAMBO DEVELOPMENT AGENCY SOC LTD



PROJECT SELECTION AND MANAGEMENT POLICY

POLICY NUMBER	5/P
POLICY TYPE & CATEGORY	Project management
COMMENCEMENT DATE	01 May 2021
INITIAL APPROVAL DATE	30 April 2021
PREVIOUS REVIEWS	None
NEXT REVIEW DUE	30 April 2022
RESPONSIBLE MANAGER	Manager: Project Management Office

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1. PREAMBLE

- 1.1 These are policy guidelines for project selection and operational procedures for Ntinga O.R. Tambo Development Agency SOC LTD.
- 1.2 The Ntinga O.R. Tambo Development Agency is a State-owned Company (SOC) of the O.R. Tambo District Municipality.
- 1.3 The primary area of operation of the SOC is the area of jurisdiction of the O.R. Tambo District Municipality's area of Jurisdiction.
- 1.4 However, at a secondary level it is permissible for the company to pursue development activities that fall within its mandate outside of this primary area of operation within the Republic of South Africa.
- 1.5 The emphasis of the policy is to indicate guidelines to be followed by management before a projects is admitted into a portfolio of projects implemented by Ntinga; at this level it assigns governance decision-making to the board of directors and/or its sub-committees.

2. DEFINITIONS

"Ntinga" refers Ntinga O.R. Tambo Development Agency SOC Ltd

"Agency" refers Ntinga O.R. Tambo Development Agency SOC Ltd

"CEO" refers to the Chief Executive Officer

Project – a temporary development intervention with set objectives, organisational dimensions, inputs, outputs and outcomes and with pre-determined implementation start and end date.

Project management – application of knowledge, skills, tools, techniques to project activities to meet desired outcomes.

Programme – a set of interdependent and interrelated projects implemented as a series under one portfolio.

PMBOK – Project Management Body of Knowledge

Ten Knowledge Areas – Project integration management, project scope management, project time management, project cost management, project quality management, project human resources management, project communication management, project risks management, project procurement management, project stakeholder management

MICROSOFT PROJECTS – a Microsoft project management tool

ORTDM – O.R. Tambo District Municipality

NORTDA – Ntinga O.R. Tambo Development Agency

CFO – Chief Financial Officer who is the Chief Financial Accounting Officer in relation to every cent in the implementation of a budget dedicated to each project

HOD – Head of department is a Senior Manager responsible for a department under which a project, or an aspect of a project concerned is managed and implemented and has a limited authority and responsibility to account for his/her actions, decision-making omissions and commissions in the context of project management and implementation to the CEO.

PMO – Project Management Office is a unit within CEO's Office responsible for implementing this policy.

Project Manager – An employee assigned responsibility over the management and implementation of a project concerned and has a limited decision making authority and responsibility to account for his/her actions, omissions and commissions in the context of project management and implementation to the HOD.

Project Administrator - An employee assigned responsibility to do administration in respect of providing informed administrative support in the management and implementation of projects and programmes concerned and has a limited decision making authority and responsibility to account for his/her actions, omissions and commissions in the context of project management and implementation to the HOD.

SOC – State Owned Company

IDP – Integrated Development Plan

SDBIP – Service Delivery and Budget Implementation Plan

NDP – National Development Plan

3. MANDATE

Its mandate is to perform activities which fall within the functions and powers of O.R. Tambo District Municipality as contemplated in section 84(1) of the Municipal Structures Act, Act 117 of 1998, in particular Section 84(1) (a) (b) (d) (k) (n) & (p) which are:

- Integrated development planning
- Potable water supply systems
- Domestic & Industrial waste – water and sewage disposal systems
- Fresh produce markets and abattoirs
- Municipal public works
- Taxes, levies & Duties; and discretionary activities agreed to by the board of directors

4. GENERAL POLICY AND LEGAL ALIGNMENT PROVISIONS

4.1 General policy and legal alignment provisions dictate that the SOC implements projects that are aligned and compliant to the following policy and legal instruments: -

4.5.1 The Entity's mandate

4.5.2 Companies Act

4.5.3 Ntinga O.R. Tambo Development Agency, SOC Ltd Memorandum of Incorporation (MoI)

4.5.4 Local Government: Municipal Structures Act

4.5.5 Local Government: Municipal Systems Act

4.5.6 Integrated development plans of affected local municipalities

4.5.7 Integrated development plans of affected district municipalities

4.5.8 Provincial Development Plan

4.5.9 National Development Plan

4.5.10 Local Government: Municipal Finance Management Act and Regulations

4.5.11 Public Finance Management Act

4.5.12 Labour Relations Act

4.5.13 Relevant Ntinga Policies, structures and systems

4.5.14 National environmental Management Act

4.2 Ntinga O.R. Tambo Development Agency has existed, hitherto, without written policy guidelines regarding the manner management and staff should identify, select, manage, and implement projects and programmes, as well as deal with other incidental matters in respect of projects and programmes in its portfolio at each particular time.

4.3 This major gap has often made it difficult for the organisation to focus and to mitigate glaring risks some of which have been identified in some of the agency's risk registers including but not limited to the following: -

4.3.1 Implementation of projects not aligned to the organisational mandate.

4.3.2 Inclusion in the SDBIP of projects without guaranteed total budget in a given MTF period.

4.3.3 Implementation of community projects without a mechanism to define project scope and to better manage illegitimate expectations of project beneficiaries during and after implementation.

4.3.4 Prolonged delays in the implementation of projects with budgets.

4.3.5 Litigation arising out of project management and implementation by the agency.

4.3.6 Implementation of projects with inadequate stakeholder buy-in and support.

4.3.7 Implementation of projects with compromised quality and going concern.

4.3.8 Lack of mechanisms to ensure objective impact evaluation.

- 4.4 Consistent with the above background, this policy seeks to set specific guidelines and procedures to be observed by the SOC in respect of the selection, management and implementation of projects and programmes within its portfolio.
- 4.5 The binding cord of all these projects and programmes is that they should fit in well with the mandate of the Agency, as this is approved by the Ntinga Board of Directors and the District Municipality from time to time.
- 4.6 Ntinga shall only implement district funded projects if they are in the IDP and match to available skills base.
- 4.7 Projects to be implemented shall be incorporated into the Service Delivery and Budget Implementation Plan (SDBIP).
- 4.8 The policy will be reviewed regularly and whenever necessary in accordance with company policies.

5. CRITICAL AND OVERARCHING GUIDELINES

5.1 Project Integration Management

At this level, care must be taken to ensure that before any project is implemented it is fully aligned to the mandate of Ntinga, to the strategy of the organization, approved by relevant board of directors' sub-committees and the board of directors.

5.2 Project Scope Management. ...

At this level care must be taken to ensure that before any project is implemented its comprehensive scope is fully defined, and where certain aspects in the scope are to be implemented by other parties, the part to be implemented by Ntinga is fully defined, and a service delivery agreement binding on the other parties is developed for approval by relevant board of directors' committees and the board of directors as a measure to, amongst other things, contain risks that may arise for Ntinga.

5.3 Project Time Management

At this level care must be taken to ensure that projects accepted for implementation are given on time enough to allowing projects to move from start to end within appropriate time frames, and that the imposed project implementation time frame is sensitive to

seasonal requirements, or that if a season is past for the current year an agreement with client is reached that the project will be implemented in the next appropriate season.

5.4 Project Cost Management

At this level care must be taken to ensure that no project is admitted to Ntinga's portfolio of implemented projects without an agreement and/SLA guaranteeing funding committed to settle all costs relating to the projects and the agreement must outline conditions for payment as well as the schedule for payments.

Further care must be taken to ensure that project exceeding ... in value can only commence after a due diligence report has been received indicating the client's ability to pay for cost associated with the project and such report having been submitted for scrutiny by relevant board of directors' sub-committees and the board.

5.5 Project Quality Management

At this level care must be taken to ensure that Ntinga does not accept to implement a client's project without first assessing availability of skills and competencies sets needed for successful implementation of the project concerned.

Further care must be taken to ensure that before each project commences a set of standards to demonstrate success is developed and a project monitoring and evaluation structure to confirm each standard is met is developed and agreed to with the client.

5.6 Project Human Resource Management

At this level care must be taken to ensure that Ntinga does not accept to implement a client's project without first assessing availability of skills and competencies sets needed for successful implementation of the project concerned.

Further care must be taken to ensure that before each project commences a set of standards to demonstrate success is developed and a project monitoring and evaluation structure to confirm each standard is met is developed and agreed to with the client.

A risk management plan providing for outsourcing, liability management, staff turnover management and consequence management must be agreed upon by Ntinga and project implementation staff.

5.7 Project Communications Management

At this level care must be taken to ensure that an agreement entered into by and between Ntinga and the client sets forth channels of reporting and communicating, and that within Ntinga a directive must be issued by CEO as to which official will

communicate what, when, to whom in respect of each projects; such directive must cater for communication by the board chairperson or other members of the board of directors.

6. GENERAL PROJECT SELECTION PRINCIPLES

- 6.1 By virtue of being a parent over the Ntinga O.R. Tambo Development Agency, the District Municipality will enjoy ultimate discretion in delegating projects and programmes into the portfolio of the Agency, subject to it creating conducive conditions for successful implementation of delegated projects or programmes. Delegated projects shall be accepted by the Board of Directors before commencement of implementation.
- 6.2 Projects selected from within the context of strategic partnerships must be accepted with the provision that they are consistent with the provisions listed above.
- 6.3 Projects emanating from strategic partnerships.
- 6.4 Ntinga has an option to implement projects emanating from strategic partnerships.
- 6.5 Project contemplated above must meet the following basic criteria.
- 6.6 The prospective strategic partner or partners must request the partnership in writing through the Office of the Chief Executive Officer.
- 6.7 The Chief Executive Officer must respond and request, from the on-set, a due diligence report to satisfy himself or herself that the prospective partner is legally registered, has the capacity to enter into a contract, to sue and to be sued, and has the capability to deliver on its roles and responsibilities in relation to the proposed project.
- 6.8 A project must in terms of its purpose fall within the ambit of the mandate of the Agency that has been approved by the district municipality.
- 6.9 For municipal projects, the project must be accepted with letters confirming that it is funded and in the IDP of the District Municipality or that of the Local Municipality concerned.
- 6.10 The project must be accepted into the portfolio of projects after a complete disclosure regarding its ownership, hierarchy of beneficiaries and financial backing.
- 6.11 Only upon signing of a Service Level Agreement by all parties shall Ntinga O.R. Tambo Development Agency commence spending resources at its disposal on the project concerned.

7. GENERAL POLICY PROVISIONS

- 7.1 The policy is applicable to all discretionary projects that have a written Council resolution and have been accepted and approved by the Board of Directors.
- 7.2 Management will ensure that any project included in the SDBIP for management and implementation is aligned to the Ntinga Mandate.
- 7.3 Where alignment with the mandate is unclear, the CEO supported by the relevant Manager and CFO, is authorised to use his/her discretion and report matters at the next Board meeting to solicit ratification by the Board of Directors.
- 7.4 Management will ensure that a project included in the SDBIP has a guaranteed and committed budget, to ensure that Ntinga's cash flow position is not compromised from start to finish of the project.
- 7.5 Where funds cannot be transferred in advance to Ntinga, , a written contract must be entered into by and between the Agency and the Party requesting it to manage/and or implement the project concerned.
- 7.6 Only the Chief Executive Officer, and witnesses chosen by him/her, are authorised to sign such a contract on behalf of the Agency.
- 7.7 In the final analysis, projects implemented by the Agency must be reflected in the SDBIP for each concerned financial year.
- 7.8 Ntinga will manage and implement projects of an external source against a project management fee calculated as a sum of:
 - 7.8.1 Total Actual costs (fixed and variable)
 - 7.8.2 Margin not less than 6% of Total Actual Costs
- 7.9 For parent municipality funded projects, Ntinga shall derive a project management fee ranging between 6% and 15% of total project costs.
- 7.10 Ntinga shall negotiate to be paid an establishment cost or project initiation cost of not less than 2,5% on all projects. Payment shall be within 30 days after project inception.
- 7.11 As a registered vendor Ntinga will charge Vat at Standard Rate on all projects of a taxable supply in terms of the Vat Act.

8. PROJECT IMPLEMENTATION PHASES

PHASE	NO	ACTIVITY	TIMING	RESPONSIBILITY	POE
PRE-INITIATION		Approval for admission of portfolio of projects for implementation by Ntinga	Before any activity is done by management	SDIC and ARC scrutinize and recommends to the Board of Directors	Project Charter recommended by SDIC and ARC and approved by Board of Directors
INITIATION	1.	Formulation and signing of agreements (MoU, MoA, or SLA)	Before commencement of project implementation.	CEO	Copy of MoA, MoU and/SLA signed by Accounting officers of relevant parties.
	2.	Ensure written financial commitment for project capitalization, Ntinga Implementation fees, disbursement fees and project operational activities.	Before commencement of project implementation.	Recommended by CFO and Approved by CEO	Copy of MoA, MoU and/or SLA indicating financial commitments and schedule of payments signed by accounting Officers of relevant parties.
	3.	Prepare and submit project charter for approval by SDIC and ARC through a memo for	Before project is implemented	Manager: PMO	Copy of project charter and memo

PHASE	NO	ACTIVITY	TIMING	RESPONSIBILITY	POE
		approval.			
PLANNING	1.	Develop for approval by CEO a project inception report with a detailed Project Implementation Plan and Budget.	Before commencement of project implementation.	Manager: PMO	Project Inception report in power point presentation.
	2.	Establish a project implementation team and communicate responsibilities in writing.	Before commencement of project implementation.	Manager: PMO	Terms of reference for the Project Implementation Team approved by CEO.
	3.	Identify stakeholders and establish a Project Steering Committee with written terms of reference.	Before commencement of project implementation.	Manager: PMO	Terms of reference for Project Steering Committee Minutes of meetings of Project Steering Committee
	4.	Develop a project monitoring & evaluation framework and submit it to the SDIC.	Before commencement of project implementation.	Manager: PMO, and Steering Committee	Copy of project evaluation report framework. Evaluation report on agreed upon time frames

PHASE	NO	ACTIVITY	TIMING	RESPONSIBILITY	POE
EXECUTION	1.	Implement approved project activities and budget.	Between approved start date and end date	Project Manager	Copies of project implementation reports.
	2.	Facilitate and hold regular project team meetings.	Between approved start date and end date	Manager: PMO & project team	Attendance Registers and Minutes of Project Team meetings
	3.	Facilitate and cause to be held regular Project Steering Committee meetings.	As per terms of reference.	Manager: PMO	Attendance registers and minutes of Project Steering Committee Meetings
	4.	Develop and submit to eligible stakeholders monthly progress reports.	Between approved start date and end date and as per agreement.	Project Manager and Manager: PMO	Progress report approved by CEO
MONITORING AND EVALUATION		Cause to be implemented the approved monitoring and evaluation framework and plan.	Between approved start date and end date and as per agreement.	Manager: PMO and appointed Evaluation third parties (where applicable).	Copy of Monitoring Evaluation Framework Monitoring and evaluation reports on agreed upon times.
PROJECT CLOSURE	1.	Facilitate visits to physical project sites.	Within month after approved end date.	Manager: PMO	Site inspection reports.

PHASE	NO	ACTIVITY	TIMING	RESPONSIBILITY	POE
	2.	Cause to be held a final Project Steering Committee	Within month after approved end date.	Manager: PMO	Attendance register and minutes of Project Steering Committee
PROJECT EXIT	1.	Project hand over to project beneficiaries	Within month after approved end date or date agreed upon by parties.	Manager: PMO	Project hand over report
	2.	Develop and submit to eligible stakeholder's project Close Out Report	Within month after approved end date	Manager: PMO	Project close out report

9. APPROVAL AND SIGNATURES

CEO RECOMMENDATION: 

DATE: 30 April 2020

APPROVAL BY BOARD:

DATE: 30 APRIL 2020

BOARD APPROVED COPY
NTINGA O.R. TAMBO DEV. AGENCY

Date:

Signature: 