

12 January 2012

UBuntu SIMA  
P.O Box 10110  
Midrand  
VORNA VALLEY  
1686

Dear Mr Sifiso Mlangeni or his nominee,

**CONTRACT FOR CONSULTANCY SERVICES: PROJECT MANAGEMENT  
SUPPORT FOR THE PUBLIC WORKS PROGRAMME (CWP)**

The Mvula Trust as per its letter dated 25 November 2011 further confirms your appointment as a sub-contractor to the CWP Programme. Your appointment confirms that you are part and parcel of this CWP team. You are therefore requested that in all the correspondence in respect of this project you clearly state that this project is being carried out on behalf of the Mvula Trust.

In terms of this appointment you will be required from time to time to provide written reports, updates, attend meetings and do any other related activities in terms of this appointment.

As the Mvula Trust, it is befitting that we extend our gratitude to UBuntu Sima for accepting this appointment. This appointment is in recognition of your role you played in supporting the Mvula Trust in pulling together the Tender Proposal together which was eventually awarded accordingly to the Mvula Trust.

**The Contract Terms**

The purpose of this contract is to discharge our responsibilities as The Mvula Trust in relation to the above Tender on behalf of The DCOG.

Mvula Contract for Consultancy Services. UBuntu SIMA

TM LGM

Handwritten signatures and initials, including "NIP" and "PARTY OF II".

88  
21  
UBuntu SIMA will be required to carry out duties as per "Annexure A" and will be responsible to provide Project Management support and remains the Mvula Resource. It will accordingly account to Mvula in every aspect of this tender. In return, The Mvula Trust, as Programme Management will oversee the programme and will be responsible for the following activities amongst others, namely:

- Overall Administration and Management.
- Namely: Ensuring that all General conditions as per DCOG Contract are adhered to ; and to
- Facilitation of consolidated reports to the employer.

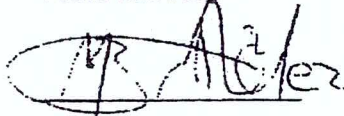
The actual relationship and lines of command and communication are depicted in "Annexure B" further on below. Payment for the services rendered shall be as per deliverables as stipulated in the Inception Report approved by the DCOG, see "Annexure C" further on below for further details

In order to finalize the partnership agreement, we request that you sign this document as acceptance of this appointment and the terms and conditions described below.

Kindly return to us a signed copy and the associated Terms and Conditions and Annexure, initialed on each page, as soon as possible. These terms and conditions will constitute the basis of our agreement, and will supersede any prior drafts or proposals, which have been in exchange between us. In certain deliverables or aspects there will be a need to develop the service level agreements which will be agreed to and be annexures to the contract.

We look forward to a successful collaboration with you in this matter.

Yours faithfully



Phakamani Buthelezi

Chief Executive Officer

For and on behalf of The Mvula Trust

12/01/2012  
Date



Tan NCM





## ACCEPTANCE AND CONFIRMATION

I hereby accept the appointment upon the terms and conditions set out in this letter.

22

\_\_\_\_\_  
Sifiso Mlangeni / or his nominee

\_\_\_\_\_  
Date

### ANNEXURE A (Duties and Responsibilities of the Project Manager)

The Mvula Trust is the Principal Stakeholder in this programme and will appoint UBuntu Sima which will resume the following responsibilities.

UBuntu SIMA will be responsible for the following:

#### 1 Project Management

- Overall responsible for the project on behalf of the Lead Agent;
- Overall responsible to ensure systems and process development and alignment;
- Developing databases to be utilised by the PIAs;
- Ensure that the health and safety measures are in place and followed at the site level;
- Ensuring standardised communication strategy and align communication plans at provincial and local level; and
- Ensure that the site implementation is according to the norms and standards of the CWP (labourers registered for UIF, COID where necessary;

#### 2. Cashless Payment Management System (CPMS)

It is further recorded that it will remain the overall the responsibility of Mvula Trust to ensure that UBuntu Sima will carry out the following responsibilities. Also, The Mvula Trust is responsible for monitoring and evaluation throughout the duration of the programme.

- Modernise and implement the cashless payment strategy;
- Design and or source the Information Technology (IT) CPMS to pay labour;
- IT infrastructure negotiations, for data traffic;
- Customise according to provinces;
- Provide workshops to all users on the use of the system;
- Maintain the system;

TM LGM

N.P.  
UBuntu SIMA  
ML

- Proper licensing, and
- Structure relations and partnership with the providers, i.e. banks and cell phone providers.

23

### 3. Wages Payroll Management

- Develop central labour force database that will integrate with the CPMS;
- Upload labour force profile on the system;
- Collect reports on hours worked and ensure uploading to the system;
- Process payments to the CWP workforce;
- Payroll administration;
- Client liaison (follow up on payroll queries); and
- Payroll reporting

### 4 Management of Sub-contractors

- Where required, the Project Manager will sub-contract service providers in consultation with Mvula under its banner, to ensure provision of quality service;
- Sign sub-agreements with the sub-contractors;
- Design quality management template for the sub-contractors;
- Ensure responsibility and accountability will remain with the main contractor;
- Collate reports from the sub-contractors and payment of sub-contractors;
- Assist PIAs in building and maintaining partnerships with local government; and
- Provide financial and operational reports to the Lead Agent.

### 5. Induction and process support

- Assist in providing induction to the IAs on all the quality management systems in place;
- Provide career development guidance, linking existing or obtained project experience to other work or projects elsewhere;
- Provision of employee assistance support, ensuring development and implementation of comprehensive and integrated coaching and mentorship strategy and plan.

### 6. Providing support on people management issues

- Develop recruitment strategy, system, plan and operational guidelines and provide ongoing guidance and ensure a fair rotation system;

TM LGM

Handwritten signatures and initials, including "N.P.", "M.C.", and a large signature.


- Institutional development (governance structure set up), capacity building, management committee (Local Reference Groups) coaching and mentorship;
- Provide a capacity building and training strategy and plan development and roll out, linking with the SETA's and other providers;
- Ensure material and curriculum development, training facilitation, assessment and moderation.

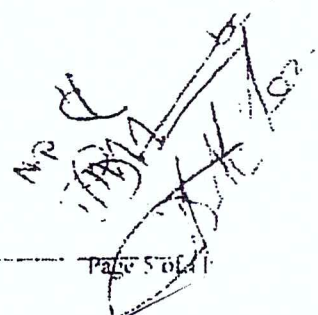
24

## 7. Monitoring and Evaluation

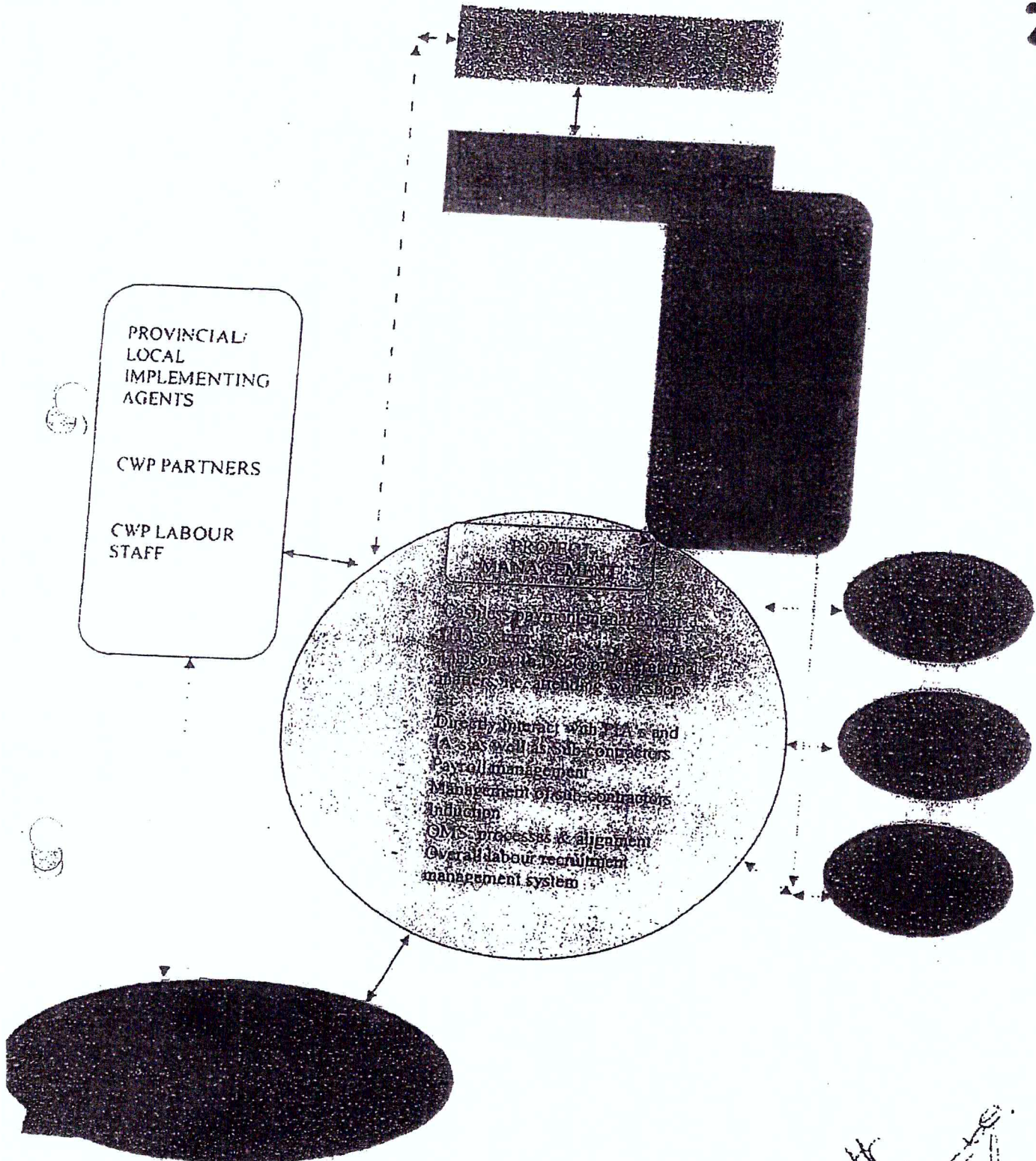
- Provide a comprehensive and intermittent evaluation and monitoring strategy, framework and plan development and implementation;
- Provide progress reports to Mvula Trust as per completed deliverable; and

Tim LSM

 mlc







*Handwritten notes:* M, KGM

*Handwritten signatures and initials:* MPT, MPA, M, W/C

**Cashless Wage Payment System**

The contractual shall state that the CWPS has a specific ring-fenced budget and advance allocation, which was utilized as the basis for cost-effective operation and financial modeling with the providers (banks and Cell phone providers) and which formed the basis for a competitive quote price and was the ultimate deal maker. Accordingly the contract should incorporate a clause expressly stating that the technical development and implementation of the Cashless Wage Payment System budget and will be transferred to the account of UBuntu SIMA within 15 days after been transferred by the client. As a result of agreements entered into with the banking partners, the wage account should always have a minimum balance, hence the need for the Mvula Trust to transfer within 15 days to UBuntu SIMA so as to honour the contractual agreements, which sustain and were the basis of CPWS (as per the service level agreement).

**Project Management (Lead Agent and Site)**

The contract should also state that UBuntu SIMA is responsible for Project Management and will have monthly claims payable through invoice submission. UBuntu SIMA will submit an invoice on or before the 2<sup>nd</sup> day of every month, which will be payable within a reasonable period, not exceeding 30 days. This is applicable to the project management fees of the Lead Agent role as well as of the Site Project Management role.

**Mvula Trust Compensation**

The contract shall also state that Mvula Trust plays the role of the Lead Agent in the CWP and will determine a budget allocation of guaranteed and not less than 15% pertaining to the budgeted Project Management Support fees.

*[Handwritten signature]*

*[Large handwritten signature]*

*[Handwritten initials]*

*[Handwritten notes and signatures]*



**1. Reporting**

UBuntu SIMA will report to and work directly with authority as delegated by the CEO. All contractual matters will be addressed with the CEO accordingly. The delegated party is Torrence Mathonsi, unless otherwise provided in writing.

**2. Remuneration and Time Commitment**

Payment for the services will be as per the Inception Report. Signed invoices, inclusive of all costs (against budget) and reflecting specific deliverable/s achieved are expected from UBuntu SIMA on or before the 2<sup>nd</sup> monthly. The Mvula Trust will effect payments within thirty (30) days after receipt of payment from the DCoG.

**3. Duration of the contract**

This is a consultancy contract which will begin on 01<sup>st</sup> November 2011 (as per contract between The Mvula Trust and DCoG) and will end when the contract between DCoG and The Mvula Trust is terminated. The Mvula Trust cannot guarantee the length of the assignment (as it is dependent on the contract term with the DCoG), and takes no responsibility for possible early termination of this contract.

**4. Confidentiality**

Both Parties shall keep all confidential information obtained by them in the context of the contract confidential and shall not divulge such information without a written approval of the other party.

**5. Ownership of documents**

All plans, drawings, specifications, design documents, reports, data, calculations and other documents prepared by or on behalf of yourself in implementing this contract, shall become and remain the property of the Mvula Trust.

**6. Variations**

No variations to these terms and conditions shall be of force and effect unless submitted in writing, and signed by the representatives of both parties. No relaxation of these conditions.

TM KSM  
 ml