
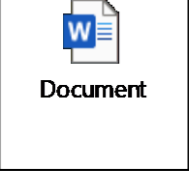



mSCOA REGULATIONS

COMMENTS REGISTER: CONTRACT MANAGEMENT

No.	Presented Agenda Item	Description of Comments/ Questions	Potential Impact	Contributor Name	Contributor Organisation	Date Received	Date Closed	Action Owner	Progress Status	Notes
1	5.5.4. Sub-Process Detail 	Page 21 - Review the draft contract with detailed contract requirements - "On receipt of the notification from the Delegated Contract Official, the Contract Management system will integrate with the Project Management system and the contract will be available for review in the Project Management system. The Delegated Project Coordinator (Project Holder) would then review the updated contract which has been updated and tailored based on the risk assessment. Comments and notes will be included in the review and when completed, via system prompt and workflow, the contract will be sent back (with comments and notes) to the Delegated Contract Official for consideration." - This should be sent to <u>Legal for consideration to ensure that amendments are legally correct and enforceable</u>	No change to process documents.	M Smit	Mossel Bay Municipality	03-Oct-24	16-11-2024	Dawood Asmal	Completed	No change to process documents as legal assessment carried out "5.6 Review of legal requirements"
2	5.6.3. Sub-Process Model	Page 23 - "Assess contract for legal review based on risk assessment" - Legal input is required for this section	No change to process documents.	W Wessels	Mossel Bay Municipality	03-Oct-24	16-11-2024	Dawood Asmal	Completed	No change to process documents as legal assessment carried out "5.6 Review of legal requirements". This is the step before a legal assessment is completed
3	5.6.3. Sub-Process Model	Page 23 - "Assess contract for legal review based on risk assessment" - All contracts should be subject to Legal review and not only some. It is noted that there may be a differentiation between local and metro municipalities with due consideration of the risk (amounts) involved.	No change to process documents.	M Smit	Mossel Bay Municipality	03-Oct-24	16-11-2024	Dawood Asmal	Completed	No change to process documents as would be a cost burden for municipalities who outsource legal services.
4	5.6.3. Sub-Process Model	Page 23 - The further process seems to be in order with current SLA process on the system.	No change to process documents. This is a comment to state compliance from M Smit	M Smit	Mossel Bay Municipality	03-Oct-24	16-11-2024	Dawood Asmal	Completed	No change to process documents. This is a comment to state compliance from M Smit
5	5.7.3. Sub-Process Model	page 26 - "Present contract to service provider" - There should be an option here for the delegated authority to refer the contract for updates/inputs from legal should they deem it necessary. Even if it was not initially reviewed the option for legal review should be here prior to sending it out.	No change to process documents.	M Smit	Mossel Bay Municipality	03-Oct-24	16-11-2024	Dawood Asmal	Completed	No change to process documents. This is a comment to state compliance from M Smit
6	5.7.3. Sub-Process Model	Page 26 - "Present contract to service provider" - This step is not required where the tender is used as the SLA.	Change made to activity	M Smit	Mossel Bay Municipality	03-Oct-24	16-11-2024	Dawood Asmal	Completed	Added "NB: This step may not be applicable for Service Level Agreements (SLA's)" to the activity
7	5.7.3. Sub-Process Model	Page 26 - "Amend contract after negotiations" - Need to go to the project holder and SCM delegated official and then back to the amended contract after negotiations. Line has to go down and then back in the workflow.	To check with Kashnee if four lanes allowed	W Wessels	Mossel Bay Municipality	03-Oct-24	16-11-2024	Dawood Asmal	In progress	To check with Kashnee if four lanes allowed
8	5.7.3. Sub-Process Model	Page 26 - "Amend contract after negotiations" - Need additional swimming lane for SCM Official. Need to go to both the project manager and the SCM official.	To check with Kashnee if four lanes allowed	W Wessels	Mossel Bay Municipality	03-Oct-24	16-11-2024	Dawood Asmal	In progress	To check with Kashnee if four lanes allowed
9	5.7.3. Sub-Process Model	Page 26 - "Review contract amendments where required" - There should be options here to request further information/inputs and then to approve/not recommend as applicable.	Change made to activity	M Smit	Mossel Bay Municipality	03-Oct-24	16-11-2024	Dawood Asmal	Completed	Added "He will then request additional information from the Contract Manager were required. This step is carried out via system prompts and workflow." to the activity
10	5.7.3. Sub-Process Model	Page 26 - "Finalise and sign off contract" - The contract is signed by the Service Provider first to ensure that no terms are amended after the Municipality signs and the Service Provider is provided with a fully signed copy thereafter.	Change made to activity	M Smit	Mossel Bay Municipality	03-Oct-24	16-11-2024	Dawood Asmal	Completed	Amended to "The finalised Contract will physically be printed from the Contract Management system and will be presented to the Service Provider for sign off first. The signed contract will then be submitted to the Delegated Authority of the municipality for sign off by the municipality"
11	5.8.3. Sub-Process Model	Page 29 - "Upload signed contract & supporting..." - This is done by the Records Department who then files the original contract in terms of filing plan	No change to process documents.	M Smit	Mossel Bay Municipality	03-Oct-24	16-11-2024	Dawood Asmal	Completed	This will be system driven and import by the Contract Manager and would be available for view by records management
12	5.8.3. Sub-Process Model	Page 29 - "Upload signed contract & supporting..." - Legal Services keeps a physical register book of signed contracts received which is provided to Records Section for scanning and allocating to Legal for indexing.	No change to process documents.	M Smit	Mossel Bay Municipality	03-Oct-24	16-11-2024	Dawood Asmal	Completed	This will be system driven and import by the Contract Manager and would be available for view by records management/legal
13	5.8.3. Sub-Process Model	Page 29 - "Review link to budget link to budget and project (commitments)" - Compliance tasks are also sent to the relevant departments which will lead to the "Execution" of the contract.	No change to process documents.	M Smit	Mossel Bay Municipality	03-Oct-24	16-11-2024	Dawood Asmal	Completed	This will be system driven and the Contract Manager would carry out this task
14	5.8.3. Sub-Process Model	Page 29 - "Review link to budget link to budget and project (commitments)" - Need to link to the cash flow budget per month.	No change to process documents.	W Wessels	Mossel Bay Municipality	03-Oct-24	16-11-2024	Dawood Asmal	Completed	This is covered under "Link payment schedule requirements"
15	5.8.3. Sub-Process Model	Page 29 - "Review contract details" - The option to refer back for updates should be included here as wrong information could be captured.	Change made to process	W Wessels	Mossel Bay Municipality	03-Oct-24	16-11-2024	Dawood Asmal	Completed	Amended process flow and narrative to reflect suggestion
16	6.5.4. Sub-Process Detail	Page 43 - Implement corrective action for projects - "On receipt of the notification, the Delegated Departmental Official (Project Holder) would identify and implement corrective actions for non-performance." - This will come to Legal to follow poor performance process.	No change to process documents.	M Smit	Mossel Bay Municipality	03-Oct-24	16-11-2024	Dawood Asmal	Completed	Not all municipalities have a legal department, hence process can be tailored based on structure.
17	6.6.4. Sub-Process Detail	Page 47 - Review planned corrective actions implemented by Project Holder - "The Delegated Contract Official would also monitor the contract performance by reviewing the planned corrective actions implemented by the Delegated Departmental Official (Project Holder)" - Poor performance to be followed in terms of Policy and contractual terms which may also include a penalty.	Change made to process document	M Smit	Mossel Bay Municipality	03-Oct-24	16-11-2024	Dawood Asmal	Completed	Amended process flow and narrative to reflect suggestion Added "Poor performance identified would followed in terms of municipal policy and contractual terms which may also include a penalty"
18	6.6.4. Sub-Process Detail	Page 47 - Generate the report on service provider performance - "The Delegated Contract Official would then generate the service provider performance report. The report will include - contract requirements against deliverables - impact of project performance data assessment" - This report should be generated at any time as performance can be measured by multiple departments using the same service provider.	Change made to process document	M Smit	Mossel Bay Municipality	03-Oct-24	16-11-2024	Dawood Asmal	Completed	Amended process flow and narrative to reflect suggestion Added "This report can be generated at any time as performance can be measured by multiple departments using the same service provider"
19	6.7.3. Sub-Process Model	Page 50 - "Consider termination of contract" - Notice of breach prior to termination - if breach is not remedied it may lead to termination.	Change made to process	M Smit	Mossel Bay Municipality	03-Oct-24	16-11-2024	Dawood Asmal	Completed	Updated to "Based on the above, send through to the service provider a notice of breach of the terms of the contract and then would consider termination of the contract."

20	6.7.3. Sub-Process Model	Page 50 - "Determine whether contract should be terminated" - Termination workflow should also be dealt with as this will need to be triggered by Legal which will result in system notifications being sent out to role players for their respective tasks.	No Change	M Smit	Mossel Bay Municipality	03-Oct-24	16-11-2024	Dawood Asmal	Completed	Is covered in 7.5
21	7.3. Process Model	Page 57 - "Close contract" - Termination trigger on system with notification to relevant users that contract has been terminated.	No Change	M Smit	Mossel Bay Municipality	03-Oct-24	16-11-2024	Dawood Asmal	Completed	Is covered in 7.5
22	7.5.4. Sub-Process Detail	Page 60 - "Consider whether a breach in contract has occurred" - Refer previous comments "Poor performance" workflow.	No Change	M Smit	Mossel Bay Municipality	03-Oct-24	16-11-2024	Dawood Asmal	Completed	Activity greyed out and will update automatically
23	1.1. Introduction 	Page 6 - Is the introduction, background and modelling standards expected to be blank?	Change to process documents	Bronwyn Govender	KZN Treasury	30-Sep-24	16-11-2024	Dawood Asmal	Completed	Narrative to be updated with background and modelling standards as at 16-11-2024
24	4.1. Applicable Legislation	Page 8 - •National Treasury Contract Management Framework - Should this not in mSCM and variations within contracts  Regulatory and Best Practice Requirements • Municipal Financial Management Act (MFMA) section 116 • Generally Recognised Accounting Practice (GRAP) • National Treasury Contract Management Framework • mSCOA Project Summary Document Impact of New Legislation on Business Processes • Repeal of MFMA section 116 • Update of the PSD • GRAP (GRAP 11)	Change to process documents	Bronwyn Govender	KZN Treasury	30-Sep-24	16-11-2024	Dawood Asmal	Completed	Narrative to be updated to indicate MSCM as at 16-11-2024 Script to produce word document is to be run. Updated script will be submitted to website in preparation of the December 2024 ICF.
25	4.5.2. Sub-Process Triggers and Outputs	Page 10 - "Triggers: •Planned requirements in IDP and Creditors system." - Should this not also include onerous contracts that are multi-year and/or expiring contracts. Unclear if this is what is meant by creditors system.	Change to process documents	Bronwyn Govender	KZN Treasury	30-Sep-24	16-11-2024	Dawood Asmal	Completed	Creditors system - all existing contracts from the creditors listed on the creditors system. Updated to Planned requirements in IDP and Creditors system (Municipal Running Cost) Script to produce word document is to be run. Updated script will be submitted to website in preparation of the December 2024 ICF.
26	5.6.4. Sub-Process Detail	Page 23 - Assess contract for legal review based on risk assessment - Under RACI column -" •Delegated Contract Manager (R)" - RACI - Should this not include the Legal officer	Change to process documents	Bronwyn Govender	KZN Treasury	30-Sep-24	16-11-2024	Dawood Asmal	Completed	Narrative to be updated with background and modelling standards as at 16-11-2024
27	5.7.4. Sub-Process Detail	Page 26 - Present contract to service provider - Under RACI column "•Delegated Contract Manager (R)" - RACI should include legal (where applicable)	No change to process documents	Bronwyn Govender	KZN Treasury	30-Sep-24	16-11-2024	Dawood Asmal	Completed	Activity "4" PG27 relates to RACI for Legal Official and there is a swim lane for the "Delegated Project Coordinator (Project Holder) / Legal Official 6" Script to produce word document is to be run. Updated script will be submitted to website in preparation of the December 2024 ICF.
28	5.7.4. Sub-Process Detail	Page 26 - Amend contract after negotiations - "After the negotiations are completed, the Delegated Contract Manager should amend the Contract based on the negotiated terms and contract clauses. Adequate version control of the Contract should be maintained." - Amendments where applicable should be reviewed by legal to reduce the risk of exposure of the municipality	No change to process documents	Bronwyn Govender	KZN Treasury	30-Sep-24	16-11-2024	Dawood Asmal	Completed	Activity "5" PG27 relates to RACI for Legal Official and there is a swim lane for the "Delegated Project Coordinator (Project Holder) / Legal Official 6" Script to produce word document is to be run. Updated script will be submitted to website in preparation of the December 2024 ICF.
29	5.7.4. Sub-Process Detail	Page 26 - Review contract amendments where required - Under System Component "Contract Management" - Should this not include the Project Management system	Change to process documents	Bronwyn Govender	KZN Treasury	30-Sep-24	16-11-2024	Dawood Asmal	Completed	Updated and included "Project Management" Script to produce word document is to be run. Updated script will be submitted to website in preparation of the December 2024 ICF.
30	5.10.4. Sub-Process Detail	Page 37 - Contract invoice captured and authorised for payment - "Hand Over to Expenditure, SCM and Project Management The contract invoice is received. This would be captured and approved in the Expenditure SCM and Project Management process." - Would it not be approved - Expenditure and Accounts Payable. Why SCM? (Contract is in execution and therefore Invoice is captured against an existing contract) Project Management and Contract Management should be updated once Financial Accounting - Accounts Payable Process is completed. <i>Invoice must be checked by Project Manager prior to submitting for payment - sign off by user</i>	Change to process documents	Bronwyn Govender	KZN Treasury	30-Sep-24	16-11-2024	Dawood Asmal	Completed	Updated to "Hand Over to Accounts Payable The contract invoice is received. This would be captured and approved in the Accounts Payable system. Script to produce word document is to be run. Updated script will be submitted to website in preparation of the December 2024 ICF.
31	5.10.4. Sub-Process Detail	Page 38 - Update Contract System and Project Management System - "After the contract invoice has been captured via the Expenditure/Project Management and SCM process, the Expenditure system will integrate with the Project Management and Contract Management systems." - Financial Accounting - Accounts Payable Process	Change to process documents	Bronwyn Govender	KZN Treasury	30-Sep-24	16-11-2024	Dawood Asmal	Completed	Updated to "After the contract invoice has been captured via the Accounts Payable process, the Accounts Payable system will integrate with the Project Management and Contract Management systems" Script to produce word document is to be run. Updated script will be submitted to website in preparation of the December 2024 ICF.

32	5.10.4. Sub-Process Detail	<p>Page 38 - Review updated contract expenditure - "The delegated official will then update the Contract Payment Schedule to reflect the payment made to the contractor ." - Possibly include once - proof of payment has been updated to Project Manager from the "Financial Accounting - Accounts Payable Module".</p> <p>The contract payment schedule should be updated with confirmed payments after the fact.</p>	Change to process documents	Bronwyn Govender	KZN Treasury	30-Sep-24	16-11-2024	Dawood Asmal	Completed	<p>Updated to</p> <p>The contract expenditure will be updated with details of payments made from the Accounts Payable system and the "Hand Over" referred to earlier.</p> <p>The Delegated Contract Manager will then review the following:</p> <ul style="list-style-type: none"> - the updated expenditure relating to the contract reflected in Contract Register for accuracy and completeness. - the updated contract payment schedule and validate that the payments are accurately reflected. <p>Script to produce word document is to be run. Updated script will be submitted to website in preparation of the December 2024 ICF</p>
33	5.10.4. Sub-Process Detail	<p>Page 38 - Review updated commitment register - "After the Contract Invoice has been captured via the Expenditure/Project Management and SCM process, the Expenditure system will integrate with the Project Management and Contract Management systems. " - See comment on Financial Accounting - Accounts Payable</p>	Change to process documents	Bronwyn Govender	KZN Treasury	30-Sep-24	16-11-2024	Dawood Asmal	Completed	<p>Updated to "After the Contract Invoice has been captured via the Accounts Payable process, the Expenditure system will integrate with the Project Management and Contract Management systems"</p> <p>Script to produce word document is to be run. Updated script will be submitted to website in preparation of the December 2024 ICF.</p>
34	5.10.4. Sub-Process Detail	<p>Page 39 - Identify areas of concern where required - "The Delegated Contract Manager will then identify areas of concern based on the review of key deliverables. He would then flag the contract on the Contract Management System and via workflow and system prompt would notify the Project Manager that areas of concern on the contract have been identified. " - Possibly include a Project Dashboard per Project that would allow the contract manager and project manager to manage aspects of the project.</p>	Change to process documents	Bronwyn Govender	KZN Treasury	30-Sep-24	16-11-2024	Dawood Asmal	Completed	<p>Updated to "The Contract Management system will interface with the Project Management system and the area of concern will be flagged on the individual project dashboard"</p> <p>Script to produce word document is to be run. Updated script will be submitted to website in preparation of the December 2024 ICF.</p>
35	6.3. Process Model	<p>Page 40 - "The following model depicts the Contract Monitoring and Reporting process and the sub-processes that form part of the process." - See suggestion on Project dashboard per Project</p>	Change to process documents	Bronwyn Govender	KZN Treasury	30-Sep-24	16-11-2024	Dawood Asmal	Completed	<p>Included in L3 - "Assess project management performance"</p> <p>Activity "Review performance against deliverables"</p> <p>The Contract Management system will interface with the Project Management system and the individual project dashboard will be reflected with any areas of concerns identified.</p> <p>The Delegated Contract Official would then review the project performance of the contractor against the project deliverables.</p> <p>Script to produce word document is to be run. Updated script will be submitted to website in preparation of the December 2024 ICF</p>
36	6.4. Sub-Process Descriptions	<p>Page 40 - "Value-added chain" - Is this suppose to be blank</p>	Change to process documents	Bronwyn Govender	KZN Treasury	30-Sep-24	16-11-2024	Dawood Asmal	Completed	<p>Narrative to be updated with background and modelling standards as at 16-11-2024</p>
37	6.5.2. Sub-Process Triggers and Outputs	<p>Page 42 - "Triggers:</p> <ul style="list-style-type: none"> •Contract expenditure being incurred. " - Management of Deliverables/Key milestones in contract execution 	Change to process documents	Bronwyn Govender	KZN Treasury	30-Sep-24	16-11-2024	Dawood Asmal	Completed	<p>Narrative to be updated with background and modelling standards as at 16-11-2024</p>
38	6.5.4. Sub-Process Detail	<p>Page 44 - Determine if expenditure is linked to an IDP or municipal running cost project - On receipt and capture of a contract invoice in the Expenditure System, a system integration will occur between the Expenditure and Contract Management systems. - Why are we going to check if this is against the and approved project. This contradicts the contract planning that indicates it should from approved projects.</p> <p>This should be the measurement of deliverables in terms of execution of the project. Cost is only one component of measurement of performance and should not ideally be the only trigger</p> <p>1.This should be from Project Management Module (performance linked to contract management) supplier/service provider performance.</p>	Change to process documents	Bronwyn Govender	KZN Treasury	30-Sep-24	16-11-2024	Dawood Asmal	Completed	<p>Narrative to be updated with background and modelling standards as at 16-11-2024</p>
39	6.6.2. Sub-Process Triggers and Outputs	<p>Page 46 - "Triggers: •Assessed project performance. " - Deliverables and milestones within the contract execution/linking to Project management</p>	No changes	Bronwyn Govender	KZN Treasury	30-Sep-24	26-11-2024	Dawood Asmal	Completed	<p>No change as the last end event in previous process was "Assessed project performance", hence the start event in this process.</p>
40	6.7. Manage service provider / contractprovider/contract performance Sub-Process	<p>Page 50 - Is this only for Purchase Orders</p> <p>PO - Are contracts and it depends how its being used. Munis also issue multi-year POs.</p>	No changes	Bronwyn Govender	KZN Treasury	30-Sep-24	26-11-2024	Dawood Asmal	Completed	<p>This relates to all contracts recorded on the contract register (IDP Projects and Project Municipal Running Cost)</p>
41	6.7.4. Sub-Process Detail	<p>Page 52 - Update amended project timelines, deliverables - "The Delegated Contract Manager would then access the Project Management system via a system integration with the Contract Management system and update and amend the project timelines and deliverables. The amendments will also be reflected in the Contract Management system. " - Would this not then link to the process 6.6</p>	No changes	Bronwyn Govender	KZN Treasury	30-Sep-24	26-11-2024	Dawood Asmal	Completed	<p>The activity is shown seperately in the workflows and no loop to previous workflow</p>
42	7.8.1. Sub-Process Description	<p>Page 68 - This is missing</p>	Consideration to Change to process documents	Bronwyn Govender	KZN Treasury	30-Sep-24	26-11-2024	Dawood Asmal	Completed	<p>Narrative to be updated with background and modelling standards as at 16-11-2024</p>
43	7.8.4. Sub-Process Detail	<p>Page 69 - Submit to SCM for clearing of commitment - Please consider variations to the contract and management thereof.</p>	Consideration to Change to process documents	Bronwyn Govender	KZN Treasury	30-Sep-24	26-11-2024	Dawood Asmal	In progress	<p>To assess changes and review</p>