



**Institute for  
Performance Management**

*empowering tomorrow's leaders*

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19 May 2011

Attention: Mr. O.P. Sebola

Waterberg District Municipality  
Private Bag X1018  
Modimolle  
0510

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**ADDENDUM TO CONSULTANCY SERVICE AGREEMENT**

Attached please find the signed addendum to the consultancy agreement.

Yours Sincerely

C H WHITEHEAD  
SENIOR BUSINESS CONSULTANT  
INSTITUTE FOR PERFORMANCE MANAGEMENT

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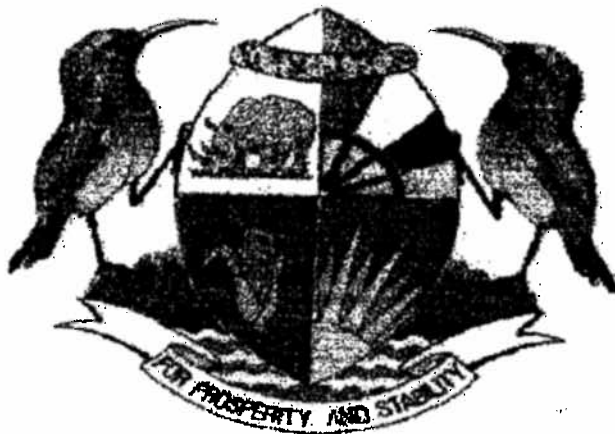
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**"ADDENDUM/EXTENSION"**

**SERVICE LEVEL AGREEMENT**



**WATERBERG DISTRICT  
MUNICIPALITY**

Entered into by:

**The Waterberg District Municipality**  
(The Client)

And

**INSTITUTE FOR PERFORMANCE MANAGEMENT**  
(The Service Provider)

*Handwritten signatures and initials, including a signature that appears to be 'Ding' and another that appears to be 'SP'.*

SUBJECT: Amendment to the service level agreement signed between yourself (IPM) and Waterberg District Municipality regarding the provision and implementation of Performance Management System: WDM/2008/22

Kindly take note that in or about 2008, WDM appointed IPM for provision and implementation of PMS for three years in terms of Tender no: WDM/2008/22. Therefore, the Service level agreement was signed between IPM and WDM stipulating that the contract {WDM/2008/22} shall be in force for three financial years commencing from 2009/10 financial year. The above mentioned Contract also puts a condition indication that the implementation of the two outer years ie { 2009/10 & 2011/12 financial years shall be subject to availability of funds and financial contribution by six local municipalities.

As a result, WDM could not source any funding from both the local municipalities and DBSA for 2010/11 and 2011/12 financial years. Letters dated the 15 January 2011 to this affect have been written to Waterberg Local Municipalities informing them that (WDM) will no longer be held liable for the local municipalities (other than what was agreed and already paid for during the 2009-2010 financial year). The Waterberg Local Municipalities are afforded the opportunity to appoint IPM under Section 32 of the Municipal Supply Chain Management Regulations using the Waterberg District's competitive bidding process for the purposes of standardisation within the District Municipal Area.

Therefore the Clause 3 on Duration which ends at sub- clause 3.3 should be added another sub-clause numbered as 3.4 which should be read as follows:

**3.4. The continued project proposal for the WDM for Year Three (2011-2012) shall be subject to the availability of funds and budget approval by WDM Council for 2011/12 financial year and written confirmation by WDM Municipal Manager. This means that if the project is not included or approved in the 2011/12 budget, the PMS Project between WDM and IPM will be automatically cancelled for the year 2011/12.**

Nb : Clause 3 in Toto shall be read and appear as follows:

### 3. DURATION

3.1 The parties agree that the project must correlate with the annual municipal cycle deliverables and that it must therefore run for three (3) years as per Paragraph 1 of the Tender's Terms of Reference, calculated from the commencement date unless otherwise agreed.

3.2 The three year duration of this agreement is subject to the submission by the IPM, of an annual fee structure for the following year, not less than three months prior to the commencement of the next financial year of the Municipality and the Municipality will be deemed to have accepted such fee structure unless it had within fourteen (14) days of submission of such a fee structure advised IPM in writing to the contrary, in which case the parties will negotiate in good faith to reach consensus.

3.3 This contract as a whole shall be effective as from 23rd March 2009 and continue in force up to 30 June 2012 unless the parties agree otherwise in writing or this agreement is lawfully terminated at some other date in accordance with its terms.

3.4 The continued project proposal for the WDM for Year Three (2011-2012) shall be subject to the availability of funds and budget approval by WDM Council for 2011/12 financial year and written confirmation by WDM Municipal Manager. This means that if the project is not included or approved in the 2011/12 budget, the PMS Project between WDM and IPM will be automatically cancelled for the year 2011/12.

Dated at Modimolle this \_\_\_\_\_ day \_\_\_\_\_ of \_\_\_\_\_ 2011.

AS WITNESSES:

1. [Signature]

2. [Signature]

[Signature]

CLIENT

Dated at <sup>Traneen</sup> ~~Modimolle~~ this 19 <sup>th</sup> day May of \_\_\_\_\_ 2010.

AS WITNESSES:

1. [Signature]

2. [Signature]

[Signature]

SERVICE PROVIDER