



**SERVICE LEVEL AGREEMENT FOR THE RENDERING OF
MUNICIPAL HEALTH SERVICES**

2019/20

SEDIBENG DISTRICT MUNICIPALITY herein represented by
Mr. Stanley Khanyile in his capacity as the **Municipal Manager**, duly authorized thereto
(hereinafter referred to as **“Sedibeng”**);

AND

LESEDI LOCAL MUNICIPALITY herein represented by
Advocate Gugu Thimane in her capacity as the **Acting Municipal Manager**, duly authorized
thereto

(hereinafter referred to as **“The Municipality”**).


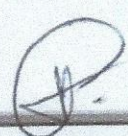
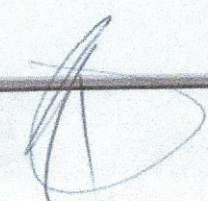
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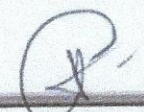
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PREAMBLE

WHEREAS:

1. Sedibeng is responsible for the delivery of Municipal Health Services (MHS) in the district and for the implementation of the national environmental health norms and standards for premises and relevant frameworks for the delivery of MHS as specified in the Constitution of the Republic of South Africa, 1996 and in terms of the National Health Act, Act 61 of 2003 as amended.
2. Sedibeng operating within the ambit of the Municipal Finance Management act, Act 56 of 2003, enters into an agreement with the Lesedi Municipality to provide and render municipal health services, as per the terms and conditions of this agreement and supporting schedules under certain terms and conditions;
3. The terms and conditions are acceptable to both parties.

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. PURPOSE AND OBJECTIVE

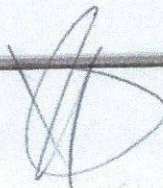
The purpose and objective of this Service Level Agreement (SLA) is to formalize the relationship between Sedibeng and the Municipality and set out the terms and conditions whereby the Municipality will render municipal health services on behalf of Sedibeng to the community within the geographical area of the district.

2. DEFINITIONS AND INTERPRETATION

In this Agreement, unless clearly inconsistent with or otherwise indicated by the context:

- Reference to any gender shall be construed as a reference to the other gender;
- Words signifying singular shall include the plural and *vice versa*;
- a reference to a natural person shall be construed as a reference to a juristic person and *vice versa*;
- words and phrases defined in this Agreement shall bear the meaning assigned to them throughout this Agreement;
- words and phrases used in this Agreement which are defined in any statute which applies to the subject matter, professional person, goods or services provided for in this Agreement shall bear the same meaning as the definition of the same in the applicable statute or regulations;

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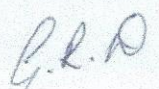



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- headings of clauses are for convenience only and shall be used in the interpretation of any of the clauses in this Agreement; and

“The / this Agreement”	Means this document and includes the schedules and annexures attached hereto.
“Asset”	Means an asset with a normal life expectancy of more than one year that is used for the rendering of the services eg. buildings, vehicles, equipment etc.
“Budget”	Means a forecast of income and expenditure estimated for a particular year.
“Capital Expenditure“	Means that portion of expenditure related to the initial purchase and/or replacement of major equipment and furniture, and/or the expenditure on the construction of a new building.
“Constitution “	Means the Constitution of the Republic of South Africa, 1996.
“District” or “Sedibeng”	Means the Sedibeng District Municipality.
“District Health System”	Means the district health system as established in terms of national and provincial legislation.
“Expenditure”	Refers to total operating expenses, such as wages, salaries, administration, etc., necessary for service delivery.
“Financial year”	Means a period of twelve months, commencing on the first day of July in one year and ending on the last day of June in the next year.
“Funding cycle”	Means a period of twelve months, commencing on the first day of July in one year and ending on the last day of June in the next year.
“MEC”	Means the Member of the Executive Council responsible for health in the Province.
“Municipality “	As referred to in this Agreement, means the Lesedi Local Municipality as established in terms of the Local Government: Municipal Structures Act, 117 of 1998.
“Municipal Health Services” or “MHS”	<p>Means those health services referred to in Schedule 4, Part B of the Constitution and determined in terms of national legislation and defined in the Health Act, Act 61 of 2003 as a list of environmental health services as follows :</p> <ul style="list-style-type: none"> ▪ Water quality monitoring ▪ Food control ▪ Waste management ▪ Health surveillance of premises ▪ Surveillance and prevention of Communicable diseases, excluding immunizations ▪ Vector control ▪ Environmental pollution control ▪ Disposal of the dead ▪ Chemical safety

“Parties”	Means parties to this Agreement (the Sedibeng District Municipality and the Lesedi Local Municipality).
“Province”	Means the Province of Gauteng as defined in Section 103 of the Constitution of the Republic of South Africa, 1996, as amended.
“Public Finance Management Act (PFMA)”	Means Act No 1 of 1999, as amended.
“Regulations”	Means any regulations promulgated in terms of the Gauteng District Health Services Act, (Act No. 8 of 2000), the National Health Act (Act No.61 of 2003), or any other related regulations which impact on the provision of municipal health services.
“Services”	Means the services as listed under the definition of municipal health services
“Municipal Finance Management Act”	Refers to Act No. 56 of 2003.

3. APPOINTMENT AND DURATION

3.1 The Sedibeng district municipality hereby authorize the Lesedi Municipality to render MHS on behalf of the Sedibeng District municipality within the area of jurisdiction of the Municipality.

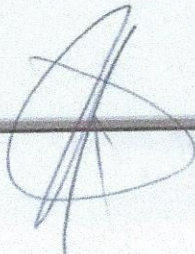

3.2 The Mayor of Lesedi is also hereby authorized to appoint the Environmental Health Practitioners within the employ of the Lesedi municipality and who are responsible for the rendering of MHS as **Health Officers** in terms of Section 80 of the National Health Act , as amended (Act no 12 of 2013) . Such appointed staff must apply all relevant functions associated with MHS and must be provided with a certificate of appointment to this effect.

The Mayor of Lesedi is further authorized to appoint the Environmental Health Practitioners in the employ of the Lesedi municipality responsible for the rendering of MHS as **Inspectors** in terms of Section 10 of the Foodstuffs Cosmetics and Disinfectants Act, Act54 of 1972) and to implement the functions and responsibilities associated with MHS.

3.3 The above mentioned appointed EHP’s has the powers of a peace officer as defined in Section 1 of the Criminal Procedures Act, 1977 (Act no 51 of 1977) and may exercise any of the powers conferred on a peace officer by law.

(Refer to the attached letter to this agreement and shall be read as if herein specifically incorporated which forms part of this agreement)

3.4 Notwithstanding the date of signature hereof, this agreement will endure for a period of one (1) year commencing on 01 July 2019, and terminating on 30 June 2020.

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4. **PAYMENT**

- 4.1 Sedibeng will pay to the Municipality the operational expenditure and salary component for the rendering of the municipal health services as outlined in Schedule 1, which is attached to this agreement and shall form part hereof and be read as if herein specifically incorporated.
- 4.2 Payment of the amounts due shall be effected within a period of thirty (30) days of presentation of an invoice certified by a duly designated official of Sedibeng as being the correct amount owed for the services rendered.
- 4.3 The monthly payment for the services rendered will be effected electronically by Sedibeng to the Municipality directly into its bank account which has the following particulars:

Bank Name : ABSA Bank
Branch Code : 630337
Account Name : Lesedi Municipality
Account Number : 500000066

5. **OBLIGATIONS OF SEDIBENG**

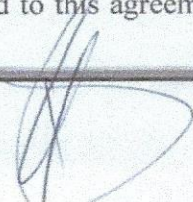
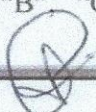
Sedibeng shall have the following responsibilities:

- 5.1 Effect payment of the amounts due to the Municipality when due and in the manner agreed in clause 4 above;
- 5.2 Co-operate with and render such assistance to the Municipality as may be necessary for the proper rendering of the service;
- 5.3 Withhold payment of monthly claims if the Municipality fails to comply with the reporting requirements and timeous submission of claims for services rendered as specified in this Agreement.
- 5.4 Oversee and monitor the implementation of this agreement and the rendering of the service.

6. **OBLIGATIONS OF THE MUNICIPALITY**

The Municipality will have the following responsibilities:

- 6.1 Render the municipal health services in accordance with the performance objectives and standards as set out in Schedules 2 and 3, and which are attached to this agreement as Annexures "B" "C" and

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"D" respectively, which shall form part thereof and shall be read as if herein specifically incorporated.

- 6.2 Submit claims for general expenditure or operational costs by the tenth day of each month with supporting documentation.
- 6.3 Ensure that the services it renders in respect of municipal health services throughout its area of jurisdiction comply with the national norms and standards or standards set by Sedibeng.
- 6.4 Ensure the provision of administrative support, logistical infrastructure and internal services in the rendering of the services within its area of jurisdiction.
- 6.5 Submit the proposed budget for the service for the 2020/2021 financial year by the end of February 2020 with the annual business plan for that year.
- 6.6 Insure all equipment allocated to the Section: Environmental Health.
- 6.7 Ensure that all vehicles that are utilized for the rendering of municipal health services are at all times roadworthy and in good working condition.
- 6.8 Each party shall ensure that any transferred items from either party are in a good state of repair, have insurance cover and, further, are subjected to audit inspections and maintained according to acceptable practice, with due respect to depreciation in value.

7. INDEMNITY

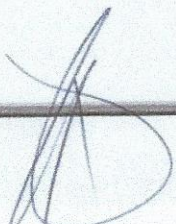

The Municipality indemnifies Sedibeng from liability for any bodily harm, death, damage to or loss of property howsoever such may arise as a result of any negligent act or omission by any person acting during the scope of his or her duties with the Municipality in the rendering of the service.

8. VARIATIONS AND RELAXATION TO THE AGREEMENT

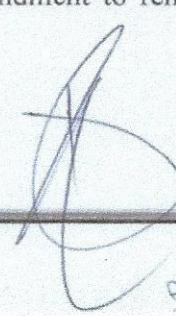

- 8.1 No addition, amendment or variation to any of the terms of this agreement will be valid unless reduced to writing and signed by both parties.
- 8.2 No indulgence, relaxation or leniency on the part of either party of any of its rights arising out of this Agreement will constitute a waiver of its rights in respect of subsequent non-compliance or breach of the same or any other provisions hereof.

9. GENERAL TERMS AND CONDITIONS

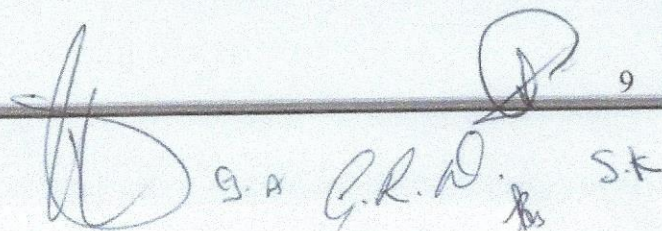
The following terms and conditions constitute the core of the Agreement between Sedibeng and the Municipality :

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- 9.1 Each party will ensure that its' members, staff and other relevant stakeholders are familiar and have an understanding of the policy and legislation relevant to municipal health services and the District Health System. In addition, each party shall strive to ensure that there is a common understanding of the National and Provincial policy and legislative requirements for the rendering of municipal health services and the implementation of the District Health System of which MHS is an integral part.
- 9.2 In the event of differing interpretations of either the policy or legislation, parties shall firstly endeavor to resolve such differing interpretation amongst themselves. In the event the matter remains unresolved after such endeavors, the parties shall obtain a binding legal opinion in case of a dispute.
- 9.3 In the spirit of co-operative governance, the parties warrant and undertake that in the implementation of this Agreement, and in their dealings with each other pursuant to this Agreement, they shall observe the utmost good faith, and they undertake to give full effect and intent to the purpose of this Agreement.
- 9.4 More specifically, the parties will strive to co-operate with each other by:
- 9.4.1 Assisting and co-operating with each other in good faith in the implementation and rendering of municipal health services;
- 9.4.2 Respect the institutional integrity of each other in implementing MHS as an integral part of the District Health System;
- 9.4.3 Resolving any disputes between each other in a manner that supports the rendering of MHS;
- 9.4.4 Setting up the appropriate structures and systems to facilitate the rendering of MHS; and
- 9.4.5 Sharing information and ensuring effective communication between each other and other stakeholders.
- 9.5 The Municipality shall provide progress reports to Sedibeng on a quarterly basis on the agreed services. Such reports to be in a format required by Sedibeng in consultation with the Municipality.
- 9.6 Notwithstanding these quarterly reports, the Municipality shall provide Sedibeng with all information that is reasonably required for Sedibeng to perform and fulfill its legislative and Constitutional duties in relation to MHS.
- 9.7 In the event that any of the terms of this Agreement are found to be invalid, unlawful or unenforceable, such terms will be severable and the remaining provisions shall remain of full force and effect. If any invalid term is incapable of amendment to render it valid, the parties agree to negotiate an amendment to remove the invalidity.

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- 9.8 The parties agree that any deficits and shortfalls existing at the commencement of this Agreement, fall outside the scope of this Agreement and accordingly that the funding provided by Sedibeng in terms of this Agreement shall not be used to meet such deficits and shortfalls.
- 9.9 The parties acknowledge that the amount of funding provided by Sedibeng in terms of this Agreement is based, *inter alia*, on the number and levels of staff employed by the Municipality in respect of the agreed services as at the date of commencement of this Agreement. Should the Municipality need to increase the number of employees and / or raise the levels in respect of the services required, negotiations should take place between the parties regarding the additional funding in respect of such additional staff or the raising of service levels. The motivation for the proposed increase must be in writing.
- 9.10 The Municipality may from year to year submit a supplementary budget to Sedibeng requesting and motivating for additional funding ("the supplementary budget", provided that the Municipality submits such supplementary budget by no later than 30 November in the financial year preceding the financial year in respect of which the further funding is required.
- 9.11 In the event that Sedibeng receives a supplementary budget from the Municipality, Sedibeng shall consider and approve (with or without amendments) or refuse the supplementary budget by no later than 30 December in the financial year preceding the financial year in respect of which the further funding is required.
- 9.12 The parties record that, in respect of the annual increase in the funding provided by Sedibeng to the Municipality, the following principles shall apply:
- 9.12.1 the increase applied to such portion of the funding utilised by the Municipality in respect of staff costs shall not exceed the rate of the annual wage increase for Local Government;
- 9.12.2 the increase applied to such portion of the funding utilised by the Municipality in respect of recurrent expenses shall not exceed a rate linked to the average agreed annual growth rate as determined by the National Treasury.
- 9.13 The parties shall, on or before 28 February of each year of this agreement, reach agreement on, and produce the overall budget in respect of the agreed services for the financial year to follow.
- 9.14 If and when budgetary allocations are amended during the course of the financial year, such amendment shall be agreed upon by both parties and documented as a formal variation. In such an instance, addenda will need to be separately agreed upon and signed by both parties and attached to the Agreement.
- 9.15 Both parties to the Agreement are committed to human resource development so as to improve the efficiency and effectiveness of municipal health services.

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10. DISPUTE RESOLUTION

In the event that a dispute arises as a result of the implementation of this agreement, such dispute will be handled in line with the provisions of Chapter 4 of the Intergovernmental Relations Framework Act, No. 97 of 1997 and its Regulations.

11. BREACH AND CANCELLATION

11.1 In the event of breach by the Municipality of any of the terms and conditions of this agreement, and in the event that the Municipality fails to remedy such breach within 7 (seven) working days after receiving notice from Sedibeng to do so, Sedibeng shall be entitled without prejudice to any other rights it might have, to exercise all or any number of the following rights:

11.1.1 To enforce strict compliance with the terms and conditions of the agreement at no additional cost to Sedibeng; and

11.1.2 To institute action for the recovery of any damages that may have been occasioned by the breach;

11.2 In the event of breach by Sedibeng of the terms and conditions of this agreement and in the event of Sedibeng remaining in default for 7 (seven) working days after written notice calling for rectification of the breach, the Municipality shall be entitled to:

11.2.1 Enforce strict compliance with the terms and conditions of the agreement at no additional cost to Sedibeng; or

11.2.2 In the event of the agreement being terminated for whatever reason, the Municipality will be entitled to payment for work done for acceptable deliverables for which payment is outstanding.

This Agreement can be cancelled by mutual agreement between both parties upon written notice of 6 months from one party to the other.

12. FORCE MAJEURE

12.1 A party shall not be liable for a failure to perform any of its obligations in terms of this Agreement if it establishes to the satisfaction of the other party that:

12.1.1 the failure was due to an event which was beyond its control;

12.1.2 it could not reasonably have been expected, at the time of conclusion of this Agreement, to have taken into account the event and its effects on the party's ability to perform; and

12.1.3 it could not reasonably have overcome the event or the effects of the event.

12.2 The events contemplated in above include, but are not limited to:

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- 12.2.1 war, civil war, armed conflict or terrorism;
- 12.2.2 natural disasters such as violent storms, floods, earthquakes, destruction by lightning;
- 12.2.3 explosions and fires;
- 12.2.4 official or unofficial boycotts, strikes, lockouts and go-slows; and
- 12.2.5 acts of authority, whether lawful or unlawful, apart from acts for which the party seeking relief has assumed the risk in terms of this Agreement or in the normal course of business.

13. DOMICILIA AND NOTICES

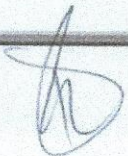
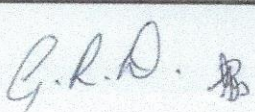
- 13.1 The parties choose the following addresses as their *domicilia citandi et executandi* for the purposes of giving any notice, the payment of any sum, the service of any process and for any other purpose arising from this Agreement:

Sedibeng District Municipality : Cnr Beaconsfield and Leslie Street
 Vereeniging
 1930
 Tel : 016 4503000
 Fax : 016 4552573

Lesedi Local Municipality : Cnr. HF Verwoerd 7 Louw Street
 Heidelberg
 1438
 Tel No : 016 4920049

- 13.2 Either party shall be entitled from time to time by written notice to the other to vary its *domicilium* to any other address which is not a post office box or *poste restante*.
- 13.3 Any notice required or permitted to be given in terms of this Agreement shall be valid and effective only if in writing.
- 13.4 Any notice given and any payment made by one party to the other ("the addressee") which:

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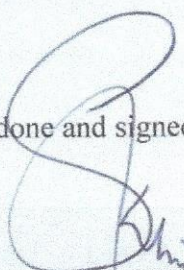
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- 13.4.1 is delivered by hand during the normal business hours of the addressee at the addressee's *domicilium* for the time being shall be presumed, until the contrary is proved, to have been received by the addressee at the time of delivery;
- 13.4.2 is posted by prepaid registered post from an address within the Republic of South Africa to the addressee at the addressee's *domicilium* for the time being, shall be presumed, until the contrary is proved, to have been received by the addressee on the 7th (seventh) day after the date of posting;
- 13.4.3 is transmitted by tele-fax (subject to the transmitter retaining the fax transmission slip) shall be deemed (in the absence of proof to the contrary) to have been received within 1 (one) hour of transmission where it is transmitted during normal business hours of the receiving instrument and within 2 (two) hours of the commencement of the following business day where it is transmitted outside those business hours.
- 13.5 Notwithstanding anything to the contrary herein contained, a written notice or communication actually received by a party from another, including by way of facsimile transmission or e-mail, shall be an adequate written notice or communication to it notwithstanding that it was not sent to or delivered at its chosen *domicilium*.

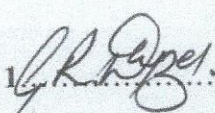
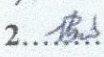
14. WHOLE AGREEMENT

This agreement constitutes the whole agreement between the parties as to the subject matter hereof, and neither party shall be bound by any undertakings, representations or warranties unless they are herein recorded.

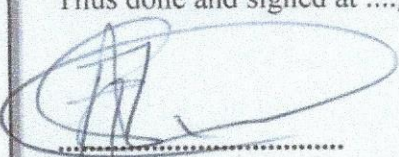
Thus done and signed at Vereeniging on this the...6...day of ...June..... 2019


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**(Municipal Manager)
SEDIBENG DISTRICT MUNICIPALITY**

AS WITNESSES: 1. 
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Thus done and signed at ...~~HEEDERBAY~~... on this the...2...day of ...September..... 2019


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**(Acting Municipal Manager)
LESEDI MUNICIPALITY**

AS WITNESSES: 1. 
2. 

15. SCHEDULE ONE

15.1 **Financial Allocations for the Financial Year 2019/20**

It is hereby agreed that Sedibeng will provide funds as listed below to the municipality for the rendering of MHS for 2019/20.

TOTAL ALLOCATION :	R 3,684,579.00
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As agreed, the funds mentioned above will be made available to on a monthly basis based on a claim for services rendered. The claim, with the relevant supporting documents needs to be submitted on or before the 10th of each month on which payment will be effected not later than the 30th of the same month.

Expenditure exceeding the allocated budgeted amount will be regarded as over expenditure and will thus be for the account of the Municipality and not for the Sedibeng unless mutually agreed upon and authorized by the Sedibeng.

16. SCHEDULE TWO

16.1 **Health service provision specifications, requirements and information**

16.1.1 The parties to the Agreement recognize that the services to be rendered by the Municipality within the 2019/20 financial year, will include those listed and defined as **Municipal Health Services** by Environmental Health Practitioners as authorized in terms of the National Health Act and registered with the Health Professions Council of SA. (See annexure "A")

16.1.2 The Municipality shall ensure the performance of all aspects of service administration and the effective day-to-day functioning of the service in accordance with National and Provincial policies, guidelines, frameworks and national norms & standards within resource constraints.

16.1.3 The Municipality shall submit Monthly and Quarterly service reports in respect of the rendering of the agreed services to the Sedibeng.

16.1.4 These reports must be submitted respectively no later than the 7th (seventh) and 15th (fifteenth) day of the month and the end of the quarter during which services were rendered. Timeous submission of all required reports is a requirement, which must be consistently fulfilled.

These reports should provide details on the:

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- performance of the Municipality in respect of the agreed services, of which the reports shall be in the agreed format as determined by Sedibeng.
- statistical information, as may be required by the Sedibeng.
- Progress in terms of deliverables on MHS as per the Integrated Development Plan of the municipality.

16.1.5 The Municipality shall submit an annual report, detailing service related matters, no later than 30 days after the end of the financial year, ending 30th June, detailing performance of the Municipality in respect of the agreed services.

16.1.6 The Municipality shall keep accounting records so as to record the transactions, which take place in terms of this Agreement, including all receipts and expenditure in respect of the agreed services, and shall make such accounting records available to the Sedibeng as and when requested.

17. SCHEDULE THREE

17.1 Quality Standards and Specifications

17.1.1 The assessment of the service in terms of access, quality, equity, efficiency and compliance with the National Norms and Standards for MHS will be undertaken by the Sedibeng annually.

17.1.2 The Municipality will develop and sustain a municipal health information system and to provide data in order to monitor targets and service levels and will also provide the Sedibeng with this information as part of the monthly and quarterly reports which is a core requirement to the Agreement.

17.1.3 Specified Human Resource Development Programmes are to be negotiated between the parties to the Agreement and undertaken on an annual basis as continuous development is a requirement to maintain registration as a Health Practitioner with the Health Professions Council of SA.

18. ANNEXURE "A"

Municipal Health Services as listed in the Health Act (Act 61 of 2003).

19. ANNEXURE "B"

Agreed Services to be rendered.

Municipal Health Service Functions and Activities.

20. ANNEXURE "C"

Performance and reporting templates.

21. ANNEXURE "D"

Audit tool in terms of compliance with National Norms and Standards on MHS

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