

**Project Management as a tool for road maintenance in municipalities: The case of the City Council of Matlosana**

Adv. Marietjie van Aswegen

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Supervisor: Prof G van der Waldt

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*Knowledge does not start from perceptions or observations or the collection of data or facts; it starts from problems. One might say: no knowledge without problems; but also no problems without knowledge. But this means that knowledge starts with the tension between knowledge and ignorance: no problems without knowledge- no problems without ignorance.*

*– Carl Popper 1902-1994 (From in search of a better world)*

## **SUMMARY**

South Africa faces major challenges for public service delivery to its citizens. It is crucial to monitor service delivery needs through effective governance and service administration.

Local government is the key functionary of the delivery and development of transformational South Africa. The Municipal Infrastructure Grant (MIG) is a conditional grant to municipalities and it complements the equitable share grant for local government. South African municipalities participating in the Municipal Infrastructure Grant (MIG) programme are required to establish or share project management units (PMUs). The former Department of Provincial and Local Government (DPLG) issued guidelines known as MIG Guidelines (2004) for the establishment of the PMUs.

The Municipal Infrastructure Investment Framework (MIIF) covers the maintenance of roads. The framework for the delivery of municipal infrastructure is based on Chapter 3, section 41 (j) of the Constitution.

The purpose of this study is to explore the functioning of the PMU on the basis of the theories of project management and the MIG Guidelines, and to identify its service delivery function with regard to road maintenance. The main contribution of this study is to provide a framework and guidelines for the PMU to extend its further development with regard to the maintenance of roads.

## **OPSOMMING**

Suid-Afrika word deur belangrike uitdagings ten opsigte van openbare dienslewering aan sy burgers in die gesig gestaar. Dit is noodsaaklik om diensleweringbehoefte deur doeltreffende beheer en diensadministrasie te monitor.

Plaaslike regering is die sleutelfunksionaris in die lewering en ontwikkeling van transformasie in Suid-Afrika. Die Munisipale Infrastruktuurtoekenning (MIT) is 'n voorwaardelike toekenning aan munisipaliteite en vul die billike-aandeeltoekenning vir plaaslike regering aan. Suid-Afrikaanse munisipaliteite wat aan die Munisipale Infrastruktuurtoekenning- (MIT-) program deelneem, moet projektebestuurseenhede (PBEs) vestig of deel. Die voormalige Departement van Provinsiale en Plaaslike Regering (DPPR) het riglyne bekend as MIT-riglyne (2004) vir die vestiging van PBEs uitgereik.

Die Munisipale Infrastruktuurbeleggingsraamwerk (MIBR) dek die instandhouding van paaie. Die raamwerk vir die lewering van munisipale infrastruktuur word op hoofstuk 3, artikel 41 (j) van die Grondwet gebaseer.

Die doel van hierdie studie is om die funksionering van die PBE te ondersoek aan die hand van die teorieë van projektebestuur en die MIT-riglyne, en om die diensleweringfunksie daarvan ten opsigte van padinstandhouding te identifiseer. Die vernaamste bydrae van hierdie studie is om 'n raamwerk en riglyne vir die PBE te verskaf om die verdere ontwikkeling ten opsigte van die instandhouding van paaie uit te brei.

**Keywords:** Project management, service delivery, maintenance, roads, municipality, City Council of Matlosana

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## **LIST OF ACRONYMS**

Companies and Intellectual Registration Office (CIPRO)

Community based organisations (CBOs)

Comprehensive Infrastructure Plan (CIP)

Consolidated Municipal Infrastructure Programme (CMIP)

Critical Path Method (CPM)

Current and Completed Research Projects in SA (NRF: NEXUS)

Department Cooperative Governance and Traditional Affairs (COGTA)

Department of Public Service and Administration (DPSA)

Elton B. Stephens Company (EBSCO)

European Project Management Association (IPMA)

Index to South African Periodicals (ISAP)

Integrated Development Plan (IDP)

International Project Management Association (IPMA)

Key Performance Area (KPA)

Local Government Turnaround Strategy (LGTAS)

Non-governmental organisations (NGOs)

Member Executive Council (MEC)

Municipal Finance Management Act (MFMA)

Municipal Infrastructure Grant (MIG)

Municipal Infrastructure Grant Management Information System (MIG MIS)

Municipal Infrastructure Investment Framework (MIIF)

Municipal Manager (MM)

New Public Management (NPM)

North America's Project Management Institute (PMI)

North West Development Corporation (NWDC)

North-West University (NWU)

Performance Management System (PMS)

Program Evaluation and Review Technique (PERT)

Project Business Plan (PBP)

Project Management Book of Knowledge (PMBOK)

Project Management Centre of Excellence (PMCOE)

Project Management Professionals (PMP)

Project Management Unit (PMU)

Project Management Units (PMUs)

Project Office (PO)

Project Support Office (PSO)

Provincial Municipal Infrastructure Grant Unit (PMIG Unit)

Provincial Project Management Unit (PPMU)

Reconstruction and Development Programme (RDP)

Supply Chain Management (SCM)

United States of America (USA)

Work Breakdown Structure (WBS)



# CHAPTER 1

## ORIENTATION

### 1.1 INTRODUCTION

South Africa faces major challenges for public service delivery to citizens in a heterogeneous society. It is therefore crucial to monitor service-delivery needs through effective governance and service administration. It is a legitimate right of all citizens, in particular those who were previously disadvantaged, to receive efficient and effective public services. In terms of section 152 (1) (b) of the Constitution of the Republic of South Africa, municipalities are obliged to ensure that services are provided to communities in a sustainable manner.

Arguably the most important indicator in assessing effective service delivery is the experience and perceptions people have of such services delivered to them in terms of section 4.1 of the White Paper on Transforming Public Service Delivery (1997(b) ). It is therefore necessary for the government to prioritise and satisfy the needs of the communities they serve.

The White Paper on Transforming Public Service Delivery (1997(b)) introduced the need for a specific policy for the transformation of public service delivery. This policy became commonly known as the Batho Pele principles – meaning “putting people first”. The Batho Pele initiative strives to move towards pursuing excellence in service delivery. Good governance means effective, efficient service delivery (Van der Waldt, 2004:8,9). The principles outlined in the White Paper of 1997 primarily focusing on the concept of customer service to promote continuous improvements in the quality, quantity and equity of service provision.

Local government’s constitutional object is the provision of services to communities in a sustainable manner and the promotion of social and

economical development (section 152 and section 153 of the Constitution; section 11(3)(1) of the Local Government: Municipal Systems Act 32 of 2000). In terms of section 19(1) of the Local Government Municipal Structures Act (117 of 1998) the municipal council must strive to achieve these objects.

Local government is the key functionary in the delivery and development of the transformational South Africa (Steytler & De Visser, 2009:1-28). It is conclusive to state that it remains a priority of the City Council of Matlosana to create a people-centred, people-customer-orientated public service (DPSA ,1997:1). One of the Government's core priorities, namely to construct and maintain roads, as delegated to municipalities, fell short of these standards.

The Municipal Infrastructure Grant (MIG) is a conditional grant to municipalities and it complements the equitable share grant for local government (DPLG, 2006:14). It is provided on a conditional basis to municipalities and is allocated to specific municipalities on the basis of a formula. During the delivery of his budget speech on 26 August 2009, the honourable MEC for Local Government and Traditional Affairs, Mr MG Kegakiliwe, announced that an amount of R892, 574 million was shared by municipalities for infrastructure (NWPLG, 2009:10).

The MIG programme is aimed at providing only basic infrastructure service (DPLG, 2006:3). Through the MIG programme the Government assists municipalities in development by offering their capital programme management capacity. This happens through the establishment of project management units (PMUs) within municipalities. The project management units are accountable to the council and management structure of the municipality (DPLG, 2006:16). The national MIG unit and the provincial programme-management units support it. The MIG programme further promotes the devolution of the project management function, which implies the establishment of a project management function within a municipality to ensure the capacity to undertake it.

In terms of section 55(1)a of the Systems Act (32 of 2000) the municipal manager (MM) is responsible for managing the provision of services to the local community in a sustainable and equitable manner. In terms of section 153(b) of the Constitution, municipalities have a duty to participate in national and provincial development programmes. The municipalities use their Integrated Development Plan (IDP) to fulfil these constitutional obligations. In terms of section 25(1) of the Systems Act (32 of 2000), each municipal council must adopt an IDP. The IDP integrates and co-ordinates plans and take into account proposals for the development in the municipality. The IDP is a strategic plan for the development of the municipality (Steytler & De Visser, 2009:7-4).

It is common cause that various municipalities in the North West Province do not succeed in their constitutional obligations and in some cases are placed under administration by the Premier (Section 139 interventions in terms of Constitution). The provincial Lekgotla has adopted a strategy called the “Local Government Turn Around Strategy” with service-delivery improvement and municipal capacity-building as key objects. Serious service delivery backlogs led to the suspension of senior municipal officials and political office-bearers in local government. The Premier announced the implementation of service-delivery forums in an attempt to speed up the processes of service delivery (NWPLG, 2010:Sopa Speech).

Specifically designated municipalities are responsible for planning and implementing municipal infrastructure and development. On a local level, infrastructure development is dependent on both programme-based and project-based activities. Both activities depend on adequate resources in terms of project management skills and funding.

The Municipal Infrastructure Investment Framework (MIIF) covers the maintenance of roads (DPLG, 2005:4). This framework for the delivery of municipal infrastructure is based on Chapter 3, section 41(i) of the Constitution (1996).

It is common cause that provincial roads are in a very poor condition, mainly due to a lack of maintenance. The MEC for Public Works, Roads and Transport, the honourable Mr Mahlakeng Mahlakeng, during his budget speech delivered on 10 July 2009, declared a “full-scale war on potholes” (NWPLG, 2009: 5). The provincial Department for Public Works, Roads and Transport is responsible for the planning, designing, construction and maintenance of provincial roads that total more or less 20 689 km in length. The Road Network Management System shows that the condition of the roads deteriorates both on surfaced and gravel roads (NWPLG, 2009:5).

To maintain roads and implement other infrastructure projects, municipalities are required to establish or share with the district municipalities a project management unit (PMU) (DPLG , 2004/07). The City Council of Matlosana has set up a PMU since the 2004/2005 financial year. The PMU structure received an amount of R1.2 million from the MIG for the management of it for the 2010/2011 financial year (City of Matlosana, 2009-2010).

The City Council of Matlosana received a total amount of R85 131 900 from all the funding sources for the 2009/2010 financial year. The amount received from MIG was R71 137 400 . An amount of R35.73 million was allocated for roads per KPA for the 2009/2010 financial year. The IDP projects planned for the 2009/2010 financial year were R23.5 million for the paving of taxi routes, and R4.5 million for the resealing of roads. The directorate for civil engineering services had an operating structure providing for road and stormwater services. One of the strategic objectives was to keep roads and stormwater drainage maintainable and serviceable. Key issues were the upgrading and maintenance of existing surfaced and gravel roads. A situational analysis pointed out that all the councillors from the various wards reported on the IDP analysis that bad road conditions existed, a failure to maintain roads and the overall existence of potholes (City of Matlosana, 2009-2010).

The biggest challenge was the development of a medium to long-term strategy to address backlogs on new roads development as well as maintenance on it (City of Matlosana, 2009-2010). The problem within the City Council of

Matlosana was the ineffective services provided by the PMU structure with regard to the maintenance of roads. The problem that this study addressed was to determine to what extent the current system and management structure and functioning of PMUs had to be adjusted, structured and monitored to affect service delivery with regard to road maintenance. The researcher believes that the current system of project management that was in place did not function effectively and was a direct cause of poor road conditions.

## **1.2 RESEARCH QUESTIONS**

The research was guided by the following research questions:

- What is the origin of project management and what are its theories and principles?
- What are the statutory and regulatory requirements governing the application of project management to maintain roads in municipalities?
- To what extent does the City Council of Matlosana adhere to the statutory and regulatory requirements for project management and service-delivery standards, with specific reference to road maintenance?
- What are the principles, processes and structures of the project management unit (PMU) in the City Council of Matlosana?
- How does the present PMU function in terms of the administrative, departmental and economic principles and requirements governing project management?
- Who are the key roleplayers in the functioning of the project management unit?

- What holistic approaches can be employed to affect the functioning of the current system of project management?
- To what extent should the current system of the project management unit be adjusted, structured and monitored to affect the necessary service delivery with regard to the maintenance of roads?

### **1.3 RESEARCH OBJECTIVES**

The primary objectives of the study were:

- To determine the origin of project management as management application and its theories and principles.
- To determine the functionality of the project management unit with regard to administrative, departmental and economic principles.
- To investigate the statutory and other regulatory requirements governing project management and service-delivery standards.

The secondary objectives were:

- To identify the key role-players in developing and implementing the project management unit.
- To determine the management and implementation of project management.
- To make the necessary recommendations and submissions to adjust the existing system of project management of the City Council of Matlosana.

- To determine the principal processes and structure of the project management unit.
- To implement mechanisms and align these with existing structures to affect efficient service delivery to maintain roads.
- To determine the functioning of the present structure in terms of the administrative, departmental and economic principles governing project management.

#### **1.4 CENTRAL THEORETICAL STATEMENTS**

Project management as a formal field of study emerged in the 1930s (Knipe, Van der Waldt, Van Niekerk, Burger & Nell, 2008:3) and is a valuable application used in all types of organisations (Orr, 2004:1). Over the decades the use of project management by organisations to operationalise their strategic objectives showed enormous growth (Meredith & Mantel, 2003:2). Project management is a tool for organisations to improve their ability to plan, implement and control their activities as well as the way in which they utilise their people and resources (Meredith & Mantel, 2003:2). Project management is a tool or technique that enables the project manager to lead, define, plan, organise, close and control a project efficiently and effectively (Van der Waldt & Knipe 2009:6). A well-managed project is both efficient (resource utilisation) and effective (client satisfaction) (Fox & Van der Waldt, 2008:19).

The use of project management as a tool does not necessarily lead to success (Fox & Van der Waldt, 2008:19). Therefore the need increases to develop models to provide frameworks within which projects can be developed (Fox & Van der Waldt, 2008:19). In the construction industry in particular, project management has well developed and mature models in place as a mechanism of doing business (Gray & Larson, 2006:3).

The general duty of a municipality is to provide access to at least the minimum level of basic municipal services to all members of the local community

(section 1, Municipal Systems Act, 2000). The constitutional imperative to deliver services is vested with the executive authority and the right to execute the functions is listed in schedule 5B of the Constitution (Steytler & De Visser, 2009:9-6). Local government has the responsibility of provide basic facilities such as water, adequate sewerage systems, refuse collection, electricity and paved roads (Mkantwana Nelson Mandela Metropolitan Municipality, 2005(2):105). Schedule 5B to the Constitution contains the key functional areas of municipalities such as municipal roads (Steytler & De Visser, 2009:9-6). The constitutional imperative to deliver services is vested with the executive authority and right to execute the functions listed in schedule 5B. In the matter of *Mkontwana v Nelson Mandela Metropolitan Municipality and another*, Judge O Regan interpreted the responsibility of local government as that of providing basic facilities such as water, adequate sewerage systems, refuse collection, electricity and paved roads (BCLR 150 CC, 2005(2):105).

The DLPG (2007:6) emphasised the importance of project management as “an integral function” of any municipality. Municipalities are required to set up a project management unit (PMU) in terms of the MIG Guidelines (2004/07).

## **1.5 RESEARCH METHODOLOGY**

The study was based on a literature study and an empirical survey.

### **1.5.1 Literature study**

The literature study involved the use of primary and secondary literature to determine the origin of project management and how project management affects developmental change to maintain the roads in the municipalities. Books and other relevant documents were consulted. Computer searches for relevant material were undertaken in the Ferdinand Postma Library. A search on relevant legislation for municipalities was conducted.

Primary and secondary data were collected and consulted for the purpose of the research. The following databases were consulted:

- Catalogue Of Theses And Dissertations Of South African Universities
- Catalogue Of Books
- Ferdinand Postma Library (Nwu)
- Nrf: Nexus
- Index To South African Periodicals (Isap)
- Ebsco Academic Search Elite
- Acts Of The Republic Of Sa
- Internet Database
- Journal Articles.

### **1.5.2 Empirical survey**

Personal interviews were held with selected respondents in the City Council of Matlosana to determine to what extent project management was implemented in the administration of the municipality to affect road maintenance. The staff complement of the PMU was interviewed, as was the Director of Infrastructure and two additional officials based in the Roads and Stormwater section. Six respondents were selected through a qualitative research design representing the PMU of the municipality and the most vital structure, the infrastructure department within the Roads and Stormwater section. They represented the total staff of the target population. Semi-structured interviews were used to provide more accurate information on the accuracy of the collected data. The process was conducted within the City Council of Matlosana project management unit.

The interviews were conducted by mutual consent at a suitable location. The secondary purpose was to determine the effective functioning of the project management unit to affect service delivery with regard to road maintenance. All information and data were presented in a scientific format.

The elements of the sampling unit depends on the objectives of the study and the general sampling procedure was followed (Struwig & Stead, 2009:122).

The sampling unit was the project management unit of the City Council of Matlosana. A non-probability sampling method was used with the convenience and judgement technique. The convenience technique is most convenient, economical and extensively used. The judgement technique was selected to fulfil a purpose with moderate costs and average usage (Struwig & Stead, 2009:111).

## **1.6 LAYOUT OF THE STUDY**

Chapter 1 serves as the introductory orientation of the study to contextualise the research problem. An exposition of the substantiation, the research problem and the relevant research questions and the problem statement was made. This exposition was followed by the primary and secondary objectives and research methodology.

Chapter 2 of the study provides a theoretical orientation of project management. A theoretical analysis and exposition with regard to project management are provided. A theoretical orientation of project management as a discipline, a profession, and the contributions of PMBOK is provided. The origin, principles, life cycle, project governance, management and knowledge areas of project management are discussed. Chapter 2 consists of a literature review in which the following core aspects of project management are considered:

- the origin and development of project management;
- the conceptualising of projects and project management;
- project management as a profession and a discipline;
- the contribution of the project management institute and the project management body of knowledge;
- the project management phases, life cycle and the monitoring of evaluation and reporting arrangements;
- project-based organisational arrangements with reference to the project management offices;

- project governance arrangements with reference to the project steering or review committees and the project sponsor;
- project management applications in the public sector, with reference to the international overview; and
- project management applications in the south african public service in general and in the local government sphere in particular.

Chapter 3 focuses on the statutory and regulatory framework for municipalities as far as service delivery is concerned, with specific reference to the IDP, MIG and road maintenance. The principal process and structure of the PMU are discussed, as is the functioning of the PMU.

The chapter furthermore explores the statutory and regulatory framework for municipalities with regards to the service delivery function, with specific reference to the IDP, MIG and road maintenance functions. A theoretical foundation for service delivery with reference to the social-contract theory and the public-choice theory is followed. The developmental role of municipalities is investigated.

The types and nature of municipal functions are followed with reference to the Constitutional obligation. The different functional and service delivery categories are considered. The need for front-office and back-office engineering services to facilitate service delivery is described and evaluated. The researcher explores and exposes legislative and regulatory requirements with regard to municipal service delivery with reference to:

- The Constitution of the Republic of South Africa;
- The White Paper on the Transformation of the Public Service (1995);
- The White Paper on Transforming Public Service Delivery (1997);
- The White Paper on Local Government (1998);
- Local Government: Municipal Structures Act (117 of 1998);
- Local Government: Municipal Systems Act (32 of 2000);
- Municipal Finance Management Act (56 of 2003); and

- The White Paper on Municipal Service Partnership (2004).

The function of the Department of Cooperative Governance and Traditional Affairs (COGTA) is also evaluated, including the role of the National Strategic Framework for Comprehensive Municipal Infrastructure Management (2010).

The empirical study follows in Chapter 4. In this chapter the researcher reports on data obtained through interviews to ascertain to what extent the City Council of Matlosana adheres to the statutory framework (Chapter 3) as well as best practices identified in Chapter 2. The study involved the background, history and structure of the City Council of Matlosana and specific attention was focused on the PMU. The research methodology is discussed, as is the research design, the data collection method, the sampling process and the limitations of the study. A conclusion is formulated on the basis of the contents of the empirical study.

Chapter 5 concludes the study and recommendations are made to improve the functioning of PMUs in the City Council of Matlosana to improve road maintenance. The researcher develops guidelines to improve project management applications, the functioning and management of road maintenance in the City Council of Matlosana.

The researcher discusses the objectives of the research as outlined in Chapter 2 and then describes and outlines the outcomes achieved to comply with the objectives of the study. The second part of the chapter constitutes the recommendations the researcher wishes to make at the end of the study and submit for further research.

## **1.7 CONCLUSION**

Chapter 1 provided an introduction to the study, stated the research questions and objectives, and the control theoretical statements. The researcher also referred to the research methodology for the literature survey and the empirical overview. A layout of the study in the format of Chapter 1, 2, 3, 4 and 5 was provided . In the next chapter the researcher conducts a theoretical study of project management.

## CHAPTER 2

### THEORETICAL ORIENTATION OF PROJECT MANAGEMENT

#### 2.1 INTRODUCTION

Project management has been used for many years. It is also certain that managers will apply project management in a wide variety of industries in the years to come. Project Management as a discipline is already used in a wide variety of industries such as:

- commerce;
- engineering;
- non-governmental sector;
- information technology;
- event management; and
- scientific, medical, and academic research.

In order to understand the concept of project management, its origins must be investigated. It is furthermore essential to understand the various aspects and dimensions of projects and project management in the context of the historical development of project management. This chapter provides a theoretical orientation of project management as practical management application, and of Project Management as academic discipline. Furthermore, reference is made to the contributions of the Project Management Body of Knowledge on the professionalisation and standardisation of practices in the discipline. The project management life cycle and its associated processes are also analysed. The particular organisational setting within which projects are executed has a significant influence on project success. Organisational arrangements, including matrix and project-based organisational design, as well as the establishment of project management offices will therefore also receive attention.

Project governance arrangements are furthermore highlighted, with specific references to the various functions of mainstreaming governance mechanisms and positions.

In conclusion, the application of project management methods in the public sector is discussed. The final focus is on the local government sphere, taking into account statutory and regulating prescriptions and the respective competency frameworks governing their application.

## **2.2 THE ORIGIN AND DEVELOPMENT OF PROJECT MANAGEMENT**

A literature survey revealed that the principles of project management have existed for thousands of years – probably since the building of the Egyptian pyramids (Klastorin, 2003:1). Even the Greek Pantheon and Stonehenge are possible evidence that project management has played an important part in every civilisation (Shenhar & Dvir, 2007:8). Projects such as the Egyptian pyramids of ElGiza, the Colossus of Rhodes and the Houston Astrodome are further potential examples of the effective management of construction projects (Klastorin, 2003:17; Gray & Larson, 2006:3; McGhee & McCaliney, 2007:3).

According to Kerzner (2003:33) the evolution of project management started in the early days of systems management, developing into what is currently referred to as modern project management. He states that project management is an outgrowth of systems management. During the 1940s, line managers used the concept of “over-the-fence-management” to manage projects. This refers to the fact that line managers, acting as project managers, threw the so-called “ball” over the fence (i.e. different line department) once their specific project responsibilities had been completed in the hope that someone would “catch it”. Once the ball had been thrown, the line managers would wash their hands off any responsibility for the project because the ball was no longer in their “yard” (i.e. area of responsibility) (Kerzner, 2003:34). This management practice was not acceptable to the Department of Defence

of the USA for military projects such as the B52 Bomber. It became clear that the growth of project management was the result of necessity (e.g. management practices and realities) rather than desire (Kerzner, 2003:35; Cook & Tate, 2005:2).

In the late 1950s and early 1960s the aerospace and defence industries used project management on all their projects (Kerzner, 2003:35; Knipe *et al.*, 2008:3). A new methodology known as the Critical Path Method (CPM), relating to the DuPont Corporation's operations at the Louisville Kentucky plant, was developed. At approximately the same time the consulting firm Booz, Allen and Hamilton developed a new project management system for the Polaris Fleet Ballistic Missile programme office (Klastorin, 2003:7). Another methodology was developed to assist with the management of projects. This methodology became known as the Program Evaluation and Review Technique (PERT) (Klastorin, 2003:17). The CPM and PERT methodologies were widely adopted by public as well as private organisations and entities (Klastorin, 2003:18; Knipe *et al.*, 2008:3).

During the late 1960s, executives searched for new management techniques and organisational structures (Kerzner, 2003:38). The growth of project management in the 1960s led to the formation of the European Project Management Association (IPMA), and in 1964 the North American Project Management Institute (PMI) (Shenhar & Dvir, 2007:8; Knipe *et al.*, 2008:3).

In 1969 the Project Management Institute (PMI) was founded. The PMI developed the Guide to the Project Management Body of Knowledge (PMBOK), which will receive further attention later in this chapter. In the 1970s, rapid changes occurred when companies in aerospace defence and construction pioneered the implementation of project management (Kerzner, 2003:40; Gray & Larson, 2006:3).

During the early 1980s, more organisations restructured to adopt the project management process (Kerzner, 2003:37). Organisations increasingly departed from informal, ad hoc project management practices and restructured to

formalise and integrate project management processes in their mainstream functions, since the size and complexity of their activities had grown to a point where they were unmanageable within their existing structures (Kerzner, 2003:37).

During the 1990s, organisations realised that project management was a necessity and not a choice. It became clear that the question was not how to implement it, but how fast it could be done (Kerzner, 2003:47). In 1998 project management obtained recognition as a professional career path. PMI also consolidated Project Management (discipline) knowledge as a centrally located project management group. During this period, project management maturity models were developed and strategic planning for project management came into operation – mainly to assist multinational corporations with project management applications (Kerzner, 2003:54).

Project management applications are not uncommon in South Africa. Project management principles are widely applied in engineering, construction, education, and the government sector. The tools and techniques have been in use for a number of years and project management can be regarded as a rapidly developing discipline (Knipe *et al.*, 2008:5). The engineering and construction industries in particular use project management methodologies and tools extensively to expedite projects (Skeen, 2010:23). During the 1990s, project management gained dramatic popularity in the government sector, mainly due to the emphasis that was being placed on sound project management principles in newly drafted strategies and legislation such as the Reconstruction and Development White Paper of 1994 and the Public Finance Management Act 1 of 1999, as well as in alternative service delivery methodologies (Knipe *et al.*, 2008:4).

The next section contains a description of the concepts projects and project management.

## **2.3 CONCEPTUALISING PROJECTS AND PROJECT MANAGEMENT**

Although projects are widely utilised in various spheres and industries, a literature survey reveals that there is still a lack of conceptual clarity regarding the particular meaning of the concept.

### **2.3.1 Projects: Conceptual clarification**

Probably the simplest definition provided is that a project is "...something that has a beginning and an end" (Turner, 1999:4). This simple principle, namely that a project must have a beginning and an end, was confirmed by authors such as Maylor (1999:5), Wysocki *et al.* (2000:65) and Meredith and Mantel (2003:9). Turner later added to his original definition that a project can be regarded as a "...temporary organisation to which resources are assigned to do work, to deliver beneficial change" (2009:2). Turner (2009:3) thus differentiates between a temporary task, given to the routine organisation, and a temporary organisation specifically created to deliver the project.

Knutson and Bitz (1991:2) describe a project as a set of principles, methods, tools and techniques for the effective management of objective-oriented work. This is with reference to a specific and unique organisational environment. Accordingly, the PMI (2004:5) regards a project as a "...temporary endeavour undertaken to create a unique product or service". A project can also be defined by focusing on the management dimensions with reference to the optimal usage of resources to ensure that the project output is adhered to in terms of time, budget and quality constraints (Kerzner, 2003:9; Venter, 2007:81). Maylor (1999:3) and Burke (2006:2-3) elaborate further by indicating that this includes planning, organising, directing and controlling activities. Other definitions include a human endeavour that creates change, which is limited in time and scope, has mixed goals and objectives, involving a variety of resources. It is also a one-time, unique endeavour by people to do something that has not been done that way before (Fox & Van der Waldt, 2008:10).

Kerzner (2003:55-56) defines a project with reference to a definition of systems and programmes. Accordingly, projects can be regarded as subsystems of programmes. Projects are time-phased efforts and are the first level of breakdown of a programme. Accordingly, a typical definition of a project is a project within a programme, an undertaking that has a scheduled beginning and end, and normally involves some primary purpose.

In a government context, projects are typically clustered in portfolios within policy or strategic programmes (Van der Waldt, 2009, (b):72). A project may therefore be regarded as the process required to produce a new product, service, process, system or other result within an established budget, involving a group of interrelated activities that are planned and executed in a certain sequence to create a unique product or service. This happens within a specific time frame in order to achieve outcomes or benefits (Campbell, 2003:71; Van der Waldt, 2009,a:5).

From the definitions provided above it seems that a project produces a defined deliverable with a defined budget, using a wide range of resources. Furthermore, a project entails a unique scope of work, which is undertaken by an organisation, and which carries considerable uncertainty and risk, requiring the integration of the organisation, subject to time, cost and quality. On the basis of the various definitions provided, a project can be defined as a process required to produce a new product and service that creates change. It is limited in time and scope, and has specific goals and objectives involving a variety of resources. This comprehensive definition serves as operational definition for purposes of this study.

The next section provides a brief exposition of the concept, project management. The aim is to establish the principles of project management and the distinct characteristics of project management as an operating tool.

### 2.3.2 Project Management

As was stated above, by definition, a project has a beginning and an end. In between those poles, four significant questions should be answered by those involved in project planning and execution, namely:

- Why is the project done (purpose/definition)?
- How will the project be done (plan)?
- How will the project plan be executed?
- When the project is finished, how will the project success be assessed?  
(Russell, 2007:24).

Managing a project is especially about establishing definable measurable outcomes. These outcomes relate to the organisation's strategic goals and ensure that the project outputs are attained by using the project team and the management of the relationship between all stakeholders (Venter, 2005:81; Knipe *et al.*, 2008:14).

A literature survey reveals a vast number of definitions and descriptions to define the concept of project management. As a starting point, the Project Management Institute (2004:368) defines project management as the "...application of knowledge, skills, tools, and techniques to project activities to meet project requirements". Lock (1987:3) further defines project management as getting results through people to achieve successful completion of the project with the resources available. Knutson and Bitz (1991:2) in turn define project management as a set of tools, principles, methods and techniques for the effective management of objective-orientated work.

Duncan (1996:6) contributes by adding a stakeholder perspective and defines project management as the application of knowledge, skills, tools and techniques to project activities to meet stakeholder needs and expectations. Kerzner (2003:3) and Van der Waldt and Knipe (2009:59) in turn focus on the management dimensions of project management. According to these authors, project management entails planning, organising, co-ordinating, controlling and directing the activities of a project. It can be regarded as different actions taken

by management to successfully plan and execute a project such as monitoring within time, cost, and the desired performance level, as well as using resources effectively and efficiently to be accepted by the customer.

Maylor (1999:63) definition of project management includes planning, organising, directing and controlling activities, and supplements the definition by including the motivating activity as the most expensive resource on the project - the people involved. In other words, the motivation of people to excel refers to the embracing and commitment side of the project. Knipe *et al.* (2008:14) refer to the human dimensions of project management as the project leadership activity.

On evaluating the various definitions it became clear that there are certain common aspects evident. These aspects of project management can be listed as follows:

- A set of principles, tools, techniques and methods.
- Time, cost, scope, quality and performance constraints.
- Effective management, including planning, organising, leading and controlling.
- Objective-orientated work.
- Unique and specific environment.
- The application of knowledge and skills.
- Fulfilment of stakeholder requirements.
- Staff motivation.

It is also important to know that, apart from the common aspects listed above, project management has four critical elements such as time, costs, scope and quality (performance). These elements interact constantly in a project management process (Knipe *et al.*, 2008:18).

Project management can thus be defined as the application of knowledge, skills, tools and techniques to project activities by the process of defining, planning, controlling and closing project activities and motivating the people

within the parameters of scope, time, cost and quality. This definition serves as operational definition for the purposes of this study.

The next section contains a theoretical exposition of project management as discipline and profession to establish the theories and principles underlining it.

## **2.4 PROJECT MANAGEMENT AS A DISCIPLINE AND PROFESSION**

One can differentiate between project management as practice (management application) and Project Management as theoretical subject discipline. The ultimate aim should be to obtain a healthy interrelationship between theory and practice.

### **2.4.1 The contribution of the Project Management Institute and the Project Management Body of Knowledge**

As was stated earlier, the Project Management Institute (PMI) was founded in 1969 with the goal of developing standards for project management practices across industries (Heldman, 2003:27). The PMI has set standards for project management techniques worldwide. It is a non-profit professional organisation (Klastorin, 2003:18) and its Guide to the Project Management Body of Knowledge was first published as a white paper in 1987. The official first edition was published in 1996, followed by the second edition in 2000. In 2004, the third edition of the Guide to the Project Management Body of Knowledge (PMBOK) was published with major amendments and inclusions such as a standard approach to discussing enterprise environmental factors and organisational process users. The fourth edition of the guide was released in December 2008.

PMBOK outlines the processes and techniques of the PMI (PMI, 2008). It includes many of the standards established by project management theorists over time. It has made a significant contribution towards building the Guide to the Project Management Body of Knowledge, which has become the de-facto standard of the discipline.

The PMI's head office is in the United States of America and currently it has 265 000 members. The PMI has chapters all over the world and aims to be a global professional body for project management. Communication takes place by means of chapter events, special interest groups, conferences and global manned search and development work groups (Heldman, 2003:27).

The PMI provides the fundamentals of project management as an international recognised standard (IEEE STD 1490 – 2003). It recognises five process groups or life cycle phases and nine knowledge areas. The basic concepts are applicable to programmes, projects and operations. The six basic process groups are initiating, planning, executing, monitoring, controlling and closing. The processes are described in terms of inputs, tools, techniques and outputs. The nine knowledge areas refer to:

- Project integration management.
- Project scope management.
- Project time management.
- Project cost management.
- Project quality management.
- Project human resources management.
- Project communications management.
- Project risk management.
- Project procurement management.

(PMI, 2010:67).

Some of these knowledge areas overlap with other management disciplines. The PMI sponsors and arranges seminars and workshops as well as certification processes (Klastorin, 2003:18). It offers certificate programs for the credentials of Project Management Professional the certified Associate of Project Management Professional (PMP), and the Guide to the Project Management Body of Knowledge (PMBOK). PMBOK offers two levels of certification, namely the Certified Associate in Project Management (CAPM), which provides a common base of knowledge and terms in the field of

management, and secondly, the Project Management Professional (PMP) certification.

The PMP has specific education and experience requirements and members must adhere to a code of professional conduct. An examination to assess and measure project management knowledge is also designed. A PMP must satisfy continuing certification requirements or lose the certification. The PMI reported over 50 000 Project Management Professionals (PMPs) in 175 countries. A PMP must document on-going project management experience and education every three years to keep certification current (Klastorin, 2003:18).

There are also other associations that contribute to the theory and praxis of project management, such as the International Project Management Association (IPMA) of Europe and North America's Project Management Institute (PMI). The IPMA is a professional association that shares the knowledge and experience of the profession with other professions (Shenhar & Dvir, 2007:8-9).

This concludes the description of project management as a discipline and profession. In the next section the project life cycle and processes are analysed. The life cycle is used as a management and control mechanism to measure project performance from phase to phase.

## **2.5 PROJECT MANAGEMENT LIFE CYCLE: PHASES AND PROCESSES**

Projects generally go through a generic life cycle, according to the prescriptions in the international standard, the Project Management Body of Knowledge (PMBOK). The concept of a project life cycle provides a useful framework to conceptualise the work stages, the budget as well as the resource requirements of each stage. According to the PMBOK Guide (PMI,2004:15), a project life cycle is also a "collection of general sequential and sometimes overlapping project phases". The name and number of these

phases are determined by the management and control needs of the organisation for organisations involved in the project, the nature of the project and its area of application. The life cycle can be determined by the unique aspects of the organisation, industry or technology employed. The life cycle is the basic framework for managing the project regardless of the specific work involved (PMI, 2008:15). The project life cycle may be regarded as a management tool and not as something intrinsic to projects (Knipe *et al.*, 2008:27).

The project life cycle defines the beginning and end of the project and is divided into project phases to provide better control over the project. The project phases are collectively known as the project life cycle (Meredith & Mantel, 2003:4). It is also the process that takes the project from vision to reality (Turner, 2009:9). The project life cycle in general defines the technical work to be done in each phase and indicates who should typically be involved in each phase (Knipe *et al.*, 2008:28, 29; PMI, 2008:18).

The main function of the project life cycle is to make it easier to manage the project sequence and to gain control of the sequence of achieving the project (Healy, 1997:32). The life-cycle descriptions may be general or highly detailed (Knipe *et al.*, 2008:29).

There is general agreement that the life cycle consists of five stages (see Turner, 2009:10). The phases mentioned and structured by PMI (2004) are: the initiating, planning, executing, controlling and closing phase. According to the PMI (2008:16), the structure of the life cycle can also be mapped into the following phases:

- starting the project;
- organising and preparing;
- carrying out the project work; and
- closing the project.

The following is a table of various authors and the PMBOK model (2008), indicating a synopsis of inputs with regard to the life cycle phases.

**Table 2.1 Life cycle phases**

<b>Kerzner (2003)</b>	<b>Fox and Van der Waldt (2008)</b>	<b>PMBOK (2008)</b>	<b>Turner (2009)</b>	<b>Commonalities</b>
1.conceptualising	1.initiating	1.initiating	1.conceptualising	1.conceptualising
2. planning	2. planning	2. planning	2. feasibility	2. planning
3. testing	3. execution	3. executing	3. design	3. execution
4. implementation	4. monitoring, controlling and evaluating	4. monitoring and controlling	4. execution	4. monitoring, controlling and evaluating
5. closure	5. termination	5. closing	5. close-out	5. closure
	6. closure			

A description of the different phases, based on the commonalities identified in Table 2.1 above, is given below.

### **Phase 1: Conceptualisation**

The first phase is called the conceptual phase (Kerzner, 2003:383), or is also referred to as the initiation phase (Fox & Van der Waldt, 2008:36). It includes the preliminary evaluation of an idea (Kerzner, 2006:283). Turner (2009:11) in turn regards this phase as the clarification of a problem to be solved or an opportunity to exploit, to improve performance and to provide value. It also entails the development of options and the rough estimation of costs and benefits (Turner, 2009:11). The idea is typically converted into a formal project proposal (Harrison, 1992).

Conceptualisation further involves an analysis of the potential risks involved with the proposed project, as well as an analysis of the potential impact of

possible risks time, cost and performance requirements (Kerzner, 2003:283). Furthermore, it entails an analysis of the potential impact of the successful execution of the project on the host organisation's resources and existing capacity.

Clarity regarding project specifications is one of the requirements for the successful completion of a project and has to be specified at the outset (Fox & Van der Waldt, 2008:36). There are typical items that need to be included in the specifications of a project, such as the identification of the host organisation, the responsible department, budget and time parameters, and personnel involved in preparing the specifications (Reis, 1992:34-35). Project specifications should also be documented as precisely as possible to the satisfaction of all the stakeholders (Kloppenborg & Petrick, 1999:9; Fox & Van der Waldt, 2008:37).

All projects start as concepts or ideas and consideration should be given to deciding on the feasibility of the project. It is proposed that the steps proposed by Baker and Baker (2000:56) be followed to consider whether a project is feasible or not. The steps include the following:

- listing of all project ideas;
- determining the opportunity or need for each project alternative action on the list;
- establishing estimated delivery dates and budgets for each alternative;
- judging the feasibility of each project alternative;
- establishing the risk or possible failure associated with each alternative;
- reviewing the project list, goal and objectives; and
- conducting feasibility studies in conjunction with experts, stakeholders and the project team.

Stakeholders are the individuals or groups who will make a meaningful contribution towards a project's success and who are affected by project outcomes (Gray & Larson, 2006:6; Fox & Van der Waldt, 2008:40). Projects

can be authorised by a portfolio steering committee. Government institutions use the Project Management Office (PMO) to prioritise and authorise projects (Stackpole, 2010:15).

In summary, project conception therefore refers to the phase in which the project is defined in conceptual terms, the objectives of the project are identified, and requirements for completing the project are set. The next phase is the planning phase, during which progressive steps are planned to be executed.

## **Phase 2: Planning**

The planning phase consists of those processes performed to establish the total scope of the effort (Stackpole, 2010:25). The planning processes overlap throughout the project and planning will continue throughout the project (Stackpole, 2010:27).

During the planning phase, the project is divided into logical progressive steps. All the stakeholders should be involved to consider matters related to the project, which include the scoping of the project, the resources that will be needed, a breakdown of available resources, and the objectives that relate to time and the scheduled outcomes (Fox & Van der Waldt, 2008:44). Included in the planning phase is the project scoping, involving the processes necessary to ensure that the project includes all the work required (Fox & Van der Waldt, 2008:45).

Turner (2009:11) calls this the feasibility phase, where more information is gathered to compare options and make decisions to choose one for further development. A functional design is developed and the estimates get designed. Included in the scope management are the following processes:

- Initiation – entails committing the organisation to start the project.
- Scope planning – the development of a written scope statement that is regarded as the basis for future project decisions.

- Scope definition – the subdivision of the major project variables into smaller more manageable components.
- Scope verification – the formal acceptance of the project scope.
- Scope change control – controlling changes to the project scope (Cooke & Tate, 2005:98; Fox & Van der Waldt, 2008:45).

The work plan for a project lists and defines the objects, constraints, scope, communication guidelines and success criteria for a project (Young, 2003:136; Fox & Van der Waldt, 2008:45). An important method of organising the project tasks is a work breakdown structure (WBS)(Fox & Van der Waldt, 2008:48). The aim of the WBS is to divide milestones into individual components; it is the process of sub-dividing project deliverables and project work into smaller, more manageable components (Young, 2003:137; PMI, 2008:49). The WBS can be utilised to assign project task responsibilities, to construct the budget, and to detect tasks that require excessive amounts of capital (Fox & Van der Waldt, 2008:53). The WBS is the cornerstone of project scope management (Stackpole, 2010:36).

Project managers furthermore generally use a Gantt chart to provide detailed visual information on start and finish dates, duration, predecessors and resources assigned to the task (Fox & Van der Waldt, 2008:53;Stackpole, 2010:38).

All projects need to have a layout of the areas of the scope of the project, which should be covered in the project business plan. The project business plan (PBP) comprises the outcome, stakeholders, outputs, work and resources and is an instrument to inform stakeholders about the scope of the project, resources required, outcomes and the control of the project. The development of a business plan comprises sequences of steps that take the team through a planning and scoping process that constitutes the foundation of the project (Fox & Van der Waldt, 2008:55).

The development of a project charter is the process of developing a document that formally authorises a project (PMI, 2008:45). The charter announces the

new project as well as the role of a manager or project management team (Fox & Van der Waldt, 2008:56). The charter also documents initial requirements to meet stakeholder needs and expectations (PMI, 2008:45). The charter includes the purpose of the project, a project description and other high-level information. The signed charter presents an agreement about the work involved and the end product (Stackpole, 2010:17).

### **Phase 3: Execution**

Project execution is the phase where the resources are utilised to implement the plan (Young, 2003:92; Thiry, 2004:246). According to Kerzner (2003:70) and Turner (2009:11), this phase entails the management processes to be performed and completed as defined in the project management plan and charter.

Generally this phase is the longest in terms of duration as well as effort (Kloppenborg & Petrick, 1999:9). The project execution phase may from time to time require planning updates, such as changes to expected activity durations, changes in productivity and resource availability and anticipated risks (PMI, 2008:36). Additional resources may also be procured from outside and inside the organisation to enhance the quality and timing of implementation and activities (Kloppenborg & Petrick, 1999:9). A couple of project management processes are followed to ensure the direct management of the execution of the work according to the project management plan so that the project objectives can be achieved (PMI, 2008:57). The objective of this phase is to keep the project on track according to the project plan. The project plan is the project leader's principle tool, containing a list of deliverables, the work breakdown structure, schedule and budget (Cobb, 2012:168).

The project team is put together and project assignments are allocated to the team. The project manager's task is to manage the timeframe (Cooke, 2005:83). The leadership style dictates the manner in which the leaders (project manager) monitor and supervise the process to enable performance,

provision of feedback, issues to be solved and the management of changes (PMI, 2008:58; Cobb, 2012:168).

Relevant information is distributed to various stakeholders and progress is monitored (Kloppenborg & Petrick, 1999:9; PMI, 2008:58). Project success depends largely on how well project leaders deal with external stakeholders. The most significant stakeholders include clients, senior management, resource suppliers and regulators (Cooke & Tate, 2005:154; Cobb, 2012:170).

The execution phase further includes the procurement stage in which seller responses and the awarding of a contract take place (Cooke & Tate, 2005:153; PMI, 2008:58).

#### **Phase 4: Monitoring, controlling and evaluation**

The monitoring, controlling and evaluation phase consists of those processes that are required to track, review and regulate the progress and performance of the project (PMI, 2008:59). This phase runs concurrently with the execution phase. Fox and Van der Waldt (2008:57) describe the process as the activity to observe, measure and test project progress. Evaluation includes the assessment of the outputs of the project, team members' performance, and the adherence to performance indicators and standards (Kloppenborg & Petrick, 1999:9). The key benefit of the phase is that project performance observation and measurement are done on a regular and constant basis to identify variances from the original project management plan (PMI, 2008:59; Cobb, 2012:169).

Monitoring includes performance and status reporting, progress measurements and forecasting. The function of performance reports is to provide information on the project performance with regard to the scope, schedule, cost, resources, quality and risk (PMI, 2008:61). This enables corrective or preventive actions to bring the project into line with the original project management plan. The focus is on the tracking of critical success

factors such as stakeholder satisfaction, resource utilisation, supplier contracts and adherence to regulatory requirements (Cobb, 2012:168).

### **Phase 5: Termination or closure**

Closure verifies and defines that all project activities are completed to close the project, and formally establishes that the project or project phase is completed. The phase involves the completion of the project on time and efficiently (Fox & Van der Waldt, 2008:59; Turner, 2009:299). This phase also involves transferring new assets to the users (Turner, 2009:302). Kerzner (2003:72) adds to the closure phase the evaluation of the efforts of the total system, to be used as input to the conceptual phase for new projects. It is also an “after action” review activity where in which reports are used as the principal means for institutional learning (Cobb, 2012:171). Turner (2009:305) calls these actions “post-completion reviews”.

In this exposition of the closure and termination phase was established that the key requirements for effective project closure are the completion of the project on time and in an efficient manner, the transfer of the project deliverables to the client, the disbanding of the team and the reviewing of the progress. The next section describes project-based and matrix organisational arrangements in order to establish the basis of the organisational design and functioning as a management and organisational strategy to manage project outcomes. This information is necessary to gauge the extent to which the City Council of Matlosana, as locus of this study, adheres to the theoretical principles of project-based organisational design (Chapter 4).

## 2.6 PROJECT-BASED ORGANISATIONAL ARRANGEMENTS

Increasingly, public institutions conduct their service delivery outcomes in multi-project delivery environments where traditional project management practices and tools are not efficient and adequate (Van der Waldt, 2009, a: 2). According to Crawford *et al.* (2003:443), public sector organisations are under constant pressure to increase efficiency while improving delivery and integrating services. It has become clear that current management models are not efficient and that a more comprehensive paradigm is necessary to incorporate change and transformation issues into organisational practices (Van der Waldt, 2009, a :3).

Public institutions increasingly utilise project methodology to operationalise their strategic programmes and to improve their service delivery initiatives. Public institutions alter their modes of operation by utilising project methodology and become more project-based. Project-based organisations typically conduct the majority of their functional activities by means of projects and amend their structures and processes accordingly. Projects thus become part of the operational structure of the institution (De Fillipi & Arthur, 1998:125; Thiry, 2002:2).

Gareis and Heuman (2000:709) regard project-based organisations as those organisations that adopt oriented methodologies in their functional activities. Typical characteristics of a project-based organisation are as follows:

- It defines management by projects as an organisational strategy.
- It adopts temporary organisations for the performance of complex processes.
- It manages a project portfolio of different project types.
- It applies a new management paradigm.
- It has an explicit project management culture.
- It perceives itself to be project-oriented (Gareis & Huemann, 2000:712).

In a project-based structure, public officials usually occupy multiple roles simultaneously: those of project managers, functional managers, project stakeholders and individual role-players on a variety of projects.

Organisational structures typically range from functional to projectised, and in between on this continuum is a variety of matrix structures (PMI, 2008:27). In the literature, the terms matrix management, project management, matrix organisation and project organisation are often used synonymously (Van Der Waldt, 2009,a:6). Matrix management involves some type of cross-functional organisational structure, since these structures invariably involve resources from other functional areas to undertake a task on a temporary or more permanent basis (Kerzner, 2003:102; Van der Waldt, 2009, a :6).

The classic functional organisation represents a hierarchy, where each employee has one clear superior. At the top level, staff members are grouped by expert functions such as production, communication, engineering and accounting (Gray & Larson, 2006:56; PMBI, 2008:28). Experts or specialists may be sub-divided further into functional domains such as human resources and finances. Project work is done by each department (functional domain) in a functional organisation (Kerzner, 2003:92; Van der Waldt, 2009, a :6).

Matrix organisations contain a blend of functional and projectised characteristics (Kerzner, 2003:103; Gray & Larson, 2006:63; PMI, 2008:29). Kerzner (2003:102) differentiates between a “weak”, a “strong” and a “balanced” matrix. In the weak matrix many of the characteristics of a functional organisation and the project manager’s role are more than that of a coordinator or an expeditor (PMI 2008:29). Strong matrixes have many of the characteristics of the projectised organisation. Such an organisational design has a full-time project manager with considerable authority and full-time administrative staff (Gray & Larson, 2006:66 ; PMI , 2008:29). In the balanced matrix organisation the project manager does not have full authority over the project and the project funding (Gray & Larson, 2006:65).

At the opposite end of the functional organisation is the projectised organisation (Kerzner, 2003:99). In such an organisation, team members are co-located and are involved in multiple projects. Project managers have significant independence and authority. These organisations have departments that report directly to the project manager and/or provide support services to various projects (Kerzner, 2003:99; PMI, 2008:30).

The aim of the above investigation of project-based and matrix organisational designs was to establish the framework for the implementation of a project management system within an organisation. It was established that the managing-by-projects concept as a management approach became popular due to the increased interest in process redesign, as was highlighted above. Organisations that are committed to the managing-by-projects concept treated all activities as projects.

The next section provides an overview of the role and functioning of project management offices (PMOs) in order to investigate the principles that underlie the establishment of PMOs. The PMO is of particular interest to this study since the primary objective of this research is to investigate the role of the project management unit of the City Council of Motlasana (as a type of PMO) in managing road maintenance projects.

### **2.6.1 Establishing project management offices (PMO)**

According to Morris and Jamieson (Do Valle *et al.*, 2008:7.1), the application of the PMO concept is a growing concept worldwide. Research also provides evidence of PMOs growing in organisations around the world (Do Valle *et al.*, 2008:7.2). A PMO is often referred to as a project office (PO), project support office (PSO), and project management centre of excellence (PMCoE) (Meredith & Mantel, 2003:212). The variation in name description depends on whether the PMO is seen as a support function or whether it is seen as a line function (Van der Waldt, 2009, a :2).

According to Kendall and Rollins (2003), the PMO is a “centre of intelligence” and coordination and serves as a link between the strategic business objectives and the related practical results through organisational portfolio, programme and project management. Fox and Van der Waladt (2008:77) call the PMO a strategy to control the demand for new initiatives, and a technique to establish a managing-by-projects approach in organisations. The managing-by-projects approach categorises all activity as “projects” of either a “change” or “operational” nature and it affects all aspects of an organisation and treats all work as projects (Van der Waladt, 2008:74). Van der Waladt (2009,a :2) further regards the PMO in general as actively participating in the planning and execution of projects. Wysocki *et al.* (2000:30) regard the PMO as a support unit to project managers and their teams that ensures the success of all projects in a portfolio.

According to Do Valle *et al.* (2008:7.3), PMOs can be classified as:

- Strategic: strategic project office (SPO) for the identification, selection and prioritisation of projects in conjunction with organisational strategic planning.
- Directive: programme management office (PMO) for the definition of guidelines, standards and templates for the application of project management best practices, tools, techniques and software.
- Support: project support office (PSO), providing support for the application of project management best practices, tools, techniques and software.
- Hybrid: it is a combination of two or three of the abovementioned classes of PMO.

A PMO consists of a central pool of skilled and experienced staff members (Fox & Van der Waladt, 2008: 76). The staff of PMOs typically consists of planners, planning engineers, an administrator, clerk or secretary, and a cost controller or project accountant. Depending on the nature of organisational functionality and the type of projects involved, quantity surveyors are also included in the staff complement. Provision may also be made for contract

administrators (Turner, 1999: 360-361). The functions of the team of skilled members are to provide project support to all projects running in the organisation. The functional managers thus concentrate on the operational aspects of the organisation, while the PMO will take care of the cross-functional activities (Fox & Van der Waldt, 2008:77).

It is also essential to follow a couple of steps to implement a particular permutation of the PMO successfully. Authors such as Fox and Van der Waldt (2008:79) suggest the following steps for implementation:

- Obtain support for the implementation from the organisation's highest management level.
- Follow the process to define, agree and publish the terms of reference of the office and to determine its performance targets.
- Follow the clarification of the functional role and responsibilities of the PMO.

According to Do Valle *et al.* (2008:7.4), there are several intermediary solutions for structuring the PMO in organisations. The adoption of a mixed structure depends on the needs of the organisation and its political intent to strengthen and develop the project management process.

The PMO is typically in charge of all projects executed by the host organisation. The responsibility of the office includes the recruiting and development of project managers, project selection and prioritisation of projects. It also aligns strategies, methodology and accountability for all projects, human process, change management and coordination of all project activities (Xiaoyi & Wells, 2004:524-526). England *et al.* (2003: xii) describe the function of the PMO as the so-called "linchpin for implementing and maintaining a project approach across the organisation". The project manager is in charge of the PMO and coordinates and supports its functioning (Do Valle *et al.*, 2008:7.4).

Van der Waldt (2009,a:2-3) describes its function by stating that it facilitates project-based approaches and ensures that projects are performed within procedures and in line with organisational strategies and policies.

The PMO has some vital tasks to perform to achieve its goals. The primary function of the PMO is to support project managers (PMI, 2008:11). The most vital tasks typically include the following:

- Enforcing and establishing good project management processes and procedures, improving and assessing the organisation's project management maturity.
- Developing and improving a project management system, providing training in project management, identifying, developing and mentoring project managers.
- Providing a consulting service to the organisation's project managers.
- Delivering administrative details, such as status reports.
- Estimating and evaluating risks.
- Determining whether a new project is feasible for the organisation.
- Identifying market changes and the impact on current projects.
- Reviewing and managing the organisation's project risk portfolio.
- Conducting project reviews, audits, life cycles and progress reports.
- Maintaining project archives.
- Pursuing project management excellence and discussing individual projects in the organisation
- Collecting and disseminating information and techniques reported in projects.
- Providing evaluations to improve project management practices
- Assisting in the termination of the project (Turner, 1999:180; Meredith & Mantel, 2003:212; PMI, 2008:11).

Kerzner (2003:211) regards the purpose of the PMO as providing the critical tie between strategic management and the project managers (Van der Waldt, 2009, a :3). The PMO establishes mechanisms for project control in order to

achieve the strategic goals and to align them to corporate strategic planning (Do Valle *et al.*, 2008:7).

Van der Waldt (2009,a:3) regards the establishment of a PMO as a challenge to an institution's management culture, existing systems and processes. It requires organisational commitment and persistence.

Government institutions such as municipalities use permutations of the PMO to prioritise and authorise projects to effect service delivery. The former Department of Provincial and Local Government introduced the Municipal Infrastructure Grant programme (MIG) to assist municipalities in developing appropriate capital programme management capacity. This happens through the appointment of project management units within municipalities. Chapter 4 provides an extensive overview of this function with regards to the MIG programme.

The above exposition of the PMO showed that the PMO is an organisational body or entity assigned with various responsibilities in relation to the management of the projects under its control. The PMO is a suitable organ for developing strategic processes such as strategic planning and control, and programme and portfolio management by identifying all the projects in the organisation and exploring the broader view of the PMO with regard to each project.

In the next section, project governance arrangements are discussed.

## **2.7 PROJECT GOVERNANCE ARRANGEMENTS**

The concept of project governance recently found its standing as an organisational and management structure to cascade some form of accountability and power structure. As government institutions increasingly use project applications to affect service delivery initiatives, the establishment of mechanisms and structures appears more frequently.

The concept of project governance as organisational phenomenon and management application is seldom used in the literature (Van Der Waldt, 2009, a:8). Authors such as Meredith and Mantel (2003:134) simply refer to “project organisation” or “enterprise project management”.

The concept “project governance” has various applications in organisations. Governance relates to the accountabilities and responsibilities of management as the process of decision-making and the process by which decisions are implemented (Newman, 2001:34). The governance of a project also involves a set of relationships between the project manager, the project sponsor, the owner (i.e. senior management of the host organisation) and stakeholders. It also provides the structure through which the objective of the project is achieved, and the means of achieving those objectives and monitoring performance (Turner, 2009:312).

On an institutional and departmental level, governance includes various functions such as:

- Strategic leadership
- Oversight
- Accountability
- Achieving vision and mission (Hobday, 2000:872; Van der Waldt, 2009,a:6).

These functions are carried out by the various role-players and project functionaries.

Organisational governance describes how an organisation is directed and controlled. Governance relates to the organisation’s management and policies (Reid & Baur, 2004:235). The governance arrangement in organisations deals with the distribution of organisational responsibilities for the management of projects and the relevant decision-making powers. It further deals with the policies, procedures and practices implemented to ensure that the organisation draws maximum benefit from its strategy-aligned projects. It also deals with the effective implementation of standards and controls for the design,

development, implementation and management of project deliverables (Partington, 1996:15). The project governance structure further defines accountabilities and responsibilities for strategic decision-making per project (Van der Waldt, 2009,a:8; Turner, 2009:313).

Effective governance of projects affects the organisation's project portfolio and is aligned to the organisation's objectives, thereby assuring that the delivered outcome is efficient and sustainable (Van der Waldt, 2009, a :8). A key element to success in managing a project is its integration with the organisation and the establishment of an appropriate management structure (governance). Effective governance ensures that the life cycle of the project is managed and the benefits are realised (Fox & Van der Waldt, 2008:87). It also assures that the outcomes are aligned with organisational needs and meet the requirements of stakeholders.

The above description of governance arrangements establishes that governance defines the objectives of the organisation, the means of obtaining the objectives and the means of monitoring progress. It outlines the relationships between all internal groups involved in the project, describing the proper flow of information regarding the project to all stakeholders and ensuring the appropriate review of issues and the required approvals and direction of the project.

In the next section, some of the mechanisms utilised by institutions for the governance of projects are highlighted to outline the functions of the typical structures according to their role and responsibilities with regard to the PMO.

### **2.7.1 Project steering or review committees**

This section briefly describes the typical structure of the project steering committee that is utilised globally to facilitate the governance of projects in government. The project steering committee is generally the key governance structure. It is responsible for the issues associated with the project deliverables (Young, 2003:54; Van Der Waldt, 2009, a :10).

A project steering committee should be made up of people who are committed to the successful project outcome, who are authorised to make decisions, and who can provide resources and experts in their field (Roberts, 2007:45).

Project steering committees are usually established in medium to large projects. The value of such committees depends upon the level of commitment of its members and their experience. The project steering committee is a key body within the governance structure. It is responsible for the issues associated with the project that are essential to ensuring the delivery of the project outputs and outcomes (Fox & Van der Waldt, 2008:88).

The terms “steering committee” and “advisory committee” are often used interchangeably. However, Kerr (2005:132) differentiates between the terms. According to Kerr, the advisory committee is usually not formally responsible for the project. In some government projects, advisory committees are useful mechanisms for identifying political risks and for managing them through a process of co-option and negotiation (Van der Waldt, 2009,a:15). Kooiman (2003:117) gives a clarification of “steering”, namely that steering involves indicating direction. Therefore, steering is arguably a form of “directed” governing (Van der Waldt, 2009, a:16). Senior management of organisations typically determine the membership of the steering committee. The members of the steering committee may consist of the following functionaries:

- a manager of the functional department that supports the project (they are responsible for making resources available to the project team); and
- representatives from the key stakeholders, other experts within the organisation, other expert members such as independent representatives, who may be auditors or quality consultants.

Best practice indicates that the project manager is generally not a member of the project steering committee. There should be a “contract” between the project manager and the project steering committee to ensure that the work of the project is undertaken as agreed.

In practice, project managers attend meetings of the steering committee. The size of the project and its complexity usually dictate the duration and frequency of steering committee meetings. During these meetings a project team member or an administrative staff member may record the minutes and decisions (Fox & Van der Waladt, 2008:89).

According to Young (2003:55) and Fox and Van der Waladt (2008:90), the roles of the steering committee can be listed as follows:

- Determining the feasibility of the project, compiling the business plan and reporting on the achievement of the project outcomes.
- Ensuring that the scope of the project aligns with the strategies of the department and that the needs of key stakeholders are catered for.
- Communicating the project progress to stakeholders and role-players.
- Allocating resources.
- Identifying threats (risks) to the successes of the project, approving costs and re-evaluating threats.
- Keeping the project scope under control and considering changes, if any.
- Handling differences in opinion and approach, reconciling differences and resolving disputes.
- Keeping the project scope under control as issues emerge.
- Considering any issue that has major implications for the project.

In conclusion, the steering committee is the key body to report the project progress to the political head (Van Der Waladt, 2009,a:16). The project steering committee is usually chaired by a project sponsor, which will be highlighted in the next section. It was established that the steering committee is a key instrument in the successful management of a project and the integration of the project in the organisation to establish an appropriate management structure.

The next section deals with the project sponsor. The sponsor is the person at a level in the organisation that can commit the funds for the project and guide the strategic direction of the project.

### **2.7.2 Project sponsors**

The project sponsor is typically somebody from the client or the user department. The sponsor identifies the need for performance improvement in change that can be made that will deliver the performance improvement. The sponsor is also the ambassador of the project (Turner, 2009:314). The project sponsor pays for the project through operational or capital budgeting from a technical and political viewpoint. During the project kick-off meeting the sponsor provides “empowerment” to the project manager as well as the team and other functional managers (Do Valle *et al.*, 2008:7.4).

The project sponsor provides the interface between the project and the balance of the organisation and client. The sponsor is the head of the directorate in which the project will be implemented and supports the project financially. Sponsors are typically on the same managerial level as the functional heads of department (Fox & Van der Waldt, 2008:91). The sponsor is a very important functionary in the project management structure and is mainly responsible for establishing the business case and approving project adjustments. According to England *et al.* (2003:112), the following are the core functions of a project sponsor:

- obtaining resources and expertise as required, such as the appointment of consultants; and
- facilitating the client’s input and controlling changes to the original scope of the project.

Often, sponsors do not know what role they have to play. It is then the duty of the PMO manager to help them to understand their role and keep them involved (Russell, 2007:23).

According to Young (2003:56), Fox and Van Der Waldt (2008:91-92) and Russel (2007:22-23), the responsibilities of the project sponsor include:

- providing an appropriate project and programme management framework;
- securing required resources;
- handling options and submitting them for approval;
- coordinating and directing functions;
- managing risks;
- managing the project budget;
- providing a contact point between the project manager and project sponsor;
- managing performance;
- reporting on project progress and accepting and reviewing reports;
- describing criteria for controlling and managing the project;
- participating in the resolution of problems;
- accepting departmental decisions on time;
- establishing a general relationship with the project manager; and
- participating in phase gate reviews (Stackpole, 2010:16).

From the functions and responsibilities listed above, it is clear that the project sponsors have an important function in providing an appropriate management framework and methodology for projects. The project sponsor guides the strategic direction of the project and must demonstrate the concern of success to everyone involved.

The next section provides an exposition of the project monitoring, evaluation and reporting arrangements. These arrangements are part of the new management and accountability tools used by governments to fasttrack service delivery.

### **2.7.3 Project monitoring, evaluation and reporting arrangements**

The introduction of monitoring, evaluation and reporting systems is essential for conducting every service delivery process. Monitoring, evaluation and reporting is an integrated process of observation, information gathering, supervision and assessment. The monitoring, controlling and evaluation processes run concurrently with the execution phase (refer to the project life cycle discussed above). The execution phase is the process on which the project plan was put into operation. The functions are exercised by the project team through the governance mechanisms as highlighted above (Cobb, 2012:169).

Monitoring and evaluation refer to the collection and analysis of information that is used by management at all levels in the process of achieving the government's project and programme objectives (Ijeoma, 2011:1288). Monitoring also includes the activities of planning and control. Control includes gathering information on actual progress and performance assessment of deviations from targets and analysing possible causes of deviations, as well as taking remedial action (Meredith & Mantel, 2003:522).

Evaluation covers periodic reviews at fixed points in time such as mid-term evaluations, terminal evaluations and ex post evaluations. Monitoring is regarded as being integrated with management and as good public management practice. Monitoring and evaluation functions are used as accountability and decision-making provisions. Accounting refers to the responsibility of using responsibility properly (Ijeoma, 2008:66).

Project reporting and reports differ a great deal from one author to another with regard to their purpose, format and formality. Included in reporting are final reports that represent the project after completion, progress reports that review how a current project is progressing, and project proposals that seek to get funding for the project (Cobb, 2012:185). Depending on the purpose of the reporting activity, a certain format is to be followed to execute the reporting function (Cobb, 2012:194).

These monitoring, evaluating and reporting arrangements have become part of the new management and accountability tools used by government, aimed at fast-tracking service delivery and ensuring hands-on performance by public officials. It is essential for the continuous appraisal of the levels of performance of government projects.

The next section investigates the application of project management in the public sector. The application of project management is discussed to ascertain the function of and reason for the implementation of project management.

## **2.8 PROJECT MANAGEMENT APPLICATIONS IN THE PUBLIC SECTOR**

The focus of the discussion, as envisaged in Chapter 4, will focus on the PMO unit in the City Council of Matlosana. It is therefore relevant to conduct a study into the implementation of project management applications in the public sector with reference to the establishment of the various PMO units.

As was stated, public institutions operate in a multi-project service delivery environment in order to achieve results faster and at lower costs. To facilitate service delivery improvement, public institutions utilise project management methodology.

### **2.8.1 Project management applications: an international perspective**

Public sector organisations world wide are under pressure to increase efficiency while delivery has improved with integrated services (Crawford *et al.*, 2003:443). In line with the new public management (NPM) trend to reform service delivery on the basis of new management models, new innovative ways of conceptualising and communicating organisational change are being introduced. At the same time, as the new public management paradigm was implemented, government started promoting the use of project management (Crawford *et al.*, 2003:443). The principal role of project management in the

public sector is to deliver effective outcomes with regard to government policies, as actualised by a variety of structural and infrastructural projects into desirable results for all stakeholders (Gomes *et al.*, 2012:316).

According to Wirick (2009:21), project management helps a public organisation to adapt to the changing dynamics of its environment, and further holds the opinion that it is probably the ideal management tool for coping with the “storms” to come. Reports by the United Kingdom Government (2003) titled “Better Policy-making” and “Identifying Good Practice in the use of Programme and Project Management in Policy-making: Transforming Public Services: a Civil Service that delivers” (Van der Waldt, 2009,a:3) clearly reflect that project management is a proven approach to improve service delivery.

There is a trend evident to develop a more comprehensive paradigm by incorporating political dimensions, change and transformation issues in project planning (Gomes *et al.*, 2012:317).

The success of public sector project management is now related to the need for the project manager to understand the unique relationship between internal and external politics (Gomes *et al.*, 2012:317). In line with exchange theory, this perspective, which was created internationally, is of particular interest in the South African public sector context in terms of the development of policy in response to societal issues (Skeen, 2010:25).

The next section provides a synopsis of project management applications in the South African public sector, and more specifically in the local government sphere. The aim is to discover the scope of the implementation and function of project management applications in the municipal environment to determine the extent to which the City Council of Matlosana complies with best project management practice, which will be explored in Chapter 4.

## **2.8.2 Project management applications in the South African public sector**

The principal role of project management in the public sector is to deliver effective outcomes for government by turning government's policies and aspirations into desirable results for all stakeholders (Gomes *et al.*, 2012:317) through a variety of structural and infrastructural projects. Government institutions use projects to operationalise policy programmes and strategic objectives for service delivery.

In the South African environment, traces of project management applications in mainstream government practices can be found in the White Paper for the Reconstruction and Development Programme (RDP). The White Paper, (RSA:1994:53) contains the policies and strategies that guided the development and the implementation of development activities in South Africa (Van der Waldt & Knipe, 2009:111).

The following examples, as highlighted by Van der Waldt (2009,a:19-21), represent the application of project management methodology in the South African Public Service. The Department of Public Service and Administration (DPSA) has project management applications in operation. A programme management office (PMO) was established in the Office of the Director General to oversee the progress in the relevant programmes in the department. Furthermore, they have appointed project directors and project sponsors for these units, who report to the respective programme directors.

The departments of Agriculture and Land Affairs have a National Management Unit situated within the Ministry of Agriculture and Land Affairs. In the nine provinces there are also Provincial Project Management Units (PPMU) reporting to the national unit.

In the Mpumalanga Province, the Department of Local Government and Housing has established a Project Management Unit.

The Department of Home Affairs Service Branch in Gauteng established a Project Management Unit and a Provincial intersectoral steering committee.

The Companies and Intellectual Property Registration Office (CIPRO) utilises project management offices and project review committees. All these examples represent typical governance structures associated with project applications. From the examples supplied, it became clear that at national and provincial sphere project management mechanisms and measures govern projects for service delivery initiatives and improvement of services. The growth in management applications strongly indicates the success of project management methodologies.

The researcher has established the following examples of project management applications through her practical interventions from 2007 to 2012, with the following departments of the North West provincial government:

Since 2006, the Department of Public Works and Roads and Transport has utilised project management methodologies to execute the implementation of their capital works program. The department appointed an external project management unit to execute the department's projects with regard to the provision of road infrastructure development.

The Department of Human Settlements and Community Safety has since 2008 established internal project management units to manage the delivery of housing units to the various municipal areas within the North West Province.

The Department of Education has started a process to establish project management units to effect the delivery of services (City Press, 2010: 18 Sept).

The North West Development Corporation (NWDC) conducts operations under the structure of the Department of Economic Development, Environment, Conservation and Tourism to promote economic development. The NWDC fulfils its mandate through the implementation of project management

methodologies and approaches to promote and develop economic development and infrastructure facilities. These examples represent a growing need for the use of project management approaches and are evidence of the popularity of the PMO.

This concludes the section on the general application of project management methodologies in the public sector. In the next section follows a discussion of, the application of project management in South African local government. The aim is to investigate the implementation of project management applications, with specific reference to the establishment of PMOs, to effect service delivery outcomes with regard to road and road maintenance projects (as focus of this study).

### **2.8.3 Project management applications in the South African local government**

Local government forms part of the public sector, which is closest to the residents and is therefore indispensable in its role of providing essential goods and services and developing the local environment (Nel, 2001:619).

Section 40(1) of the Constitution of the Republic of South Africa states that the South African government is constituted in national, provincial and local spheres of government, which are distinctive, interdependent and interrelated. Local government is given five overarching tasks in Chapter 7 of the Constitution (sections 81 – 88), namely to -

- Govern in a democratic manner
- Ensure the provision of basic services
- Promote social and economic development
- Promote a safe and healthy environment
- Encourage community participation in local government.

The specific functions assigned to local government are listed in part B of Schedule 4 and part B of Schedule 5 of the Constitution. The Constitution

furthermore instructs municipalities (metropolitan, district and local municipalities as entities within the local government sphere) to “structure and manage its administration and budgeting and planning processes to give effect to the basic needs of the community” (RSA, 1996 section 153a).

The central focus of local government is the provision of municipal services (Steytler & De Visser, 2010:9-5). The Constitution regards municipalities as “community service providers” giving effect to the vision of developing local government. In terms of section 152 (1) (b) of the Constitution, the local sphere of government ensures the provision of services to communities in a sustainable manner. A municipality must structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community (RSA, 1996 section 153a) Schedules 4B and 5B contain a list of 38 functional areas circumscribing the scope of services a municipality may deliver. In terms of section 156(1) the municipality is vested with the executive authority and right to administer the functions listed in Schedules 4B and 5B.

The main instrument that municipalities use in this respect is integrated development planning. The Integrated Development Plan (IDP) was launched in the White Paper on Local Government (1998), and the Local Government: Municipal Systems Act 32 of 2000. The constitutional autonomy accorded to municipalities is used to provide services to promote development. The Constitution entrenches the developmental duties of municipalities. Section 153 of the Constitution states that a municipality must:

- structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community and to promote the social and economic development of the community; and
- participate in national and provincial development programmes.

Central to the purpose of local government is the provision of municipal services, which relates to the provision of both tangible and intangible public

services (Bauer, 2009:37). Local government as provider of municipal services is therefore seen as the vehicle to deliver basic services.

Local government has a major role to play in the management of development projects in communities. The role of government may be played by councillors or municipal officials, depending on the nature of the project and the style of the local authority. The role of the public manager as a project manager in development is generally prescribed by national legislation and departmental policies. Development management and project management should be interrelated with the development and upliftment of a community through the application of the principles of project management (Van der Waldt & Knipe, 2009:139).

The main instrument in the municipal sphere is the Municipal Infrastructure Grant (MIG) Programme that was established in 2004 to provide a basic level of service by 2013. It is a combination of all existing capital grants into a single consolidated grant (DPLG, 2004). The MIG is a conditional grant that is allocated to specific municipalities using an allocation formula (DPLG, 2006:14). The MIG Programme requires participating municipalities to manage projects as per its guidelines. The requirements were issued by the former Department of Provincial and Local Government (DPLG, 2004/97).

The former Department of Provincial and Local Government (now the Department of Co-operative Government and Traditional Affairs) emphasised the fact that project management is an integral function of any municipality (DPLG, 2006:3). The PMUs are accountable to the council and management structure of the municipality in which they are established. They are supported and monitored by the national MIG unit and the provincial programme management units (DPLG, 2006:3). The PMU must ensure compliance with the conditions that conform IDPs to ensure that funds are spent outside the framework of a municipality's existing Integrated Development Plan and its approved budget (DPLG, 2006:14). A more in-depth overview of the MIG will be provided in Chapter 4 in so far as the discussion and study will centre around the PMU of the City Council of Matlosana.

This overview of project management applications in the local government sphere established that the main driver of project management applications in the municipal sphere is the MIG Programme. The MIG Programme compels municipalities to implement PMUs to implement and coordinate infrastructure projects by using project management applications.

## **2.9 CONCLUSION**

It is evident from the research conducted that, in line with international trends, the application of project management is increasingly used as a method to operationalise organisational functions and practices. It is clear that most government departments in national, provincial and local spheres utilise project management to effectively govern projects for service delivery.

It is further evident that there is a vast growth in the application of project management in various government sectors to affect service delivery outcomes. Government institutions increasingly use project management methods to implement projects to achieve their objectives. Project management is a tool for an organisation to improve its ability to plan, implement and control its activities as well as the way in which it utilises its people and resources.

In the next chapter, the statutory and regulatory framework for municipal service delivery will be described and evaluated with reference to the application of project management. The objective is to investigate the statutory and regulatory requirements governing project management and service delivery standards.

## **CHAPTER 3**

# **FOUNDATIONAL PERSPECTIVES AND STATUTORY AND REGULATORY FRAMEWORK FOR MUNICIPAL SERVICE DELIVERY**

### **3.1 INTRODUCTION**

In the previous chapter a theoretical analysis and exposition with regard to project management, with reference to it as a discipline, a profession and the contributions of PMBOK, were made. The project life cycle and processes were discussed and evaluated. Project-based and matrix organisational arrangements were further explained and evaluated. Thereafter project governance arrangements with specific reference to Project Steering Committees, Project Sponsors and project monitoring, evaluating and reporting arrangements followed. Reference was made to project management applications in the public sector and local government with reference to international perspectives. It was concluded that the application of project management in line with international trends, is used more regularly as a method to operationalise organisational functions and practices. It is further clear that government institutions increasingly utilise project management to effectively govern projects for service delivery.

Any government has an obligation to provide services to its citizens in order to pursue and maintain its duty of promoting the general welfare of its population. It is further the responsibility of government to ensure that public institutions exist and are able to fulfill service delivery functions.

In South Africa, service delivery is a moral and constitutional obligation for government. In terms of section 195(d) of the Constitution, Republic of South Africa (hereafter referred to as the Constitution), the public administration is mandated to provide services in an impartial, fair, equitable, and reasonable manner. In terms of section 152 of the Constitution, municipalities are

required inter alia to ensure the provision of services to communities in a sustainable manner. A municipality has a responsibility to structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community. There is also a need for a commitment to services. Public representatives and officials must take it seriously to render services to its residents and for public (municipal) administration to be effective and efficient it has to deliver services to the community in accordance with their needs and expectations.

In this chapter follows an exposition of the statutory and regulatory framework for municipalities as far as service delivery is concerned. The functional perspective with regard to municipal service delivery is discussed with reference to Social Contract and Public Choice Theory. Reference is further made to the developmental role of municipalities, and the different types and nature of municipal service delivery functions. Thereafter, the need for frontline services and back-office engineering to facilitate service delivery is discussed. The purpose of this chapter is thus to investigate the statutory and regulating requirements governing project management and service delivery standards in so far as it is applicable to South African municipalities.

## **3.2 FOUNDATIONAL PERSPECTIVES REGARDING MUNICIPAL SERVICE DELIVERY**

In this section Social Contract Theory as well as Public Choice Theory are discussed and analysed as a foundational or metatheoretical basis, with regard to service delivery. Theoretical underpinnings provide the “contractual” basis between rulers and citizens, subject to the receipt of benefits in as such that citizens are expecting service delivery from municipalities.

### **3.2.1 Theoretical foundation of service delivery: Social Contract Theory and Public Choice Theory**

The seventeenth and eighteenth centuries commonly represented the so-called “great age” of Social Contract Theory. It is the popular doctrine that political

legitimacy and obligations are derived from the consent of those who create a government and who operate it through some form of quasi consent (Riley, 1982:1). It is the view that persons' moral and/or political obligations are dependent upon a contract or agreement among them to form the society in which they live. It is rightly associated with modern moral and political theory and it was given its first full exposition by Thomas Hobbes, John Locke and Jean Jacques Rosseau. In the twentieth century, moral and political theory gained philosophical momentum as a result of Social Contract Theory (Sandel, 1982; Valentyne, 1991). It was followed by new analyses of the subject by theorists such as David Gauthier (1986) and others. Socrates in his early platonic dialogue, "Crito", argued why he should stay in prison and accept the death penalty, rather than to escape and go into exile. He personifies the Laws of Athens and in that format he explains his obligation to obey the Laws. He explains that he obeys the Laws, because it made his entire way of life possible. Socrates' way of life in Athens depended upon the Laws and it implies an agreement to abide by the Laws. The contract is implied by his choice to stay in Athens, even though he is free to leave (Valentyne,1991), (Friend,2004).

In Plato's well known dialogue "Republic" (350BC), the Social Contract Theory is again represented. The Social Contract theory was the basis of a political obligation on the same basis as an obligation to obey God (Riley, 1982).

Locke's argument for the "Social Contract" and the right of citizens to revolt against their king were influential during the democratic revolutions (1632). According to Locke, the "State of Nature", the natural condition of mankind, is a state of perfect and complete liberty to conduct one's life as he sees fit, free from interference of others.

Rousseau (1712) had two distinct Social Contract theories. The first is found in his essay "Discourse on the Origin and Foundations of Inequality among men" (1754). It is an account of the moral and political evolution of human beings over time, from a state of nature to modern society. The second theory was his normative or "idealised" theory and was meant to provide the means by which

to alleviate the problems that modern society has created for humankind. Hobbes, Locke and Rousseau regarded all men as equal. Man was created by nature and therefore no one has a natural right to govern others. The only justified authority is the authority that is generated out of agreements or covenant. The most basic covenant, the “social pact”, is an agreement to come together and form a collectivity of individual interests and wills (Sandel, 1982).

Rousseau’s Social Contract Theory forms a single, consistent view of moral and political situations. Freedom and equality are endorsed by nature. More recent theories of the Social Contract Theory are expressed by John Rawls (1972). For Rawls, persons have the capacity to reason from a universal point of view, which in turn means that they have the particular moral capacity of judging principles from an important standpoint. Rawls argues that the moral and political point of view is discovered via impartiality. Rawls has constructed what is perhaps the most abstract version of the Social Contract Theory. David Gauthier in his book “Morals by Argument” (1986), believes that rationality alone convinces persons not only to agree to cooperate, but to stick to their agreements as well. This implies the ability to enter into negotiations and deals with one another to trade goods and services with one another (Sandel, 1982), (Friend, 2004).

Every public institution is created to provide specific goods and services, and appropriate functions must be performed by the public institution (Cloete & Thornhill, 2004:300). The contract thus symbolizes the requirements and obligations between the political authority and its members. If the political authority does not meet such a requirement, it became illegitimate and the members have the right to resist the political authority, by electing a new one to act in their best interest.

Section (195(1) (d)) of the Constitution states that services should be provided impartially, fairly, equitable and without bias. These services should be rendered in an equitable fair and reasonable manner without any discrimination by public officials. For public administration to be effective and efficient it has to deliver services to the community in accordance with their needs and

expectations (Mfene, 2009:210). The Constitution thus establishes the “social contract” between the South African government and the citizens of the country by the structuring of the three spheres of government, legislator and execution of public policies (Nealer & Raga, 2007:173). Government is under a moral obligation to take notice of the needs of the country’s citizens and then to address these needs through more effective and efficient service delivery.

Public Choice Theory emerged in the 1950s and received widespread public attention in 1986 when James Buchanan was awarded the Nobel Prize in Economics. Buchanan and his colleague, Gordon Tullock, were the two leading architects of Public Choice Theory.

The assumption made by Public Choice theorists is that although people acting in the political market place have some concern for others, their main motive, whether voters, politicians, or bureaucrats are self-interest. There are reasons why government interventions do not always achieve the desired effect. One of the chief underpinnings of Public Choice is the lack of incentives for voters to monitor government effectively and most voters are largely ignorant about the positions of the people for whom they vote. Public Choice theorists examine the actions of legislators. Although legislators are expected to pursue the “public interest”, they make decisions on how to use other people’s resources, not their own. In addition to voters and politicians, Public Choice Theory analyses the role of bureaucrats in government. Their incentives explain why many regulatory agencies appear to be “captured” by special interests. The capture theory was introduced by the late George Stigler (1911), “capture” occurs because bureaucrats do not have a profit goal to guide their behavior. They usually are in government, because they have a goal or mission (Shaw,2008: 1-7).

Anthony Downs in his book “Economic Theory of Democracy” (1957) highlighted that the voter is largely ignorant of political issues and this ignorance is rational. Public Choice theorists also examine the actions of legislators. Legislators are expected to pursue the public interest, but they make decisions on how to use other people’s resources and not their own.

Public Choice theorists also focused on governmental failure and also suggested ways to correct associated problems. At the heart of the Public Choice Theory were James Buchanan and Gordon Tullock's, the "Calculus of Consent" (1962). Public Choice theorists analyse the rules that guide the collective decision-making (political dynamics within the framework of a constitutiob) process. Buchanan and Tullock propagated the view that collective decisions in the public interest are those that all voters will support unanimously (Shaw,2008: 1-7).

Based on the notions of the Public Choice Theory it may be argued that municipal officials and councilors, in general, act in their self-interest. In municipal service delivery settings Bauer (2009:38) argues that "residents are queuing for water at a single stand pipe at the end of the street while councilors are walking around in Armani suits and driving luxury cars" In some municipalities, salary bills for municipal managers and councillors outstrip many spent on service delivery by as much as 50% - sentence construction (Allan, 2005:1-2). Municipalities do not spend all the money allocated in their budgets (Bauer, 2009:39). In this regard the Matjabeng municipality had to retain R60 million of the R151million it was allocated by the national government for infrastructure development. These funds were supposed to be used to improve infrastructure such as roads (Bauer, 2009:39). Matters of maladministration, unacceptable and unauthorised behaviour on the part of municipal officials were referred to the Special Investigations Unit. During August 2012 the Public Protector visited the City Council of Matlosana to conduct hearings and complaints with regard to poor service delivery emanating from the building of substandard, low cost houses. The voice of the public is recognised and government puts mechanisms in place to enhance a service delivery and mechanisms to expose service delivery processes that are not according to the standard government is supposed to deliver.

This concludes the brief description and relevance of the Social Contract Theory and Public Choice Theory. It was argued that government has a "contractual obligation" to provide services to the public in order to fulfill its mandate of the provision of services to the community.

It was further established that at the heart of the Public Choice Theory is the self-interest focus of public officials to cater for their own interests instead of serving the public interest. In the next section follows an exposition of the developmental role of municipalities in South Africa to promote social and economic development in terms of the Constitution in a system of cooperative government.

### **3.3 THE DEVELOPMENTAL ROLE OF MUNICIPALITIES IN SOUTH AFRICA'S SYSTEM OF CO-OPERATIVE GOVERNMENT**

There are two kinds of development: social and economic development (Craythorne, 2006:138). For purpose of this discussion focus will only be placed on social development.

Apart from the Constitutional objects of local government, municipalities need to fulfill certain development duties. Local government have the task to work individually and in co-operation with their local communities to ensure sustainable ways to meet the needs and to improve the quality of life (Craythorne, 2006:138). Local government should be capacitated to play a developmental role. Developmental duties can be achieved with the co-operation and constructive support of both national and provincial government. The word "development" is used on a daily basis by the three spheres of government. The dictionary meaning of development is both a process and a stage of growth (Oxford Dictionary 2003). Craythorne (2006:139) adds three elements for consideration namely:

- for whom the development is intended;
- where development should be located; and
- setting strategies and plans to put development in place (Craythorne, 2006:140).

In addition hereto, Scheepers (2000:1-3) posits ten steps to enhance the process of development:

- Awareness: when people become aware that development can make a difference to their lives.
- Education and training: people develop an understanding of options and develop new skills, and become empowered to make informed decisions.
- Community involvement: the more people get involved in the development process the greater the chances of success.
- Networking, linkages and synergy: bring community organisations into existence that secure functional systems and procedures for the well-being of the community.
- Leadership: when leaders influence people to achieve goals in their best interest.
- Management: managers and management teams are needed to strategise so that projects and programmes can be successful.
- Projects, plans and transformation: development projects and programmes change the physical environment by building houses and establishing infrastructure. This leads to people changing their perceptions, attitudes and ideas and transform to new paradigms.
- Growth: takes place as people, organisations and communities become materially and mentally empowered.
- Allocating and distribution of resources: have to be managed and distributed to achieve sustainability, equality and an empowered society.
- Monitoring and maintenance: is a continuing process, which has to be monitored to ensure that the process and outcomes are in line with the needs and best interests of people.

The constitutional autonomy accorded to municipalities should be used to provide services and to promote development. Section (153) of the Constitution entrenches the developmental duties of municipalities. These duties include the structuring and managing of its administration, budgeting and planning processes, and the participation in national and provincial development programmes.

Developmental local government is conceptualized as “committed to working with citizens and groups within the community”, to find sustainable ways to meet their social, economic and material needs and to improve the quality of in the lives (RSA: 1998:17). Thus, the constitutional objects of local government include the provision of services to communities in a sustainable manner, and the promotion of social and economic development in a safe and healthy environment (RSA: 32 of 2000 (11(3) (1)), here after referred to as the ‘Systems Act’).

It is clear that municipalities must attend to the basic needs of people and promote the social and economic development. However, the Constitution is silent on how municipalities are to structure and manage their administrations, budgets and planning processes to fulfill their developmental duties. It is submitted that policies and programmes combined with community proposals form the basis of most developmental plans. Such plans must give priority to people’s basic needs and their social and economic upliftment (Bekink, 2008:70; Steytler & De Visser, 2010:9-12). This developmental duty is a recurring theme in current legislation.

According to the White Paper (RSA ,1998: a), the nature of a system of developmental local government comprises four specific interrelated characteristics. These characteristics enhanced social development and economic growth, integrating and co-coordinating activities, development and a process of leading and learning. The forefront of developmental local government is social upliftment and economic growth. Social development can be achieved if basic needs are provided for (Bekink, 2008:73; Steytler & De Visser, 2010:9-12).

There are usually various agencies that contribute to development within municipal boundaries. These agencies include various national and provincial government institutions, parastatals, community-based organisations (CBOs), non-governmental organisations (NGOs) and private sector institutions. It is the duty of developmental local government to provide visionary leadership and

strong co-ordination between these different agencies. Through the process of Integrated Development Planning (IDP), better co-ordination can be facilitated. The provisions stated in the Development Facilitation Act 67 of 1995 (chapter 1 section 2-4) provides assistance to municipalities to facilitate and co-ordinate integrated development planning (Bekink, 2008:71). Such assistance include carefully designed cross-subsidising programmes such as the provision of human settlements to ensure financial and infrastructural support to very poor areas (Bekink, 2008:72). In principle, all municipalities are responsible for the provision of household infrastructure and basic services. These services and infrastructure form the foundation of successful social and economic development. Basic services usually include the provision of water, sanitation, local roads, electricity, drainage and refuse collection (RSA, 1998 a :23; Bekink, 2008:74).

The starting point of development is to prioritise the delivery of at least a basic level and minimum standard of services to all members of the local community. Therefore, municipalities should focus much of their developmental activities on investing in basic services. The starting point of development must be to prioritise the delivery of at least a basic level and minimum standard of services to all members of the local communities. This ideal depends on financial capabilities and resources, through capital grants, local cross-subsidisation schemes or private investment initiatives (Steytler & De Visser, 2010:9-13).

In order to comply with the financial capabilities and resources, financial support is provided through the Municipal Infrastructure Investment Framework (MIIF) and the Consolidated Municipal Infrastructure Programme (CMIP). In terms of Section 214 of the Constitution, municipalities are constitutionally entitled to an equitable share of the national revenue (RSA, 1996: Section 213 (1)-(3)).

The local government legal dispensation is underpinned by normative principles such as the principle of a system of co-operative governance. In terms of the constitutional confirmation, government is constituted as national, provincial and local spheres (RSA, 1996:Chapter 3). Co-operative government

assumes and implies the integrity of each sphere and recognizes the complex nature of a government functioning as a cohesive unit. The function in the cohesive unit involves the collectively harnessing of all public resources behind common goals (Bekink, 2008:89). Co-operative government further requires a system of co-operation and constructive inter-governmental relations within each sphere of government. It is part of an innovative process of harmonising the operation of all spheres of government in such a way that even the lowest sphere has a say and influences in matters that affect them (Devenish, 1998:201). It furthermore places a strong emphasis on all spheres of government to ensure good and positive relationships between one another. The relationship is influenced and controlled by the principles of co-operative government. Such a system of co-operation can be achieved through intergovernmental support and assistance. These principles are curtailed by the powers and duties of the higher spheres to promote, strengthen and oversee municipal fulfillment of their powers and duties (Bekink, 2008:90).

This concludes the exposition of the role of municipalities in terms of developmental co-operative and intergovernmental relations. It was established that the constitutional order incorporates and establishes an overall governmental structure, based on principles of co-operation and intergovernmental relations. All three spheres of government are obligated to comply with the principles set out in the Constitution, which are distinctive, interdependent and interrelated to one another. The institutional framework of developmental local government constitutes a structural base for municipalities. Municipalities as local government have a challenge in organising themselves within the traditional public administration principle of separation of powers in order to provide services. Municipalities are responsible for the provision of household infrastructure and basic services inclusive of local roads provision and maintenance.

In the next section the different types and nature of municipal functions will be investigated, based upon the constitutional framework to expose the executive and legislative authority to be exercised or performed within the broader constitutional setting. The aim of the section is to focus on the nature of the

functions with regards to municipal service delivery functions - including road maintenance as focus of this study.

### **3.4 TYPES AND NATURE OF MUNICIPAL FUNCTIONS**

Municipalities are assigned with new roles and functions in accordance with the Constitution. Section (152) of the Constitution entrenches specific powers and functions to municipalities. The Constitution directly provides for the powers and functions of municipalities, but also indirectly incorporates and mandates certain issues that are of importance to municipal powers and functions (Bekink, 2006:215). In this regard it necessitates differentiating between the direct constitutional directives on municipal powers and functions and the constitutional provisions that indirectly impact municipal powers and functions. Hereafter follows an exposition of direct constitutional directives with regards to municipal powers and functions.

#### **3.4.1 Direct Constitutional directives regarding municipal powers and functions**

As stated above, the Constitution provides for the issue of municipal powers and functions in two categories (Bekink, 2006:215). Section 156 of the Constitution addresses and protects municipal powers and functions directly. In terms of Section 156, the municipality has executive authority in respect of its right to administer local government matters listed in Part B of Schedule 4 and Part B Schedule 5 and any other matters assigned by national or provincial legislation.

The powers and functions of municipalities are not absolute and are subject both to constitutional and national legislative requirements (RSA, 1996:section156 (3) and 155 (7)). Municipalities are obliged to perform their functions and to exercise their powers in such a manner as to achieve their objectives and to fulfill their development duties (section 155 (7)). These powers and functions are exercised under the watching eyes of the national

and provincial governments (151 (2)). The Constitution provides a basic foundation and the Structures Act elaborates on this constitutional foundation. The Constitution directly provides for the powers and functions of municipalities and indirectly incorporates and mandates certain issues that are important to municipal powers and functions. The Constitution also confirms that municipalities have the right to administer such executive matters (RSA,1996: section: 156 (1)).

Apart from the constitutional confirmation of municipal executive authority, the Constitution also confirms that all municipalities have the right to administer such executive matters. The Constitution differentiates between executive authority and the administration of such matters and administrative authority (Bekink, 2006:216; Nealer & Raga, 2007:173). The Constitution specially clarifies the matters on which a municipality has executive and administrative authority. There are two sources of such authority; the first being the various local government matters listed in Part B of Schedule 4 and Part B of Schedule 5 of the Constitution. The functional areas of municipal executive and administrative authority as determined by the Constitution are listed as follows:

Table 3.1: Schedule 4 Part B and Schedule 5 Part B functions

<b>Schedule 4 /Part B</b>	<b>Schedule 5/ Part B</b>
<ul style="list-style-type: none"> <li>• Functional areas of concurrent national and provincial legislative competence.</li> <li>• Air pollution</li> <li>• Building regulations</li> <li>• Municipal planning</li> <li>• Municipal public works only in respect of the needs of municipalities in the discharge of their</li> </ul>	<ul style="list-style-type: none"> <li>• Functional areas of exclusive provincial legislative competence</li> <li>• Fencing and fences</li> <li>• Local amenities</li> <li>• Local sport facilities</li> <li>• Municipal parks and recreation</li> <li>• Municipal roads</li> <li>• Ponds</li> <li>• Public places</li> </ul>

<p>responsibilities to administer functions specially assigned to them by the Constitution or any other law.</p> <ul style="list-style-type: none"> <li>• Storm water management in build-up areas</li> <li>• Water and sanitation services. Limited to potable water supply systems and domestic waste-water and sewage disposal systems.</li> </ul>	<ul style="list-style-type: none"> <li>• Refuse removal, refuse dumps and solid waste disposal</li> <li>• Street trading</li> <li>• Street lighting</li> <li>• Traffic and parking</li> </ul>
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The matters listed in Part B of Schedule 4 are falling under concurrent national and provincial legislative competence. The matters listed in Part B of Schedule 5 are functions typically associated with local government. The matters in Part B of Schedule 5 require a strong co-operation and coordination between municipalities and their applicable provincial governments (Bekink, 2006:218; Craythorne, 2006:154).

The second source of municipal executive and administrative authority is found in section 156 (1)(b) of the Constitution. Accordingly, municipalities have authority over any matter that is not included in Part B of Schedule 4 or Part B of Schedule 5 of the Constitution. These authorities have been assigned in terms of national and/or provincial legislation. The Constitution does not cast the powers and functions completely, but allows the two higher spheres of government to assign certain matters to them when appropriate.

As stated above the Constitution specifically clarifies the matters on which a municipality has executive and administrative authority. The first source is the various local government matters listed in Part B of Schedule 4 and Part B of Schedule 5. It is an exact indication of such powers and functions.

### **3.4.2 Constitutional provisions that indirectly impact on municipal powers and functions**

The Constitution provides for various obligations and requirements that have an indirect impact on the powers and functions of municipal governments. It follows that in terms of section 151(2) of the Constitution, both the executive and legislative authority are vested in municipal councils. Municipalities are also accorded a right to govern the affairs of their communities, but this right is circumscribed by the Constitution to the extent that it is subjected to national and provincial legislation (RSA, 1996: section 151 (3)). Municipal powers and functions are also protected through the provision that national or provincial governments may not compromise a municipality's ability or right to exercise its powers or perform its functions (RSA, 1996 : section 151 (4)).

Municipal powers and functions are also largely influenced by national legislation (Constitution 155 (3) (2), (3) a, and 160(5)). In this regard, national legislation is required to make provision for an appropriate division of powers and functions between municipalities in areas which have both category B and C municipalities. The Constitution mandates both national and provincial governments to have legislative and executive authority to oversee to the effective performance by municipalities of their functions in respect of matters listed in Schedules 4 and 5. This is exercised through a process of regulating the exercise by municipalities of their executive authority referred to in section 156 (1) of the Constitution.

This concludes the section on the types and nature of municipal functions in terms of the Constitution. Section 156 of the Constitution provides for the powers and functions of municipalities without contextualisation. A municipality has executive authority in respect of matters listed in Part B of Schedule 4 and 5 of the Constitution, as well as any other matter assigned to it by national and provincial legislation that will follow into the discussion hereafter.

### **3.5 FUNCTIONAL AND SERVICE DELIVERY CATEGORIES**

Furthermore, to investigate the distinctive functions of service delivery in municipalities it is of value to distinguish between the terms “functions” and “services”. According to Craythorne (2006:409) a municipal function is something linked to the nature of governance. Therefore, a government must govern and in order to govern it must perform certain functions (Nkuna & Nemufanzhela, 2012:365). A service is something provided by one person or institution to another person or groups of persons. It is something to be rendered to others (Craythorne, 2006:55; Bekink, 2008:310).

In the constitutional dispensation no direct or specific mention is made to specific services that municipalities should render. As stated above, the Constitution Schedule 4 Part B and Schedule 5 Part B identify the functional areas of municipal executive authority and also indirectly municipal legislative authority. A few of these functional areas refer to a service that is to be rendered. The legal framework refers to the powers, functions, objects and duties of municipalities. An evaluation of such powers, functions, objects and duties reveals indirectly, certain services that should be rendered (Bekink, 2008:310).

Municipalities have executive and legislative powers with regard to the matters listed in Part B of Schedule 4 and 5 of the Constitution, as well as with regard to those matters assigned to them in terms of national or provincial legislation (RSA, 1996: section,156 (1) a-(b)).

Apart from the functional areas, all municipalities have to strive within their financial and Part B administrative capacities, to achieve the objects set out in section Part B of Schedule 4 and Schedule 5 (RSA, 1996 :section,152 (2)).

An evaluation of the different municipal services resulted in two broad categories of services (Craythorne, 2006:156; Bekink, 2008:311). Some services are categorized as support services, while others are classified as operational services. Support services are those services that are vital for the

efficient and effective operation of the overall municipal machinery and differ from municipality to municipality, according to size and capacity. Operational services refer to those services that are generally considered to be services that a municipality should render to its local community (Bekink, 2008:311). The support services that have relevance to the discussion of the study with regard to the delivery of basic service provision, are the following:

### ***General municipal support services***

- Legal services: to support and ensure the operation within the Constitution and the law.
- Financial services: such services are indispensable to enable planning and realising of responsibilities according to the Constitutional requirements (RSA, 1996: section 152 (2) and 153).
- Repair and maintenance services: Municipalities need large infrastructure to operate effectively. This infrastructure requires various movable assets which should be maintained and repaired and maintenance of roads.

### ***Municipal operational services***

The Constitution in Schedule 4 and 5 Part B listed the operational services of municipalities. The following are listed according to the relevance of the discussion of the study.

- Municipal planning. As stated above, municipal planning, whereby municipalities are obligated to provide and ensure proper municipal planning services. These services mainly refer to various aspects of the management and control of land use in relation to municipal planning services. There are many laws applicable such as the Physical Planning Act 88 of 1967 and the Development Facilitation Act 67 of 1995 (RSA: 1995(a)).

- Municipal public works: such works refer to facilities or services that are required in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specially assigned to them under the Constitution.
- Storm water management systems in built-up areas. As Municipal jurisdictions become more developed, the management, provision and maintenance of storm water systems become troublesome. Modern infrastructure such as tarred roads and rocked buildings increasingly causes severe flooding in residential areas. Municipalities need to plan and provide for sufficient infrastructure to control and handle such.
- Water and sanitation services. The provision of water and more specific drinking water is generally accepted as one of the most basic services.
- Housing. All spheres of government are involved in producing housing services in South Africa. The national government has introduced various housing schemes. Municipalities interact with the programs of the two higher spheres and also assess local housing needs. Housing is a high priority service in the new governmental systems in South Africa.
- Municipal roads. Municipal infrastructure plays an important role in achieving social and economic development and ensuring the rendering of other essential services. The proper control and maintenance of municipal roads are important. This cannot happen in isolation. This happens with interaction with national and provincial initiatives and schemes.

These municipal services provision have been entrenched within the constitutional dispensation and cannot be taken away unless the Constitution so permits (RSA, 1996 : Schedule, 4 and 5 Part B) (Bekink, 2008:319).

This concludes the exposition of the various functions and services of local government. It was established that municipal services and service provision should comply and conform to the constitutional vision and requirements. Municipal services must be equitable and accessible and must enable all municipalities to achieve and fulfill their objective and duties, basic municipal services as set out in Part B of Schedules 4 and 5 of the Constitution. National

and provincial governments may assign other matters to municipalities via legislation. (RSA, 1996: section 156 (1) (b)). The conclusion is that municipal services are not absolute defined or identified and can differ from one municipality to another as circumstances may require. It seems that there is a rediscovery of the basic essential services that a municipality is supposed to render. Services should be provided and rendered to uplift and enhance the quality of life of all local people without a sacrifice in quality and sustainability. Services also include the function to maintain roads to the needs of the local community.

In the next section an evaluation of the concepts frontline and back-office engineering to facilitate the service delivery concept is discussed. The reason behind the focusing on these concepts is to highlight the transformational process of the public service since 1994 in order to enhance service delivery.

### **3.6 THE NEED FOR FRONTLINE SERVICES AND BACK-OFFICE ENGINEERING TO FACILITATE SERVICE DELIVERY**

Since 1994 the South African Government has engaged in a process of transforming the public service into an efficient, effective democratic fully representative, and development-oriented instrument of service delivery (RSA, 1995) (hereafter, referred to as the White Paper (1995)).

Recent policy initiatives of transforming the public services, address the “softer” human issues of service delivery improvement such as better people management, improvement of people’s skills as well as improve management autonomy, efficiency and accountability (Fourie & De Jager, 2005:230). According to Fourie and De Jager (2005) no practical tool kit is available to enable public managers to make meaningful contributions towards the improvement of service delivery. Mechanisms and systems still need to be re-aligned to the Batho Pele principles (2005:230) (hereafter, referred to as the White Paper (1997(b)). Fourie and De Jager (2005:230) also argue that the public service needs to be made more affordable, innovative and responsive to customer needs. Further, it needs to take more advantage and utilise a range

of partnerships so that the productive capacities in the private and non-private sectors can be used to the maximum benefit of the public service customers. The White Paper on Transforming Public Service Delivery, also known as the Batho Pele White Paper (1997(b)), provides guidelines for service delivery principles to be honored by all public officials. The principles are listed as follows:

- Consultation: The consultation of citizens with regard to the level and quality of the services they receive.
- Service standards: Citizens should be told what level and quality of services they will receive.
- Access: All citizens should have equal access to the services.
- Courtesy: Citizens should be treated with courtesy and consideration
- Information: Citizens should receive full accurate information about the public service.
- Openness and transparency: Citizens should be told how national and provincial departments are operating, how much they cost and who is in charge.
- Redress: If the promised standard of service is not delivered, citizens should receive a sympathetic and positive response.
- Value for money: Service should be provided economically and efficiently to give citizens the best possible value for their money.

Front-office and back-office models of service organisations are probably the most common way of conceptualising the impact of customer contact on a service delivery system. The front-office is generally regarded as the part where activities that require customer contact take place and as such are directly experienced by customers (Zamerdijk & De Vries, 2011:110). The back-office contains processes that are carried out remotely from customers and cannot be seen or experienced by customers. The front office–back–office model is based on the general notion that front-office activities are carried out by front-office employees in front-office departments and vice versa for back-office activities (Zamerdijk & De Vries, 2011:110).

Czaplewski *et al.* (2001:56) blame most of service delivery insufficiency on the lack of commitment and skills of the frontline employees who are interacting with customers. Fourie and De Jager (2005:230) call it a process of “internal marketing”. Accordingly they argue that it involves treating frontline, contact employees as internal customers in an effort to encourage these employees to provide excellent service for the end-user or customer. Czaplewski *et al.* (2001:74), Gravens and Piercy (2003:5), Kotler and Armstrong (1993:143-145), Strydom (2004:7), and Du Plessis *et al.* (2005:62) view internal marketing as an important way to obtain, develop, motivate and retain skilled and energised employees who in turn provide high quality service. Kotler and Armstrong (1996:379-380) highlight that effective service delivery is often “sabotaged” by unresponsive actions of frontline employees due to the fact that they do not consider themselves as being responsible to meet customer, typical of the Public Choice where bureaucrats regard their interest more important than the service delivery function to the public needs, desires and demands. Service providers often put themselves and their organisations needs, desires and demands first and not that of the customer. Strydom (2004:15) defines internal marketing as an organisation’s effort to communicate with and motivate employees to share in the goal of improving customer satisfaction. This includes training of employees and providing them with the tools and skills to enhance service delivery to customers. Employees should comprehend the essence of service delivery in order to conduct their jobs effectively , efficiently and thereby ensuring that external and internal customers are well served by the particular organisation (Fourie & De Jager, 2005:235).

This concludes the section on the concept front-office and back-office concept, in order to enhance service delivery. It was established that, based on the principles stated in the White Paper (1995), and considering the fact that various service delivery mechanisms and systems still need to be realigned to the Batho Pele principles, the public service needs to be made more affordable, innovative and responsive to customer needs in order to enhance service delivery.

In the next section follows an exposition of the principles of municipal and service delivery and mechanisms, according to the basic principles in terms of the Constitution and the basic principles emanating from the White Paper (1998 (a)).

### **3.7 PRINCIPLES OF AND MECHANISMS FOR MUNICIPAL SERVICE DELIVERY**

As stated in Chapter 1, the primary objective of this study is to utilize project management applications to affect road maintenance in the City of Matlosana. In this section focus is placed on the principles and mechanisms for municipal service delivery to gain a theoretical vantage point from which project applications could be investigated (chapter four).

Local government exercises powers to execute their functions as provided for in the Constitution and various acts as stated. In the exercising of those powers and functions local governments are rendering municipal services. As the third sphere of government one of the functions, closest to local communities, municipalities are tasked mainly with the development and provision of services to communities. According to the Constitution, in terms of section (152 (b)), one of the main objectives of local government is to ensure the provision of services to communities in a sustainable manner (Bauer, 2009:37). In order to achieve optimal service delivery, a municipality should choose a delivery system, best suited to the type of municipality taking into account all the special needs of the local communities. Municipalities are guided by certain basic principles in terms of the White Paper (1998(a)) (113-114), when deciding on the particular delivery option. The principles to consider are:

- **Accessibility:** all communities should have access to at least a minimum level of services (Constitutional obligation). This should be addressed through the development of new infrastructure and the rehabilitation and upgrading of existing infrastructure.
- **Simplicity:** services should be easy and convenient to be used.

- **Affordability:** In order to enhance quality of life, municipalities should strive to make services as affordable as possible.
- **Quality:** Services should be rendered below a certain determined quality, and should be suitable for their purpose, timeously, safe and accessible on a continuous basis. Back-up maintenance and support should comply with the minimum quality standard.
- **Accountability:** South Africa inclusive of local governments is founded on the values of a democratic government inclusive of principles of accountability and responsiveness (RSA, 1996: section 1(d)). Whenever a delivery system is adopted by a particular government, it remains the responsibility of the municipality to be accountable for all its activities, which includes the assurance of service provision of an acceptable quality.
- **Integration:** All municipalities should adopt and integrate an approach to planning and ensuring municipal service provision. It requires that each municipality take into account the economic and social impact of service provision.
- **Sustainability:** In terms of the Constitution ( section152 (1) (d)), it is an imperative to render services in a sustainable manner and service provision is an ongoing process and thus depends on municipal institutions which are completely managed.
- **Value for money:** Municipalities should strive to provide sustainable services that provide value for money for all service users. Promotion of competitiveness: Job generation and the competitive nature could be adversely affected by imposing higher rates and service charges on such industries in order to subsidise domestic users. Transparency is needed to ensure that all investors are aware of the costs of doing business.
- **Promotion of the new constitutional values:** It is essential for all local municipalities to achieve optimal sufficiency and support and the municipal administration must fulfill and promote the democratic and other administrative values and principles enshrined in the Constitution.

After taking into consideration these principles as listed above, a municipality should be in a favourable position to determine which service delivery option would be best for its area of jurisdiction. Furthermore, enhancement of service delivery through the implementation of specific delivery mechanisms can happen in terms of the White Paper (RSA,1998(a): section 115-121). As mentioned, local government administrations have been undergoing radical changes under the new constitutional dispensation (post-1994). In order to enhance service delivery, almost all municipalities have wide-ranging options; the most prominent is the need to assess and plan strategically for the most appropriate and effective forms of service delivery mechanisms. The principles in the White Paper (1998(a)) serve as a basic point of departure to assist municipal administrations to select those delivery options that would ensure maximum benefit and efficiency.

In the next section follows an overview of the legislative and regulatory requirements with regard to municipal services and service provision. The aim is to establish the legislative and regulatory framework in regard to municipal services and service delivery and the prescriptions in regard to project management application. This concludes the section on the principles and mechanisms for municipal service delivery.

### **3.8 LEGISLATIVE AND REGULATORY REQUIREMENTS REGARDING MUNICIPAL SERVICES AND SERVICE PROVISIONING**

Municipalities have been constitutionally tasked with providing sustainable and effective services. According to the constitutional framework all municipalities are obligated to provide certain services and to achieve certain objectives. There is a strong relationship between the functions that should be fulfilled by municipalities and the services and objectives that they should achieve and provide. The Constitution itself does not state much detail regarding all the services that a municipal government should provide, but states certain objectives in this regard.

### **3.8.1 The Constitution of the Republic of South Africa**

The Constitution provides a framework for all municipalities to provide certain services and achieve certain objectives. In terms of the constitutional framework, all municipalities are obliged to provide certain services and in the process to achieve certain objectives: hence the strong relationship between the functions to fulfill and the services and objectives to be achieved. In terms of section 152 (1) a – (e) of the Constitution, municipalities must strive to achieve the objectives of:

- a democratic and accountable government;
- the provision of services in a sustainable manner;
- social and economic development;
- safe and healthy environments; and
- community involvement in local government matters.

The basic values and principles governing public administration as stated in section 195 (1) of the Constitution, when rendering services, demand the following:

- A high standard of profession as ethics must be promoted and maintained.
- Efficient, economic and effective use of resources must be promoted.
- Public administration must be development orientated.
- Services must be provided impartially, fairly, equitably and without bias.
- People's needs must be responded to, and the public must be encouraged to participate in the formulation of policy.
- Public administration must be accountable.
- Transparency must be fostered by providing the public with timely, accessible and accurate information.
- Good human resource management and career development practices, to maximise human capital must be cultivated.

- Public administration must be broadly representative of the South African people, with employment practices based on ability, objectivity, fairness and the need to readdress the imbalances of the past in order to achieve broad representations.

In terms of section 153a – (b) of the Constitution, all municipalities have to structure and manage their administration, budgets, and planning processes to give priority to the basic needs of communities to promote economic and social development. Such basic services normally include water and electricity provision as well as solid waste disposal and general municipal infrastructure. The infrastructure includes the provision of roads and maintenance of existing roads. These services must be provided in an equitable and sustainable manner with reference to section 155(4) of the Constitution whereas national legislation must take into account the need of municipalities to provide municipal services in an equitable and sustainable manner (Craythorne, 2006:153; Bekink, 2008:288). Some core basic needs are universal, and should be regarded as central to municipal service provision and planning. A municipality must be legally authorised to provide such a service or to impose fees or tariffs for such services (*Kajee v Stangers Borough Town council* 1994 (3) 5 A 9 a).

The Constitution further requires provincial governments to establish municipalities in a manner that will promote the development of local government capacity in an effort to enhance the achievement and fulfillment of their obligations towards service provision (RSA, 1996 : section 155(6) (b)).

Both national and provincial governments, through their legislative and executive powers, should oversee to the effective performance by a municipality of its functions in relation to the matters listed in Schedules 4 and 5 of the (RSA, 1996 : section 155 (7)).

In the effective performance of its functions, a municipality has the right to exercise any power, concerning a matter that is reasonably necessary for or

incidental to the performance of its normal functions (RSA, 1996 : section 156 (5)).

The municipal council makes decisions concerning the exercise of powers and the performance of all its functions and the employment of the necessary personnel to perform its functions effectively (RSA, 1996 : section 5, 160 (1) a and (d)).

In conclusion it seems acceptable to argue that the Constitution did not address extensively all the various legal aspects and specific services that municipalities have to comply with. That leaves it open for parliament to address these issues. The Constitution only provides a broad framework where in such services had to be identified and sufficiently provided for (Craythorne, 2006:153; Bekink, 2008:289). The Constitution changes the institutional framework of developmental local government by structuring the three spheres of government into a legislative and execution of public policies.

Hereafter follows an exposition of the various White Papers and Acts that add to the changes brought about regarding the nature and extent of delivery of public services, as per intentions of the White Paper (1997,( b) ).

### **3.8.2 The White Paper on the transformation of the Public Service (1995)**

The White Paper on the Transformation of the Public Service, 1995, focuses on organisational and structural transformation of the mindset of public servants and the development of them into a team of public cadres committed to the service of the public. It was intended to be a framework and instrument for the general organisational transformation of the public service. Municipalities conduct service delivery through their internal structures as per official organogram. Official are instruments of government through which service delivery takes place. In terms of internal directives officials exercise their mandate to be accountable and to deliver sustainable services. (RSA: 1995 (b)) .

### **3.8.3 White Paper on the transforming Public Service Delivery (1997)**

In August 1997, Government introduced the White Paper on Transforming Public Service Delivery. In terms of this White Paper the intention was the improvement of service delivery. It implies redressing the imbalances of the past. The document was intended to develop a policy, specifically targeting service delivery. It set out eight priorities, most of important of which was transforming the service delivery outcomes. It came to be known as the Batho Pele Principles as stated above and discussed. These principles have become the compass in terms of which the success or failure of public service delivery is assessed. It is the first time in the history of public service delivery that norms and standards have been introduced (Nengwekhuku, 2009: 348).

The introduction of the public service delivery policy was a response to high expectations which accompanied the emergence of a new democratic South Africa. It was the recognition of the historical deficiencies of the pre-1994 public service and its poor service delivery record. The White Paper states as follows: “Improving the delivery of public services means redressing the imbalances of the past and while maintaining continuity of service to all levels of society, focusing on meeting the needs of South Africans who are living below the poverty line and black women living in rural areas who were previously disadvantaged in terms of service delivery”. Improving service delivery also calls for a shift away from inward-looking bureaucratic systems, processes and attitudes, and a search for new ways of working, which put the needs of the public first. It is better, faster and more expensive to the citizen’s needs. It also means a complete change in the way that service delivery is delivered. The objectives of service delivery therefor include welfare, equity and efficiency (RSA,1997(b)).

These principles became the compass in which the success or failure of public service delivery is assessed and norms and standards introduced. This allowed citizens to access and measure public service delivery efficiency (Nengwekhulu, 2009:348). In chapter 4 the focus of bureaucratic systems focus

on the service delivery function of the officials in the directorate infrastructure and utilities to oversee the mandate to maintain roads.

#### **3.8.4 The White Paper on Local Government (1998)**

The White Paper (1998(a)) process preceded the legislation such as the organised Local Government Act 52 of 1997, the Local Government: Municipal Demarcation Act 27 of 1998, Local Government: Municipal Structures Act 117 of 1998 and the Local Government: Municipal Systems Act 32 of 2000 (Craythorne, 2006:13). There are various main themes in the (RSA:1998, (a)) which became Government policy in March 1998: The main themes of the White Paper are structured as:

- **Developmental Local Government:** This constructs the scenario for the integrated development planning and performance management provisions in the Systems Act.
- **Co-operative Government:** This section interprets the Co-operative government in the Constitution and the intergovernmental relations between the three spheres of government.
- **Institutional systems:** This defined the types of metropolitan, district and local municipalities, delegation, committee systems, the electoral system, ward delimitations and number of councilors (i.e. Structures Act and Systems Act).
- **Administrative systems:** The principles for service delivery were laid out and how this could be done.
- **Municipal finance:** The effective treasury control over finances was necessary and natural regulation on property rates.

Municipalities are further guided by certain basic principles when choosing service delivery options in terms of sections 113-114. As stated above, there are certain mechanisms which municipalities can exercise to enhance service delivery, with reference to sections 115-121. The criteria as mentioned in sections 113-114, have been taken into account to enable a municipality to

determine which service delivery options would be best for its particular area of jurisdiction.

### **3.8.5 Local Government: Municipal Structures Act 117 of 1998**

Municipalities enjoy a constitutional status on par but not the same as national and provincial government, although the Constitution emphasises the legislative and executive functions of municipal councils (Craythorne, 2006:97). The Constitution, as stated above, entrenches specific powers and functions applicable to all municipalities in the state. The same provision is made in Chapter 5 of the Municipal Structures Act. The Municipal Structures Act provides for the structures of local government. The preamble of the Act provides that the Constitution establishes local government as a distinctive sphere of government, independent and interrelated with the National and Provincial spheres (Nkuna *et al.*, 2012:358). The Act was intended to set out a number of municipal structures but some are also found in the Municipal Systems Act (Craythorne, 2006:111).

The Municipal Structures Act establishes a strong municipal government with boundaries that generally encompass the functional regions of the major urban centres. These are headed by executive mayors or executive committees. It promotes new relationships with communities through mechanisms such as ward-committees and/or subcouncils (Craythorne, 2006:97).

### **3.8.6 The Local Government: Municipal Systems Act 32 of 2000**

The preamble to the Municipal Systems Act provides that a fundamental aspect of the new local government system is the provision of basic services to all people, specifically the poor, disadvantaged and the engagement of communities in the affairs of municipalities of which they are an integral part, in particular planning, service delivery and performance management. The purpose of the Systems Act is to provide for the core principles, mechanisms and processes that are necessary to enable municipalities to be more progressive towards the social and economic upliftment of local communities

and ensure universal access to essential services that are affordable to all, to define the legal nature of a municipality including the local community, and to provide for community participation. In compliance with the basic constitutional provisions and requirements in respect of municipal service provision, the Act determines specific duties and requirements which must be complied with. In general, municipalities must give effect to the provisions of the Constitution and must:

- give priority to the basic needs of the local community;
- provide the development of the local community; and
- ensure that all members of the community have access to at least the minimum level of basic municipal services.

Section 1 of the Systems Act defines the term “basic municipal services” to mean a municipal service that is necessary to ensure an acceptable and reasonable quality of life and if not provided, would endanger public health or safety, or the environment. An exact determination of what should be regarded as a basic municipal service is a very open ended concept (*Manapele v Durban Municipal Council* 2002 (6) SA 423 D). The Systems Act in terms of section 73 (2) (A-E), identifies five specific requirements that municipal services should be measured, namely:

- equitable and accessible;
- provided in a manner that is conducive to prudent, economic, efficient and effective use of available resources and the improvement of standards of quality over time;
- financially sustainable; and
- environmentally sustainable.

The Systems Act does not prescribe and outline the ways whereby municipalities are to achieve and adhere to the requirements. The main ideas should come from individual municipalities. Municipal councils should take full cognisance of the requirements and put policies and programs in place, in

order to adhere to the broad and more specific legal obligations. The Systems Act further determines that all municipal councils must adopt and implement a tariff policy on the levying of fees for municipal services that are provided by the municipality or by way of service delivery agreements (Systems Act, 574 (1)).

### **3.8.7 The White Paper on Municipal Service Partnerships (2004)**

Municipal Service Partnerships (MSP) is a mechanism for providing municipal services and in the process discharging their obligation. According to the Constitution, the executive and legislative authorities of a municipality are rested in a municipal council. In terms of the Constitution (section 152), municipalities are obliged to ensure that municipal services are delivered in a sustainable way. The White Paper (1998) recommends that municipalities provide innovative ways of providing and accelerating the delivery of municipal services. The MSP aims to provide a clear framework within which to exploit the resources of public institutions. It is government's expectations that all stakeholders have access to adequate municipal services. The MSP policy has been derived from the principles of Batho Pele, through the integrated development planning process and participation by consumers and other stakeholders throughout the process of determining and implementing service delivery options. The MSP policy encourages universal access to basic municipal services, the progressive improvement in service standards and openness and transparency in the processes used for selecting service providers. The MSP policy supports, as contemplated in the framework for Restructuring of Municipal Services, better information flows, value for money, avenues for citizens redress and courtesy in service delivery (DPLG, 2004: section A).

The MSP option is one of the means available to municipalities to address the municipal infrastructure and service backlog. Section 78 of the Municipal Systems Act, as amended, assists a municipality to decide which would be the most viable option to provide the service to explore the best way a municipal service may be provided. MSP are a mechanism for providing municipal

services and discharging certain municipal obligations. The basis of these obligations is the Constitution's Schedules 4 and 5 Part B.

Based on the constitutional obligation in terms of section 153 of the Constitution which includes the budgeting and planning of processes to meet the basic needs, municipalities should imply sound expenditure and policies and mechanisms in place.

Not only should municipal income resources be protected, but also sound expenditure policies and financial control mechanisms must be implemented (Cloete, 1997:108). All governmental expenditure and financial management practices must adhere to the basic values of accountabilities and transparency (RSA, 1996: section 1,152)(Bekink, 2006:341).

At the center of the framework of municipal finance is the Constitution, which specifically requires that all governments must be developmentally orientated and that the aim is meeting the basic needs of their respective communities in their budgeting and administrations (RSA, 1996: section 152 and 153).

Furthermore, municipalities must also strive to achieve various constitutional objectives which specifically include the provision of basic services to local residents in a sustainable manner. According to Craythorne (2006:342) it is submitted that sustainable service refers to services that can be continued on a day-to-day basis. Apart from sustainability, services should be affordable to all members of local communities, which in turn require some form of local cross-subsidation within a matrix of affordability, efficiency and constitutional effectiveness. The broad requirements relating to municipal finance are set out in Chapter 13 of the Constitution.

In the next section follows an exposition of the role exercised by the Department of Cooperative Governance and Traditional Affairs with regard to service delivery and project management functions.

### **3.8.8 Department of Cooperative Governance and Traditional Affairs**

As a national Department of Cooperative Governance and Traditional Affairs (hereafter referred to as Cogta), its mandate is derived from Chapters 3 and 7 of the Constitution. Its function is to develop national policies and legislation with regard to provinces and local government and to monitor the implementation of the following legislation:

- Intergovernmental Relations Framework Act 13 of 2005.
- Municipal Property Rates Act 6 of 2004.
- Local Government Municipal Finance Management Act 56 of 2003.
- Traditional Leadership and Governance Framework Act 41 of 2003
- Disaster Management Act 51 of 2002.
- Local Government: Municipal Systems Act 32 of 2000
- Local Government: Municipal Structures Act 117 of 1998.
- Local Government: Municipal Demarcation Act 27 of 1998.
- White Paper on Local Government (1998).

Cogta's other function is to support provinces and local government in fulfilling their constitutional and legal obligations. Cogta's vision as an integrated, responsive and highly effective governance system, inclusive of communities, is to achieve sustainable development and improved service delivery. Cogta's mission is to facilitate co-operative governance and support all spheres of government, to promote traditional affairs and support associated institutions through developing appropriate policies and legislation to promote integration in Government's development programmes and service delivery. Cogta also provides provision of strategic interventions, support and partnerships to facilitate policy implementation in the provinces and local government. (COGTA:2011)

As part of Cogta's assessment to identify the main causes of poor service delivery within certain municipalities across the country, the Cabinet in December 2009, adopted a new policy direction on the way government

operate, namely the Local Government Turnaround Strategy (LGTAS). The policy direction is part of an overall intervention mechanism to improve the performance of local government in its delivering of services to the communities (COGTA:2011).

### **3.8.9 National Strategic Framework for Comprehensive Municipal Infrastructure Management (2010)**

The DPLG (2010), in partnership with other sector departments, developed a strategy for a comprehensive infrastructure management plan to ensure sustainable service delivery. The approach in this regard recognises the statutory development framework that exists through the IDP process.

The former DPLG (2010) as leader of the municipal sector and custodian of municipal infrastructure, fulfills an overall municipal infrastructure policy-making and implementation support role (inclusive of the administering of the MIG programme). In terms of the constitutional responsibility placed on the Department of Cooperative Governance and Traditional Affairs, the Department developed this strategy for comprehensive infrastructure management and to ensure sustainable service delivery. In this process the statutory development planning framework that exists through the IDP process is also taken into recognition. The development of a Comprehensive Infrastructure Plan (CIP) at municipal level was introduced to serve as a business model to provide strategic focus inputs to the IDP. The CIP provides an enabling framework which ensures that the IDPs can be implemented by focusing the efforts of government programmes in a consolidated manner towards sustainable service delivery.

## **3.9 CONCLUSION**

Municipalities are created to provide public goods and services and appropriate functions must be performed accordingly. Local governments are identified and characterised by its functional activities. The Constitution entrenches specific powers and functions such as:

- Provide democratic and accountable government for local communities.
- Ensure the provision of services to communities in a sustainable manner.
- Promote social and economic development.
- Promote a safe and healthy environment.
- Encourage the involvement of communities and community participation in the matters of local government.

The provision of those goods and services takes place within the administrative process. In developmental local government those policies range from the constitutional establishment as stated to the introduction of municipal structures and systems as per the intentions of the White Paper (1998(a)), Structures Act and Systems Act. Local government's functions and powers as provided for by the Constitution, and should be read together with the objects of local governments in terms of section 152 of the Constitution.

Specifically a municipality has the developmental duty to manage its administration and budgeting and planning processes in such a way that the basic needs of the community are prioritized and that the social and economic development of the community is promoted and to participate in national and provincial development programs, people's needs must be responded to.

In the next chapter an investigation will follow into the Project Management of the City Council of Matlosana to establish the role, responsibilities and effect of the project management unit in terms of the MIG programme with reference to road and road maintenance projects.

## **CHAPTER 4**

### **PROJECT MANAGEMENT AS A TOOL FOR ROAD MAINTENANCE: THE CASE OF CITY COUNCIL OF MATLOSANA**

#### **4.1 INTRODUCTION**

In the previous chapter the foundational perspectives with regard to municipal functions, services and service delivery were investigated by means of the Social Contract Theory and Public Choice Theory as theoretical vantage points. The developmental role of municipalities with regard to the system of co-operative government and inter-governmental relations were discussed and analysed. The need for front-office and back-office services, relating to service delivery, as well as the various types of municipal service-delivery functions were further explored. Detailed reference was made to the statutory framework and regulatory framework guiding municipal services in terms of the Constitution and national legislation. An overview of the regulatory framework was also provided and related service-delivery mechanisms to enhance service delivery were discussed. Specific attention was paid to the role and functioning of project management units in adherence to MIG requirements and guidelines.

In this chapter the status of the City Council of Matlosana is outlined, with specific reference to its road-maintenance competency and the application of project management in its operations. An empirical study was conducted by means of semi-structured interviews to ascertain to what extent the Matlosana Local Municipality adhered to the statutory framework, regulatory requirements and other guidelines regarding the functioning of the PMU's best practices and theoretical principles obtained in Chapters 2 and 3 of this study.

In order to operationalise the research questions that were outlined in Chapter 1, qualitative data were obtained. By employing semi-structured interviews with key respondents in the Matlosana Local Municipality, data were obtained through interviews with selected staff and the manager of the PMU, and with

directors and staff of the Directorate of Infrastructure and Utilities. The next section provides a broad overview of the City Council of Matlosana as a case study for the purposes of this research, with specific reference to the PMU. Of particular interest was the establishment of the PMU and its operational and functional processes in terms of the principles and processes of project management. The Directorate of Infrastructure and Utilities was also investigated with reference to its competency to plan and execute road-maintenance projects through the PMU.

## **4.2 THE CASE: CITY COUNCIL OF MATLOSANA**

This section provides a brief overview of the history of Klerksdorp, as well as an overview of the background and structures of the Matlosana Local Municipality with reference to the Constitution, the Structures Act, the Systems Act, the MFMA, and the role of the DR Kenneth Kaunda District Municipality in so far as it shares the same competence with regard to road maintenance. As was stated in Chapter 3, local government forms part of the public sector, which is closest to the inhabitants and is therefore indispensable in its role of providing essential goods and services and in maintaining roads within its jurisdiction.

### **4.2.1 Background and structure of the City Council of Matlosana**

Klerksdorp was founded in 1837, when the Voortrekkers settled on the banks of the Schoonspruit. A settler by the name of CM du Plooy first claimed a farm of about 160 km<sup>2</sup>, which was called Elandsheuwel. Smaller plots were proclaimed by other Voortrekkers in return for labour services. All these smallholdings were later named after the first magistrate of the area, Jacob de Clerq, and the name Klerksdorp was coined.

In August 1886, gold was discovered in the Klerksdorp district. Thousands of so-called “fortune seekers” settled in the small village. This led to the establishment of a town with 70 taverns and even a stock-exchange building, which was built in 1888. During the late 1890s, the majority of miners moved away because of the expensive demands in the gold mining industry. During the

Second Boer War (1899-1902), intense fighting took place in the area and a large concentration camp was established there.

The Battle of Yzerspruit was one of the most famous battles in the area, with victory being claimed by General Koos de la Rey. On 11 April 1902, the battle of Rooiwal took place. On 3<sup>rd</sup> August 1897 Klerksdorp was connected by rail to Krugersdorp, and to Kimberley in 1906. In 1932, the gold-mine industry was revived by the establishment of large mining companies and it expanded considerably after World War 2.

Today, this area, including Rustenburg, forms the economic heart of the North West Province. Klerksdorp still regards the gold-mine industry as its main focus of industrial attractions. In 2004 a major earthquake damaged the southern suburb of Stilfontein, causing widespread damage. Future prospects include the mining of uranium.

Klerksdorp is the most noted medical and retail city and extensive education centre for the North West Province and Northern Free State. Klerksdorp is also an extensive agricultural provider of maize, sorghum, groundnuts and sunflowers. The Senwes Cooperative is the largest agricultural cooperative in the Southern hemisphere. Klerksdorp also has the largest maize storage silo in South Africa. The district is also known for its Sussex Cattle Breeders' Association.

The Local Government Transition Act 209 of 1993 amalgamated the four local authorities, known as Klerksdorp, Orkney, Stilfontein and Hartbeesfontein, into a single local municipality. The City Council of Matlosana is one of the largest municipalities within the North West Province. The name Matlosana is said to mean " the forceful removal of people from one area to the other". It includes the following towns:

- Orkney and Kanana Township
- Stilfontein and Khuma Township
- Hartbeesfontein and Tigane Township.

An overview of the legislative, political and administrative structures of the Matlosana Local Municipality is provided below. To outline the administrative process and functions, reference is also made to the general service-delivery function and the specific function with regard to the maintenance of roads are also discussed.

#### **4.2.2 Legal nature of the City Council of Matlosana**

The Constitution states that the local sphere of government consists of municipalities (section 151(1)(3)). The Constitution distinguishes between a municipality and a council. The executive and legislative authority of a municipality is vested in its municipal council (section 151(2)).

The Constitution (Chapter 7) embodies core principles that form the basis for developmental local government in South Africa. The Municipal Structures Act (117 of 1998(c)) provides for the establishment of municipalities and identifies the categories of municipalities. The Act also divides the powers and functions between the categories of municipalities and regulates the matters connected with local government, its systems and structures. The Municipal Systems Act (32 of 2000) defines the legal nature of a municipality and provides for the manner in which municipal powers and functions are exercised and performed. The Municipal Finance Management Act (56 of 2003) ensures sound and sustainable financial management in municipalities, with the most important objective being the development of sound financial governance within every municipality. In terms of the general service-delivery function, and in particular the function of road maintenance, it is significant to evaluate the nature and structure of a municipality.

Matlosana Local Municipality is a Category B local municipality in terms of section 3 of the Municipal Structures Act (117 of 1998(c)). Matlosana Local Municipality shares its authority with a district municipality in the area in which it falls. The Dr Kenneth Kaunda District Municipality is one of four districts in North West Province. It was formerly known as the Southern District

Municipality and is named after Dr Kenneth Kaunda, the first president of Zambia. The Dr Kenneth Kaunda District Municipality consists of the following local municipalities:

- Ventersdorp
- Tlokwe
- Matlosana
- Maquassi Hills

The total area of Matlosana Local Municipality is 14 642 km<sup>2</sup>; there are 182 288 households and the total population is 635 422 (CoM,2012:1).

In order to make local government work efficiently and effectively the municipality has formulated a mission statement. The mission of the Matlosana Local Municipality is to ensure good administration and support to the political incumbent in the office as well as to all councillors within the budgetary constraints (CoM,2012:1).

The municipality has also formulated a strategy to form the basis for its administrative policy. The strategic objectives of the municipality are to:

- advance the process of local government transformation;
- identify the needs of the municipality;
- review and evaluate community needs;
- develop strategic programmes and services;
- address priority needs through the integrated development plan;
- estimate revenue and expenditure;
- deliver programmes and services to the maximum benefit of the community (CoM,2012:1).

### **4.2.3 Service provision functions**

The provision of municipal services is vital to the development of a municipality. As was stated in Chapter 3, sections 152 and 153 of the Constitution set out the objectives of local government and the developmental duties of municipalities. The Constitution requires municipalities to provide services in a sustainable manner and municipal administrations to provide services impartially, fairly, equitably and without bias (section 152(1)(b), section 195 (1)(d)).

In the Constitutional context, services must be weighed against the needs of a community. Section 156 and Schedules 4 and 5 of the Constitution are the relevant parts referring to the service provision of provincial roads. Section 156 of the Constitution empowers a municipality to exercise executive authority in respect of and the right to administer local government matters listed in Part B of Schedule 4 and Part B of Schedule 5 (Bekink, 2008:215; Craythorne, 2006:156).

### **4.2.4 Political and administrative structures**

Matlosana Local Municipality has an executive mayor, who is the political head of the municipality and exercises statutory and ceremonial functions. The political vision of the Office of the Mayor is to establish and maintain a structure that will operate within the ambit of legislation, to govern local government to provide good administration, to timeously and effectively execute tasks, and to provide an environment that is conducive to public participation (CoM,2012:1).

The municipal manager (MM) is the head of the administration and is subject to the policy and directions of the council. The MM is responsible and accountable in terms of the provisions of the Systems Act (32 of 2000), in particular section 51(j). To assist the MM in this respect a support-service unit was established (2008) in the Office of the MM and includes the following subunits:

- Strategic unit
- Performance management (PMS)
- Integrated development planning (IDP)

- Supply-chain management (SCM) (CoM,2012:1).

These units act as instruments that the MM utilises as part of public planning and administration to realise public goals and development. The MM is responsible for the provision of services to the local community in a sustainable and equitable manner (Systems Act 32 of 2000, section 55(1)(d); Structures Act 117 of 1989(c), section 44(3)(c), section 56(3)(e); SALGA, 2011:51). In accordance with section 55(1) of the Systems Act (32 of 2001), the MM is responsible for the management of the administration and subject to the policy direction of the council for the implementation of the IDP and the monitoring of service-delivery programmes and projects – including road-maintenance projects.

It is a statutory requirement for a municipality to have an administration in operation (Systems Act 32 of 2000, Chapter 4). The Constitution mandates a municipality to provide sustainable services to promote social and economic development and to perform all the functions listed in Schedule 4, Part B and Schedule 5, Part B of the Constitution. For purposes of organisational design services are classified into groups (Craythorne, 2006:190). In order to fulfill its constitutional and statutory mandate, Matlosana Local Municipality has established seven directorates – one of which is the Directorate Infrastructure and Utilities (CoM,2012:1).

The Directorate Infrastructure and Utilities, and in particular the Roads and Stormwater Section, is of particular interest to this study. As was stated, the objective of the study is to investigate the service-delivery function with regard to the road-maintenance projects and road-maintenance functions.

In terms of Part 3 of the Structures Act (44 of 2003), the City Council of Matlosana municipality has established a section 86H utility. The purpose of the utility is to deliver the services in accordance with the power and duties of the municipality. In this regard the municipality performs its functions in accordance with its powers in terms of Section 8 of the Structures Act (44 of 2003). Matlosana Local Municipality utilises the utility Directorate Infrastructure and

Utilities to conduct such a function through its Roads and Stormwater Section. This section functions within the framework of the creation of new infrastructure and development programme to construct new roads. This function is conducted within the framework of the IDP process and municipal-funded projects.

The City Council of Matlosana has a regulatory framework for municipal supply-chain management (SCM) in place in accordance with the MFMA. On completion of the SCM process, and the appointment of consultants and contractors, the Roads and Stormwater Section, oversees the execution (56 of 2003) the project execution (Seleke, 3 Oct 2012: Interview). In this regard the Roads and Stormwater Section oversees the due completion of the project on behalf of the City Council of Matlosana within the scheduled timeframe and quality parameters.

A further function in terms of the directive created in section 86H of the Structures Act, (44 of 2003) is service utility, whereby the City Council of Matlosana maintains roads within its jurisdiction. The programme used by the Municipality to maintain roads consists of a resealing procedure and a procedure to repair potholes. The Roads and Stormwater Section has developed an operations and management plan. This plan contains the framework within which the Roads and Stormwater Section conducts its service provision. The maintenance plan is called a pavement management system, and the plan is based on the Informative Technology software, which is used in conformance with visual identification as a basic framework. Through the SCM process, the municipality acquires the service provider – a suitable contractor. It is further within the structure of the municipality to use the services of a consultant, specifically those of a consulting engineer. These processes are done administratively, without the intervention of any project management processes. The Roads and Stormwater Section uses the PMU to assist the municipality in its provision of new projects with regard to the development of new roads (Ntlatleng, 2012: Interview).

## **The Directorate Infrastructure and Utilities**

The directorate includes the following functions:

- Support and administration
- Development planning and building control
- Roads and stormwater
- Waste landfill sites
- Water
- Sanitation
- Building construction.

The function of the Roads and Stormwater Section is the planning, provision and maintenance of roads and stormwater infrastructure. The municipality is responsible for maintaining a thousand kilometres of roads under its area of jurisdiction (Seleke, 2012: Interview).

In terms of the obligation to maintain roads above, it is evident that the municipality is responsible for maintaining roads for its local residents.

### **4.2.5 Capital projects**

Section 215 of the Constitution requires the spheres of government to prepare budgets to promote transparency, accountability and effective financial management. In terms of the Systems Act (32 of 2000), municipalities prepare an annual report for each financial year, reflecting the performance of the municipality. This report forms part of the annual report in terms of chapter 12 of the MFMA (56 of 2003), which deals with financial reporting and auditing.

The annual budget is divided into a capital budget and an operating budget (Craythorne, 2006:254). The municipality may, except where otherwise provided, incur expenditure only in terms of the capital projects approved in the budget (MFMA, 56 of 2003) and present the council the spending of money only

if the money for the project has been appropriated in the capital budget (Craythorne, 2006:255). A municipality may spend money on a capital project only if the money for the project to the extent that it may be applicable and the sources of the funding that have been considered are available (Craythorne, 2006:255).

The service delivery and budget implementation plan refers to a detailed plan approved by the mayor in terms of section 53(1)(c)(11) of the Systems Act (32 of 2000). It is further relevant to state that the MIG is a conditional grant to support municipal capital budgets to fund municipal infrastructure and to upgrade existing infrastructure, including road construction (DPLG, 2006:14).

In line with the objectives of the study formulated in Chapter 1 and the literature review conducted in Chapter 2, an exposition of the PMU in the Municipality follows below. The aim is to investigate the PMU with reference to the MIG as a conditional grant that is allocated to the Municipality with specific prescriptions regarding the operations of the PMU.

#### **4.2.6 The project management unit in the City Council of Matlosana**

In line with the prescribed principles for municipalities participating in the MIG programme, the City Council of Matlosana established a PMU in accordance with the MIG Guidelines (DPLG, 2004/07).

New guidelines for the MIG programme were issued in 2007 (DPLG, 2007:3).

These guidelines were established through the consolidation of:

- the Consolidated Municipal Infrastructure Programme (managed by COGTA);
- the Water Services Capital Grants (managed by the Department of Water Affairs);
- the Community-based Public Works Programme (managed by the Department of Public Works);
- the Building for Sports and Recreation Programme (Department of Sport and Recreation South); and

- the Urban Transport Grant (Department of Transport) (DPLG, 2007:3).

The vision of the MIG is to provide all South Africans with at least a basic level of service by the year 2013 (DPLG, 2007:3). The MIG demands from municipalities the project management capacity to implement capital projects in an effective and efficient manner (DPLG, 2007:3), (Van der Walddt, 2009 b : 6) , (Kriuger, 2012: Interview).

The MIG guidelines (DPLG, 2004:7-8) recommend the process that should be followed to establish the PMU. The process entails a business plan to be submitted for approval to the national MIG unit . The business plan explains the model to be followed, details of the human resources, the budget and how the PMU is to benefit the municipality. The national MIG unit records the details of the PMU. The national MIG unit subjects the database to a six-monthly audit to ensure that the PMU still has the capacity to function. The municipality also has a responsibility to inform the national MIG unit if it alters the original model for the establishment of the PMU.

Matlosana Local Municipality established a PMU in November 2004 (Marais, 2012: Interview), consisting of a PMU manager, an administrative officer and a data capturer (Marais, 2012: Interview). The PMU is headed by the project manager or engineer to carry out project management functions. The project manager integrates, coordinates and conducts the financial administration of the MIG in the area of its operation. In the process, the project manager of the PMU adheres to and complies with the applicable legislation, policies and conditions of the MIG. The project manager of the PMU conducts project-performance and cash-flow reviews with regard to the project managed by the PMU. The project manager coordinates with the provincial and senior MIG manager. The project manager liaises with other relevant functionaries developments in the municipality through regular evaluation progress meetings. It is also the duty of the project manager to submit monthly, annual and ad hoc reports to the Department of Cooperative Government and Traditional Affairs.

The PMU manager compiles a three-year business plan in co-operation with the IDP process to start the process of initiating the project. Other functions of the PMU manager entail co-ordination with the IDP process, the Roads and Stormwater Section and the Financial Section to monitor and evaluate the project from execution to completion. The PMU manager also manages the team of the PMU, and controls and certifies the payment certificates (Kruger, 2012: Interview).

The PMU further employs a secretary, who carries out administrative functions and coordinates and supports the project manager. The secretary compiles monthly reports and annual reports for the PMIG manager. The cash flow is monitored by the secretary, who administers the monthly claims and expenditure with regard to the project execution (Green, 2012: Interview).

A data capturer attends meetings of the IDP and registers projects by the IDP. The data capturer conducts the necessary quality control on the project through the intervention of the Roads and Stormwater technical staff. The data capturer provides data information to the national data-monitoring base. The data capturer also prepares the necessary reports to the PMIG Unit and controls and approves payment certificates in preparation for the PMU managers approval (Pryba, 2012: Interview).

#### **4.2.7 The PMU function in the City Council of Matlosana**

The PMU manager compiles a three-year business plan in conjunction with the IDP process. The business plan contains the initiative for the projects initiated and planned in the IDP process. After approval of the business plan by the national and provincial MIG unit, the SCM unit of the municipality prepares the prescribed tender document. A process follows whereby the service of a consulting engineer is obtained. This process takes place within the framework of the municipality's regulatory framework and the normal approved evaluation-adjudication process. On completion of the adjudication process the City Council of Matlosana appoints a service provider through the office of the MM.

The process further entails whereby the consulting engineer compiles a tender document with the necessary prescribed forms, contractual obligations, scope of work, a bill of quantity and a plan with the outlay of the scope of the project. The tender document is compiled in conjunction with the specific technical functionary in the municipality, it refers to either, an initiative with regard to a water or an infrastructure development project. The SCM gets the approval of the specific section, in this instance the Roads and Stormwater Section, to commence with the process as stated above. In this regard it is the application to engage the services of a contractor to execute the scope of the project.

The PMU manager is informed to register the project. This happens through the data capturer of the PMU. The process of executing the project commences when the MM issues a letter of appointment directly to the contractor. The execution of the project in practice takes place in conjunction with the consulting engineer, the PMU manager and the official from the section concerned.

The administrative processes of controlling, evaluating and monitoring the project are handled by the PMU staff. The PMU staff oversee the execution of their different responsibilities as outlined above until the project has been completed (Seleke, 2012; Ntlatleng, 2012; Kruger, 2012: Interview).

The focus of the study is centred on the road-maintenance function of the PMU. The function and responsibility of the Municipality to maintain their assets and particular the maintenance of their roads takes place exclusively within the structures of the Roads and Stormwater Section. The internal administrative process was outlined above.

This concludes the exposition of the operation of the PMU City Council of Matlosana on the basis of the interviews conducted with the respondents. In the next section the researcher discusses the research methodology followed in accordance with the research questions as outlined in Chapter 1.

### 4.3 RESEARCH METHODOLOGY

The nature of the study necessitated the researcher to use the qualitative design. The researcher will provide a further description of the qualitative nature, the specific data-collection method, the sampling method and the construction of the semi-structured interviews.

In Chapter 1 the researcher outlined and formulated certain research questions in order to conduct the social research process on the basis of the theoretical exposition in Chapter 2 and the statutory and regulatory exposition to conduct the empirical research. The research questions were the following:

- To what extent does the City Council of Matlosana adhere to the statutory and regulatory requirements for project management and service-delivery standards, with specific reference to road maintenance?
- What are the principles, processes and structures of the project management unit (PMU) in the City Council of Matlosana?
- How does the present PMU function in terms of the administrative, departmental and economic principles and requirements governing project management?
- Who are the key role-players in the functioning of the project management unit?
- What holistic approaches can be employed to affect the functioning of the current system of project management?
- To what extent should the current system of the project management unit be adjusted, structured and monitored to affect the necessary service delivery with regard to the maintenance of roads?

The focus of the study was the PMU in the City Council of Matlosana, and the project management method used to deliver basic infrastructure development initiated by the government's overall strategic plan. The further focus of discussion and research concerns the function the municipality carries out to maintain the roads under its jurisdiction.

Semi-structured interviews were conducted with the respondents and an interview schedule with both open-ended and closed questions was used. The aim was to solicit spontaneous responses and to ascertain the functionality of the PMU and the various road-maintenance projects conducted by the municipality. The respondents' answers and questionnaires were treated as confidential and anonymous. The respondents included the staff of the PMU, the Directorate Infrastructure and Utilities and the Roads and Stormwater Section.

The researcher applied the semi-structured interviewing method to obtain information from the respondents to conduct the empirical research.

An exposition of the methodology followed to formulate the answers to the research questions and the process followed to interpret the findings is provided below.

#### **4.4 RESEARCH DESIGN**

A research design provides a basic framework for conducting a process to collect and analyse data. Research methods are also associated with different kinds of research designs (Bryman, 2001:28). The design represents a structure that guides the execution of a research method and the analysis of the data. Basically, the research design is the management or planning of research and entails the testing of the hypothesis (Bryman, 2001:28). Design leads to the planning of the scientific research from the first to the last step. It is the programme guiding the collecting, analysing and interpreting of observed facts and relates to the testing of a hypothesis (Bless & Higson-Smith, 1995:63).

On the basis of the description of the research design a certain programme or method is used to guide the researcher to collect, analyse and interpret the facts to indicate how theory and related principles of research design will be applied.

The researcher conducted the semi-structured interviews. The purpose was to get verbal, reliable and valid information from the respondents. The interviews were conducted on a face-to-face basis at a time convenient to the respondents. The respondents were contacted telephonically and a firm appointment was made. The topic of the interview was introduced to the respondents on the day of the appointment, when the appointment was again confirmed. The researcher prepared by guiding herself with a list of questions of specific topics to be covered. (Zaayman, July 2012)

In the next section follows a description of the data collection method.

#### **4.4.1 Data-collection method**

The qualitative research approach led the researcher to the semi-structured data-collection technique to collect the data from the respondents. The purpose of the study necessitated this specific technique in order to obtain information in the form of data to explore and define the research questions. Data collection is a technical accounting device used to rationalise in an appropriate way the collection of information that is restricted to a set of persons or events from which the actual information will be drawn (Bless & Higson-Smith, 1995:85).

The semi-structured interviewing technique was used to collect information pertaining to the composition and functioning of the PMU. It was further used to collect data with regard to the service provision of road-maintenance projects. Data was collected from the Directorate Infrastructure and Utilities and the Roads and Stormwater Section with regard to the road-maintenance function.

Struwig and Stead (2009:98) describe the semi-structured interview as a combination of a structure and unstructured interview. The semi-structured interview enabled the researcher to obtain multiple responses to set questions and allowed for detailed responses. It gave the researcher the opportunity to ask questions about fairly specific topics and the interviewees had a great deal of leeway to reply (Bryman, 2001:314). The researcher therefore found it vital to construct questions to conduct the interview.

#### **4.4.2 Construction of the interview schedule**

Guided by the advice as stated above, the researcher constructed an interview guide to cover the areas. A simple advice by Lofland (1995:78) was followed in as much by asking one “just what about this thing is puzzling me?”. Open-ended questions (Bailey, 1994:120-121) as well as closed questions were used to create spontaneous reactions and to score and facilitate information with regard to the PMU function and to apply the principles and theories of project management. Further questions were posed to staff members of the Roads and Stormwater Section to ascertain the scope of their service-delivery functions on the basis of their constructional and statutory obligation to maintain roads.

The questions were constructed in a short and uncomplicated fashion. The researcher did not pose any leading questions, because that type of question would have ruined the validity and reliability of the research. The premise that the researcher recorded under section A: Biographic information listed “face sheet” information of a general kind and of a specific kind to contextualise the respondents’ answers. Section B listed all the questions pertaining to the PMU and its functions, and section C contained all the questions with regard to the functions of the Roads and Stormwater Section.

The interview schedule was divided into different sections on the basis of the research questions stated in Chapter 1. The reason for creating sections with topics was to enable the researcher to ask the research questions systematically. The general guidelines suggested by Bless and Higson-Smith (1995:115) were followed. The researcher also took into account the possibility

of altering the order of the questions during the actual interview if the questioning diverged into a certain direction.

The researcher made sure that the environment where the interview took place was conducive to understanding the respondents (Bless & Higson-Smith 1995:117). Responses were not recorded and the respondents were advised and assured that all questionnaires and responses would be treated as confidential and anonymous. The researcher was ethically sensitive because the data-collection technique involved interviewing human beings (Burken, *et al.*, 1975:18; Bryman, 2001:318). Because qualitative research was conducted, an assistant was used to transcribe the responses.

Introductory statements and background information were employed to secure a relaxed and normal atmosphere. The reason for the study and the need for the participation were explained and accepted, the ethical consideration was respected and the researcher used a sample method to collect the data.

#### **4.4.3 Sampling**

The process that the researcher used to collect the data was to follow the sampling procedure to restrict the research to a small but well-chosen group of persons. The sample represented a much wider group (population). Sampling theory is the scientific foundation of this everyday practice. Bless and Higson-Smith (1995:85) define sampling theory as the study of the relationship between a population and the samples drawn from it. Sampling further entails a well-defined population referring to the set of elements on which the research focuses.

This study was conducted among three members of the PMU and three members of the Roads and Stormwater Section. The total number of six respondents was representative of the population as it reflected 100% of the PMU and 100% of the Road and Stormwater Section. The Roads and Stormwater Section consisted of an Assistant Director: Roads, a technical assistant and an administrative official.

The sampling method was based on the judgment of the researcher with regard to the characteristics of the representative sample. Units were selected that were judged to be based on an average person. It is based on the researchers judgment what the researcher judged to be an average person (Bless & Higson-Smith, 1995:95; Struwig & Stead, 2009:111). The researcher wanted to collect data or information from the PMU and from the Directorate Infrastructure and Utilities to provide an accurate information summary. The best way was to examine every single member or element of the group, in this instance the PMU and the Roads and Stormwater Section. However, it is also possible to reach accurate conclusions by examining only a portion of the group (Bless & Higson-Smith, 1995:85).

On the basis of the research questions outlined above the researcher focused on the PMU as the central part of the research. The PMU consisted of three respondents acting under the Directorate Infrastructure and Utilities, which was directed by a director and an Assistant Director: Roads as well as one technical official. The method used to deduce the finding was based on the contents of the research question and information supplied by the respondents.

The researcher used the theoretical exposition of project management as was discussed in Chapter 2 and the regulatory framework for municipal services and service delivery to investigate and evaluate the responses offered and to make the necessary findings.

#### **4.4.4 Reliability**

Reliability in qualitative research is synonymous with consistency (Struwig & Stead, 2009:133). The researcher used the synchronic-type of reliability (Struwig & Stead, 2009:134) in combination with the quixotic types. The researcher used categories and criteria with the interview data. These categories and criteria were confirmed by the observers interviewed. The quixotic type was employed as it continually provides the same findings. The researcher used a list and an interview guide during a “pilot” study and

thereafter conducted the further interview. During the pilot study the researcher explained the questioning procedure.

#### **4.4.5 Validity**

Validity is defined as trustworthiness or credibility (Struwig & Stead, 2009:143). The information provided was factually accurate and comprehensive and there was a common agreement and consensus between the participants and the researcher about the concepts. The researcher explained the interpretations of the data from the beginning of the interviews with the participants.

#### **4.4.6 Challenges**

The researcher experienced mainly the following challenges. The targeted sample reported the same challenges and constraints. The respondents based in the PMU reported insufficient project management staff capacity. The qualities and experience of a qualified technician as head of the PMU created a real challenge. A further constraint was the supportive function that was supposed to be rendered by the municipal support staff. This challenge created tension, as the terms of reference of employment of the Road and Stormwater Section relationship with regard to the MIG function was not outlined completely.

The technical staff of the Roads and Stormwater Section regarded themselves as employees of the municipality and not in the service of the MIG PMU. This caused serious tension during the evaluation and monitoring processes. The lack of past data files containing past practices created a constraint in terms of the PMU's ability to function as a learning institution and for development purposes. The low level of maturity in operation constraint detail analysis surprised the researcher, as the opposite was expected to be present.

## 4.5 RESEARCH ANALYSIS AND FINDINGS

This section contains a summary of the research analysis conducted in the PMU and in the Directorate Infrastructure and Utilities, which includes the Roads and Stormwater Section.

The following is an exposition of the semi-structured interview process containing questions, responses and findings.

### 4.5.1 Section A: Biographical details and profile of respondents

#### 1. Section where respondents are working

Section/Unit	Number of respondents
PMU	3
Roads and Stormwater	3

#### 2. Gender

	Male	Female
PMU	1	2
Roads and stormwater	3	

#### 3. Age profile

Ages	PMU	Roads and Stormwater
20-29		
30-39	2	2
40-49		1
50-59	1	

#### 4. Ethnicity

Racial group	PMU	Roads and Stormwater
White	2	
Black		3
Coloured	1	

5. **Number of years in service**

Number of years	PMU	Roads and Stormwater
0-5 years	1	1
6-10 years	1	1
11-15 years	1	1

6. **Educational profile**

	Number of respondents PMU	Number of respondents Roads and Stormwater
High school		1
Technical qualification	1	2
Technical qualification		
Diploma	2	
Postgraduate		

7. **Type of employment**

Description of employment	PMU	Roads and Stormwater
PMU manager	1	
Admin officer	1	
Data capturer	1	1
Assistant Director: Roads		
Technical assistant		1
Administrative assistant		1

## **4.5.2 Section B: Responses and research findings**

### ***4.5.2.1 Question 1a: To what extent does the City Council of Matlosana adhere to the statutory and regulatory requirements for project management and service-delivery standards with specific reference to road maintenance?***

In order to evaluate the question the researcher decided to separate the two important concepts, namely the statutory and regulatory requirements and service-delivery standards with regard to road maintenance, into different question and answer expositions.

The answers to question 1 were evaluated by using the MIG guidelines (2007/8) as well as the criteria described and formulated in Chapter 2 to outline the compliance of the City Council of Matlosana in this regard. The operational definition of project management formulated in Chapter 2 was used to measure the extent to which the City Council of Matlosana's PMU complied with the theoretical requirements. The answer was divided into two sections on the basis of the fact that the researcher found two different concepts to evaluate in the answers to the question. The first concept was the project management function with regard to the PMU and the second concept was the service-delivery function, with specific reference to the road-maintenance function.

Guided by the requirements formulated in the MIG guidelines (2007/08) a structured list of prescribed requirements was addressed to the respondents based at the PMU. The table below was divided into a criteria column, three responding columns, to be answered either affirmative or negative by using the mark as stated hereafter.

**Table 4.2: PMU Criteria:City Council of Matlosana**

✓ (YES)

X (NO)

Criteria	Respondent 1	Respondent 2	Respondent 3
<b>1. Establishment PMU (MFMA, 56 of 2003)</b>	✓	✓	✓
Capital plan	✓	✓	✓
Operational plan	✓	✓	✓
<b>2. Project type</b>			
Infrastructure	✓	✓	✓
Basic service	✓	✓	✓
Road maintenance	x	x	x
<b>3. Source of funding</b>			
National Treasury	✓	✓	✓
<b>4. Process establishment</b>			
Business plan	✓	✓	✓
Approval National MIU	✓	✓	✓
MIG programme management system	✓	✓	✓
MIG management information system (MIS)	✓	✓	✓

<b>5. Initiation process (project idea)</b>			
IDP	✓	✓	✓
Capital projects council	✓	✓	✓
<b>6. Operational capacity</b>			
Project management capacity	✓	✓	✓
Administration	✓	✓	✓
Staff capacity	✓	✓	✓
<b>7. Scope of operation</b>			
Financial management	✓	✓	✓
Project identification	✓	✓	✓
Special management- infrastructure fund (SMIF)	✓	✓	✓
Project management methodologies	✓	✓	✓
Phases and life cycle	✓	✓	✓
<b>8. Monitoring in terms of database</b>			
Internal municipal manager	✓	✓	✓
Provincial MIG	✓	✓	✓
<b>9. Project monitoring and evaluation</b>			
Socio-economic aspects	x	x	x
Backlog projects	x	x	x

Environmental aspects	x	x	x
<b>10. Capacity building</b>			
Extended public-works programme	✓	✓	✓
Labour-intensive construction methods	✓	✓	✓

## Findings

From these responses it can be deduced that the PMU complied to a significant extent with the criteria to enable it to conduct its functions. This deduction is based on the typical idea of project management methodology as the main creation of the PMU in terms of the strategic motive of the programme creation. The initiative of the creation of a PMU signifies the approach in organisations to manage projects through the “managing-by-project-approach”. This was confirmed by Kendall and Rollins (2003) and Fox and Van der Waldt (2008).

An important element noted was that the staff complement did not comply with the required standard as proposed by the theoretical exposition and as per PMU guidelines. The PMU utilised personnel of the municipality to assist it in its functioning. The PMU used cross-functional assistance by the Roads and Stormwater Section to enable the PMU to inspect infrastructure project execution and to conduct quality controls. The municipality experienced a shortage of personnel and vacant posts that posed a challenge to the Roads and Stormwater Section to implement their infrastructural plan and simultaneously assist the PMU with specific infrastructure responsibilities.

The second part of question 1 was answered by directly formulated questions to the respondents with regard to the service-delivery standard with reference to road maintenance. The questions were structured as follows:

**Question 1 b: What are the prescribed criteria outlined by MIG with reference to road maintenance?**

**Table 4.3: MIG criteria and responses**

Function:	Respondent	Respondent	Respondent
Road maintenance	1	2	3
MIG	X	x	x
City Council of Matlosana	✓	✓	✓

**Findings**

The literature review with regard to the MIG programme confirmed that the programme is aimed at providing all South Africans with at least a basic level of service by the year 2013 (DPLG, 2007/08:3). In terms of a municipality's constitutional obligation it has to provide infrastructure development (Craythorne, 2006:138). It was also confirmed that a municipality has a statutory obligation in terms of Part B Schedule 4 and Part B Schedule 5 of the Constitution. The service-measuring standard outlined in chapter 3 on the basis of sustainability (RSA, 1998, a:17). The basic needs of people referred to the social and economic development (Systems Act 32 of 2000, section 11(3)(1)). Policies and programmes such as the MIG programme in coherence with community proposals form the basis of most developmental plans. The service delivery of maintenance with regard to roads is not a function delivered by the PMU. The MIG programme does not regard road maintenance as a basic service for infrastructure development.

A further question was directed to evaluate and describe the service-delivery requirement in terms of the MIG guidelines (2004/07/08). An evaluation table revealed the following:

**4.5.2.2 Question 2: What are the principles, processes and structures of the PMU in the City Council of Matlosana?**

The question was divided into three subsections in order to simplify the different concepts. It was divided into principle, process and structure. The theoretical concept of projects and the operational definition outlined in Chapter 2 were used to formulate questions with regard to the principle. The definition provided in the literature review in Chapter 2 and the operational definition were used to construct questions with regard to the processes. The definitions provided by authors such as Kendall and Rollins (2003), and Fox and Van der Waldt (2008) were used to formulate the typical structure of the PMU.

The table below provides the criteria for the PMU:

**Table 4.4: Principles Processes and Structures PMU**

Principle	Process	Structures
MIG programme as an initiative created by government to deliver infrastructure development through IDP process	<ul style="list-style-type: none"> <li>• Project management methodologies</li> <li>• Project management lifecycle phases</li> <li>• MIS software</li> </ul>	<ul style="list-style-type: none"> <li>• PMU</li> <li>• PPMU</li> <li>• MIG National</li> </ul>

**Responses: Repondents**

**Table 4.5: Responses**

Criteria	Respondent 1	Respondent 2	Respondent 3
PMU project management	✓	✓	✓
Roads and Stormwater section	X	X	X

## Findings

Based on and guided by the MIG guidelines (2004/07/07), project management methodology is an integral part of the MIG programme and the programme functions only in municipalities with the necessary project management capacity (DPLG,2007/08:6). The PMU was mainly acting as an administrative unit, as the PMU experienced a challenge with regard to insufficient personnel.

The information provided proved that the PMU had been implemented as a direct consequence of the government's initiative to use projects to operationalise policy programmes and strategic objectives for service delivery. The MIG programme was such an initiative. The required process in line with MIG guidelines was the project management methodology.

Project management is the application of knowledge, skills, tools and techniques to project activities by the process of defining, planning, controlling and closing project activities and motivating the people within the parameters of scope, time, cost and quality. The MIG guidelines (2007/08) specifically require project management methodologies (DPLG, 2007/08:6) for setting up a PMU.

The various activities evaluated and described by the respondents corresponded with typical project management activities as outlined in Chapter 2. The PMU was not directly involved with the execution of the project, but it performed a co-ordinating and liaising function with regard to the execution of the project. The monitoring, controlling and evaluating phase was covered by the MIG MIS activity, in terms of which the database is monitored by means of the preparation of all necessary reports to municipalities and the provincial MIG management unit, the national MI unit and the relevant provincial and national departments.

With regard to the monitoring and evaluation phase the PMU was responsible for monitoring the socio-economic impact assessments, skills development and the facilitation of backlogs. The project management of the PMU conducted regular evaluation and progress meetings through processes whereby reports were submitted to the PMU. Although the respondents were not able to

describe the academic phases and lifecycle phases as was mentioned in Chapter 2, the researcher was able to recognise typical activity descriptions to match project management processes. The PMU was also acting as an instrument at the closure phase when it compiles the necessary closure report in terms of the MIG guidelines.

Although the staff complement was not the required size, the PMU personnel performed overlapping administrative activities on activities reverred to the technical functions when the project is inspected during the execution phase and an administrative basis in regard to compliance with technical functions. Typical project management phases as were outlined in Chapter 2 were identified:

- Conceptualising: IDP process
- Planning: IDP process
- Execution: project quality inspected
- Monitoring, controlling and evaluating: certificates for payment contro, monitoring of time schedules and evaluation of quality of project
- Closure: closure report submitted to PPMU

The PMU was actively involved in the project-identification process, in as PMU partake in the IDP process, to register the project once it had been identified by the IDP. It was the task of the PMU to register the project with the PPMU. The PMU was not directly responsible for the planning, but liaised with the municipal planning section (DPLG,2007/08). The conclusion the researcher drew from the findings above constituted the following function description of the PMU. The PMU is a:

- unit;
- based under the directive of the Director Civil Services and Human Settlements (CoM, 2012:6);
- performs project management functions on an administrative basis and functions in line with the Roads and Stormwater Section;

- is supported by the municipal staff but not effectively and efficiently, because the roles of municipal staff are not precisely outlined; and
- the PMU is ring-fenced, functional as an integral functionary in the City Council of Matlosana.

A challenge the PMU faces is its ability to conduct its activities as mentioned according to the guidelines involving the responsibilities of the project manager, secretariat, technician, financial, legal staff, administration and data capturer.

***4.5.2.3 Question 3: How does the present PMU function in terms of the administrative, departmental and economic principles and requirements governing project management?***

The researcher structured the question in two sections in an attempt to outline the PMU's relationship with regard to the MIG provincial structure and its relationship to its function as a unit. The PMU is located under the directorship of the Director Civil Services and Human Settlement.

The questions addressed to the respondents were constructed as follows:

**Question 3.1**

3.1.1 The format used was closed questions with fixed answer categories.

How does the PMU conduct its administrative function on the basis of the directive from the MIG programme?

3.1.2 How does the PMU conduct its departmental function as directed by the MIG programme?

3.1.3 How does the PMU conduct its function with consideration to the economic principles as directed by the MIG guidelines.

## Responses

The response was tabled according to the response received from only one respondent, the other respondents only replied in agreement. The answers received from the respondent are scheduled in a table format.

**Table 4.6: Criteria, Administrative, Departmental, Economic**

<b>Responses provided by respondent 1</b>		
<b>Administrative</b>	<b>Departmental</b>	<b>Economic</b>
<ul style="list-style-type: none"><li>• Submission of an annual business plan to the national MIG unit.</li></ul>	<ul style="list-style-type: none"><li>• Participation in national and provincial development programmes of the expanded Public Works programme. Labour-intensive construction methods.</li></ul>	<ul style="list-style-type: none"><li>• Adherence to section 88 of the Municipal Structures Act 117 of 1998.</li><li>• Capital plan and operational budget as required in terms of the MFMA 56 of 2003.</li></ul>

### Question 3.2

The second part of the question with regard to its administrative, departmental and economic principles and requirements was formulated as follows:

- 3.2.1 How does the PMU conduct its administrative functions with reference to project management?
- 3.2.2 How does the PMU conduct its departmental function with reference to project management?
- 3.2.3 How does the PMU conduct its economic responsibility in terms of the project management methodologies?

The answers were listed in table format to be evaluated in the finding:

**Table 4.7: PMU Criteria Administrative, Departmental, Economic**

<b>Respondent 1</b>	<b>Respondent 2</b>	<b>Respondent 3</b>
<p><b>Question 3.2.1</b></p> <p>The answer suggested that a project management software system be used. The respondent was not able to explain the details of the suggestion.</p>	<p><b>Question 3.2.1</b></p> <p>The answer supplied indicated that the PMU complied with its administrative function in as far as it received allocations from the national MIG: these allocations were increased annually on the basis of the business plan filed.</p>	<p><b>Question 3.2.1</b></p> <p>A copy of the MIG guidelines 2007/08 was supplied and on pages 12 and 13 the functions of the project manager, secretariat, financial/legal staff, administration and data capturer were highlighted for the researcher.</p>
<p><b>Question 3.2.2.</b></p> <p>The PMU interacted only with certain sections and departments of the municipality such as the Road, Sewer and Water sections, but all the departments should be involved.</p>	<p><b>Question 3.2.2</b></p> <p>The Roads and Stormwater Section interacted with the PMU manager to verify the progress of the road project during the execution phase.</p>	<p><b>Question 3.2.2</b></p> <p>The PMU interacted with departments in the municipality during the execution of the project and with the financial department. The function was exercised by the financial department.</p>
<p><b>Question 3.2.3</b></p> <p>The PMU manager handled the financial administration and cash-flow reviews.</p>	<p><b>Question 3.2.3</b></p> <p>The Roads and Stormwater Section was called to oversee the progress of the roads</p>	<p><b>Question 3.2.3</b></p> <p>The PMU was responsible for auditing and administering monetary claims.</p>

<p>The PMU manager controlled and signed the payment certificate before it was processed submitted to the Director Civil Services and Utilities</p>	<p>projects during the execution phase. The monthly claims and expenditure was administered by the PMU.</p>	<p>The monitoring of cash flow on each project as well as the verification of transfers from national to the municipality was mentioned.</p>
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## Findings

The researcher received different answers from the three respondents. The answers were a direct consequence of their operational responsibilities as per the MIG guideline directives. It was also noted that it was a directive from the MIG programme guidelines (2007/08:11) to utilise municipal staff before extra staff for the PMU was recruited. It was also noted that the structural organogram of the location of the PMU provided a so-called “ring-fenced” integral function. The location of the PMU should be carefully considered to utilise its optimum basic function to deliver services in an effective and efficient manner with regard to the cost, time and quality of the project as per the MIG national programme through the MIG programme. The researcher submits that the structural location of the PMU in the municipality’s organogram will have a direct influence on its functional output capacity.

### **4.5.2.4 Question 4: Who are the key role-players in the functioning of the PMU?**

The question was addressed to all three respondents. The answers in column 1 of Table 4.4 was supplied by the three respondents. Columns 2 and 3 were compiled by the researcher.

**Tabel 4.8: PMU role players**

PMU/ City Council of Matlosana	Guidelines 2007/2008	Chapter 2 literature criteria
<ul style="list-style-type: none"> <li>• PMU manager</li> <li>• Administrator</li> <li>• Capturer</li> </ul>	<ul style="list-style-type: none"> <li>• PMU criteria manager</li> <li>• Secretariat</li> <li>• Technician</li> <li>• Financial/legal staff</li> <li>• Administration</li> <li>• Data capturer</li> <li>• Community officer</li> <li>• Training officer</li> </ul>	<ul style="list-style-type: none"> <li>• PMU manager</li> <li>• Planning engineers</li> <li>• Administrator</li> <li>• Clerk/secretary</li> <li>• Cost controller/ accountant</li> </ul>

### Findings

The nature of the functions of the organisation and the types of projects involved dictates the composition of the PMU. In the case of the City Council of Matlosana the minimum staff were available. It became clear to the researcher that the PMU functioned inefficiently because it carried out certain responsibilities and overlapping functions with staff who is not employed. The financial and legal responsibilities were handled by the secretariat as well as by administration and auditing. The data capturer covered financial and legal responsibilities. The PMU had motivated the increase of the staff in 2012/2013 business plan (CoM, 2012/2013:6).

The organisational structural settings of the PMU were noted in the business plan and mentioned by one of the respondents. The PMU was located directly under the directorship of the Director: Civil Services and Human Settlements. In line with the MIG programme the PMU was directed to use the municipality's

staff as a support function to assist the PMU to manage their project management duties (DPLG, 2007/08:12). This practice created an employment identification crisis. The practice was jeopardised by staff claiming that they were not employed by the MIG, as they did not get the salary from this function.

The municipal support staff consisted of the following functionaries:

- Deputy Director: Electrical
- Assistant Director: Water
- Assistant Director: Roads
- Assistant Director: Sewer
- Senior Engineering Technician: Architectural
- Sport Liaison Officer
- Assistant Director: Parks and Recreation.

This information was obtained during an interview with the Director: Civil Services and Human Settlements (Viljoen, 2012: Interview). Two of the three respondents in the PMU responded and identified the following staff to be appointed in the PMU:

- Clerk of works and/or engineering technician
- Financial assistant.

Challenges encountered by the PMU related to the low capacity of staff employed at the Municipality. Best practices witnessed financial capacity allocated by the MIG National Unit through the National Treasury on the basis of the skills of the PMU manager. The literature review identified the typical PMU manager as an engineer. This requirement has significant consequences for the type of function and quality of service delivery.

**4.5.2.5 Question 5: What holistic approaches can be employed to effect the functioning of the current system of project management?**

The researcher provided a deductive suggestion, namely that the PMU align its organisational structure with its cross-functional change in order to focus on the strategic goals of the project.

**4.5.2.6 Question 6 a: To what extent should the current system of the PMU be adjusted, structured and monitored to affect the necessary service delivery with regard to the maintenance of roads?**

The answer was evaluated with reference to the PMU and the Directorate Civil Services and Human Settlements, including the Roads and Stormwater Section. The questions were formulated to the extent as follows: Does the PMU conduct any road maintenance functions?

All three respondents indicated that the PMU did not conduct any road maintenance functions. The maintenance of roads was done by the Roads and Stormwater Section exclusively. The PMU was responsible for managing the construction of new roads as initiated by the processes formulated during the IDP process. The MIG guidelines (2007/08:11) place a responsibility on the PMU to ensure that the Municipality adheres to the operations and maintenance obligation:

**Respondent 1:**

“The PMU does not have any maintenance projects currently. The PMU manage only new initiatives and projects from the IDP process.”

**Respondent 2:**

“The PMU does not conduct any maintenance on PMU projects. Project savings and unclaimed retention monies can be used to maintain projects done by the PMU to maintain it.”

**Respondent 3**

“The PMU manages projects on behalf of the MIG and the process is through the IDP and council. There are no projects to do maintenance design work.”

***Question 6(b) Is it possible within the structure of the PMU to conduct the maintenance of roads?***

**Respondent 1:**

“It is possible if it initiated as a project but the MIG does not allow it.”

**Respondent 2:**

“The directive is from MIG, not to handle maintenance projects and if the PMU can handle the normal project processes it can handle all maintenance projects.”

**Respondent 3:**

“The PMU can manage maintenance projects on the same as with the other.”

**4.5.3 Section C: Interview with the Roads and Stormwater Section**

In an interview with the Roads Stormwater Section the following questions were asked.

***4.5.3.1 Question 1: What process does the section follow to fulfil its function to maintain roads under the jurisdiction of the municipality?***

**Respondent 1:**

“The Roads section has a plan based on past experience and adapted by means of best practices which we use internally to exercise such function.”

**Respondent 2:**

“The road section conducts an internal process through its own resources to conduct its function of maintenance on roads.”

**Respondent 3:**

“The function is done in the roads section and if other resources are needed, the SCM is there to follow.”

**4.5.3.2 Question 2: *Is there any management process followed such as a project management method?***

**Respondent 1:**

“The road section has developed its own internal plan, but we do not follow a project management process.”

**Respondent 2:**

“We do not use project management methods.”

**Respondent 3:**

“Our management process entails a plan that is based on internal knowledge and we do not follow any project management process.”

**4.5.3.3 Question 3: *What is the reason for the bad condition of roads in the municipality?***

**Respondent 1:**

“Operation and finances go hand in hand. Our budget is not enough to maintain our roads.”

**Respondent 2:**

“The conditions of the roads are of such a nature that it needs a major plan to take it under control.”

**Respondent 3:**

“We have not enough finances and a comprehensive plan.”

**4.5.3.4 Question 4: Do you think the PMU can solve the problem to maintain the roads and in what way?**

**Respondent 1:**

“The PMU structure can assist the process to help with the management and with the acquiring of enough funds or allocated funds.”

**Respondent 2:**

“The PMU must function with the roads in regard to the maintenance in order to compile a plan.”

**Respondent 3:**

“I support the PMU as it is a form of administration to see that the functions of the Municipality can be carried out.”

**Findings**

The researcher concluded that the PMU in general did not manage the municipality’s function to maintain roads. This conclusion was based on the approach and directives of the MIG programme, and the respondents also confirmed it. The researcher also drew the conclusion on the basis of the information supplied: The PMU was indeed structured in such a format on the basis of its current experience to manage road management projects. The MIG guidelines (2007/08:11) make provision as part of the operational scope of the PMU for the unit to be responsible for fulfilling the operations and maintenance obligations for all capital projects. The PMU should assist directly or indirectly in planning and implementation of the operations and maintenance programmes. The Roads and Stormwater Section developed a plan on the basis of past experience.

## 4.6 CONCLUSION

This concludes the exposition of the empirical study on the PMU of the City Council of Matlosana. In this chapter the focus was on the PMU that was established in terms of the MIG guidelines (DPLG, 2004). In the process, the background and structure were also investigated by providing an overview of the history of the origin and current status of the municipality. The internal structure of the City Council of Matlosana was evaluated, and a focus was placed on the PMU and the Roads and Stormwater Section, which is responsible for delivering roads infrastructure and maintenance functions.

The research outlined the methodology and research design conducted to the empirical study with reference to the data collection method used and the sampling process that was followed. The research questions formulated in Chapter 1 were answered on the basis of the theoretical exposition in Chapter 2 and in Chapter 3. The answers were received from the semi-structured interviews with the respondents during which the researcher's questions were answered. The PMU was formed and established in 2004 through a process initiated by the DPLG (2004) to implement strategic objectives to affect service delivery objectives in order to provide a basic level of service by 2013. The MIG programme requires participating municipalities to manage projects as per its guidelines, newly updated in 2007/2008.

The City Council of Matlosana complied with the required standards to conduct their functions on a project-based project management method. The guidelines state that project management is an integrated function of the MIG programme. The PMU functioned as an administrative unit to operationalise its functions. It became evident that the PMU needed to have its staff structured to enable it to be actively involved taking care of its cross-functional duties.

It was also found that the PMU did not adequately provide and deliver project functions with regard to road maintenance. This service was delivered by the Roads and Stormwater Section. Such a service could also be delivered through

the PMU if that process is dealt with as stated in the MIG guidelines. The structure of the PMU is such that it can be done.

## **CHAPTER 5**

### **CONCLUSION AND RECOMMENDATIONS**

#### **5.1 INTRODUCTION**

As was stated in the previous chapter, that the focus of the study was the PMU and its functioning in the City Council of Matlosana. In the research study the researcher also investigated and explored the functions of the Municipality pertaining to its general function to provide infrastructure for its residents in a sustainable manner. The MIG programme is the instrument used by government to deliver infrastructure through the mechanisms of PMUs to effective basic service delivery.

In the previous chapter the researcher discussed the empirical research that had been conducted to focus on the functions of the PMU in the City Council of Matlosana. The researcher also investigated the function of the Roads and Stormwater Section to construct and maintain roads in its geographical municipal area. The researcher conducted the empirical study by investigating the background and development of the City Council of Matlosana's from before 1994 until the establishment of the PMU. The researcher conducted a qualitative research design and interviewed selected members of the PMU and the Roads and Stormwater Section.

The research questions in Chapter 1 were used as basis for formulating questions about the theoretical exposition of project management discussed in Chapter 2, and the regulatory framework outlined in Chapter 3. The respondents were interviewed against the background of the criteria and compliance with the regulatory measurement. The researcher used the different responses to compare and contrast and to make findings. The researcher concluded by stating that the PMU findings indeed fell within the ambit of the guidelines of the MIG ruling, and that the PMU conducts indeed

project management activities. These findings and conclusions are outlined more comprehensively below.

## **5.2 RESEARCH OBJECTIVES**

The primary objective of the study was to determine the following:

- The origin of project management as management application and its theories and principles.
- The functionality of the project management unit with regard to administrative, departmental and economic principles.
- The statutory and other regulatory requirements governing project management and service-delivery standards.

The secondary objectives were the following:

- To identify the key role-players in developing and implementing the project management unit.
- To determine the management and implementation of project management.
- To make the necessary recommendations and submissions to adjust the existing system of project management of the City Council of Matlosana.
- To determine the principal processes and structure of the project management unit.
- To implement mechanisms and align these with existing structures to effect efficient service delivery to construct and maintain roads.

- To determine the functioning of the present structure in terms of the administrative, departmental and economic principles governing project management.

The researcher conducted a literature review on the theoretical orientation to explore, define and evaluate the argument and development of project management. The aim of the literature review was to clarify the concept “project” (Chapter 1) as used in a government context. as typical clustered in portfolio’s within policy on strategic programmes (Van Der Waldt, 2009,(b):72). It was also based on the fact that it happens without a specific time frame in order to achieve outcomes or benefits (Campbell, 2003:71). For operational purposes the researcher based the research on the definition of project (Chapter 1) “as a process required to produce a new product or service that creates change, which is limited in time and scope”. The project also has specific goals and objectives, and a variety of resources.

A further literature review revealed that project management as a management discipline can be regarded as the application of knowledge, skills, tools and techniques to project activities by the process of defining, planning, controlling and closing project activities (Chapter 1). It was concluded that the basic process groups are initiating, planning, executing, monitoring, controlling and closing, and that these processes are described in terms of inputs, tools, techniques and outputs (PMI, 2008:18).

Public-sector organisations utilise project methodology to operationalise their strategic programmes and to improve service-delivery initiatives (Gareis-Heumann, 2000:709). The MIG programme was developed as national MIG unit programme management processes and procedures (DPLG, 2006:1) and as a programme aimed at providing basic infrastructure. The basis of the programme was the principal role of project management to deliver effective outcomes, turning government’s policies by infrastructural projects into results for its stakeholders (Gomes, *et al.*, 2012:317).

On an institutional level the MIG programme evolved its responsibility to the lowest level, the municipality, and directed the appointment of project management units (PMUs) (DPLG, 2006:3). The City Council of Matlosana's PMU was established in terms of the regulatory framework outlined in Chapter 2 and in Chapter 4. Through the empirical study the processes were followed as per the guidelines and best practices developed. In the course of the study it was affirmed that the City Council of Matlosana conducted the majority of their functional activities by means of projects, and projects become part of the operational MIG Guidelines structure (Thiry, 2002:2). This management approach creates the establishment of the PMU, where all activities are categorised as projects of either "change" or "operational" (Van der Waldt, 2008, b :74)

The MIG Guidelines (2007/08:19) outline specific project life-cycle phases and the extent of work to be done for the PMUs. The empirical research investigated the theoretical tasks and responsibilities found in the PMI (2008:11), as well as the guidelines that are in force.

There are various prescriptions and ideas as to the format of the PMU key staff members (Turner, 1999:360; Fox & Van der Waldt, 2008:76). However, the MIG programme (DPLG, 2007/08:8) required a comprehensive list of staff members. It was also stated that the PMU functions and project management basis as an integral function of the municipality. (DPLG, 2007/08:12). The MIG programme (DPLG, 2007/08:12) requires project management methodologies as an integral function of the municipality's PMU function. The researcher discussed the methodology above.

In Chapter 2 the researcher outlined the theoretical basis for the implementation of project management with reference to the specific steps to be taken. Reference was made to the steps suggested by Fox and Van der Waldt (2008:7). In this regard the researcher also took note of the primary function of the PMU as outlined in the PMI (2008:11). In Chapter 4 of this study the researcher referred to three different requirements listed by the MIG

Programme to implement the PMU and the management process (DPLG, 2007/8).

The process of governing the management and implementation process in a project-based organisational design and the concept of “project governance” were discussed in Chapter 2. Project governance relates to accountabilities and responsibilities in a set of relationships between the project management, the project sponsor, senior management and stakeholders (Turner, 2009:312).

It was concluded that governance provides the structure through which the objective of the project is covered. Governance relates to the policies, procedures and practices implemented to ensure that the organisation draws maximum benefit from its strategy-aligned projects. It was established that governance defines the objectives of the organisation and the means of achieving the objectives, as well as the means of monitoring progress. In Chapter 4 the researcher outlined these governance principles with the basic aim of the MIG programme.

As a municipal funding arrangement it combines the existing capital grants into a single consolidated grant. The intention was to cover the capital costs for basic infrastructure, including the provision of the maintenance of roads. It is part of the government’s strategic programme to eradicate poverty and create conditions for civil development (DPLG, 2004, b).

The theoretical proposition Chapter 2 outlined the principal process and structure of the project management unit. It was confirmed that the PMU is a concept that is growing worldwide. The main roles of the PMU were outlined by taking into consideration the PMBOK Guide (PMI:2008). It was concluded that the PMU provides operational support to different projects in a municipality and support to project management processes were outlined in Chapter 4. The processes and structure were outlined in the MIG Guidelines (2007/08).

The researcher explained the statutory and regulatory framework for service delivery with regard to road construction and maintenance in Chapter 3. The

empirical study revealed that the PMU conducts activities with regard to road infrastructure development. Typical maintenance functions were exercised outside the ambit of the PMU. It was also detected that the MIG Guidelines (2000/08) made provision for the operations and planned maintenance program for the long-term financial sustainability of municipal assets (DPLG, 2007/08:11).

The researcher outlined in Chapter 4 that the City Council of Matlosana neglected this activity as part of its scope of operations. It was further stated that it was critical that the Municipalities plan maintenance programmes for their assets on the one hand and necessary resources and capacity on the other. It was outlined above that the respondents explained that road construction and maintenance was handled only in the Roads and Stormwater Section, based on the assumption that the MIG programme does not capacitate the Municipality's PMU to deliver such functions. It was also outlined that the respondents stated that the financial resources available did not make ample provision to maintain all the roads in geographically demarcated municipal area.

It is the researcher's submission that the outlined scope as directed in the guidelines made provision for such a function and further states that it is the responsibility of the PMU to make sure the City Council of Matlosana Municipality has the resources to fulfil the operations and maintenance obligations for all capital projects. It was further emphasised that the PMU would assist directly or indirectly with the planning and implementation of the operations and maintenance programmes. Municipal roads are an asset to the City Council of Matlosana municipality and are as such regarded as quality to be part of the operations and planned maintenance programme.

The MIG guidelines suggested that the programme be planned together with the IDP programme. It was suggested that such a programme be developed to enable the PMU to maintain the activity through the PMU's normal routine activities to deliver services as per its mandate in terms of the MIG national programme. The RDP White Paper (RSA, 1994) adopts such a programme-

based approach to develop, and stipulates that development projects undertaken by local government will be funded by the national government as part of the RDP and will have long-term implications for the target communities.

It is therefore important to underscore the perspective of reviewing development projects as local expressions of broad national programmes. Based on such assumptions, there is a gap between policies, programmes and projects illustrated by the White Paper on Local Government (RSA,1998). The IDP programme, indicates the adoption of a comprehensive IDP for the municipal jurisdiction, that indicates their overall vision and strategies in respect of local government. It is therefore within the ambit of such IDP that various municipal departments and/or sections initiated can be formulated in terms of projects that will constitute action plans by which the IDP can be implemented (Nel, 2001:609).

The operational maintenance plan with regard to the maintenance of municipal roads can be planned as labour-intensive activities as well as compliance with the national and provincial Department of Public Works' programme of expanded works. The two technical actions involved in the repair of roads consist of pothole repairs and rehabilitation of roads.

### **5.3 RECOMMENDATIONS**

Based on the research conducted and findings ascertained by the research the researcher offers the following recommendations to be explored:

#### **5.3.1 Improvement of the functions of the PMU**

That the internal staff complement of the PMU City Council of Matlosana be extended to make provision for the necessary staff. It was found that the activities carried out by staff depend on the expertise of the staff and that the expertise of the engineer should also be should be involved. These qualities ensure that the capacity of the PMU is further enhanced to deliver functional

operations effectively and efficiently. The need to incorporate the technical services of the roads and technical services will then be minimised to a supportive function.

### **5.3.2 Provision to include the function of road maintenance**

It is further suggested that the exact role and function of the head of the PMU forms an ideal topic of further research. It is further suggested that the PMU should also make provision for the capacity and storage of data of past practices for future reference. The current tendency in local government of inefficient human resources poses a huge challenge to the effective operation of the PMU. The lack of experience and skills as well as the required prescription of an engineer cripples the effective outcomes. It is further suggested that research can be conducted to outline the structuring of the PMU as operational and institutional in an organogram to outline its extended activities to enhance the functions as prescribed.

### **5.3.3 Development of guidelines**

The researcher proposes that internal guidelines and practical steps be formulated to assist the PMU as work breakdown as a roadmap to enable them to perform their duties effectively and efficiently as per the Constitution mandate and the MIG Guidelines. The researcher again emphasises the recording of past practices as a learning organisation and for the purpose of analysing the outcomes of projects, and further to evaluate and adjust in a process to be development orientated.

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