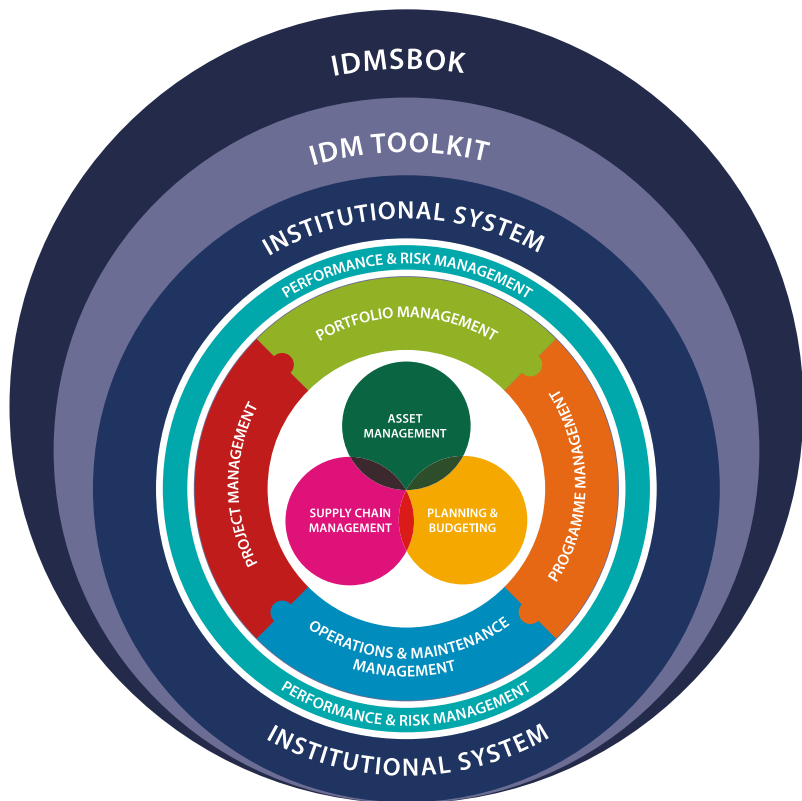


LOCAL GOVERNMENT INFRASTRUCTURE DELIVERY MANAGEMENT SYSTEM TOOLKIT



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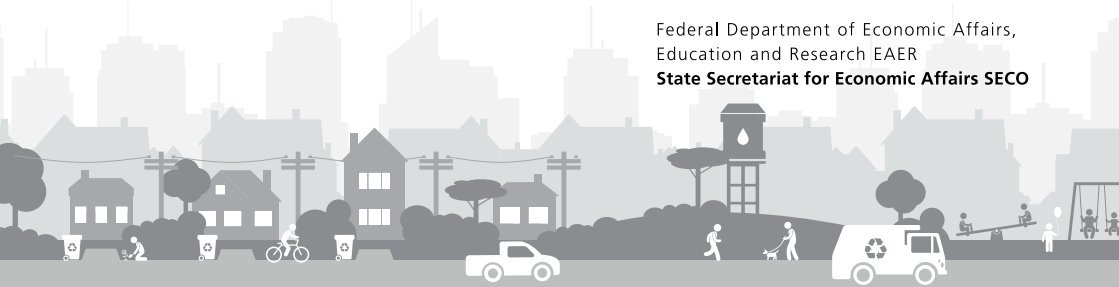
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THE INFRASTRUCTURE DELIVERY MANAGEMENT SYSTEM

The Infrastructure Delivery Management System (IDMS) is a management system adopted by the Cabinet in February 2012 as the government's system of choice for delivering public sector infrastructure.

WHY THE INFRASTRUCTURE DELIVERY MANAGEMENT SYSTEM?

The IDMS seeks to provide a uniform approach to infrastructure delivery management across all spheres of government. To date, the IDMS has been predominantly implemented in the national and provincial spheres of government and most recently introduced to the local government sphere through the Local Government Framework for Infrastructure Delivery and Procurement Management (LGFIDPM).

THE INFRASTRUCTURE DELIVERY MANAGEMENT SYSTEM IN LOCAL GOVERNMENT

National Treasury has taken the initiative to customize the IDMS for the local sphere of government in a guidance document referred to as the Local Government Infrastructure Delivery Management System Toolkit (LG IDMST). The LG IDMST provides an infrastructure delivery value chain which introduces a transversal approach to delivering and maintaining municipal infrastructure assets.

THE LOCAL GOVERNMENT INFRASTRUCTURE DELIVERY MANAGEMENT SYSTEM TOOLKIT

The LG IDMST is structured into five modules, each addressing specific aspects of infrastructure delivery.

Module One provides the rationale of the LG IDMST, which introduces the purpose and scope of the IDMS and the application of the LG IDMST, as well as legislative requirements. This module introduces the IDMS concept diagram and describes it as an interconnected systems with interrelated processes which enables effective and efficient infrastructure delivery management.

Module one introduces five management systems, namely:

- Institutional management system;
- Performance and risk management system;
- Planning and budgeting management system;
- Supply chain management system;
- Asset management system.

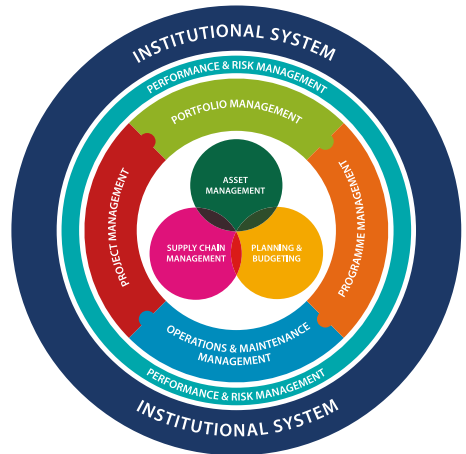


FIGURE 1: IDMS Concept Diagram

It also depicts four delivery management processes:



Module Two describes the institutional mandate, governance and strategic approach to infrastructure delivery management. It provides legislative requirements which govern the infrastructure delivery value chain, processes and arrangements. It also describes the approach to identify stakeholders and institutionalise the IDMS within the local sphere of government.

Module Three introduces asset management, planning and budgeting and supply chain management as the LG IDMS Toolkit core systems. This module outlines activities and deliverables to be attained through the applicable legislation, enabling value for money on infrastructure delivery. The module demonstrates different roles associated with the infrastructure delivery chain. It entrenches long-term planning, life cycle costing and prolonging the useful service life of infrastructure assets.

- Asset Management in municipalities involves continuously aligning strategic objectives with infrastructure asset management goals, determining an acceptable level of service, and utilising comprehensive criteria to measure and improve the performance of infrastructure assets to deliver better services to the communities.
- Municipal Planning and Budgeting is an exclusive function of the local sphere of government to attain its developmental objectives. Most municipalities have sector plans for different asset classes, but there is a disjuncture between what is planned and what is implemented. This section seeks to assist municipal practitioners in developing a pipeline of investment-ready, or shovel ready, projects that are well scoped, costed, packaged and sequenced with clear funding or financing options for the infrastructure asset life cycle.
- Supply Chain Management provides guidance and enables compliance, monitoring and oversight on activities that need to be attained at the portfolio, programme and project management levels. In this section supply chain management is presented as the process that guides practitioners in the development of a procurement strategy which comprises of:



01
FORMS OF
CONTRACT

02
PACKAGING OF
WORKS

03
TARGETING
STRATEGIES

04
PRICING
STRATEGIES

05
PROCUREMENT
PROCEDURES

Most importantly, supply chain management enables internal controls to improve accountability and enforce effective governance in the infrastructure delivery and management through the bid specifications, evaluation and adjudication committees. Further, it provides control measures through the provision of key deliverables in the infrastructure delivery stages and procurement gates that need to be authorized prior to the commencement of the next activity or process. These control measures allow corrective actions to be undertaken throughout the infrastructure delivery chain.

Module Four outlines processes designed to facilitate effective infrastructure delivery within municipalities. These processes are Portfolio Management, Programme Management, Operations and Maintenance Management, and Project Management. Below is a brief overview of each process:

- The LG Portfolio Management process is a comprehensive approach focused on strategic planning, demand management, infrastructure planning, and budgeting within the local government sphere. It begins with assessing the current assets listed on the asset register. The portfolio planning processes involve identifying infrastructure needs and the necessary work to address any identified gaps. This includes outlining the budgeting processes to secure funding for these initiatives and obtaining the required authorisations for infrastructure delivery implementation.
- Municipal Sector Master Plans play a crucial role in shaping municipal programmes. These plans serve as valuable inputs to ensure municipalities adopt a more strategic approach in defining interventions at specific locations in line with national, provincial, and district strategies. By aligning municipal programmes with the objectives outlined in these master plans, local governments can work towards achieving their development goals in a coordinated and harmonised manner.
- LG Programme Management focuses on the infrastructure delivery management processes and the collaborative efforts of different management disciplines to achieve strategic goals at the programme level. This process aims to harmonise programme components and manage interdependencies to realise specified benefits. The primary focus is on achieving the programme's cost, schedule, and performance objectives, ensuring that the intended outcomes are effectively delivered. Infrastructure programme planning plays a critical role in securing the approval for work to be implemented within the constraints of the approved infrastructure capital budget. This planning process is an input to the Medium-Term Revenue and Expenditure Framework (MTREF) Budget, helping to ensure that infrastructure projects align with financial allocations and resources available for the specified period.
- LG Operations and Maintenance (O&M) processes concentrate on the management of infrastructure assets. The process involves developing and implementing O&M management plans at the facility or infrastructure network level. The annual O&M planning process aligns with the municipality's asset management policy and strategy, including the required Level of Service (LOS). The Infrastructure Asset Register (IAR) is the basis for initiating the O&M planning process.
- LG Project Management Processes encompass the key concepts and guidelines for managing infrastructure projects within the local government sphere. It provides a structured approach for the management of projects. The process guides municipalities through each end stage of an infrastructure project, outlining primary objectives, key activities, and deliverables for each stage. Additionally, it emphasises the importance of monitoring project performance and managing associated risks throughout the project's lifecycle. Project proposals are developed during the Infrastructure Asset Management Planning (IAMP) process, which considers asset renewal, upgrades, rehabilitation needs, community needs, and political imperatives. Once approved, these projects are included in the Project Pipeline and released for implementation, following the Service Delivery Budget Implementation Plan timeframe specified for each financial year.

In summary, the above processes represent a comprehensive and coordinated approach to infrastructure management within local government. By aligning strategic planning, budgeting, and project implementation, municipalities can effectively deliver services and meet the needs of their communities, while ensuring compliance with regulations and optimising the use of available resources.

Module Five introduces an integrated approach toward Performance and Risk Management Systems in the infrastructure delivery management system and processes. The module emphasizes the significance of identifying, assessing and managing risks at an institutional; programme; operations and maintenance; and project level. It advocates for the culture of proactively preventing, mitigating, and eliminating threats which could prevent service delivery. The module reflects the control measures within with LG IDMST to detect potential risk throughout the infrastructure delivery chain by seeking approval of infrastructure deliverables prior to the commencement of subsequent activities, as reflected in the LG IDMS placemat.



The performance management system is deemed an integral part of the LG IDMST, assisting the municipality to measure, monitor, evaluate and improve infrastructure service delivery outcomes. The performance management system enable municipalities to hold municipal officials accountable for decisions and actions taken in the infrastructure delivery value chain. The performance management system enables performance agreements of municipal officials to be aligned with organizational objectives allowing measurable and attainable indicators to be reported, assessed, reviewed and monitored.

WHAT IT WILL TAKE TO IMPLEMENT THE LG IDMST

The implementation of the LG IDMST is dependent on organizational values, competencies, correct organizational structures and organizational systems to enable effective infrastructure delivery management.



FIGURE 2: The institutionalisation of the Local Government Infrastructure Delivery Management System Toolkit

01 INSTITUTIONAL VALUES

Infrastructure delivery needs the involvement of ethical administrative and political leaders who are accountable and committed to serving citizens and delivering services.

02 COMPETENCIES AND ORGANISATIONAL STRUCTURE

The LG IDMS Toolkit needs to be supported by an organogram that is conducive to supporting efficient infrastructure delivery management. The municipalities need to have the following in place:

- Transversal approach towards infrastructure delivery management;
- Well defined roles and responsibilities through the whole infrastructure value chain; and
- Competent individuals with relevant technical and behavioural competencies.

03 SYSTEMS

Effective and functional systems in the organization are key in establishing controls that will improve service delivery. All the systems in the LG IDMS Toolkit can be used for the implementation and monitoring the infrastructure delivery processes to ensure effective municipal infrastructure delivery, operations and maintenance.



SCM (INFRASTRUCTURE PROCUREMENT)

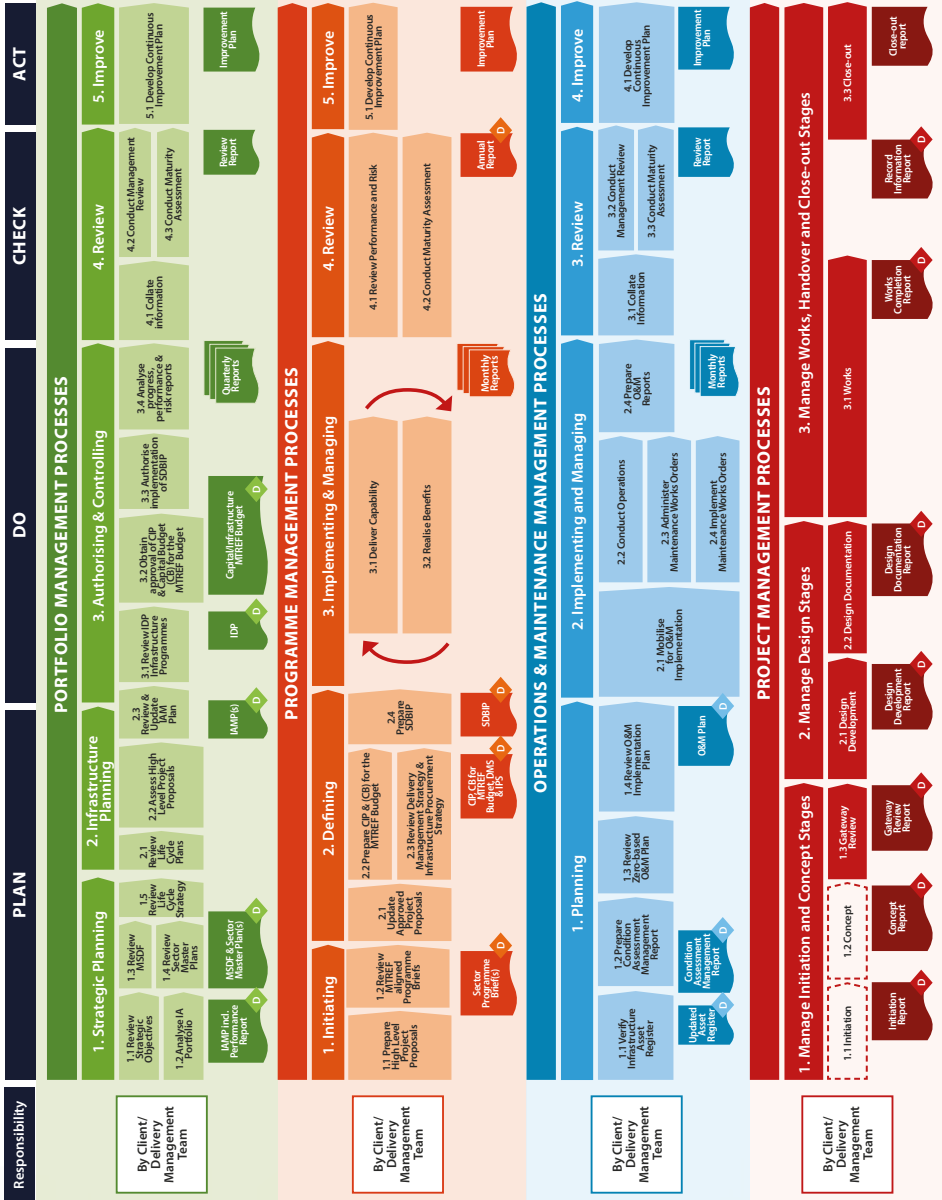


FIGURE 3: Local Government Integration



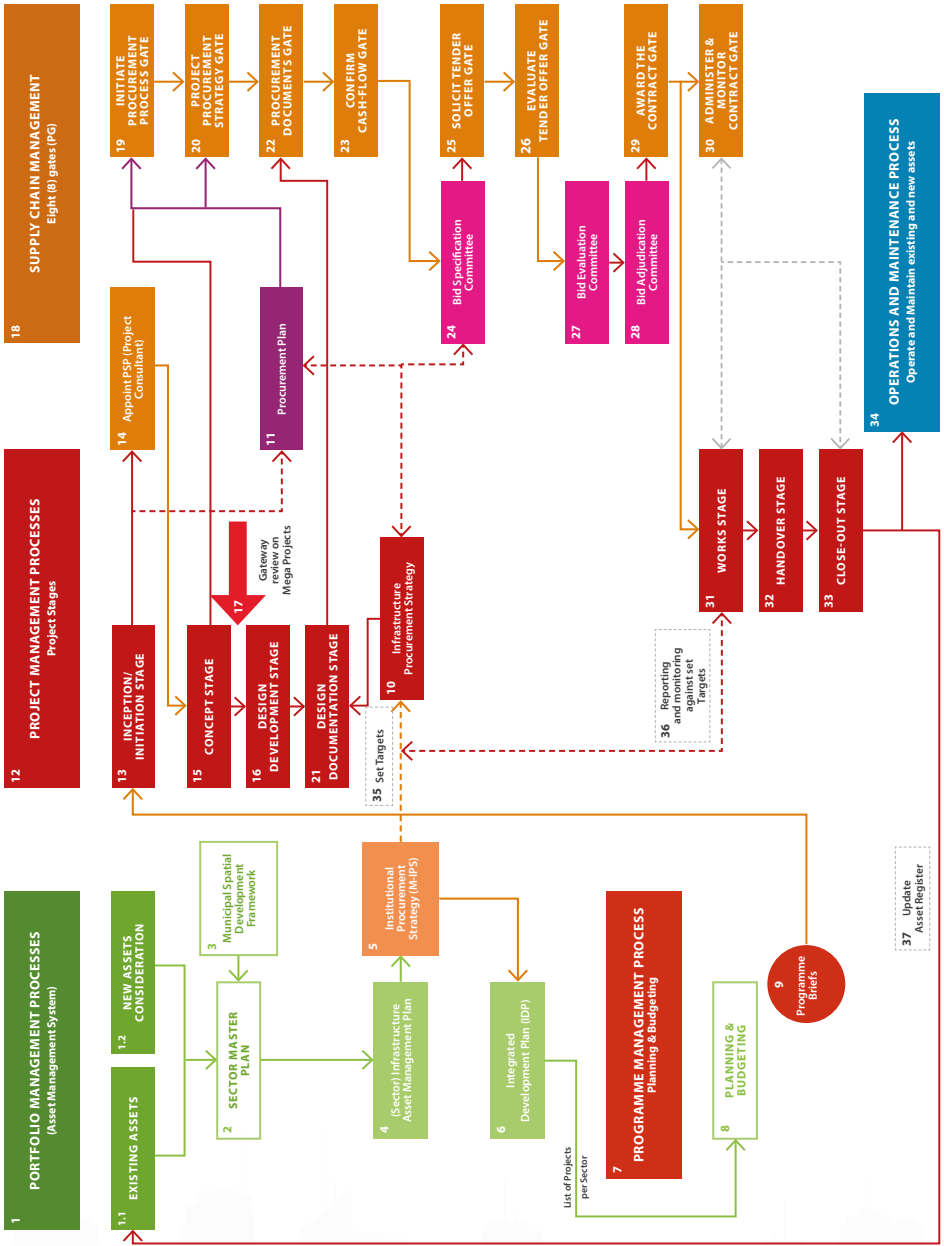


FIGURE 4: Value Map



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