

CONTRACT OF SERVICE LEVEL AGREEMENT

ENTERED INTO BY AND BETWEEN THE MPUMALANGA PROVINCIAL GOVERNMENT IN ITS DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

Represented by **MR SAMUKELO NGUBANE** in his capacity as the
Head: Co-operative Governance and Traditional Affairs, who is duly authorized to enter into this
Contract,

(Hereinafter referred to as “**the Department**”)

And

S AND L AVENUE JOINT VENTURE QUALITATIVE INNOVATIVE SOLUTIONS

Represented by **MS NOMFUNDO ALAYIKA ZITHA** in her capacity as the Managing
Director who is duly authorized to enter into this Contract,

(Hereinafter referred to as “**the Service Provider**”)

(Jointly referred to as “**the Parties**”)

**CGT/091/22/MP: FOR THE DEVELOPMENT, IMPLEMENTATION AND MAINTENANCE OF
MUNICIPAL MONITORING AND SUPPORT IT SYSTEMS WITHIN THE MPUMALANGA
PROVINCE**



1. PURPOSE AND CONTENT

1.1. The purpose of this Contract is to formalise an agreement between the Department and S and I Avenue Joint Venture Qualitative Innovative Solutions for the development, implementation and maintenance of Municipal Monitoring and Support IT Systems within the Mpumalanga Province.

1.2 This Contract consists of –

Part A being- the prescribed General Conditions of Contract; and

Part B being the Special Conditions of Contract.

Whenever there is a conflict in this Contract between Part A and Part B, the provisions of Part B shall prevail.

2. DEFINITIONS

Unless the context clearly indicates otherwise:-

“Contract” means this written text and includes all the annexures attached hereto;

“services”/“work” shall include any task reasonably necessary for the execution of the development, implementation and maintenance of Municipal Monitoring and Support IT Systems within the Mpumalanga Province, which forms the basis of this Contract or incidental thereto;

“Day” means any calendar day unless the defined term “Business day” is used;

“Department” means the Mpumalanga Department of Co-operative Governance and Traditional Affairs and shall include any person lawfully in the employ thereof and authorized to perform functions related to this Contract;

“project” means the for the development, implementation and maintenance of Municipal Monitoring and Support IT Systems within the Mpumalanga Province;

“Project Plan” means the Project Plan agreed upon between the Parties which specifies and describes the **7 (seven) critical phases** that is to be provided and timeframes within which the Project is to be performed;

“Service Provider” means S and I Avenue Joint Venture Qualitative Innovative Solutions and shall include any employee or associate of and any person or institution appointed by it to perform any work as envisaged in this Contract.

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Clause headings have been inserted for reference purposes only and shall in no way govern or affect the interpretation thereof.

PART A

3. GENERAL CONDITIONS OF CONTRACT

For purposes of this Contract, the General Conditions of Contract applicable herein, shall be the prescribed revised General Conditions of Contract (Practice Note SCM 1 of 2003) as posted on the National Treasury's website, attached hereto marked **annexure "A"**.

PART B

SPECIAL CONDITIONS OF THIS CONTRACT

4. SCOPE OF WORK OR SERVICES

The Service Provider shall ensure that the Information Technology System provides for a dashboard that will allow the Department to monitor and assess the performance of Municipalities and allow for the support to Municipalities as provided for in section 105 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (Systems Act) on Provincial Monitoring of Municipalities which entails the following:

- Section 105(2) Notice in terms of the Systems Act: Submission of Information by Municipalities published in the *Provincial Gazette* under General Notice 110 of 2022 dated 04 March 2022; and
- Section 105(3) of the Systems Act: annual performance reports in terms of section 46 of the Systems Act.

Areas of Reporting to form part of the system:

4.1. PERFORMANCE MANAGEMENT / REPORTING

The system should assist the Department to monitor and support Municipalities in implementing legislative requirements as follows:

- 4.1.1 The system to enable municipalities to report on performance through the required templates within specified timeframes
- 4.1.2 Identify Report workflow bottlenecks and measure quality of Report based on Committee outcomes
- 4.1.3 Monitor productivity of the Department based on the volume of the reports generated by Municipalities

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- 4.1.4 Monitor existence and progress of Reports which are expected for tabling by the MEC
- 4.1.5 Reduce non-compliance with applicable policies and legislation
- 4.1.6 The system should improve reporting of Municipalities on statutory Reports
- 4.1.7 Ensuring the development of Performance Objectives for all the Municipal Directorates/ Units
- 4.1.8 Ensuring the development of Key Performance Areas for all the Units/individuals
- 4.1.9 Ensuring the development of Key Performance Targets for the developed Key Performance Areas
- 4.1.10 Ensuring compilation of Performance Reports.
- 4.1.11 Enforce compliance to report formatting and correct standards
- 4.1.12 Ensure committee consultation
- 4.1.13 Ensure that all necessary reviews and approvals are obtained prior to capturing
- 4.1.14 The system should have audit trails

4.2 MUNICIPAL ADMINISTRATION

The system should assist Municipalities to fulfil the requirements in terms of the General Notice No. 110 of 2022 in addition to the key performance areas listed below:

- 4.2.1 Political Arrangements including functionality of Councils, Council Committees and Political Management Structures (TROIKA)
- 4.2.2 Governance and Oversight including functionality of Local Labour Forums (LLF) and institutional support to the Municipal Public Accounts Committees (MPAC)
- 4.2.3 Institutional Arrangements including systems of delegation and interface between political and administrative components
- 4.2.4 Monitoring the development, approval, gazetting and enforcement of Municipal By-Laws
- 4.2.5 Monitoring and supporting structures of Inter-Governmental Relations (IGR) including resolution of intergovernmental disputes
- 4.2.6 Monitoring the processing of community Petitions
- 4.2.7 Monitoring and supporting Municipal International Relations

4.3 MUNICIPAL FINANCE

The system should assist Municipalities to fulfil the requirements in terms of the General Notice No. 110 of 2022 in addition to the items listed below:

- 4.3.1 Enhancing Budget planning and credibility
- 4.3.2 Supporting and Strengthening of Revenue Mobilization and Debt and credit control management
- 4.3.3 Strengthening Local Governance, Financial Management and Accountability System
- 4.3.4 Monitor implementation of Municipal Property Rates Act, 2004 (Act No. 06 of 2004), appeals and the link to billing systems
- 4.3.5 Monitoring grant spending/ capital / own funding projects
- 4.3.6 Monitoring of distribution losses per municipality
- 4.3.7 Reduce non-compliance with applicable policies and legislation
- 4.3.8 Monitoring and strengthening revenue enhancement/debtors and credit control management system

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- 4.3.9 Monitoring of debts impairment
- 4.3.10 Monitoring of prohibited UIFWs
- 4.3.11 Monitoring of electricity and water losses

4.4 MUNICIPAL CAPACITY BUILDING

The system should assist Municipalities fulfil the requirements in terms of the General Notice No. 110 of 2022 in addition to the items listed below:

- 4.4.1 The system should enable Municipalities to report on quarterly implemented training and capacity building interventions.

4.5 MUNICIPAL PUBLIC PARTICIPATION

The system should assist Municipalities fulfil the requirements in terms of the General Notice No. 110 of 2022.

4.5.1 Ward Committee Monthly Reporting

- 4.5.1.1 Proof of payment: Out of pocket expenses
- 4.5.1.2 Number of community meeting conducted by the Ward Committee
- 4.5.1.3 Number of Ward Committees meetings held
- 4.5.1.4 Number of ward Committees implementing Ward Operational plan
- 4.5.1.5 Monthly Database Report on Service delivery issues.
- 4.5.1.6 Number of meetings held by the Ward Councillor with community members

4.5.2 Community Development Work Monthly Reporting

- 4.5.2.1 The Municipality should report on the implementation of the Complaints Management System
- 4.5.2.2 The Municipality should also report on issues raised through protest marches and processes followed to resolve challenges
- 4.5.2.3 The Municipality should report how many legal and illegal protest marches took place in the Municipality.
- 4.5.2.4 Proved update on the interventions done on Early warning referrals

4.6 MUNICIPAL PERFORMANCE MONITORING REPORTING AND EVALUATION

The system should assist Municipalities fulfil the requirements in terms of the General Notice No. 110 of 2022.

- 4.6.1 The system should assist Municipalities to fulfil the requirements in terms of Section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)
- 4.6.2 The system should assist the Department to fulfil the requirements in terms of Section 47 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)
- 4.6.3 Municipalities to report on the implementation of municipal support plans (Integrated Municipal Support Plan (IMSP) and Municipal Support and Intervention Plan (MSIP)

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- 4.6.4 The system should enable the Department to do a scorecard assessment of municipal performance against the local government objects as set out in Section 152 (1) to (e) of the Constitution
- 4.6.5 The system to enable municipalities to report on the implementation of Performance Management System as set out in Section 105 of the Municipal Systems Act 32 of 2000

4.7 SERVICE DELIVERY IMPROVEMENT

The system should assist Municipalities fulfil the requirements in terms of the General Notice No. 110 of 2022.

- 4.7.1 Community Satisfaction Survey
- 4.7.2 Service Nodal Points

4.8 MUNICIPAL DEVELOPMENT AND PLANNING

The system should assist municipalities fulfil the requirements in terms of the General Notice No. 110 of 2022 in addition to the items listed below:

- 4.8.1 Report on Local Economic Development, Spatial Planning, Land Use Management, Municipal Infrastructure, Water services, Integrated Development Planning including the District Development Model (DDM) and Disaster Management
- 4.8.2 The system to enhance the monitoring of bulk supply of water and electricity and usage in municipalities

In addition to the above, the system should also provide for reporting on the following:

4.8.3 Provision of basic services

- 4.8.3.1 Households with access to water, sanitation, electricity and waste removal
- 4.8.3.2 Projects implemented to address backlog on each area of service delivery
- 4.8.3.3 Projects to be grouped in terms of funding source, i.e., municipal infrastructure grant (MIG), INEP, WSIG, IUDG)
- 4.8.3.4 Projects to indicate description, location (area, ward and coordinates), appointed service provider (consultant and contractor), status, start date, finish date, budget, expenditure, targeted number of households, challenges and required interventions
- 4.8.3.5 On each project the system should allow submission of project reports

4.8.4 Indigents

- 4.8.4.1 Date of indigent policy adoption (system to enable uploading of the policy).
- 4.8.4.2 Number of households applied for indigent status, number of households approved, number of households disapproved. The location of the household to be included areas and ward per municipality.

4.8.5 Water services

- 4.8.5.1 Water treatment works (WTWs)
- 4.8.5.2 Description/name of WTW, location (area, ward and coordinates)
- 4.8.5.3 Design Capacity of WTWs
- 4.8.5.4 Operational capacity of WTW
- 4.8.5.5 Functionality of WTW (yes/no)
- 4.8.5.6 Challenges and required intervention
- 4.8.5.7 Number of plant operators

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4.8.5.8 Water use license date/number

4.8.6 Waste Water Treatment Work (WWTW)

4.8.6.1 Description/name of WWTW, location (area, ward and coordinates)

4.8.6.2 Design Capacity of WWTWs

4.8.6.3 Operational capacity of WWTW

4.8.6.4 Functionality of WWTW (yes/no)

4.8.6.5 Challenges and required intervention

4.8.6.6 Number of plant operators

4.8.6.7 Water use license date/number

4.8.7 Boreholes drilling

4.8.7.1 Location of borehole (area, ward and coordinates)

4.8.7.2 Depth

4.8.7.3 Yield

4.8.7.4 Households supplied

4.8.7.5 Functionality/Status

4.8.7.6 Source of energy

4.8.7.7 Number of tanks supplied

4.8.8 Indigents

4.8.8.1 Date of indigent policy adoption (system to enable uploading of the policy)

4.8.8.2 Number of households applied for indigent status, number of households approved and number of households disapproved

4.8.8.3 The location of the household to be included areas and ward per municipality

4.8.9 Land use management

4.8.9.1 Description of applicable policies, their date of adoption and system to allow uploading of these policies

4.8.9.2 Number of land use and land development applications received by the Municipality

4.8.9.3 Updated progress on the number of land use and land development applications decided upon by the Municipality (Land Development Officer, Municipal Planning Tribunal and Appeal Authority)

4.8.9.4 Land use enforcement with an indication of number of compliance notices issued

4.8.9.5 Reported cases of land invasion, interventions and progress on interventions

4.8.9.6 Number of building plans (i.e., new, minor, temporary building works) and demolition (partial/full) plans received, examined, and decided upon

4.8.9.7 Number of applications for temporary occupation certificates and applications to proceed with construction prior to approval of building plans received, examined/evaluated and decided upon

4.8.9.8 Number of outdoor advertisement applications received, evaluated and decided upon

4.8.9.9 Challenges and required interventions

4.8.10 Local economic development

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- 4.8.10.1 LED strategy: date of adoption and system to allow uploading
- 4.8.10.2 Total number of SMMEs
- 4.8.10.3 Description of LED programmes and projects indicating their location (area and ward), number of jobs created in a financial year
- 4.8.10.4 Functionality of LED forum by indicating dates of meetings and uploading of minutes
- 4.8.10.5 Challenges and required interventions

4.8.11 Spatial Planning

- 4.8.11.1 Description of applicable policies, their date of adoption and system to allow uploading of these policies
- 4.8.11.2 The number of land development decisions that were inconsistent with the municipal SDF and description of inconsistency
- 4.8.11.3 The number of land development decisions that departed from the provisions of the municipal SDF due to site-specific circumstances and description of site-specific circumstances

4.8.12 Integrated development planning

System to enable reporting on the following:

- 4.8.12.1 Information on the process followed on the prescribed IDP planning, drafting, adoption and review
- 4.8.12.2 Information on the number of IDP Representative Forum and Steering Committee meetings convened
- 4.8.12.3 Information on the number of wards consulted during the IDP community consultative process, including community feedback sessions conducted

4.8.13 Disaster management

- 4.8.13.1 The system to enable reporting on the following
- 4.8.13.2 Annual report uploading
- 4.8.13.3 Disaster Management Centres Functionality Reports by Districts (uploading)
- 4.8.13.4 Relief material stock level indicating per item i.e., tarpaulins
- 4.8.13.5 Recorded fire incidences indicating date of incident, location (area and ward), number of affected households, and number of injured person, number of fatalities, relief provided, challenges and required interventions

4.9 RURAL DEVELOPMENT AND LAND ADMINISTRATION

The system should assist municipalities fulfil the requirements in terms of the General Notice no. 110 of 2022 as follows:

- 4.9.1 Reporting by the municipality on the participation of the relevant Traditional and Khoi-San Leaders in the Municipal Council meeting as provided for in section 81 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998).
- 4.9.2 Attendance of Senior Traditional and Khoi-San Leaders of council sittings.

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- 4.9.3 Participation of Senior Traditional and Khoi-San Leaders in Municipal Developmental Programmes.
- 4.9.4 Availability of enabling resources for Traditional and Khoi-San Leaders to perform their duties
- 4.9.5 Availability of physical infrastructure.

4.10 ANNUAL PERFORMANCE REPORTS

- 4.10.1 The system should assist Municipalities to fulfil the requirements in terms of Section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)
- 4.10.2 The system should assist the Department to fulfil the requirements in terms of Section 47 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)

4.11 PROJECT MANAGEMENT

- 4.11.1 Monitor implementation of municipal projects
- 4.11.2 Report on the implementation of the Municipal Infrastructure Grant (MIG)
- 4.11.3 Ensuring the development of Key Performance Areas for all the directorates
- 4.11.4 Ensuring that the developed Key Performance Areas comply with the SMART principles
- 4.11.5 Ensuring the development of Key Performance Targets for the developed Key Performance Areas
- 4.11.6 Conducting regular performance reviews
- 4.11.7 Ensuring compilation of performance reports
- 4.11.8 Implement a performance management system within the municipality and ensure that performance is evaluated against the performance agreement / contract
- 4.11.9 Project implementation by ensuring that project is carried out as per intended project objectives in order to deliver the results and outputs
- 4.11.10 Implementation of the work plan to ensure that the project implementation and targets are being met through monitoring
- 4.11.11 Where necessary revise the work plan in order to implement new items if the first one were not working as intended
- 4.11.12 Project communication by ensuring that weekly / bi-weekly meetings are being held to communicate the progress on the project that is being implemented
- 4.11.13 Project reporting (preparing the progress report as well as closeout reports)
- 4.11.14 Quarterly reports on all project performance

4.12 INTERNAL CONTROLS

- 4.12.1 Develop /Monitor Financial delegation of authority
- 4.12.2 Develop/Monitor procurement delegation of authority
- 4.12.3 Development of all relevant policies and procedure manuals
- 4.12.4 Monitor compliance and implementation of policies, procedure manuals and legislation such as the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA)
- 4.12.5 Ensure risk management and audit committee are established and functional
- 4.12.6 Ensure that MPAC committees are capacitated and functional
- 4.12.7 Monitor implementation of external and internal audit remedial actions plans

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4.13 CONTRACT MANAGEMENT

- 4.13.1 Monitor Contract milestones and deliverables
- 4.13.2 Develop and monitor seamless payments modules, with payments linked with delivery
- 4.13.3 Visibility on the progress and delivery of all contracts in municipality
- 4.13.4 Store all contract- related documentation in one repository
- 4.13.5 Monitor implementation of projects

4.14 COMPLIANCE WITH LEGISLATION

- 4.14.1 Develop a schedule of all local government legislation
- 4.14.2 Develop a system to monitor compliance to all compulsory compliance local government legislation
- 4.14.3 Quarterly reports of all non-compliance issues

4.15 INFORMATION REPOSITORY

In addition to the above, the system should also provide for the following:

- 4.15.1 Incorporation and capturing of relevant municipal information, plans, documentation and reports
- 4.15.2 the system should also allow for importing of historical reports to provide a comprehensive repository of current and historical reports and information

CAPACITY BUILDING AND SKILLS TRANSFER

- 4.15.3 The process should ensure that skills development and transfer is achieved within the Province (all municipalities and Departmental officials)

The Service Provider undertakes to ensure the development, implementation and maintenance of Municipal Monitoring and Support IT Systems within the Mpumalanga Province as specified in clause 6.1 hereunder under and to provide them to the Department as outlined in the attached **Project Plan marked annexure "B"**.

- 4.2 The Service Provider hereby undertakes that it shall diligently and professionally exercise its obligations in respect of this Contract to ensure that on completion of the project, the development, implementation and maintenance of Municipal Monitoring and Support IT Systems within the Mpumalanga Province, as specified in clause 4.1 above have been done.

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- 4.3 In performing its duties under this Contract the Service Provider shall comply with all applicable and relevant laws and regulations including the General Conditions of Contract issued by National Treasury that forms part of their tender proposal.

5. DURATION

- 5.1 Notwithstanding the date of signature of this Contract, the Contract shall commence on **14 October 2022** and shall remain in force for a period not exceeding **03 (three) years, namely until 31 October 2025.**

- 5.2 Any extension will be negotiated between Parties and must be approved in writing by the Head: Co-operative Governance and Traditional Affairs. If no written extension is approved, the Department's financial obligations in terms of this Contract end on **31 October 2025.**

6. PAYMENT

- 6.1 The development, implementation and maintenance of Municipal Monitoring and Support IT Systems within the Mpumalanga Province shall be conducted by the Service Provider at the total fee of a of **R141 678 820.02 (one hundred forty one million six hundred seventy eight thousand eight hundred twenty rand two cent)(inclusive of Value Added Tax)**, which shall be paid as indicated in the attached Project Plan, marked **annexure "B"**, which fees shall be paid to the Service Provider regarding the services actually provided.
- 6.2 Payment to the Service Provider shall be effected by the Department within 30 (thirty) days of submission of invoices to the Department, which are subject to the approval of acceptable services by the Department. No part payments shall be made to the Service Provider.
- 6.3 The Service Provider shall immediately notify the Department of any changes in the banking details and shall submit a valid and updated tax clearance certificate or PIN to the Department.
- 6.4 The Service Provider must, in order to ensure timeous payment by the Department, keep its tax matters compliant with relevant tax legislation and ensure that its registration with the Central Supplier Database remains valid.
- 6.5 The Service Provider must disclose, at any stage after constitution of the Contract, whether they are sub-contracting all or any portion of the services, which sub-contracting will be subject to prior

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negotiation with and written approval by the Head: Co-operative Governance and Traditional Affairs, who will instruct the Service Provider on the procedure for such negotiation and the approvals required in the process. Any services, procured on sub-contracting basis, without the involvement of the Head: Co-operative Governance and Traditional Affairs, will not be reimbursed.

6.6 This is a performance based Contract and the Service Provider's performance shall be measured and assessed in terms of the deliverables as reflected in clause 4 above; failure to meet the required standard by the Service Provider -

6.6.1 the Department must notify the Service Provider in writing within 7 (seven) days from date of assessment to rectify the unsatisfactory performance; and

6.6.2 the Service Provider must rectify the unsatisfactory performance within 7 (seven) days from the notification at no extra cost.

7. EXPECTED PROJECT OUTCOMES AND DELIVERABLES

7.1 The Service Provider shall ensure that the main objective is achieved, namely to develop a web-based application to capture, store and retrieve municipal information while ensuring standardization in terms of project identification, coordination, liaison, data collection, verification, collation, analysis, dissemination, monitoring and evaluation as well as reporting.

7.2 On completion of the Project by the Service Provider the following deliverables will have been achieved on the dates mutually agreed upon as per the Project Plan and submitted to the Department:

7.1.1 All objectives of the Project Plan as stipulated in clause 4 of this Contract should be met;

7.1.2 The application Source code with all its listed features and as per scope of work is up and running and reports are available on request;

7.1.3 The End User training is complete and all the users of the application can operate the application.

7.2 The proposed technology should have the following functionality and characteristics:

7.2.1 The technology must be suitable for use at large operational scales (with or without further additions to the technology);

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- 7.2.2 The technology must be appropriate for use by less educated persons;
- 7.2.3 The technology should be easy to operate / use;
- 7.2.4 The technology should be safe, durable, cost-effective; and
- 7.2.5 The technology should be easy to integrate with the existing systems should there be a need.

8. NATURE OF RELATIONSHIP

- 8.1 For purposes of this Contract the Service Provider is an independent Company and the relationship between the Parties shall not be construed to be that of employer and employee.
- 8.2 The Service Provider shall not act as, or hold out to be, the agent, representative or employee of the Department.
- 8.3 All goods of whatever nature, namely the Printing and Other related Services to be provided to the Department in terms of this Contract shall become the property of the Department and subject to all proprietary and other rights the Department may hold over it.

9. CONFIDENTIALITY AND NON-DISCLOSURE

- 9.1 The Service Provider will not disclose or communicate confidential information (which for purposes of the Contract is any information which is marked confidential or is confidential by its nature to any person other than its employees or agents who will be directly involved in performing the Services under this Contract and who have been made aware of the confidential nature of the confidential information and have agreed to act in accordance with the terms of this undertaking.
- 9.2 The Service Provider will seek permission from the Department to disclose confidential information, unless the Service Provider is required by law, judicial or arbitration process or by governmental authorities, to make disclosure of the confidential information, in which event the Service Provider will advise the Department thereof in writing prior to disclosure, if possible.
- 9.3 The obligations created in terms of this clause shall survive the expiration and/or termination of this Contract and shall endure indefinitely.

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10. INDEMNITY

The Service Provider indemnifies and holds the Department harmless against any claim resulting from damages to or loss of property or injury or death of any person occurring on site, whether or not such damages, loss, injury or death should be the result of any act or omission on the part of the Service Provider, its employees, agents, or any other person.

11. BREACH AND TERMINATION OF CONTRACT

- 11.1 In the event of the Service Provider failing to comply with any of its obligations in terms of this Contract, the Department shall be entitled to deliver a written notice to the Service Provider calling upon it to comply with such obligations within a period of 7 (seven) days. Should the Service Provider fail, within the afore-mentioned period of 7 (seven) days, to comply with such obligations, the Department shall be entitled without prejudice to any rights which it may have in law, to cancel this Contract.
- 11.2 The Department may have all of the remaining work done by another Sole Proprietor/Company at the sole expense and cost of the Service Provider appointed, and/or to pursue all other remedies to which it shall be entitled.
- 11.3 In the event of the Contract having been cancelled in terms of sub-clause 11.1 above, no further payments shall be due to the Service Provider until the work has been completed by the substituting Sole Proprietor/Company.
- 11.4 Notwithstanding any other provisions, either Party shall be entitled to immediately terminate this Contract in the event of:
- 11.4.1 The breach by the other Party of any material terms or conditions of this Contract and failing to remedy such breach within 7 (seven) days of receipt of a written notice delivered by hand or by courier service calling upon the Party in breach to remedy such breach within 7 (seven) days of receipt thereof;
- 11.4.2 The other Party being placed in liquidation, whether provisionally or finally or being placed under judicial management;
- 11.4.3 The other Party making itself guilty of any conduct, which conduct is prejudicial to the aggrieved Party's interests.

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12. ARBITRATION

Any dispute, difference or question which may arise at any time hereafter between the Department and the Service Provider affecting the true construction of this Contract or the, rights and obligations of the Parties hereto shall, unless otherwise herein expressly provided, be referred to the decision of a single arbitrator to be agreed upon between the Parties, or in default of agreement for 7 (seven) days, to be appointed at the request of either Party in accordance with and subject to, the provisions of the Arbitration Act, 1965 (Act No. 42 of 1965) or any statutory modification or re-enactment thereof, for the time being in force.

13. DOMICILIUM CITANDI ET EXECUTANDI

13.1 The Parties agree to choose as their *domicilia citandi et executandi* as their respective addresses, set out in this paragraph for all purposes arising out of or in connection with this Contract, at which addresses all process and notices arising out or in connection with this Contract may validly be served upon or delivered either of the Parties. For purposes of this Contract, the Parties' respective addresses shall be:

13.1.1 The Department of Co-operative Governance and Traditional Affairs
Samora Machel Building, Upper Ground Floor
Government Boulevard
Riverside Park
MBOMBELA
1200
Tel no: 013 766 6087

13.1.2 S and I Avenue Joint Venture Qualitative Innovative Solutions
119 Areas Street Reyna Manor
WITBANK
1050
Cell No: 073 970 1158; email: snlavenue@gmail.com

13.2 Any notice given other than documents sent in terms of this Contract shall be in writing and shall:

13.2.1 If delivered by hand be deemed to have been duly received by the addresses on that date of delivery.

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13.2.2 If posted by pre-paid registered post, be deemed to have been received by the addressee on the seventh business day following date of posting.

13.2.3 If transmitted by facsimile or e-mail, be deemed to have been received by the addressee on the day it was dispatched.

13.3 Either Party shall be entitled to a notice of 14 (fourteen) days from the other party, to change its domicilium within the Republic of South Africa.

13.4 Notwithstanding anything to the contrary contained in this Contract, a written notice or communication actually received by one of the Parties from another, in terms of clause 13.2 shall be adequate written notice of communication to such a Party.

14. RELAXATION

No latitude extension of time or other indulgences which may be given or allowed by either Party to the other in respect of the Party's performance of any obligation hereunder or the enforcement of any right arising from this Contract and on single or partial exercise of any right by either Party shall under any circumstances be construed to be an implied consent by such Party or operate as a waiver or a novation of or otherwise affect any of that Party's rights in terms of or arising from this Contract or stop such party from enforcing, at any time without notice, strict and punctual compliance with each and every provision or term of this Contract.

SIGNED at MBOMBELA on this _____ day of October 2022

AS WITNESSES:

1. _____

2. _____

MR S NGUBANE for and behalf
of the **Department**

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Initials: Client: _____ Service Provider: _____ Witnesses: 1 _____ 2. _____

SIGNED at MBOMBELA on this _____ day of _____ 2022

AS WITNESSES:

1. _____

2. _____

**MS NA ZITHA for and on behalf of
S and I Avenue Joint Venture
Qualitative Innovative Solutions**