SERVICE LEVEL AGREEMENT

For

TENDER 20 / 2026 PROVISION AND
ADMINISTRATION OF AN ELECTRICITY
AND WATER PREPAYMENT VENDING
SYSTEM FOR A CONTRACT PERIOD OF
FIVE (5) YEARS

The services defined are annexed hereto and marked **“Annexure 2”** as well as fully ventilated hereunder.

Entered into between

Contour Technology (Pty) Ltd
Registration Number: 1998/023920/07
having its principal place of business at 2
Caefron Avenue,
Westville, Durban,
KwaZulu-Natal, 3629
Tel Number: (031) 266 9746
Fax Number: (031) 266 3587

(As the Service Provider hereinafter referred to as “Contour”)

and

Prince Albert Local Municipality
having its principal place of business at
33 Church Street, Prince Albert,
6930
Tel Number: 023 541 1668
Fax Number: 023 541 1321

(As the Customer hereinafter referred to as the “Municipality”)

(Both parties where so applicable will collectively be referred to as the “parties”) (This

agreement wholly or in part hereinafter referred to as the “Contract”)

1. AUTHORISED REPRESENTATIVES

1.1. Both parties are represented herein by duly authorized representatives as follows:

1.1.1. Somasundrum Kandasamy Moodley on behalf of Contour in his capacity as Managing Director.

1.1.2. ________________________on behalf of the Municipality in their capacity as the

Initial Municipality:_________

Initial Contour:____________

Municipal Manager.

1.1.3. Neil Matthew Samuels on behalf of Contour as the designated contact person with the following particulars:

1.1.3.1. Email address: Neil.Samuels@contour.co.za

1.1.3.2. Work Number: (031) 266 9746

1.1.3.3. Cellular Number: 081 7384196

1.1.4. __________________________on behalf of the Municipality as the designated contact person with the following particulars:

1.1.4.1. Email address:___________________________.

1.1.4.2. Work Number: ___________________________.

1.1.4.3. Cellular Number: ___________________________.

1.1.5. In the event of either of the designated contact persons no longer occupying this position the applicable party then bears the onus to inform the other party of such departure and furnish the particulars of the new designated contact person in the form specified in 1.1.3. and 1.1.4. above in writing within 21 calendar days of the departure of such designated contact person from their position.

1.1.6. The failure by either party to adhere to clause 1.1.5. holds the defaulting party wholly liable and in breach of this agreement together with the duly authorized representatives of each party.

1.1.7. The aggrieved party reserves the right to refer such non-compliance to the Auditor-General for the purposes of mitigating a potentially detrimental occurrence arising from such designated contact persons unavailability.

2. The effective date of this Contract is __________________and termination of the initial period of this Contract is _____________________. The parties reserve the right to renew the contract on the same terms and conditions.

3. The subheadings in this Contract are inserted purely for the purposes of convenience and navigation of this Contract and will not be construed by either party to form part of the interpretation of the substance of this Contract as a whole or any part thereof.

4. Gender in this Contract whenever the male pronoun is used, shall be deemed to include the female pronoun or vice versa and, likewise, whenever the singular is used, it shall be deemed to include the plural, as the context requires.

Initial Municipality:_________

Initial Contour:____________

5. **DEFINTIONS**

5.1. **SPECIFIC DEFINITIONS:**

5.1.1. **“Contract”** means this Service Level Agreement;

5.1.2. **“Applicable law”** means the common law and statutory law applicable of the Republic of South Africa, including any present or future constitution, decree, judgment, legislation, order, ordinance, regulation, statute, treaty, license, directive, rule, guideline or practice issued by any relevant authority;

5.1.3. **“Business Day”** means any day other than a Saturday, Sunday or recognized public holiday of the Republic of South Africa;

5.1.4. **“Effective Date”** means the date reflected in clause 2 of this Contract and any Schedule as the date upon which the Services listed on such Schedule will commence;

5.1.5. **“Uptime Services”** means the Services listed in this Contract and any Schedule hereto;

5.1.6. **“Equipment”** means the hardware products listed in this Contract and any Schedule hereto;

5.1.7. **“Product”** means Equipment and Software;

5.1.8. **“Intellectual Property”** means all patents, copyright, database rights, design rights, rights in confidential information, including know how, trade secrets, inventions, moral rights, trademarks and service marks (or whether registered or not and including all applications for any of them and all equivalent rights in all parts of the world), whenever and howsoever arising for their full term, and any other intellectual property in any form whatsoever;

5.1.9. **“Schedule”** means any schedule attached to this Contract and any schedule signed by the Parties from time to time, referencing this Contract;

5.1.10. **“Services”** means the Services defined in the service provider’s obligations annexed hereto marked **“Annexure 2”** and any Schedule;

5.1.11. **“Software”** means the object code version of computer programs described in any Schedule hereto and shall include any related documentation. Software also means the firmware included in the Equipment;

5.1.12. **“Software Support Services”** means the services listed in any Schedule hereto;

5.1.13. **“General Conditions of Contract”** means mandatory written conditions of public procurement contracts to be inserted into such contracts as published by National and annexed hereto marked **“Annexure 3”**;

5.1.14. **“Special Conditions of Contract”** means the specified conditions of this Contract, which take precedence over the conditions in 5.1.13 above in the event of a dispute;

5.1.15. **“STS”** means Standard Transfer Specification used by the prepayment meter industry;

5.1.16. **“Meter TID”** means the prepayment meter Token Identifier as defined in the STS;

5.1.17. **“Contour”** means Contour Technology (Pty) Ltd, a private company duly incorporated in the Republic of South Africa with registration number 1998/023920/07;

5.1.18. **“Persons”** means and includes, but is not limited to, natural persons, companies, close corporations or any other juristic person or other corporate entities, charities, trusts, partnerships, joint ventures, syndicates or any other association of persons.

5.1.19. **“Days”** means calendar days unless specifically referred to herein as any other type of days.

5.1.20. **"Calendar days"** means each day shown on the calendar beginning at 12:00 Midnight, including Saturdays, Sundays and public Holidays

6. OBJECTIVE

Contour and the Municipality have concluded a contract in terms of which Contour will provide the services defined in **“Annexure 2”**, read with and considered in *solidum* with Contour’s proposal document submitted for tender number: 20 / 2026, as considered and the terms therein having been accepted by the Municipality.

7. GENERAL OBLIGATIONS OF BOTH PARTIES

7.1. Contour will render services as set out in **“Annexure 2”.**

7.2. The Municipality will remunerate Contour in respect of such services mentioned in 7.1 in accordance with the terms and conditions set out in **“Annexure 1”** read with clause 8 below.

7.3. The Municipality reserves the option to request Contour to render additional services under this Contract through the conclusion of additional written Schedules, signed by both parties, and which will thereafter constitute addendums to this Contract. Such addendums are effective from the date of signature of such addendum by the parties with the commencement date of such services to be agreed upon in writing by the parties.

7.4. All additional services are subject to acceptance of such mandate by Contour and will be subject to the provisions of this Contract and any further provisions set out in the schedules referred to in 7.3 above.

7.5. Contour will provide a monthly report to the Municipality who will review the report and provide written feedback in respect of Contour’s service offering within 14 days of the report being submitted.

7.6. Should no written feedback or comment be provided within this 14-day period as required by clause 7.5 the Municipality deems Contour’s service level obligations to be contractually fulfilled.

7.7. An annual review meeting will be held to evaluate performance and consider the new requirements of the Municipality and product offerings.

Initial Municipality:_________

Initial Contour:____________

8. CHARGES AND PAYMENTS

8.1. The charges for the rendered services are reviewable by Contour after the initial Contract period.

8.2. Contour undertakes to ensure payment of all monies to the Municipality collected from valid third-party sales in the preceding calendar month within 3 business days of the succeeding calendar month.

8.3. Payment shall not be made in the event of invalid third-party sales arising from or due to one or more of the following types of transactions, including but not limited to:

8.3.1. Pending;
8.3.2. Cancelled;
8.3.3. Refunded;
8.3.4. Timed-out;
8.3.5. Transactions wherein an invalid meter number was inserted.

8.4. Charges for services will be invoiced and paid as per Clause 8.2. All payments shall be made without deduction or set-off, unless otherwise agreed in writing.

8.5. Contour may impose a late payment charge equal to the lesser of 1.5% per month (pro- rata for a portion of a month) of the overdue amount, or the maximum rate allowed by law. Any such late payment charge shall be paid by the Municipality on written notification by Contour of the amount thereof.

8.6. late payment charge is not applicable to invoices in terms of which a valid query has been raised by either party to this Contract. The assessment of the validity of such query will be performed by both parties collectively.

8.7. The parties agree that they have observed and understand fully the provisions relating to pricing as provided in **"Annexure 1"** and clause 8 herein.

8.8. Ad hoc services and associated costs shall be charged as reflected in the main and ancillary documentation.

8.9. A minimum fee/charge of R5.00 (Five Rands) shall be applicable for each transaction processed through Contour's Wire It product which falls below the minimum required transaction amount, the fee/charge of which shall be deducted from the transaction itself, no liability shall be incurred by the Municipality for amounts owed in the form of this minimum fee/charge.

9. BANK CONFIRMATION LETTERS

9.1. The Municipality undertakes to furnish Contour with a bank confirmation letter in respect of the bank account with the required particulars into which Contour will effect payment of the collected monies to the Municipality stemming from third party sales.

9.2. The Municipality agrees that the absence of such letter referred to in clause 9.1 hinders Contour's ability to reimburse the Municipality. By virtue of the Municipality's failure to furnish Contour with such letter the Municipality waives any and all claims for future non-performance it may have against Contour arising out of the non-payment by Contour of such monies previously referred to.

9.3. It is the responsibility of the Municipality to communicate any changes to its banking details to Contour through the repetition of the process referred to in clause 9.1 above.

9.4. Contour will provide the Municipality with its Banking details confirmation letter.

10. TAXES

The Municipality will pay any taxes, duties or levies (including Value Added Tax) which Contour becomes obligated to pay by virtue of this Contract but excluding taxes based on the net income of Contour. All charges referred to are exclusive of Value Added Tax or similar taxes.

11. MUNICIPALITY'S OPERATIONAL RESPONSIBILITIES

11.1. The Municipality is solely responsible for use of the Software, including operating procedures, audit controls, accuracy and security of input and output data, restart and recovery routines, and other procedures necessary for the Municipality's intended use of the Software.

11.2. The Municipality agrees that all applicable persons are educated and trained in the proper use and operation of the Software.

11.3. The Municipality will maintain source data necessary to replace critical data of the Municipality in the event of loss or damage to such data from any cause.

11.4. To enable Contour to properly comply with its contractual obligations herein the Municipality will, in addition to any requirements or obligations specified in any Schedule:

11.4.1. Maintain the operating environment in accordance with specifications supplied by Contour;

11.4.2. Provide Contour with full access to the Software, subject only to the Municipality's security rules;

11.4.3. Follow Contour's procedures for determining whether or not remedial service is required;

11.4.4. Maintain records relating to the use and performance of the supplied products as may reasonably be requested by Contour from time to time and ensure that Contour's personnel have access to such records at all reasonable times;

11.4.5. Provide Contour with all reasonable assistance and information to assist Contour to provide the services stated herein; and

11.4.6. Supply all communication interfaces required by Contour to enable it to provide any of the services stated herein.

12. CONTOUR'S OPERATIONAL RESPONSIBILITIES

Initial Municipality:_________

Initial Contour:____________

12.1. The party who supplies the vending machines must supply the applicable software.

12.2. Contour will ensure the replacement and/or upgrade of vending machines is carried out where necessary at the discretion and final decision of Contour with due consideration of the input of the Municipality when same is presented.

12.3. Contour undertakes to ensure the prompt rectification of defects where so presented at its own cost and its own discretion with due consideration of its responsibility as stated in its tender proposal document provided such defect bears no correlation to a fault on the part of the Municipality.

12.4. Contour understands fully and undertakes to comply with the provisions relating to data backups, system capabilities and provision of back up servers as stated in **“Annexure 2”**.

13. PROTECTION OF PROPRIETY INFORMATION

13.1. The Municipality will keep in confidence and protect Proprietary Information from disclosure to third parties and restrict its use as provided in this Contract. The Municipality acknowledges that unauthorized disclosure of Proprietary Information may cause substantial economic loss to Contour and/or its licensors. Proprietary Information shall not be copied, in whole or in part, except when essential for correcting, generating or modifying Proprietary Information for the Municipality’s authorized use. Each copy, including its storage media, will be marked by the Municipality with all notices which appear on the original. This Contract, including the Schedules hereto, contains Proprietary Information and consequently shall not be disclosed to any third party without the prior written consent of Contour.

13.2. Upon termination or cancellation of any licence contract relevant to the Software, the Municipality will at Contour’s request destroy (and, in writing, certify destruction) or return to Contour all copies of the Software, the licence for which has been so terminated or cancelled and any other related Proprietary Information in the Municipality’s possession (including Proprietary Information incorporated in other software or writings).

13.3. The Municipality agrees to inform its auditors, professional advisors and employees of their obligations under clause 13 and instruct them so as to ensure such obligations are met unless directed otherwise by consent in writing by the parties.

13.4. Clause 13 will survive termination or cancellation of this Contract.

13.5. This Contract does not transfer to the Municipality ownership in respect of any intellectual property contained in any Software, documentation or Proprietary Information.

13.6. Contour may only be audited in respect of the services rendered under this Contract and such audit may only occur during the period of this Contract and not after the termination date of this Contract. The Municipality will be liable for the costs of any audits which may take place.

14. INTELLECTUAL PROPERTY OWNERSHIP

14.1. This Contract does not transfer to either party ownership in respect of any intellectual property contained in any Software, documentation or Proprietary Information belonging to the other party.

Initial Municipality:_________

Initial Contour:____________

14.2. Each Party shall, unless otherwise agreed to in writing by both parties, retain, and remain owner of its own Intellectual Property.

14.3. Either party may not reverse engineer, reverse compile or otherwise reduce to human readable form any intellectual property belonging to the other party.

14.4. Either party shall only benefit from the functionality of the other party's intellectual property in so far as is provided within this Contract and its annexures hereto.

15. **SUB-CONTRACTORS**

Contour reserves the right to sub-contract to such persons as Contour, in its reasonable discretion considers necessary to enable Contour to fulfill its obligations in terms of this Contract. Contour accepts liability on the part of the sub-contractor where applicable. Contour undertakes to sub-contract only with the prior written consent of the Municipality and such consent may not be unreasonably withheld or delayed.

16. **WARRANTIES AND DISCLAIMERS**

16.1. Contour warrants that:

16.1.1. It has full capacity and all necessary consents to enter into this Contract.

16.1.2. It will observe all statutory health and safety requirements where applicable.

16.2. Warranties for replacement parts are limited to the warranty applicable to the original part replaced and will in no event extend the warranty period or conditions that applied to the original part.

16.3. Contour warrants that the necessary system testing has taken place in so far as is required for the proper fulfillment of its mandate in respect of the services to be rendered.

16.4. Both parties warrant that they shall not impose on the other unrealistic and impossible deadlines construed in any manner and/or form as being incumbent for the due and proper fulfillment of any of its obligations in this Contract.

16.5. Where such request for the completion of a particular task is made, the receiving party of the instruction reserves the right to assess the urgency of such task and communicate its findings in writing to the instructing party within three business days.

16.6. If it is found that such request falls within the defined obligations of the party with a stipulated timeline in respect of same, the timeline for the completion of the task so provided for in this agreement as agreed between the parties will apply.

16.7. Either party's designated contact person hereby guarantees:

16.7.1. That they understand fully the importance of their availability to discuss and/or resolve matters arising from/in relation to this contract.

16.7.2. In the event of them being temporarily unavailable they will inform the other party's designated contact person in writing of such unavailability within three business days of such unavailability arising notwithstanding clause 1.1.5 above.

16.8. Either party shall hold the other party harmless in respect of any unnecessary liability and/or expenses incurred by either party arising from/due to the act(s) and/or omission(s) of the other party where such act(s) were not required/reckless/unjustified and unauthorised and/or such omission(s) where such non-performance stems from negligence, intention, recklessness and without due consideration for the consequences which may/could arise.

16.9. Both parties' consent to the aggrieved party being entitled to recovering the amounts stated in 16.8 from the offending party through appropriate legal processes.

16.10. If either party institutes legal action against the other for breach of this Contract, then each party will be liable for its own costs except where an endorsed costs order has been awarded by a competent court situated in the Republic of South Africa dealing with the matter.

17. **SECURITY**

17.1. The Municipality may, if it considers it necessary, furnish Contour with security for the Municipality's debts arising from its obligations in terms of this Contract, in compliance with section 48(2)(a) of the Municipal Finance Management Act.

17.2. If no security is provided, Contour shall be entitled to:

17.2.1. Restrict the services provided to such extent as may be necessary to curb any current and/or future loss of revenue incurred by Contour; and/or

17.2.2. Reduce the indebtedness of the parties on a commensurate basis.

17.3. The remedies stated in this clause are independent and shall not be read together with, or limit, the remedies set out in clause 19 below.

18. **ALTERATIONS AND RELOCATION OF PRODUCTS**

18.1. The Municipality is required to provide Contour with prior written notice of any proposed alterations to Software and products. Contour has no obligation to provide Services for Software which has been altered. In the event Contour agrees to maintain, support or correct altered Software, Contour has the absolute right impose additional charges.

18.2. Contour is not responsible for any malfunction, non-performance or degradation of performance of Software, caused by or resulting directly or indirectly from any alteration not approved in writing by Contour. The Municipality will be solely responsible for any resulting infringement, personal injury or damage to property and Software.

18.3. For purposes of this Contract, "alterations" includes, but is not limited to, the incorporation of components, boards and sub-assemblies that are not supplied by Contour into equipment, as well as modifications to Software.

18.4. The Municipality is liable for any relocation of equipment.

18.5. Any such relocation referred to in clause 18.4 requires the Municipality to give Contour thirty (30)

Initial Municipality:_________

Initial Contour:____________

days written notice prior to relocating any equipment. Equipment that is relocated may be subject to additional charges and modifications of response times.

19. **LIMITATION OF LIABILITY**

19.1. Contour's maximum liability for any single or number of claims arising out of its performance under this Contract will not exceed an amount equal to the amount paid to Contour by the Municipality in the 3 (three) months preceding the date on which the cause of action arose in respect of such claim.

19.2. In no event will Contour be liable whether claimed in breach of contract, delict (tort) or under statute for:

19.2.1. any incidental, indirect, special, punitive or consequential damages or loss, including, but not limited to, loss of use, revenue, profits or savings; or

19.2.2. claims, demands or actions against the Municipality by any person, or payments made by or due from the Municipality to third parties; or

19.2.3. loss of or damage to the Municipality data from any cause; or

19.2.4. loss of funds contained in, dispensed by or associated with the Products.

19.3. The limitation of Contour's liability so stated in 19.2.1 - 19.2.4 shall not apply where a competent court situated in the Republic of South Africa determines Contour is liable and when such liability is clearly provided for in an endorsed court order.

20. **TERMINATION, SUSPENSION AND CANCELLATION**

20.1. This Contract will terminate after 90 days written notice and written acknowledgement of such notice by the other party subject to the expiration of the applicable initial term as stated in clause 2 above.

20.2. Contour may suspend services on written notice to the Municipality if:

20.2.1. any payment under this Contract is overdue by more than 30 days from date of invoice, being the period within which invoices must be settled; or

20.2.2. any applicable site configuration falls below the minimum configuration required by Contour.

20.3. In the event that any products become obsolete and are no longer supported by the manufacturer or licensor therefore (collectively referred to as "Obsolete Products") Contour shall be entitled to terminate this Contract in relation to such Obsolete Products on 90 days prior written notice to the Municipality. In this event:

20.3.1. This Contract shall remain in full force and effect in respect of Products which are not obsolete;

20.3.2. If the Municipality has paid fees and charges in advance in respect of obsolete Products,

Initial Municipality:_________

Initial Contour:____________

the Municipality’s account will be credited pro-rata for the period following termination.

20.4. Without prejudice to other remedies available to it in terms of this Contract, Contour may cancel this Contract and any concluded Schedules for default if the Municipality fails to:

20.4.1. Make any arrears payment within 10 business days of written notice, excluding invoices that are in dispute; or

20.4.2. Cure any other default within 30 days as the case may be, of receipt of written notice calling upon the Municipality to make payment or remedy the default in question.

20.5. Without prejudice to other remedies available to it in terms of this Contract, the Municipality may cancel this Contract for default if, upon receipt of written notice thereof and written acknowledgement of such notice, Contour fails to cure such default within 30 days provided such default is solely caused by Contour and not the negligence, non- compliance or misconduct of a third party directly or indirectly involved in the systems and processes concerning the rendered services in terms of which Contour is dependent on.

20.6. Contour may terminate Services on 30 days prior written notice if Contour determines that the Municipality’s software modification or failure to install a revision or update will interfere with the provisions of such services.

20.7. Termination or cancellation of this Contract will not affect any rights or duties arising under it with respect to Proprietary Information or payment of charges.

20.8. The Municipality shall return all equipment supplied to it by the Service Provider during the subsistence of this Contract which shall, inter alia, include the following:

20.8.1. Terminals;

20.8.2. Accompanying components of the equipment so stated in 20.8.1. above;

20.8.3. All other relocatable hardware.

20.9. The equipment mentioned in 20.8. above must be returned in the condition in which it was provided to the Municipality by the Service Provider within 30 calendar days after the termination date of this Contract.

20.10. The Parties agree that the condition so stated in 20.9. above shall be described as in good working order, presentable and otherwise free of any defects both minor and major.

20.11. In the event the equipment is returned/intended to be returned in poor condition, meaning such equipment is not in good working order, not presentable and possesses defects both/either minor or major, the following recourse shall be available to the Service Provider:

20.11.1. The Service Provider may withhold amounts accruing to the Municipality in the sum of the value of the equipment stated in 20.11. above, this sum to be the cost of the equipment incurred by the Service Provider when it was purchased;

Initial Municipality:_________

Initial Contour:____________

20.12. The return of the equipment shall not be effected in the event ownership in the equipment vests in the Municipality as provided by:

20.12.1. The tender requirements;

20.12.2. An agreement concluded between the parties directing otherwise.

21. NOTICES

21.1. The parties to this Contract elect the below addresses for the service and/or delivery of all notices/documents arising from this Contract and further elect the below addresses as their respective *domicilium citandi et executandi*:

21.1.1. **Contour:**

2 Caefron Avenue,
Westville, Durban,
KwaZulu-Natal, 3629

21.1.2. **Municipality:**

33 Church Street,
Prince Albert,
6930

22. TRANSFER OF LIABILITY

All risk of loss or damage to the Software, Hardware and/or any Product shall pass to the Municipality upon delivery to the Municipality's site and following written acknowledgement of receipt of such delivery by the Municipality, provided that any alleged loss or damage is proven, on reasonable evidence, to have occurred and to be attributable to the relevant party.

23. FORCE MAJEURE

23.1. Neither party will be liable for failure to fulfill its obligations when such failure is due to causes beyond its reasonable control including, without limitation, the failure or delay of any supplier, Acts of God, strikes or lock outs.

23.2. If any *Force Majeure* occurs in relation to either party which affects or may affect the performance of any of its obligations under this Contract, it shall forthwith notify the other party as to the nature and extent of the circumstances in question. Neither party shall be deemed to be in breach of this Contract, or shall otherwise be liable to the other, by reason of delay in performance, or non-performance of its obligations under this Contract to the extent that the delay or non-performance of that obligation is due to any *Force Majeure* of which it has notified the other party and the time for performance shall be extended accordingly.

23.3. If the performance by either party of any of its obligations under this Contract is prevented or delayed by *Force Majeure* for a continuous period in excess of thirty (30) days, the other party shall be entitled to terminate this Contract by giving written notice to the party so affected, whereupon all money due up to the point of termination under this Contract shall be paid immediately, and in particular Municipality shall pay to Contour all arrears of payment.

23.4. Any failure or delay by either party in exercising any right or remedy will not constitute a waiver.

23.5. This Contract will only be governed by the laws of the Republic of South Africa.

24. **WHOLE CONTRACT**

24.1. This Contract constitutes the entire Contract between the parties in respect of the subject matter hereof. The provisions stated herein will supersede all other provisions submitted by the Municipality which do not form part of this Contract, and all oral correspondence between the parties.

24.2. Neither Contour or the Municipality may cede, assign or transfer its rights or obligations under this Contract without the prior written consent of the other party, which consent may not be withheld unreasonably.

25. **AMENDMENTS TO AGREEMENT**

25.1. This Contract may be modified or supplemented only by way of a written addendum signed by a duly authorised representative of each party.

25.2. Each paragraph and provision of this Contract is severable, and if one or more paragraphs or provisions are declared invalid, the remaining provisions of this Contract will remain if full force and effect.

25.3. The terms and conditions appearing in the annexures hereto, are hereby incorporated into this Contract. In the event of any conflict between the terms and conditions of this Contract and those appearing in any annexures, the terms and conditions of this Contract shall prevail.

25.4. The term in respect of each Schedule of this contract will be for a minimum period of five years, commencing on the Effective Date. The Customer has the option of renewing this agreement on the same terms and conditions. Due to the critical and long-term nature of this contract and as per the Municipal Finance Management Act a periodic review of the contract will be done once every five years

26. **ARBITRATION**

26.1. In the event of any dispute or difference arising between the parties hereof relating to or arising out of this Contract including the implementation, execution, interpretation, rectification, termination or cancellation of this Contract, the parties shall forthwith meet to attempt to settle such dispute or difference and , failing such settlement within a period of fourteen (14) days, the said dispute or difference shall be submitted to arbitration and finally resolved in accordance with the rules of the Arbitration Foundation of South Africa, by an arbitrator or arbitrators appointed by that Foundation and accepted in writing by both parties. The costs of such arbitration shall be borne by both parties equally.

26.2. If either party unreasonably or negligently withholds consent in respect of the appointment of the arbitrator such arbitrator will be automatically appointed upon expiry of 30 days' notice to the unreasonable and/or negligent party of such unreasonable or negligent withholding of consent.

26.3. The parties herein consent to the arbitration process proceeding upon appointment taking effect as stated in 26.2 above without the consent of the negligent and/or unreasonable party.

26.4. An award made in respect of the arbitration proceedings will be binding on the parties.

26.5. The provisions of this clause shall continue to be binding on the parties, notwithstanding any termination or cancellation of this Contract.

26.6. The provisions of this clause shall not oust the jurisdiction of the courts.

27. **EXCLUSIONS**

27.1. In addition to any exclusions set out in any Schedules to this Contract, services to be provided in terms of this Contract do not include the provision of services, nor repairs or replacements necessitated by or related to:

27.1.1. Non-delivery or loss of Client Remote Output signal resulting from power loss, power outage and damage caused by accident, fire, water lightning, or other act of God, e.g., poor communication due to poor radio signal or faulty telephone service or configuration;

27.1.2. Damage caused by riots, civil disorder, acts of violence, sabotage or similar acts, subject to proof of such act being provided;

27.1.3. Damage caused by abnormal operating conditions such as high or low temperatures or humidity or dust levels which are beyond the published environmental specifications of the manufacturer of the products as provided by Contour;

27.1.4. The connection of ancillary equipment, not supplied by Contour, or not approved by the manufacturer of the Products;

27.1.5. The negligent use, abuse or misuse of products;

27.1.6. Electrical work, not performed by Contour;

27.1.7. Causes external to the equipment such as failure or fluctuation of electrical power;

27.1.8. Products that have become unserviceable or obsolete subject to written notice being provided to the Municipality;

27.1.9. The relocation of products;

27.1.10. Modifications, repairs or replacements or attempted modifications, repairs or replacements not performed by Contour or not approved by Contour in writing

27.1.11. Prior to such modifications, repairs or replacements being performed or attempted by another party, including the Municipality;

27.1.12. The refurbishment of any products;

Initial Municipality:_________

Initial Contour:____________

27.1.13. The restoration of lost data from any product, or equipment connected to products.

27.1.14. The provision of any accessories or consumables;

27.1.15. Any changes of modifications to products which are required as a consequence of any technical or regulatory changes introduced by the appropriate regulatory authorities.

28. EXCLUSIVE VENDING RIGHTS

28.1. The Auditor General requires the financial statements of a Municipality to reflect strict compliance with legislative provisions governing good revenue management which are more fully set out in the Municipal Finance Management Act as well as other governing Acts, directives and treasury notes.

28.2. Non – adherence as defined in 28.1 exercised through the unlawful transferring of rights of one party in this agreement to a third party constitutes a breach and is tantamount to poor revenue management on the part of a municipality.

28.3. Upon award and appointment of this tender to Contour by the Municipality, with specific reference to the conveyance of such decision of an award being made by the Municipality where so described above, all exclusive rights to provide the services specified herein are also consequently transferred to Contour.

28.4. Such rights mentioned in 28.3 and encompassed throughout this Contract are not transferable to a third party and the right to provide the services specified in this Contract vests solely with Contour.

28.5. The Municipal Manager hereby agrees that he/she will have committed a breach and will be held liable both professionally and/or personally in the event of one or more of the following acts being committed by the Municipality, which include but is not limited to:

28.5.1. The entering into/concluding/masterminding and/or proposition of further contract(s) with another service provider for the provision of the services specifically mentioned herein;

28.5.1.1. The parties agree that the contract(s) set out in 28.5.1 will be considered *void ab initio* and the Municipal Manager will immediately inform the unauthorised service provider of the existence of this contract and more specifically clause 28 herein.

28.5.2. the termination of this Contract without correct notice to Contour and without valid reasons;

28.5.3. The failure to sign this Contract upon presentation of such Contract for signature within a reasonable time explicitly considering such omission will be regarded as unreasonable when it impedes Contour’s ability to render the services specified herein;

28.5.4. Any other acts or omissions which would have the effect/possible effect or potential to hinder Contour’s ability to:

28.5.4.1. Exercise its rights in terms of this Contract; and/or

28.5.4.2. Perform its duties in terms of this Contract.

28.6. This Contract is valid and binding upon performance by the parties and shall remain valid and effectual for the subsistence of such performance.

28.7. The parties agree that under no circumstances can new Supply Group Codes or Key Files be provided to or requested for another service provider not forming part of this contract without lawful termination of this contract having first taken place and provided all outstanding disputes/queries arising out of/related to this agreement have been formally resolved.

29. The Municipality shall be solely responsible for the termination of any existing agreements with previous service providers related to the services now assigned to Contour. In the event that any delay, failure, or issue arising from the Municipality's termination process affects or impedes Contour's ability to commence, render, or continue the provision of services under this Agreement, Contour shall not be held liable for any resulting delays, disruptions, or non-performance.

30. The Parties acknowledge and agree that the penalties, consequences, and liability applicable to the Service Provider in the event of any failure to perform in accordance with this Contract are as set out in the tender document to which both Parties have agreed. This Contract incorporates and affirms those provisions, which shall remain binding and enforceable throughout the subsistence of this Contract.

31. **NON-SOLICITATION**

For the duration of this Contract and for 12 months thereafter, neither Contour nor the Municipality shall directly or indirectly, employ, solicit or offer employment to any employee of either party who is or was employed or involved in the provision of the services, nor shall it solicit, entice, encourage or persuade any such employee to terminate his/her employment with either party, without consulting with the affected party.

Initial Municipality:_________

Initial Contour:____________

32. **SIGNATORIES**

BY THEIR SIGNATURE HEREUNDER THE PARTIES AGREE THAT THEY UNDERSTAND THE PROVISIONS STATED HEREIN FULLY AND THAT ANY UNCERTAINTIES OR INCORRECT INTERPRETATIONS IN RESPECT OF SAME HAVE BEEN ADDRESSED

Signed for and on behalf of the Municipality:

…………………………. SIGNATURE	…………………….. DATE
……………………….. NAME (PRINTED)	……………………….. Witness 1
………………………. DESIGNATION	……………………….. Witness 2

Signed for and on behalf of Contour:

………………………….. SIGNATURE	……………………………. DATE
……………………….. NAME (PRINTED)	……………………….. Witness 1
………………………. DESIGNATION	……………………….. Witness 2

THE PARTIES SHALL ENSURE THAT EACH PAGE OF ALL ANNEXURES ATTACHED HERETO AND/OR OVERLEAF IS FULLY INITIALLED BY THE PARTIES

"Annexure 1"

H. Annexure - PRICE CALCULATION EXPLANATION

PRINCE ALBERT LOCAL MUNICIPALITY

PRICING CALCULATION

Tender No: TENDER 20/2026
Closing Date: Tuesday, 24 February 2026
Closing Time: 13:30

SECTION A - ONCE OFF FIXED COST

NR	ITEM DESCRIPTION	UNIT OF MEASURE	UNIT RATE (INCL. VAT)	ESTIMATED QUANTITY	TOTAL PRICE (INCL. VAT)
1	SYSTEM SET-UP AND TRAINING (ONCE-OFF)	SUM	R0.00	1	R0.00
2	IMPLEMENTATION: INTERFACE WITH FINACIAL SYSTEM	SUM	R0.00	1	R0.00
			TOTAL ONCE-OFF FIXED COST (INCLUSIVE OF VAT)		R0.00

SECTION B - LICENSING AND BACK-UP VENDING

YEAR 1

NR	ITEM DESCRIPTION	UNIT OF MEASURE	UNIT RATE (INCL. VAT)	ESTIMATED QUANTITY	TOTAL PRICE (INCL. VAT)
1	LICENSE / USAGE FEE (UNLIMITED USER)	PER MONTH	R0.00	12	R0.00
2	BACK-UP VENDING DISASTER MANAGEMENT, INCLUDING REPORTS	PER MONTH	R0.00	12	R0.00
			TOTAL COST - YEAR 1 (INCLUSIVE OF VAT)		R0.00

YEAR 2

NR	ITEM DESCRIPTION	UNIT OF MEASURE	UNIT RATE (INCL. VAT)	ESTIMATED QUANTITY	TOTAL PRICE (INCL. VAT)
1	LICENSE / USAGE FEE (UNLIMITED USER)	PER MONTH	R0.00	12	R0.00
2	BACK-UP VENDING DISASTER MANAGEMENT, INCLUDING REPORTS	PER MONTH	R0.00	12	R0.00
			TOTAL COST - YEAR 2 (INCLUSIVE OF VAT)		R0.00

YEAR 3

NR	ITEM DESCRIPTION	UNIT OF MEASURE	UNIT RATE (INCL. VAT)	ESTIMATED QUANTITY	TOTAL PRICE (INCL. VAT)
1	LICENSE / USAGE FEE (UNLIMITED USER)	PER MONTH	R0.00	12	R0.00
2	BACK-UP VENDING DISASTER MANAGEMENT, INCLUDING REPORTS	PER MONTH	R0.00	12	R0.00
			TOTAL COST - YEAR 3 (INCLUSIVE OF VAT)		R0.00

YEAR 4

NR	ITEM DESCRIPTION	UNIT OF MEASURE	UNIT RATE (INCL. VAT)	ESTIMATED QUANTITY	TOTAL PRICE (INCL. VAT)
1	LICENSE / USAGE FEE (UNLIMITED USER)	PER MONTH	R0.00	12	R0.00
2	BACK-UP VENDING DISASTER MANAGEMENT, INCLUDING REPORTS	PER MONTH	R0.00	12	R0.00
			TOTAL COST - YEAR 4 (INCLUSIVE OF VAT)		R0.00

YEAR 5

NR	ITEM DESCRIPTION	UNIT OF MEASURE	UNIT RATE (INCL. VAT)	ESTIMATED QUANTITY	TOTAL PRICE (INCL. VAT)
1	LICENSE / USAGE FEE (UNLIMITED USER)	PER MONTH	R0.00	12	R0.00
2	BACK-UP VENDING DISASTER MANAGEMENT, INCLUDING REPORTS	PER MONTH	R0.00	12	R0.00
			TOTAL COST - YEAR 5 (INCLUSIVE OF VAT)		R0.00

TOTAL COST - LICENSING AND BACK-UP VENDING (INCLUSIVE OF VAT) **R0.00**

SECTION C - VARIABLE COST

YEAR 1

NR	ITEM DESCRIPTION	UNIT OF MEASURE	UNIT RATE (INCL. VAT)	ESTIMATED QUANTITY	TOTAL PRICE (INCL. VAT)
1	**VENDING FEES**				
1.1.	TRANSACTION FEE (%) Monthly Sales - estimated sales of R 1 000 000.00 Indicate fee percentage (%) per month: **1.35 % (Excl. VAT)** Unit rate = Fee % x estimated sales per month	MONTHLY	R15 525.00	12	R186 300.00
2	**BANK CHARGES**				
2.1.	BANKING FEES - CASH TRANSACTIONS	MONTHLY	R0.00	12	R0.00
2.2.	BANKING FEES - CREDIT CARD	MONTHLY	R0.00	12	R0.00
3	**SUPPORT COST**				
3.1.	RATE PER CALL-OUT - NORMAL HOURS	PER CALL-OUT	R0.00	3	R0.00
3.2.	RATE PER CALL-OUT - AFTER HOURS	PER CALL-OUT	R0.00	3	R0.00
			TOTAL COST - YEAR 1 (INCLUSIVE OF VAT)		R186 300.00

YEAR 2

NR	ITEM DESCRIPTION	UNIT OF MEASURE	UNIT RATE (INCL. VAT)	ESTIMATED QUANTITY	TOTAL PRICE (INCL. VAT)
1	**VENDING FEES**				
1.1.	TRANSACTION FEE (%) Monthly Sales - estimated sales of R 1 200 000.00 Indicate fee percentage (%) per month: **1.35 % (Excl. VAT)** Unit rate = Fee % x estimated sales per month	MONTHLY	R18 630.00	12	R223 560.00
2	**BANK CHARGES**				
2.1.	BANKING FEES - CASH TRANSACTIONS	MONTHLY	R0.00	12	R0.00
2.2.	BANKING FEES - CREDIT CARD	MONTHLY	R0.00	12	R0.00
3	**SUPPORT COST**				
3.1.	RATE PER CALL-OUT - NORMAL HOURS	PER CALL-OUT	R0.00	3	R0.00
3.2.	RATE PER CALL-OUT - AFTER HOURS	PER CALL-OUT	R0.00	3	R0.00
			TOTAL COST - YEAR 2 (INCLUSIVE OF VAT)		R223 560.00

YEAR 3

NR	ITEM DESCRIPTION	UNIT OF MEASURE	UNIT RATE (INCL. VAT)	ESTIMATED QUANTITY	TOTAL PRICE (INCL. VAT)
1	**VENDING FEES**				
1.1.	TRANSACTION FEE (%) Monthly Sales - estimated sales of R 1 450 000.00 Indicate fee percentage (%) per month: **1.35 % (Excl. VAT)** Unit rate = Fee % x estimated sales per month	MONTHLY	R22 511.25	12	R270 135.00
2	**BANK CHARGES**				
2.1.	BANKING FEES - CASH TRANSACTIONS	MONTHLY	R0.00	12	R0.00
2.2.	BANKING FEES - CREDIT CARD	MONTHLY	R0.00	12	R0.00
3	**SUPPORT COST**				
3.1.	RATE PER CALL-OUT - NORMAL HOURS	PER CALL-OUT	R0.00	3	R0.00
3.2.	RATE PER CALL-OUT - AFTER HOURS	PER CALL-OUT	R0.00	3	R0.00
			TOTAL COST - YEAR 3 (INCLUSIVE OF VAT)		R270 135.00

YEAR 4

NR	ITEM DESCRIPTION	UNIT OF MEASURE	UNIT RATE (INCL. VAT)	ESTIMATED QUANTITY	TOTAL PRICE (INCL. VAT)
1	**VENDING FEES**				
1.1.	TRANSACTION FEE (%) Monthly Sales - estimated sales of R 1 700 000.00 Indicate fee percentage (%) per month: **1.35 % (Excl. VAT)** Unit rate = Fee % x estimated sales per month	MONTHLY	R26 392.50	12	R316 710.00
2	**BANK CHARGES**				
2.1.	BANKING FEES - CASH TRANSACTIONS	MONTHLY	R0.00	12	R0.00
2.2.	BANKING FEES - CREDIT CARD	MONTHLY	R0.00	12	R0.00
3	**SUPPORT COST**				
3.1.	RATE PER CALL-OUT - NORMAL HOURS	PER CALL-OUT	R0.00	3	R0.00
3.2.	RATE PER CALL-OUT - AFTER HOURS	PER CALL-OUT	R0.00	3	R0.00
			TOTAL COST - YEAR 4 (INCLUSIVE OF VAT)		R316 710.00

YEAR 5

NR	ITEM DESCRIPTION	UNIT OF MEASURE	UNIT RATE (INCL. VAT)	ESTIMATED QUANTITY	TOTAL PRICE (INCL. VAT)
1	**VENDING FEES**				
1.1.	TRANSACTION FEE (%) Monthly Sales - estimated sales of R 1 900 000.00 Indicate fee percentage (%) per month: **1.35 % (Excl. VAT)** Unit rate = Fee % x estimated sales per month	MONTHLY	R29 497.50	12	R353 970.00
2	**BANK CHARGES**				
2.1.	BANKING FEES - CASH TRANSACTIONS	MONTHLY	R0.00	12	R0.00
2.2.	BANKING FEES - CREDIT CARD	MONTHLY	R0.00	12	R0.00

3	SUPPORT COST				
3.1.	RATE PER CALL-OUT - NORMAL HOURS	PER CALL-OUT	R0.00	3	R0.00
3.2.	RATE PER CALL-OUT - AFTER HOURS	PER CALL-OUT	R0.00	3	R0.00
				TOTAL COST - YEAR 5 (INCLUSIVE OF VAT)	R353 970.00

TOTAL COST - VARIABLE COST (INCLUSIVE OF VAT) **R1 350 675.00**

SECTION D - DEVELOPMENT COST

NR	ITEM DESCRIPTION	ESTIMATED HOURS PER ANNUM	UNIT RATE (INCL. VAT)	TOTAL PRICE (INCL. VAT)
1	**ADDITIONAL DEVELOPMENT**			
	YEAR 1	50	R0.00	R0.00
	YEAR 2	50	R0.00	R0.00
	YEAR 3	50	R0.00	R0.00
	YEAR 4	50	R0.00	R0.00
	YEAR 5	50	R0.00	R0.00
				R0.00
2	**INTEGRATION**			
	YEAR 1	30	R0.00	R0.00
	YEAR 2	30	R0.00	R0.00
	YEAR 3	30	R0.00	R0.00
	YEAR 4	30	R0.00	R0.00
	YEAR 5	30	R0.00	R0.00
				R0.00
3	**PROJECT MANAGEMENT**			
	YEAR 1	30	R0.00	R0.00
	YEAR 2	30	R0.00	R0.00
	YEAR 3	30	R0.00	R0.00
	YEAR 4	30	R0.00	R0.00
	YEAR 5	30	R0.00	R0.00
				R0.00
4	**DATABASE MANAGEMENT**			
	YEAR 1	80	R0.00	R0.00
	YEAR 2	80	R0.00	R0.00
	YEAR 3	80	R0.00	R0.00
	YEAR 4	80	R0.00	R0.00
	YEAR 5	80	R0.00	R0.00
				R0.00
5	**TESTING AND CONFIRGURATION**			
	YEAR 1	40	R0.00	R0.00
	YEAR 2	40	R0.00	R0.00
	YEAR 3	40	R0.00	R0.00
	YEAR 4	40	R0.00	R0.00
	YEAR 5	40	R0.00	R0.00
				R0.00
6	TRAINING			
	YEAR 1	30	R0.00	R0.00
	YEAR 2	30	R0.00	R0.00
	YEAR 3	30	R0.00	R0.00
	YEAR 4	30	R0.00	R0.00
	YEAR 5	30	R0.00	R0.00
				R0.00
7	HAND-HOLDING			
	YEAR 1	50	R0.00	R0.00
	YEAR 2	50	R0.00	R0.00
	YEAR 3	50	R0.00	R0.00
	YEAR 4	50	R0.00	R0.00
	YEAR 5	50	R0.00	R0.00
				R0.00

TOTAL COST - SECTION D (DEVELOPMENT) (INCLUSIVE OF VAT) **R0.00**

DESCRIPTION	TOTAL COST OVER CONTRACT PERIOD
SECTION A - ONCE OFF FIXED COST	R0.00
SECTION B - LICENSING AND BACK-UP VENDING	R0.00
SECTION C - VARIABLE COST	R1 350 675.00
SECTION D - DEVELOPMENT COST	R0.00
TOTAL BID PRICE (INCLUSIVE OF VAT) - CARRIED FORWARD TO TENDER COVER PAGE	**R1 350 675.00**

BIDDER TO INDICATE ESCALATION PERCENTAGE (%) ON THE ANNIVERSARY OF THE CONTRACT **0.00%**

Notes:

1 All pricing includes VAT unless otherwise stated and is quoted in South African Rands (ZAR)
2 Pricing is rate based and firm for the contract period
3 Delivery, Installation, Commissioning and training are included
4 Commission is based on face value of all sales / collections made through the prepaid system
5 No additional fees will be charged for services per the bid specification
6 Commission includes all related third-party bank charges (credit card, debit card, Cash deposit fees)
7 Integration cost quoted above are from a Contour perspective only and excludes any costs the billing provider may impose on the Municipality

MUNISIPALITEIT VAN **PRINS ALBERT** | MUNICIPALITY OF **PRINCE ALBERT**

TENDER SPECIFICATIONS

TENDER 20 / 2026

PROVISION AND ADMINISTRATION OF AN ELECTRICITY AND WATER PREPAYMENT VENDING SYSTEM FOR A CONTRACT PERIOD OF 5 YEARS, FOR THE PRINCE ALBERT MUNICIPALITY

1. BACKGROUND

Prince Albert Municipality covers the towns of Prince Albert, Klaarstroom, Leeu Gamka and the Rural Area, with approximately 2 000 prepayment electricity meters. It must be noted that the Municipality is currently aggressively promoting the conversion to prepayment electricity and water meters in the area.

Please Note: In the instance where we award a tender and conclude a contract for a Financial System in the future, where the vending system for prepayment vending is part of the offering, the electricity prepayment vending system agreement may be terminated with six months written notice.

2. CURRENT STATE

Syntell S3+ Vending system are currently in use.

3. SCOPE

3.1) Requirements

The Bidder shall provide all system documentation, which must include, but not limited to schematics of the full Vending System network to the Municipality. The minimum hardware and software requirements on which to run the Vending System and a full description and technical details of the solution offered, shall be specified. Any special features shall be detailed.

3.2) Compliance with Specifications

Bidders shall submit with their tender a schedule, listing clause-by-clause, specific details indicating compliance or non-compliance with the requirements of the Specifications.

3.3) Staff Component

Bidders shall specify the number of technical staff engaged in implementation and testing of the vending software and integration development as well as the support staff available after hand-over and whether a call centre is available. The bidder must ensure that the staff members to be replaced in any event are of the same standard, qualification and experience, specifically the project manager and the senior support person must be allocated to this contract throughout the duration of the contract.

3.4) Guaranteed System Performance:

3.4.1) The process of full commissioning of the system must be started after the contract has been awarded, to ensure full operational implementation.

3.4.2) The Bidder shall guarantee the systems' functional performance. The software must always be up to date and have the latest updates/patches installed to correct or address any failure within the system.

4. <u>VENDING SYSTEM COST</u>

4.1) The Municipality's method of payment for the Vending System is a monthly fee.

4.2) The Bidder shall specify the support costs per hour which will be applicable after final commissioning and handover. A proposed/draft Service Level Agreement (SLA) which provides all the details of support must be included.

4.3) The Bidder shall separately identify the individual functional modules included in the total cost, such as:

4.3.1) Vending System Operational components

4.3.2) Upgrade / replacement of existing on-line vending machines. Any upgrades will be communicated to the Municipality for approval.

4.3.3) Software, including database, operating system, workstation and Point of Sale (POS) if applicable.

4.3.4) Hardware requirements for POS (if applicable)

4.3.5) Integration to the Prince Albert Municipality Financial Management System (Vesta Phoenix), if not, it should be implemented within 6 months of signing the SLA.

4.3.6) Metadata migration from existing system to new system and complete system and interface testing (schemer structure to be defined when tender is awarded)

4.3.7) Training costs.

5. VENDING INFRASTRUCTURE

5.1) The active Vending System shall be hosted off site, by the service provider, please provide full details for the hosting of the vending system.

5.2) The back-up Vending System shall be hosted off site, by the service provider.

5.3) The Vending System must have the capability to vend to all meters installed in the Municipality's service area.

5.4) The transfer from the existing system to the new system shall be seamless. The service provider shall at the end of the contract ensure that all existing data is properly backed-up and secured prior to a new system being deployed. Cost for the recovery of the loss of existing meter data, whether accidental or otherwise, during transfer from existing system to the new system, shall be for the account of the new Service Provider.

6. INTERFACING

The Municipality currently uses the Phoenix (VESTA) Financial System. The Vending System offered must have the capability to interface with, at current, applicable modules at all times, inter alia customer database, billing system, etc, or any other financial management system that might be implemented

7. TECHNOLOGY AND PLATFORMS

7.1) Database

7.1.1) The back-end system must operate on a SQL Relational database.

7.1.2) The data fields must conform with the following rules;

7.1.2.1) All NULL's must be systematically treated within the RDBMS.

7.1.2.2) There must be a unique identifier for each record.

7.1.3) The software shall allow concurrent users to access data on a central database from various online terminals.

7.2) Vendor Data Model

7.2.1) The data model must provide for the following:

7.2.1.1) The Erf will be the Point-of-Connection.

7.2.1.2) The tariff shall be connected to a Consumer.

7.2.1.3) Multiple different Meter Types (single- and three phase meters) may be connected to the same Point-of-Connection.

7.2.1.4) The data model shall allow for the definition of hierarchical Nodes in order to simulate a distribution network.

7.2.1.5) The data model shall allow for WGS-84 GPS coordinate definition with all locations. These include the location of the meter, point of supply, pole and/or transformer location.

7.2.1.6) The data model shall allow for individual aux adjustments for example 60/40 (as a default percentage) which means that the client will receive only 40% of the amount in units, and the 60% will appear on the client's account as a receipt but could be adjusted to a higher percentage.

7.2.1.7) **The Bidders proposed data model must accommodate, for enhanced management purposes, additional resources like prepaid water and/or gas capabilities.**

7.3) Web Interface

7.3.1) All system functions shall be accessed via a user-friendly Web Interface.

7.3.2) The system shall allow for the following business logic:

7.3.2.1) Customer Maintenance;

7.3.2.2) Meter Maintenance;

7.3.2.3) Reporting

7.3.2.4) Management

7.3.2.5) Utilities

7.3.3) The business logic must in particular include, often used functionality that will allow end-users to view, update and query the system on-line without placing an excessive burden on bandwidth.

7.4) Security

7.4.1) The system shall allow for the addition of an unlimited number of named users.

7.4.2) The system shall allow for smart card-based SSL security to be implemented for on-line Point of Sale.

7.4.3) The bidder shall comply with Prince Albert Municipality's User Access Management procedures.

7.4.3.1) The minimum password length for users is 8 characters, containing alphabetical (upper and lower case), numeric and special characters (symbols).

7.4.3.2) The system must require the users to reset their passwords on an interval of 90 days;

7.4.3.3) The system must only allow for the re-use of previously used password, after 12 changes;

7.4.3.4) The system must allow for 5 grace logins, that is, login attempts with the incorrect password. Thereafter the account must be locked. Resetting of passwords must be done by the System Administrator.

7.4.3.5) The system must make provision for the user to log out of the system.

7.5) Transaction Switching

7.5.1) In case of disaster recovery, the system should have the ability to vend from a redundant back-end system. for example, if the production system goes down the vending to point of sale clients should not be stopped but continue using the alternate vending back end.

8. SYSTEM PERFORMANCE

8.1) Critical Performance Parameters

Note: All Bidders will be required to demonstrate the following capability on demand:

8.1.1) The software and database shall be able to accommodate, with no special changes other than hardware scaling, more than 5 000 customers through a minimum of 10 vendors generating a minimum of 1 000 transactions per month.

8.1.2) The software and database shall have no limitation on the number of named users and workstations it can accommodate.

8.1.3) The system must be a real time system.

8.1.4) The Bidder must indicate how many transactions per second can be processed, with at least 2 per minute.

8.1.5) The system shall be operational on 24 hours x 7days a week x 365 days per year basis.

8.2) Electricity Prepayment Vending

8.2.1) <u>Transactions</u>

8.2.1.1) A transaction consists of taxes, levies, standing arrears and services and the entire transaction must be atomic.

8.2.1.2) Any rounding errors of kWh beyond the first decimal shall be recorded in the database as separate transaction rows to ensure effective reconciliation.

8.2.1.3) Transaction reversals shall:

8.2.1.3.1) Be affected with full trace-ability of the reversal;

8.2.1.3.2) Shall allow for a reason to be supplied;

8.2.1.3.3) Shall be traceable to an operator; and

8.2.1.3.4) Shall reverse an entire transaction batch consisting of taxes, levies, auxiliaries and resource amounts.

8.3) Vending Operations

8.3.1) Network communication for the point of sale and web access shall include but not be limited to the following:

8.3.1.1) Corporate LAN / WAN;

8.3.1.2) Internet

8.3.2) The point-of-sale client will allow the end-users to vend without placing an excessive burden on bandwidth.

8.3.3) Standard language available on the system shall be English.

8.3.4) Standard currency available on the system shall be South African Rand/cents. The system shall allow for the configuration and adjustment of multipliers and decimal points.

8.3.5) The system shall be capable of the following:

8.3.5.1) Vending to all prepayment meters in the Municipality's area of electricity supply.

8.3.5.2) Vending free electricity grants.

8.3.5.3) Collecting arrears.

8.3.5.4) Handling step tariffs.

8.3.5.5) Allowing transaction viewing, re-prints and reversals, without compromising the integrity of transactions and subject to appropriate security.

8.3.5.6) Ability to look up the localized:

- ☐ transaction history,
- ☐ free units,
- ☐ replacement tokens,
- ☐ engineering tokens, and
- ☐ arrears payments of a relevant consumer.

8.3.6) The system Certified by the STS association as being Vending, Engineering and Key Change Management compliant. **Copy of certificate must be attached and is compulsory.**

8.4) Vending Management

8.4.1) The system shall allow for the definition of independent banking batches, sales batches and shift batches to accommodate various levels of operators.

8.4.2) The system shall allow for the automated or manual sign-off of banking batches from a central point.

8.4.3) Tokens and receipts shall be customizable templates. See Annexure "A" for an example detailing information to be reflected on the printed token.

8.4.4) It shall have the functionality to print a message on the token of at least 40 characters, which can be customer specific, or a general message to all customers.

8.5) Debt recovery

8.5.1) The system must have the ability to collect arrears from the consumer.

8.5.2) The percentage to be collected from customers in arrears must be customisable to predefined percentage, for example 60/40 where 60% is the collection on arrears and 40% is the electricity component.

8.5.3) A consumer's unique debt collection profile shall be automatically updated by the system based on payments made. (For example: In the instance where there is no real-time interface to the financial system then, prior to the update of the customer profile with the financial system, a tally must be kept of all payments made and arrears adjust accordingly.

8.5.4) All credit control shall be dictated by Prince Albert Municipality's Financial System; however, the vending system must allow Prince Albert personnel to overwrite the amount.

8.5.5) Multiple meters and accounts per erf must be accommodated.

8.5.6) Prince Albert Municipality's Financial System will update the following details to the Vending System:

8.5.6.1) The amount to be recovered.

8.5.6.2) A variable percentage recovery.

8.5.6.3) The Phoenix (VESTA) Financial System prepaid contract account number.

8.5.6.4) The prepayment meter number

8.5.7) The Vending System sends the following details to Phoenix (VESTA) Financial System:

8.5.7.1) All arrear payments received from the customers: variable percentage.

8.5.7.2) Phoenix Financial System prepaid contract account number

8.5.7.3) The prepayment meter number.

8.6) Tariffs

8.6.1) The system must accommodate step tariffs blocks (where each block is a range), with a minimum of 4 kWh/1 kiloliter-based steps.

8.6.2) Unique tax and fixed charges profiles shall be definable for each tariff blocks independent of the step tariff blocks according to monthly monetary value transacted, or kWh/kl bought.

8.6.3) The Vending system shall have automated activation dates for tariff changes.

8.6.4) The Vending system shall allow the Municipality to change their reconciliation and tariff rules, irrespective of the system's functionality and operation the transactions shall be reconciled by an independent reconciliation application operating at central level.

8.6.5) Management must be able to upload new tariffs on the vending system.

8.7) Payment System

The vending system shall be capable of supporting the following:

8.7.1) The type of transaction at the vending outlet shall be recorded as follows:

8.7.1.1) Cash,

8.7.1.2) Credit/debit card – shall be recorded by either swiping the credit /debit card through the vending system card reader, flagging the transaction as both a credit/debit card sale and record the banking institution or capture details manually.

8.7.1.3) No cheque payments will be accepted through the vending system.

8.7.2) Vouchers generated by the system for issue to customers must contain the information as per Annexure A or at least be similar in terms of the layout.

8.8) Vendor Management

8.8.1) The Bidder shall be responsible for the following:

8.8.1.1) Setting up guidelines for appointing and contracting of the vendors and compiling an agreement / contract pricing, this will be a percentage of sales. **The guidelines and agreement to be approved by the municipality**.

8.8.1.2) Advertising and information meetings with prospective vendors.

8.8.1.3) Appointment of vendors and signing of contracts. The Municipality will determine the quantity of vendors per location as required from time to time.

8.8.1.4) Providing all the necessary hardware, software and communications equipment needed for the vendor to operate.

8.8.1.5) Providing training as and when necessary for the vendor or his appointed operators in order to operate the equipment and relevant software.

8.8.1.6) Providing the necessary consumables, e.g., paper, printer cartridges, etc.

8.8.1.7) Providing the routine, preventative and necessary maintenance, repair and servicing as is required to maintain the equipment.

8.8.1.8) Collecting revenue from the vendors, ensuring compliance to all security measures.

8.8.1.9) Insurance against revenue loss, with a minimum of R500 000.

8.8.1.10) To reconcile the revenue received from the vendors on a daily basis.

8.8.1.11) Payment of any vendor commissions owed.

8.8.1.12) Payment of revenue received directly in municipality's account the next business day.

8.8.1.13) Providing daily and monthly reports as required by the municipality, including audit reports.

8.8.1.14) The bidder has the responsible for appointing a minimum of 10 third party vendors in all areas in the Greater Prince Albert municipality after the tender is awarded.

8.8.2) Support Services

8.8.2.1) The Bidder shall be responsible for providing a 24 hours x 7 days per week support service for vendors.

8.9) Meter Configuration Management Software

8.9.1) All meter management processes shall be performed via a task centric user-friendly, graphical user interface. The minimum number of pre-defined meter management tasks shall be:

8.9.1.1) Receive a meter from a service provider,

8.9.1.2) Send a meter to a service provider for repair,

8.9.1.3) Scrap a meter,

8.9.1.4) Install a meter,

8.9.1.5) Remove a meter,

8.9.1.6) Change status of a meter,

8.9.1.7) Update status of a meter,

8.9.1.8) Create a location,

8.9.1.9) Update a locations detail,

8.9.1.10) Link a consumer with a location / meter

8.9.2) Meter management processes shall automatically change the modes (example block, un-block and auxiliary) of operations associated with a meter. The system must make provision for bulk block, with the import of an excel file into the system.

8.9.3) The system shall be customisable in real time and in such a way that processes could be adapted to the utility's unique process flows and needs.

8.9.4) The system shall allow for an unlimited number of meters.

8.10) Reporting and Information

Provision shall be made for a report generating system for reporting, viewing and printing on inter alia:

a) Energy sales per meter,
b) Energy sales per POC (point of connection)
c) Energy sales per customer
d) Electricity purchased by cash, credit card, debit card, electronic fund transfer
e) Financial statistics relating to individual transactions
f) Total sales per vendor (point-of-sale) in a date range
g) All transactions for a shift per vendor (point-of-sale)
h) Shift details per vendor (point-of-sale) in a date range
i) Refunds given
j) Free units issued
k) Number of customers purchasing less than a specified number of kWh per month
l) Value of service charges per tariff
m) Recovery of arrears

n) Debt statistics:
- Outstanding debt balance
- Loaded debt
- Collected debt total/vendor
- Manually cleared debt
- Debt loadings report
- Block meters with outstanding debt

o) Number of active customers per town
p) History of all customers per POC (point of connection)

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q) History of all meters at a POC (point of connection)

r) Movement history per meter

s) Movement history per customer

t) Meter changes

u) Electricity purchased per Suburb

v) Total meters installed per Suburb

w) List of customers selected by street name or a portion of the address

x) List of disconnected meters by disconnected reasons in a date range

y) List of disconnected meters by town

z) List of disconnected meters by POC (point of connection)

aa) Blocked meters on system

bb) Statistics of installed meters filtered by date range, connected type, district, etc.

cc) Available sequence number report

dd) Engineering tokens report

ee) Point of sale credit updates

ff) User audit trace

gg) Deleted transaction reports

hh) Vendors per district

9. FINANCIAL AND VENDING SYSTEM INTEGRATION

9.1) It shall be the responsibility of the successful Bidder to liaise with the service providers of the financial system to ensure fully automated system integration and to finalise the detailed design of the interfaces after the contract has been awarded or alternatively this must be done within 6 months of signing the SLA.

9.2) The following are the minimum integration that will be required to provide functionality between the financial system and the Vending System:

9.2.1) An arrears balance / credits outbound file from financial system to the Vending System. Before downloading balances to the Vending System, all balances must be zeroed on Vending System.

9.2.2) The outbound information from financial system to the Vending System for customer data for all new connections and retrofits (credit meters replaced with prepayment meters).

9.2.3) An arrears payments / refunds inbound file from Vending System to the financial system for arrears collected and refunds given.

9.2.4) An inbound file from the Vending System to the financial system for all meter changes carried out (may be considered).

9.2.5) An inbound file from the Vending System to the financial system for all Vendor sales.

9.2.6) An inbound file from the Vending System to the financial system for sales transactions that has been deleted.

9.2.7) In the integrations listed above only the data that has changed must be transferred between the Vending System from the financial system.

10. SYSTEM TESTING

10.1) The test plan to be followed during the testing of the Vending System must be submitted with the tender.

10.2) The system including integrations with the financial system and the "Super-vendors" shall be tested thoroughly together with the successful Bidder and the personnel from the Municipality before final handover/sign-off.

11. MIGRATION OF DATA AND COMMISSIONING OF NEW SYSTEM

11.1) The successful Bidder shall be responsible for liaison with the existing System Vendor in order to migrate all existing data from the existing Systems. As per the stipulation with this contract, the existing vendor will provide the data and the schemer for export/import to the new system.

11.2) The full commissioning of the system must be started after the contract has been awarded to the service provider.

12. TRAINING

12.1) The scope and cost of the training for the staff of the Municipality shall form part of the tender.

12.2) A full training schedule indicating what type and level of training shall be provided.

12.3) The Municipality's staff must be fully trained and proficient by 31 March 2026.

12.4) The training shall include, but not limited to full system administration.

13. VENDING OPTIONS

13.1) The system should as a minimum, cater for:

13.1.1) Voucher-based vending and SMS and call centre validation (including call centre redemption).

13.1.2) Mobile Points of Sale vending via handheld vending devices operation on GPRS / GSM.

13.1.3) Cell phone vending for mobile vending agents using standard cell phones to sell electricity.

13.1.4) Internet Web Site vending. Payment mechanism on the web site must cater for credit/debit cards and vouchers.

13.1.5) Connection interface for third-party vendors and services compliant to ISO 8583. This should be a separate, dedicated switching application.

14. VENDING OF STS WATER METERS

14.1) The bidder shall be responsible for the vending of STS Water Meters complaint with SANS 1529-9: 2008 Edition 2.1.

14.2) The STS Water Meters the bidders shall be responsible to vend all above ground and wall mount box housing STS Water Meters but are not limited;

15. PROPOSAL AND SERVICE LEVEL AGREEMENT

15.1) A proposed Service Level Agreement/s should be submitted within three (3) months after the tender is awarded. Please note that the Service Level Agreement/s should be in line with the General Conditions of Contract and the specifications as included in this tender.

16. PRICING

16.1) Pricing must include for all categories and items of expenditure and bidders must include it on the Pricing Schedule for this purpose.

16.2) The bid offer price will remain valid for a period of 120 days.

17. COMMENCEMENT DATE

17.1) The contract period will commence on the date as per award, for a period of five (5) years / sixty (60) months.

18. ELIGIBILITY CRITERIA

Please note it is very important that all prospective tenderers comply with the functionality criteria/ requirements of this tender as set out below. Failure to submit relevant documents to these special conditions/requirements will result in the tenderer being found non-responsive and will not be evaluated on price and preference. Please refer to page numbers in the tender document where the special conditions/ requirements can be obtained.

18.1) Tenderers must have an official satellite office in the Southern – Cape/ Central Karoo. **Proof of the office (lease / rental agreement, municipal account)** must be attached. If the bidder does not have such office, a **letter of intent** must be submitted with the bid, indicating the willingness to establish such office within three (3) months after the tender is awarded.

18.2) The bidder must include an STS Association Certificate tested for compliance with IEC 62055-41 Edition 3, in accordance with the STS531 and also compliance test specifications Edition 1.9 Utilizing protocols STS600-8-6 STS Edition 2.

18.3) The Vending System offered must have the capability to integrate with current financial system (PhoenixERP). The bidder must attach the following:

18.3.1) **Proof of integration** with the current municipal financial system provider (PhoenixERP); or

18.3.2) **Confirmation letter** from the financial system service provider (Phoenix ERP, not older than six (6) months) indicating that the bidder's vending system is able to integrate, or that they will be able to integrate within three (3) months post the award of the contract.

18.4) The bidder must have at least five (5) years' experience in providing a vending system and reference letter/s must be attached in the form of:

- ☐ Name Company/ Municipality;
- ☐ Date from to date to, or current.

19. APPLICABLE STANDARDS AND REGULATIONS

19.1) Supply Chain Management (SCM) Regulations.

19.2) Prince Albert Supply Chain Management Policy

19.3) Prince Albert Municipal Preferential Procurement Policy

19.4) Bidders are obliged to apply the most recent standards as listed below:

STS Part 1, 2 and 3	Standard Transfer Specifications.
SANS 1524-1	Electricity Payment Systems – Part 1: Prepayment meters

NRS 057/SANS 474	Code of Practice for Electricity Metering Note: This is a **mandatory** specification as determined by NERSA license conditions

19.5) Prospective service provider/ contractor must comply with the prescripts of any legislation and any other regulatory requirements relevant to this proposal, the following legislation deserves special mentioning:

19.4.1) Municipal Finance Management Act (MFMA)

19.4.2) Public Finance Management Act (PFMA)

19.4.3) Municipal Systems Act (MSA)

19.4.4) Municipal Structures Act

20. CONTACT PERSN (TECHNICAL / SPECIFICATION-RELATED ENQUIRIES):

Mr. Donovan Plaatjies (Manager: Revenue Services)

Office: 023 541 1668

Email: donovan@pamun.gov.za

ANNEXURE A

Sample of a Prepaid Vendor Token

PRINCE ALBERT MUNICIPALITY

Receipt Number : XXXXXX
VAT Invoice : POS ID XXXXXX
VAT Reg No: 4690117587

Name: BAADTJIES KL.
Meter: XXXXXXXXXXX
SGC: 000820 KRN: X TI : XX

DOMESTIC XXXX CONSUMPTION
Date: DD/MM/YYYY Time: HH:MM:SS

Cost of Electricity per unit excl. VAT	XXXXX	
Daily Service Charge excl. VAT	XXXXX	
No. of units purchased	XXXXX units	
No. of days since the last purchase	XXXXX days	
	Sub-Total	XXXXX
	VAT	XXXXX
	Total	XXXXX
Arrears Recovered		XXXXX
	Grand Total	XXXXX
	Less Rounding	XXXXX
	Amount to pay	XXXXX
	Amount Tendered	XXXXX
	Change	XXXXX

XXXX	**XXXX**	**XXXX**
	XXXX	**XXXX**

............4O CHARACTER MESSAGE.........
DIRECTOR: TECHNICAL SERVICES
PRINCE ALBERT MUNICIPALITY
33 CHURCH STREET
PRINCE ALBERT
6930

GENERAL CONDITIONS OF CONTRACT

MUNISIPALITEIT VAN **PRINS ALBERT**	MUNICIPALITY OF **PRINCE ALBERT**

1. DEFINITIONS

The following terms shall be interpreted as indicated:

"Closing time"	means the date and hour specified in the bidding documents for the receipt of bids.
"Contract"	means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein
"Contract price"	means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
"Corrupt practice"	means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.
"Countervailing duties"	are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally
"Country of origin"	means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
"Day"	means calendar day.
"Delivery"	means delivery in compliance of the conditions of the contract or order.
"Delivery ex stock"	means immediate delivery directly from stock actually on hand
"Delivery into consignees store or to his site"	means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
"Dumping"	occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
"Force majeure"	means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

"Fraudulent practice"	means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
"GCC"	means the General Conditions of Contract.
"Goods"	means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract
"Imported content"	means that portion of the bidding price represented by the cost of components, parts or direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be charges to the factory in the Republic where the supplies covered by the bid will be manufactured.
"Local content"	means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
"Manufacture"	means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
"Order"	means an official written order issued for the supply of goods or works or the rendering of a service.
"Project site"	where applicable, means the place indicated in bidding documents.
"Purchaser"	means the organization purchasing the goods.
"Republic"	means the Republic of South Africa.
"SCC"	means the Special Conditions of Contract.
"Services"	means that functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.
"Supplier"	means the successful bidder who is awarded the contract to maintain and administer the required and specified service(s) to the State.
"Tort"	means in breach of contract.
"Turnkey"	means a procurement process where one service provider assumes total responsibility for all aspects of the project and delivers the full end product / service required by the contract
"Written" or "in writing"	means handwritten in ink or any form of electronic or mechanical writing.

2. APPLICATION

2.1) These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.

2.2) Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.

2.3) Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

3. GENERAL

3.1) Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.

3.2) Invitations to bid are usually published in locally distributed news media and on the municipality / municipal entity website.

4. STANDARDS

4.1) The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.

5. USE OF CONTRACT DOCUMENTS AND INFORMATION; INSPECTION

5.1) The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only as far as may be necessary for purposes of such performance.

5.2) The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.

5.3) Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.

5.4) The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6. PATENT RIGHTS

6.1) The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.

6.2) When a supplier developed documentation / projects for the municipality / municipal entity, the intellectual, copy and patent rights or ownership of such documents or projects will vest in the municipality / municipal entity.

7. PERFORMANCE SECURITY

7.1) Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.

7.2) The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.

7.3) The performance security shall be denominated in the currency of the contract or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:

7.3.1) bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or

7.3.2) a cashier's or certified cheque

7.4) The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified.

8. INSPECTIONS, TESTS AND ANALYSES

8.1) All pre-bidding testing will be for the account of the bidder.

8.2) If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspections tests and analysis, the bidder or contractor's premises shall be open, at all reasonable hours, for inspection by a representative of the purchaser or an organization acting on behalf of the purchaser.

8.3) If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.

8.4) If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the goods to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.

8.5) Where the goods or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such goods or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.

8.6) Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.

8.7) Any contract goods may on or after delivery be inspected, tested or analysed and may be rejected if found not to comply with the requirements of the contract. Such rejected goods shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with goods which do comply with the requirements of the contract. Failing such removal, the rejected goods shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute goods forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected goods, purchase such goods as may be necessary at the expense of the supplier.

8.8) The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 22 of GCC.

9. PACKING

9.1) The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.

9.2) The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, and in any subsequent instructions ordered by the purchaser.

10. DELIVERY

10.1) Delivery of the goods shall be made by the supplier in accordance with the documents and terms specified in the contract. The details of shipping and/or other documents to be furnished by the supplier are specified.

11. INSURANCE

11.1) The goods supplied under the contract shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified.

12. TRANSPORTATION

12.1) Should a price other than an all-inclusive delivered price be required, this shall be specified.

13. INCIDENTAL

13.1) The supplier may be required to provide any or all of the following services, including additional services, if any:

13.1.1) performance or supervision of on-site assembly and/or commissioning of the supplied goods;

13.1.2) furnishing of tools required for assembly and/or maintenance of the supplied goods;

13.1.3) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

13.1.4) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and

13.1.5) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

13.2) Prices charged by the supplier for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the supplier for similar services.

14. SPARE PARTS

14.1) As specified, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:

14.1.1) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and;

14.1.2) in the event of termination of production of the spare parts:

14.1.2.1) advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and

14.1.2.2) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. WARRANTY

15.1) The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.

15.2) This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.

15.3) The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.

15.4) Upon receipt of such notice, the supplier shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.

15.5) If the supplier, having been notified, fails to remedy the defect(s) within the period specified, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

16. PAYMENT

16.1) The method and conditions of payment to be made to the supplier under this contract shall be specified.

16.2) The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfilment of other obligations stipulated in the contract.

16.3) Payments shall be made by the purchaser no later than thirty (30) days after submission of an invoice, statement or claim by the supplier.

16.4) Payment will be made in Rand unless otherwise stipulated.

17. PRICES

17.1) Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized or in the purchaser's request for bid validity extension, as the case may be.

18. VARIATION ORDERS

18.1) In cases where the estimated value of the envisaged changes in purchase does not vary more than 15% of the total value of the original contract, the contractor may be instructed to deliver the goods or render the services as such. In cases of measurable quantities, the contractor may be approached to reduce the unit price and such offers, may be accepted provided that there is no escalation in price.

19. ASSIGNMENT

19.1) The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.

20. SUBCONTRACTS

20.1) The supplier shall notify the purchaser in writing of all subcontracts awarded under this contract, if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

21. DELAYS IN THE SUPPLIER'S PERFORMANCE

21.1) Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.

21.2) If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.

21.3) The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

21.4) Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 22 without the application of penalties.

21.5) Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without cancelling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22. PENALTIES

22.1) Subject to GCC Clause 25, if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.

23. TERMINATION FOR DEFAULT

23.1) The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:

23.1.1) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;

23.1.2) if the Supplier fails to perform any other obligation(s) under the contract; or

23.1.3) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

23.2) In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.

23.3) Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.

23.4) If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the supplier as having no objection and proceed with the restriction.

23.5) Any restriction imposed on any person by the purchaser will, at the discretion of the purchaser, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the purchase actively associated.

23.6) If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:

23.6.1) the name and address of the supplier and / or person restricted by the purchaser;
23.6.2) the date of commencement of the restriction
23.6.3) the period of restriction; and
23.6.4) the reasons for the restriction.

These details will be loaded in the National Treasury's central database of suppliers or persons prohibited from doing business with the public sector.

23.7) If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person's name be endorsed on the Register for Tender Defaulters. When a person's name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than 10 years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website.

24. ANTI-DUMPING AND COUNTERVAILING DUTIES AND RIGHTS

24.1) When, after the date of bid, provisional payments are required, or antidumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped of subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him.

25. FORCE MAJEURE

25.1) Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

25.2) If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

26. TERMINATION FOR INSOLVENCY

26.1) The purchaser may at any time terminate the contract by giving written notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser.

27. SETTLEMENT OF DISPUTES

27.1) If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

27.2) If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.

27.3) Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.

27.4) Notwithstanding any reference to mediation and/or court proceedings herein,

- 27.4.1) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
- 27.4.2) the purchaser shall pay the supplier any monies due for goods delivered and / or services rendered according to the prescripts of the contract.

28. LIMITATION OF LIABILITY

28.1) Except in cases of criminal negligence or wilful misconduct, and in the case of infringement pursuant to Clause 6;

28.1.1) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

28.1.2) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

29. GOVERNING LANGUAGE

29.1) The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.

30. APPLICABLE LAW

30.1) The contract shall be interpreted in accordance with South African laws, unless otherwise specified.

31. NOTICES

31.1) Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice

31.2) The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

32. TAXES AND DUTIES

32.1) A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.

32.2) A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.

32.3) No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid SARS must have certified that the tax matters of the preferred bidder are in order.

32.4) No contract shall be concluded with any bidder whose municipal rates and taxes and municipal services charges are in arrears.

33. TRANSFER OF CONTRACTS

33.1) The contractor shall not abandon, transfer, cede, assign or sublet a contract or part thereof without the written permission of the purchaser.

34. AMENDMENT OF CONTRACTS

34.1) No agreement to amend or vary a contract or order or the conditions, stipulations or provisions thereof shall be valid and of any force unless such agreement to amend or vary is entered into in writing and signed by the contracting parties. Any waiver of the requirement that the agreement to amend or vary shall be in writing, shall also be in writing.

35. PROHIBITION OF RESTRICTIVE PRACTICES

35.1) In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder(s) is / are or a contractor(s) was / were involved in collusive bidding.

35.2) If a bidder(s) or contractor(s) based on reasonable grounds or evidence obtained by the purchaser has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in section 59 of the Competition Act No 89 0f 1998.

35.3) If a bidder(s) or contractor(s) has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.
