

SERVICE LEVEL AGREEMENT



WATERBERG DISTRICT MUNICIPALITY

Entered into by:

The Waterberg District Municipality
(' the Client')

And

Stainless Steel Design
('The Service Provider')

In respect **Golf and Life Skill Development** for the Waterberg District
Municipality

[Handwritten signatures and initials]

Preamble

Whereas:

.....
It is therefore agreed as follows:

1. Interpretation

The headings of the paragraphs in this Agreement are for the purposes of reference only and shall not be used in the interpretation of this Agreement. In this Agreement, unless a contrary intention clearly appears:

- 1.1. the singular includes the plural and vice versa;
- 1.2. the following terms shall have the meanings assigned to them hereunder and cognate expressions shall have corresponding meanings, namely :
 - 1.2.1. **'business day'** means any working day, excluding Saturdays, Sundays and public holidays;
 - 1.2.2. **'Client'** means the Waterberg District Municipality;
 - 1.2.3. **'Commencement date'** means the date on which the parties commenced with the performance of their obligations, **i.e. 10 September 2012.**
 - 1.2.4. **'contract price'** means the total amount of fees that will be charged by the Service Provider, including disbursements and VAT, for the performance of the services in terms of this Agreement;
 - 1.2.5. **'key result'** means an indicator or yardstick in terms of which the Service Provider's successful performance of its obligations may be gauged;
 - 1.2.6. **'methodology'** means the professional expertise and the system of methods required by the Service Provider to perform the obligations set out in terms of this Agreement;



1.2.7. **'project'** means the services to be performed by the Service Provider in terms of the Tender and the corresponding obligations to be fulfilled by the Client;

1.2.8. **'project plan'** means the strategy prepared by the parties for the successful completion of the Project submitted within a reasonable time, prior to commencement of project;

1.2.9. **'Remuneration schedule'** means the details of remuneration.

'Service Provider' means Stainless Steel Designs [Koro Greek Golf Club under the registration name: Stainless Steel Designs: a company established in; **Registration no [4940195441]**

1.2.10. **'services'** refers to the professional work to be performed by the Service Provider in terms of this Agreement, as per page 4;

1.3. figures are referred to in numerals and in letters and if there is any conflict between the two then the letters shall prevail; and,

1.4. Expressions defined in this Agreement shall bear the same meanings in schedules or annexure to this Agreement, which do not themselves, contain their own definitions.

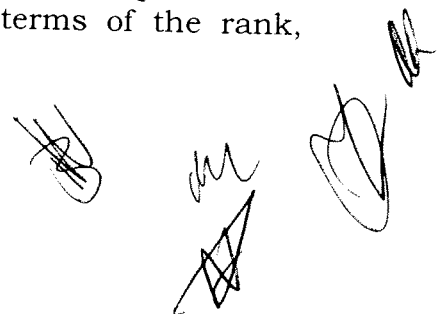
2. **Appointment and Duration**

2.1. The Client hereby appoints the Service Provider to carry out the services detailed in Paragraph 4 to this Agreement upon the terms and conditions set out herein.

3. **Team**

3.1. The team members that will be involved in the project must be as according to the proposal and where a team member resigns or leave the institution the client must be informed.

3.2. In case where one of the team members mentioned in the proposal leaves an institution, the company must replace such a member with a member equivalent (in terms of the rank, qualification and the experience) or more.



4. **Shareholders**

In case where the shareholdings of the company changes during the year the client must be informed of such changes.

5. **Extent of terms and conditions**

5.1. This Agreement consists of the terms and conditions set out in the documentation listed as follows:

5.1.1. All tender documents comprising the Tender (Schedule 1);

5.1.2. The Service Provider's proposal (Schedule 2);

5.1.3. Letter of appointment and acceptance (Schedule 3); and,

5.1.4. This Agreement together with the National Treasury conditions of Contract.

5.2. In the event of conflict between the provisions of any of the afore stated documentation and this Agreement, the provisions of this Agreement shall prevail.

6. **Scope of Services**

Golf and Life Skill Development

NB: - Any additional work which is not part of the initial agreement will have to be requested in writing and approval be given prior to initial work done.

7. **Deliverables**

Golf Sportswear, Equipment and Life Skill Development

8. **Price**

The contract price in respect of the procurement is R 193. 700.00[Vat Exclusive] and R220.818.00 [Vat Inclusive]

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9. Obligations of the Client

9.1. The Client shall ensure that the Service Provider has reasonable access to and the support of whatever information or personnel, respectively, may be necessary for the Service Provider to fulfil its obligations.

Obligations of the Service Provider

9.2. There afore stated services shall be rendered diligently and to the standard required by the Client.

10. Remuneration

The Client shall pay the Service provider the amount not exceeding R 193.700.00. [Vat exclusive per the price breakdown attached as addendum]

- 8.1 Payment of the Contract Value will be made in tranches on completion of specific deliverables as tabled in section 5 above.
- 8.2 The Client shall, upon the Service Provider's submission of a valid tax invoice and approval by the Client that the deliverables contained therein have been achieved, pay the invoiced amount to the Service Provider within thirty (30) days of receipt of invoice.

10.1. If the Client defaults or falls into arrears with any payment then the Service Provider reserves its right to claim payment of interest at the prime rate, calculated from 30 (thirty) days after the payment has become due to the actual date of payment. Unless the client is awaiting clarification of issues on the invoice, the payment may exceed (39 days).

11. Limitation of liability

11.1. The Service Provider hereby protects and secures the Client against all legal liability with regard to any claims that may arise as a result of a breach of contract or negligence on the part of the

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Service Provider in respect of its obligations in terms of this Agreement.

11.2. The maximum liability of the Service Provider in respect of the afore stated claims shall be limited to the aggregate of fees that have accrued to the Service Provider for the obligations that form the subject of the breach of contract or negligence as at the time that the cause of action arose.

12. Disputes

12.1. In the event that a dispute arises between the Client and the Service Provider it shall be referred to mediation within 5 (five) business days of either party declaring such a dispute. In this regard:

12.1.1. A mediator shall be appointed by the parties, alternatively by the chair of the Attorneys Association in the Province where the dispute arose, to preside over the mediation; and,

12.1.2. The parties shall seek ways and means to resolve the dispute in the most expedient manner.

12.2. Should the dispute not be resolved within 10 (ten) business days of the commencement of mediation it shall be referred to arbitration. Accordingly:

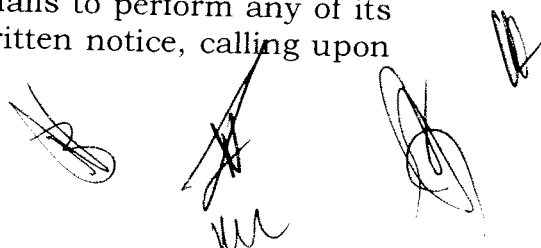
12.2.1. An arbitrator shall be appointed by the parties, alternatively by the chair of the Arbitration Foundation of South Africa ('AFSA'), to preside over the arbitration; and,

12.2.2. The rules of AFSA shall govern the conduct of the arbitration.

12.3. Nothing in this paragraph shall prevent either party from approaching the High Court for suitable judicial relief.

13. Breach

13.1. If either party breaches this Agreement or fails to perform any of its obligations, then the other party shall provide written notice, calling upon



the first party to rectify its breach within a period of not less than 10 (ten) business days.

13.2. Should the party in breach have failed to rectify the breach within the afore stated time period, the other party may cancel this Agreement and claim recovery of damages.

13.3. Any request for an extension on timeframe must be done in writing and be approved by the Accounting Officer or penalties will be imposed on the
Service Provider.

14. Termination

14.1. This Agreement may be terminated upon 20 (twenty) business days' written notice, after the terminating party has consulted the other about its intention.

14.2. The afore stated termination shall not prejudice either party's rights in respect of the obligations already performed or to be performed as at the date of termination.

15. Whole agreement

This Agreement constitutes the whole agreement between the parties unless supplemented by further agreements, which shall be in writing.

16. *Domicilium citandi et executandi*

16.1. The parties choose as their *domicilia citandi et executandi* the addresses set out hereunder:

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16.1.1. Client:

Office of the Municipal Manager
Waterberg District Municipality
Harry Gwala Street
Modimolle

i. Service Provider :

Stainless Steel Design
43 Rudolf Street
Sunderland Ridge

- b. Either party may change its *domicilium citandi et executandi* by giving written notice to the other, the new address becoming effective at the expiry of 10 (ten) business days from the communication of notification.

17. Penalty Clause

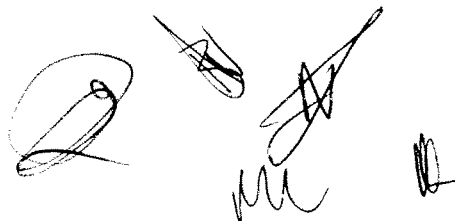
The expiry date for the implementation period for this project is 30 NOVEMBER 2012.

No extension will be granted for this project without good motivation and any failure to deliver the expected results before or on the specified date of the 30 NOVEMBER 2012 will automatically result in penalties to be effected by WDM per day.

The penalties will be calculated from 2% to the maximum of 25% of the total project amount on the discretion of the municipality. Penalty percentage can be increased from 25% depending on the severity of the penalty.

National Treasury Conditions of Contract will also apply in terms of penalties imposed.

Signed at Modimolle on this 10 day 09 of 2012.

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AS WITNESSES:

1.

2.

M. Moke M. Moke
CLIENT

Signed at Modimolle on this 21st day September 2012 of
~~2011~~
2012 W

AS WITNESSES:

1.

2.

[Signature]
SERVICE PROVIDER