

# **SERVICE LEVEL AGREEMENT**



**MADE AND ENTERED INTO BETWEEN  
MOSSEL BAY MUNICIPALITY**

Herein represented by Mr. C B Puren in his capacity as Municipal Manager properly authorised thereto in terms of E\_\_\_\_\_

(hereinafter referred to as the Municipality)

AND

**TRANSIT SOLUTIONS (PTY) LTD**

**Registration number: 1997/008430/07**

Herein represented by Ms. H De Villers, properly authorised thereto in her capacity as Coastal Regional Manager.

(hereinafter referred to as the Service Provider)

## PREAMBLE

**WHEREAS** the Municipality hereby appoints the Service Provider following the prescribed Supply Chain Management process in terms of TDR74/2023/2024 for the rendering of a fuel management system for Mossel Bay Municipality; and

**WHEREAS** the prescribed process as determined in Section 33 of the Local Government: Municipal Finance Management Act, No. 56 of 2003 was followed and Council Resolved in terms of E\_\_\_\_\_ to enter into a Service Level Agreement with the Service Provider;

**AND WHEREAS** the Service Provider is desirous of rendering services to the Municipality on the terms and conditions as hereinafter described;

### 1. DEFINITIONS AND INTERPRETATION

In this agreement, unless the context indicates otherwise-

- 1.1 An expression, which denotes any gender, includes the other genders, a natural person includes a judicial person and vice versa, and the singular includes the plural and vice versa;
- 1.2 Clause headings are for convenience only and shall not be taken into account in the interpretation of this Agreement;
- 1.3 The following expressions shall bear the meanings assigned to them-  
“**agreement**”: this Service Level Agreement (SLA) together with the tender documentation and any other annexures hereto;  
“**parties**”: Transit Solutions (Pty) Ltd and Mossel Bay Municipality;
- 1.4 The tender documentation, incorporated herein forms part of the agreement between the parties;
- 1.5 In the event of any inconsistency between the provisions of this Agreement (SLA) and the tender documentation, the provisions of the tender document shall prevail;

- 1.6 This agreement shall be interpreted in accordance with the laws of the Republic of South Africa.

**NOW THEREFORE IT IS AGREED AS FOLLOWS:**

**2. APPOINTMENT**

- 2.1 The Municipality hereby appoints the Service Provider to render services to the Municipality.
- 2.2 The appointment shall commence on 01 September 2024 and shall terminate on 30 June 2028 and will be subject to an annual review in terms of Section 116 of the Municipal Finance Management Act

**3. WARRANTY AND ACCEPTANCE BY THE SERVICE PROVIDER**

- 3.1 The Service Provider, in accepting this appointment, expressly warrants that it possesses or has ready access to the appropriate skills to execute all its obligations in terms of this agreement.
- 3.2 The Service Provider expressly accepts that its services could be terminated on the grounds contained hereinafter and that the Municipality is not obliged to utilise the service of the Service Provider for any minimum period and that, upon termination, it would receive such fees and disbursements as are provided for herein.

**4. SCOPE OF WORK**

- 4.1 The Mossel Bay Municipality currently has an estimated fleet of 279 vehicles equipped with vehicle tracking management system but no fuel management systems. These units are 279 units varying from Sedans, LDV's, Trucks, Compactors and Motorcycles.
- 4.2 The current vehicle tracking system is backed up and controlled by CtrackMAXX software.
- 4.3 The Municipality is upgrading the fleet management system and to incorporate a Fuel Management system at our fuel depot and all our

municipal fleet and miscellaneous items which can include fuel tanks, grass cutters and jerry cans.

- 4.4 The Fuel Management system provided by the Service Provider must be able to accommodate future upgrades that may include a floater in the fuel tanks.
- 4.5 The Municipality currently utilizes the Promun Financial Management systems and the new fuel management system must be compatible with the current financial system as the budget control must be automated by the respective systems.

## **5. CONDITIONS**

5.1 The Service Provider must supply and install a proven fuel management system on an outright purchase basis that is compatible to other systems in the market as well as the systems as more fully described in clause 4.

### **5.2 System specifications**

5.2.1 The vehicle fuel system must report data and status alert to the application software relating to excessive fuel usage and budget control. This will include the provision of all relevant software for use with the Municipality's computers and link with the financial management systems.

5.2.2 The fuel management system must allow automated fuel deposit at the depot and automated booking of the issued fuel billing it to the respective costing code.

5.2.3 All vehicles will be required to be fitted with a tag that will activate the fuel pumps for issue. The fuel management system should allow for a manual process in circumstances where a tank is not fitted with a tag.

5.2.4 The system must allow the municipality to manually insert fuel issues if the Municipal Depot is not utilized and a commercial outlet was utilized.

5.2.5 The system must be remotely backed up on the Service Providers' server for at least 5 years.

5.2.6 The Service Provider is required to do the installation of all new and current tags.

### **5.3 Operational Requirements**

5.3.1 The system must monitor the following functions and record them for subsequent downloading:

5.3.1.1 Fuel consumption

5.3.1.2 Budget Control

5.3.1.3 Automated vehicle and fuel identification

5.3.2 The system must facilitate vehicle identification through the use of "tags" and report the identity of the vehicle at the fuel depot. The fuel management system must integrate with the vehicle tracking system to identify the driver of the vehicle. This will eliminate any unauthorized issue of fuel at the municipal depot.

5.3.3 Automatic downloading by GPRS or GSM.

5.3.4 The software must create the following reports:

5.3.4.1 Vehicle Fuel Report – as and when required for either a single vehicle or group of vehicles

5.3.4.2 Daily fuel issue report

5.3.4.3 Fuel stock level monitoring when floater is installed.

5.3.4.4 Vehicle Activity/ Usage Report incorporating graphic displays.

- 5.3.4.5 Daily, Weekly and Monthly Vehicle Fuel Summary Report regarding utilisation incorporating graphic displays. This report must if required combine details of the relevant driver/s and the vehicle utilisation.
  - 5.3.4.6 Automatic failure diagnostic checks every 24 hours.
  - 5.3.4.7 It is important that the reports are easy to use and understand given the large number of people that will be involved with the system.
- 5.3.5 The variation between actual vehicle fuel usage and that indicated by the vehicle mounted unit must not exceed 5%.
- 5.3.6 The variation between actual time and that indicated by the vehicle mounted unit must not exceed 1%.
- 5.3.7 The Service Provider confirms that it has a fully functional back office with call center to handle operational challenges.
- 5.3.8 Repairs and maintenance of tags, vehicles, machines—
- 5.3.8.1 Must be able to work with generated power.
  - 5.3.8.2 Must have backup system when data is corrupted/lost
- 5.3.9 Call centre or technician must be available when data does not link with promun or when data does not make sense.
- 5.3.10 Annual service/tests to ensure works correctly.
- 5.3.11 New vehicles must be fitted as and when purchased.
- 5.3.12 Removal of tag system for old vehicles.
- 5.3.13 Tampering system on current vehicles being used.

5.3.14 Provide a reconciliation on the fuel tanks, fuel dips and the dispatched quantities of the fuel pumps on a daily basis.

#### **5.4 Base Station Software**

The software supplied for use with Municipal owned equipment must provide the following:

5.4.1 Downloading via GPRS and GSM of data from mobile units as and when required.

5.4.2 The system must be capable of using SMS, customer web interface and data polling regarding vehicle maintenance and transaction data.

5.4.3 Be able to indicate the following information on screen, of each vehicle when requested:

5.4.3.1 Date and Time

5.4.3.2 Vehicle registration number

5.4.3.3 Driver name

5.4.3.4 Fuel issued

5.4.3.5 Budget control in compliance to the requirement of Mossel Bay municipality and the financial system.

5.4.4 Be able to replay historical information from any vehicle by the selection of specific date and time.

5.4.5 Be able to generate the majority of the required reports within a maximum time of 150 seconds or as agreed with Municipality.

5.4.6 Make provision for codes for different drivers on pool vehicles if required.

5.4.7 When outside a GPRS/GSM network area the unit must be able to store information and send this information back once back in GPRS/GSM network.

5.4.8 Both fuel tanks must be fitted with appropriate device to issue fuel to only tagged vehicles or items.

5.4.9 The interface must be available to connect remotely to the municipal stores offices.

5.4.10 The system must be fitted with an appropriate back up battery to allow uninterrupted usage.

5.4.11 The availability of the system and connectivity to vehicles and interface must be available monthly regardless of the number of fleet vehicles.

## **5.5 Pump Mounted Equipment**

5.5.1 Provision must be made for two Dual pumps with fitted two nozzles for Diesel and Petrol separately.

5.5.2 Both pumps must be fitted with Lightning protection units.

## **5.6 Main Pedestal Equipment**

5.6.1 The Service Provider is required to do the complete installation at the fuel depot / Municipal stores which ever is more practical.

5.6.2 All of the required antennas, brackets, site controllers, EFMS pedestals, EFMA Base, consumables and any other equipment must be included for the system to be operational.

5.6.3 The municipal network is available from the municipal stores but a separate arrangement needs to be made from the Depot.

5.6.4 The Municipality has a computer available at the main stores but, provision must be made if installation will be at the depot.

5.6.5 The equipment must be fitted with their own Modem and UPS system.

5.6.6 Provision must be made to allow connection to DB board and additional circuit breakers.

## **5.7 Floater System**

5.7.1 The Municipality currently has two under-ground fuel tanks. The floater provided must be compatible to fit within the existing tanks.

5.7.2 The Municipality will only fit the floater once but, the year of installation to be agreed to between the parties.

5.7.3 The floater installed should be able to provide accurate fuel tank levels.

## **6. SPECIAL CONDITIONS**

6.1 Warranties shall not be less than 12 months against faulty components and/or workmanship.

6.2 The Service Provider must appoint a senior member of their staff as Project Manager who will be responsible for the implementation of the system.

6.3 Technical queries must be addressed within 24 hours after query has been logged.

6.4 The Service Provider may be requested to do presentations of their system to the Municipality.

6.5 Training of key staff will be required to use the system provided by the Service Provider.

- 6.6 The Fuel Management system must be able to be accommodate future upgrades that may include a floater in the fuel tanks.
- 6.7 The initial installation will be undertaken by the Service Providers' Senior Technical Team based in Cape Town who has the required expertise.
- 6.8 Additional training will take place at the time of installation by your appointed sub-contractor based in George, Western Cape.
- 6.9 Subsequent maintenance and/or installation work may be undertaken by the Service Provider's duly accredited and qualified sub-contractor.

## **7. KEY PERFORMANCE INDICATORS**

The Service Providers' performance in terms of rendering a fuel management system to the Municipality will be monitored and evaluated in accordance with the following key performance indicators:

### **7.1 *Response time on call out***

Indicator: The management of their response time on call outs for new installations or queries on system

Target: 100% achievement.

Proof of evidence: Delivery note or work permit

### **7.2 *Automatic download and update of system***

Indicator: The fuel management system should update the issues and book it against the correct costing code

Target: 100% achievement.

Proof of evidence: Promun vote/ print out

### **7.3 *Rate the contractor's performance with regard to quality of work***

Indicator: Workmanship quality and accuracy is on standard required in terms of tender/project

Target: 100% achievement.

Proof of evidence: Invoice or statement.

## **8. FEES AND DISBURSEMENTS**

- 8.1 The Service Provider will be remunerated within 30 days of receipt of a valid tax invoice for services rendered to the satisfaction of the Municipality.
- 8.2 The approved cost in terms of this agreement is attached hereto, marked as Annexure A.
- 8.3 Monthly billing and invoices to be provided according to the Municipal Finance Department's requirements.
- 8.4 All of the required interface devices must be included with the total installation cost of the pump mounted units which include (not limited to): Valves, Pulsar, nozzle covers/nozzle caps and appropriate Reader with pump motor relays.
- 8.5 The approved cost as per Annexure A are inclusive of VAT and all other costs.

## **9. ASSIGNMENT**

Neither party may assign any right or obligations under this agreement without the express prior written consent of the other party.

## **10. CESSION**

The Service Provider shall not be entitled to cede, transfer or make over any rights and/or duties in terms of this agreement to any third party without the prior written consent of the Municipality and which consent shall not be unreasonably withheld.

## **11. INDEMNITY**

11.1. Without detracting from, and in addition to, any of the other indemnities in this Agreement, the Service Provider shall be solely liable for and hereby indemnifies and holds harmless the Municipality against all claims, charges, damages, costs, actions, liability, demands and/or legal proceedings and expenses in connection with:

11.1.1 personal injury to any individual or;

11.1.2 damage to property;

11.1.3 arising from, out of, or in connection with the provision by the Service Provider of the service in terms of this Agreement, save to the extent caused by the gross negligence or willful misconduct of the Municipality.

## **12. CONFIDENTIALITY**

The Service Provider shall not during or after the termination of this agreement disclose to any third party any information arising from this agreement except with the prior consent of the Municipality or its nominee or as required by law.

## **13. INTELLECTUAL PROPERTY RIGHTS AND OWNERSHIP OF MATERIAL**

All reports in paper, electronics or any other recorded format produced by the Service Provider shall remain the property of the Municipality for use by it.

## **14. LIAISON WITH THE MUNICIPALITY**

The Service Provider undertakes to liaise with the Municipality at all times during the tenure of this agreement.

## **15. FORCE MAJEURE**

15.1 If the performance of the agreement by either party is delayed, hindered or prevented or is otherwise frustrated by the reason of force majeure, which shall mean war, civil commotion, fire, flood, action by any government or any event beyond the reasonable control of the party affected, then the party so affected shall immediately notify the other party in writing, specifying the action of the force majeure and of the anticipated delay in the performance of the services agreed to herein.

15.2 The Municipality may either cancel the agreement or suspend the performance of the agreement for such period as the parties may mutually agree upon.

15.3 Should the force majeure persist for a period longer than that agreed upon by the parties, the parties may mutually agree to terminate the agreement. In this event the Municipality shall pay all fees and disbursements due and outstanding to the Service Provider within the financial limits of the agreements up to and including the date of termination.

## **16. NOTICES AND DOMICILIUM**

Any notice to be given or which may be given in terms of or pursuant to this agreement shall be given in writing and shall be deemed validly served if delivered personally or seven (7) days after it shall have been posted by pre-paid registered mail to:

**MUNICIPALITY:** 101 Marsh Street  
MOSSEL BAY  
6500  
[admin@mosselbay.gov.za](mailto:admin@mosselbay.gov.za)  
044 606 5000

**SERVICE PROVIDER:** GS02 Rostra House  
The Forum  
Century Way  
Century City  
Cape Town  
8000  
[Transit.tenders@transitfms.co.za](mailto:Transit.tenders@transitfms.co.za)  
021 409 6300 / 066 487 9376

which addresses the parties respectively choose as their *domicilium citandi et executandi* for all purposes under this agreement. Each party shall have the right from time to time to substitute its said domicilium with another address in the Republic of South Africa by giving notice of the appointment of a new address to the other party which notice will be in writing.

**17. ENTIRE AGREEMENT**

17.1 This agreement constitutes the entire contract between the parties relative to the subject matter hereof and supersedes all representatives, warranties, agreements or undertakings previously made relative to such subject matter, and no such representations, warranties, agreements or undertakings shall be in any force or effect unless contained herein.

17.2 No variations of any of the terms and conditions of this agreement will be binding on the parties unless committed to writing and signed by them respectively.

17.3 The annexures to this agreement form an integral part hereof and shall be read as if incorporated herein, and in the event of a conflict between this agreement and the annexures, this agreement shall take preference.

## **18. INDULGENCES**

No indulgence or relaxation which either party may allow to the other in regard to the carrying out of the other's obligation in terms of or pursuant to this agreement shall prejudice such party's rights under this agreement in any manner whatsoever, or be regarded as a waiver of such party's rights in terms of this agreement, or be constructed to act as an estoppel against that party or otherwise strictly enforce compliance of the other obligations in terms of this agreement.

## **19. SEVERABILITY**

Should any provision of this agreement in any manner whatsoever contravene any law of the Republic of South Africa, such provision shall be deemed to be severable and shall not affect any other provision of this agreement nor effect the enforceability of those remaining provisions which are not in contravention of any law.

## **20. DISPUTE RESOLUTION**

20.1 In the event of a dispute arising between the Parties, the Parties will try to resolve the dispute and in the event of agreement not being reached, the parties agree that the Municipal Manager resolve the dispute.

20.2 The Municipal Manager will endeavour to reach consensus, failing which his/her decision will be final.

## **21. BREACH**

21.1 Should the Service Provider—

21.1.1 fail, neglect and/or refuse to perform any of its duties or attain the key objectives tasks undertaken by it in terms hereof; or

- 21.1.2 fail to comply with any of the time limits prescribed herein; or
- 21.1.3 perform its duties in any unsatisfactory manner (no delivery or not as agreed); or
- 21.1.4 fail, refuse or neglect to report and liaise with the Municipality on a regular basis as provided for herein;
- 21.1.5 infringe the intellectual property rights of any third party;
- 21.1.6 fail, refuse and/or neglect to comply with any other material condition or obligation of this agreement; or
- 21.1.7 fail, refuse or neglect to carry out or implement any lawful instructions in terms of or associated with the performance of any necessary duty under this agreement; and
- 21.1.8 fail, refuse and/or neglect to rectify any act or omission as directed by the Municipality in writing from time to time, and a period of 14 (fourteen) days has lapsed from date of delivery of a notice to the domicilium of the Service Provider, either by the hand or facsimile transmission, demanding rectification and the Service Provider has failed to comply, then the Municipality shall be entitled to cancel this agreement forthwith and/or institute a claim for damages against the Service Provider to protect the interest of the Municipality together with a claim for legal costs on the scale as between attorney and client.

## **22. CONSENT TO JURISDICTION**

In terms of Section 45 of the Magistrates Court Act, No. 32 of 1944, the parties hereby consent to the jurisdiction of the Magistrate Court in respect of any and all legal proceedings instituted under this agreement.

**SIGNED** at **MOSSEL BAY**, this \_\_\_\_\_ **DAY OF** \_\_\_\_\_  
2024, in the presence of the undersigned witnesses:

**WITNESSES:**

1. \_\_\_\_\_

2. \_\_\_\_\_

**MOSSEL BAY MUNICIPALITY**

**SIGNED** at \_\_\_\_\_, this \_\_\_\_\_ **DAY OF** \_\_\_\_\_  
\_\_\_\_\_ 2024, in the presence of the undersigned witnesses:

**WITNESSES:**

1. \_\_\_\_\_

2. \_\_\_\_\_

**TRANSIT SOLUTIONS (PTY) LTD**

# ANNEXURE A

Nr	Description	Price Per Unit (Inclusive of VAT) Year 1 1 July 2024 to 30 June 2025	Price Per Unit (Inclusive of VAT) Year 2 1 July 2025 to 30 June 2026	Price Per Unit (Inclusive of VAT) Year 3 1 July 2026 to 30 June 2027	Price Per Unit (Inclusive of VAT) Year 4 1 July 2027 to 30 June 2028
1.	Vehicle tag (New)	R148,35	R159,48	R171,44	R184,29
2.	Installation cost (New Unit - standard fuel inlet)	R148,35	R159,48	R171,44	R184,29
3.	Installation Cost (New Unit – Long neck fuel inlet)	R148,35	R159,48	R171,44	R184,29
4.	Re-Installation cost (transfer of unit to new vehicle)	R148,35	R159,48	R171,44	R184,29
5.	Removal of vehicle tags	R0,00	R0,00	R0,00	R0,00
6.	Fuel tag (Manual device/ override)	R225,00	R241,87	R260,01	R279,51
7.	Floater system (Per unit)	R171 195,90	R184 035,59	R197 838,26	R212 676,13

<b>Nr</b>	<b>Description</b>	<b>Price Per Month (inclusive of VAT) Year 1 1 July 2024 to 30 June 2025</b>	<b>Price Per Month (inclusive of VAT) Year 2 1 July 2025 to 30 June 2026</b>	<b>Price Per Month (inclusive of VAT) Year 3 1 July 2026 to 30 June 2027</b>	<b>Price Per Month (inclusive of VAT) Year 4 1 July 2027 to 30 June 2028</b>
7.	Application software or licence fee	R74 957,00	R0,00	R0,00	R0,00
<b>Nr</b>	<b>Description</b>	<b>Total Amount per month (inclusive of VAT) Year 1 1 July 2024 to 30 June 2025</b>	<b>Total Amount per month (inclusive of VAT) Year 2 1 July 2025 to 30 June 2026</b>	<b>Total Amount per month (inclusive of VAT) Year 3 1 July 2026 to 30 June 2027</b>	<b>Total Amount per month (inclusive of VAT) Year 4 1 July 2027 to 30 June 2028</b>
8.	Customer Web Interface	R463,59	R498,36	R535,74	R575,92
9.	Bureau Service	R13 667,71	R14 692,79	R15 794,75	R16 979,35
10.	Data/Sim card connectivity	R0,00	R0,00	R0,00	R0,00

Nr	Description	Rate per Hour (inclusive of VAT) Year 1 1 July 2024 to 30 June 2025	Rate per Hour (inclusive of VAT) Year 2 1 July 2025 to 30 June 2026	Rate per Hour (inclusive of VAT) Year 3 1 July 2026 to 30 June 2027	Rate per Hour (inclusive of VAT) Year 4 1 July 2027 to 30 June 2028
11.	Technical Support – price per hour	R840,65	R903,70	R971,48	R1 044,34
Nr	Description	Rate per Km (inclusive of VAT) Year 1 1 July 2024 to 30 June 2025	Rate per Km (inclusive of VAT) Year 2 1 July 2025 to 30 June 2026	Rate per Km (inclusive of VAT) Year 3 1 July 2026 to 30 June 2027	Rate per Km (inclusive of VAT) Year 4 1 July 2027 to 30 June 2028
12.	Rate per km for call-out	R14,43	R15,51	R16,67	R17,92

### Initial Installation Cost

Nr	Description	Price Per Unit (inclusive of VAT) Year 1 period ending 30 June 2025
13.	Pump Mounted Equipment (initial equipment for two dual screen municipal pumps with two dual nozzles per pump)	R216 386,30
14.	Initial Installation & Commission	R107 226,00
Nr	Description	Price Per Unit (inclusive of VAT) Year 1 period ending 30 June 2025
15.	Main installation Equipment (Main installation at fuel depot include all testing and assembly) All-inclusive only items separate that is listed below	R213 440,00
16.	Computer with Keyboard (If required)	R0,00
17.	1KVA one line UPS	R5 364,75
18.	EFMS Pedestal and base	R0,00

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