

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

IKAPA RETICULATION AND FLOW CC

Registration number: 2004/000758/23

Herein represented by Mr R Davids, properly authorised thereto in his capacity as Director.

(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 TDR424/2022/2023 for the Reading of Water and Electricity Meters and Other Related Services 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**”: Ikapa Reticulation and Flow CC and Mossel Bay Municipality;
 - “**Actual meter reading**”: Meter reading that could be used for billing purposes
 - “**Final reading**”: Instruction from municipality when a consumer moved out of a premises including sealing of meter.

“Special reading”: Instruction from municipality when a consumer asks for a reading outside of the normal reading schedules.

“Check reading”: A verification of a reading taken in the normal meter reading cycle. Reasons for check readings include but are not limited to the following:

- Unclear photos (either meter number unclear, meter reading unclear or both)
- Abnormally high consumption
- Abnormally low consumption

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 1 December 2023 and shall terminate on 30 June 2028.

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

The Service Provider is to provide and manage software for the reading of water and electricity meters and other related services as well as to the reading of the meters within the following areas namely; Glentana to Great Brak River, Tergniet, Toekoms, Reebok, Fraaiuitsig, Little Brak River, Monte Christo, Hartenbos, Hartenbos Heuwels, Bayview, Island View, Aalwyndal, Voorbaai, Vakansieplaas, Bolandpark, Diaz strand, De Bakke, De Bakke Terrace, Mossel Bay, Da Nova, Heiderand, D'Almeida, Alber Luthuli Park, KwaNonqaba, Asla, N2 Industrial, Dana Bay, Moquini, Mossdustria, Pumps, Public Toilets, Public Taps, Bulk Water Meters, Municipal Meters, Friemersheim, Great Brak River Farms, Sonskyn Valley, Brandwacht, Valley View, Ruiterbos, Herbertsdale, Buysplaas, Boggomsbaai, Vleesbaai and Vleesbaai Farms totaling approximately 38 150 meters.

5. CONDITIONS

- 5.1 The Service Provider must provide numeracy and computer literacy training. The latter training shall be by an accredited trainer and certificates shall be issued to all qualifying attendees. The Service Provider to submit on a quarterly basis a list of all employees that attended the necessary training.
- 5.2 All the meter readers must be supplied with proper identity cards, suitable & visible safety clothing.
- 5.3 The Service Provider confirms that it has an operational office in the Mossel Bay Municipal Area.
- 5.4 The Service Provider confirms that the system is:

- 5.4.1 compatible, recognised technology system and equipment to render the services as required. Free, off-site support is available to handle queries.
- 5.4.2 Compatible recognised technology system and equipment is compatible with the R-DATA financial system.

- 5.5 The Service Provider confirms the average number of meters per route list is 400 - 500. The normal reading cycle is from the 12th of each month until the 10th of the following month.

- 5.6 The Service Provide is committed to strict confidentiality both during and after the meter reading task and will comply with all relevant applicable legislation in this regard.

- 5.7 The Service Provider must ensure that no conflict of interest occurs during the meter reading process and if any potential conflict arises, the service provider must advise the municipality accordingly.

- 5.8 The Service Provider will be required to prepare a project plan and adhere to the time schedules as agreed by the Mossel Bay Municipality.

- 5.9 The Municipality will provide the Service Provider with the following data electronically:
 - 5.9.1 Current information of meters;
 - 5.9.2 Specific / relevant information to enable the service provider to carry out its duties;
 - 5.9.3 Route lists with the relevant street addresses, meter numbers, type of meter (for water or electricity);
 - 5.9.4 Alpha-Numeric notices e.g. meters cannot be read;
 - 5.9.5 Statistics about meters on municipal system.

- 5.10 The Service Provider accepts that the number of meters may increase/decrease over the contract term.

5.11 A process plan for the meter readings will be finalised with the successful bidder after award. All reading cycles should be monthly read by no later than the 12th of each month.

5.12 The Service Provider will be required to undertake the following functions and/or services:

5.12.1 Meter reading functions

5.12.2 The Service Provider be required to adhere to the following actual billable monthly reading ratio's:

- minimum of 90% actual billable reading ratio from the end of the third month until the first (1st) contract year;
- minimum of 95% actual billable reading ratio for year two to five (2 - 5) of the contract.

5.12.3 **Penalties**

- Penalties will be levied if the above ratios cannot be adhered to.

5.12.5 Penalties will be levied at the following rate:

- The average cost per meter reading x 2 x the number of meters that are not read.

5.12.6 The reading of water and electricity meters per route list.

5.12.7 The taking of readings as per reading cycle, as determined by the Mossel Bay Municipality.

5.12.8 Proof reading or re-reading (check reading) of meters as requested by the Municipality.

5.12.9 The supply and maintenance of any other reading equipment that are compatible and can be integrated with the Promun Billing System, e.g. hand-held terminals. (Handhelds camera quality must be minimum 5 mega pixel)

5.12.10 Opening of meters that are underground or inaccessible in order to get readings.

5.12.11 Obtaining of final/new readings of disconnected/reconnected electricity and water meters.

- 5.12.12 The drying (pumping out) of manholes where meters are under water.
 - 5.12.13 The bidder must issue a notice to consumers in cases where meters cannot be read during normal office hours. Proof of this notice must accompany each after hour meter reading performed.
 - 5.12.14 Installation of GPS coordinates of meter location per property. (GPS coordinates MUST be captured accurately, as close as possible to the meter location). In addition to the capturing of GPS coordinates of meters, GPS exception reporting is also required (for the purpose comparing GPS coordinates of meters on a month-to-month basis)
- 5.13 Back- office functions
- 5.13.1 The bidder will be required to have a fully equipped and functioning local back office in Mossel Bay that will deal with the following functions:
 - 5.13.2 Reporting of faulty or damaged meters.
 - 5.13.3 Reporting of tampered meters, if detected.
 - 5.13.4 Reporting of faulty / damaged meter kiosks if detected.
 - 5.13.5 Reporting of water and electricity meters not captured in the meter reading records. (New buildings or vacant plots being connected to the network.)
 - 5.13.6 Reporting of new connections or electricity meters replaced by pre-paid meters.
 - 5.13.7 Attending to all meter related queries from the end-user / consumer.
 - 5.13.8 The checking of fault and variance reports and related re-readings.
 - 5.13.9 Supplying of the necessary infrastructure in aid of the meter reading process e.g. vehicles to access farms, computers and telephones. Vehicles must be branded for high visibility where meter readers are active.
 - 5.13.10 The service provider must ensure that its employees wear identification cards while carrying out their duties, contemplated in this agreement.

- 5.13.11 Quarterly audits of self-reading and all cases where meter readings could not be done for three (3) months. The verification must be done, if necessary after hours, on instruction of the Municipality.
 - 5.13.12 Receiving of all self-readings and following up of cases where self-readings were not supplied. The verification must be done every three (3) months and, if necessary, after hours.
 - 5.13.13 Reporting of no-read meters with note on monthly basis. Successful bidder must use correct no-reading codes to ensure effective follow up and corrective measures are taken to make meters accessible in the future.
 - 5.13.14 Checking of meter readings on request of the Municipality.
 - 5.13.15 Reporting meters that register abnormally high or fast when taking meter readings.
 - 5.13.16 Report meters where there is possible by-passes / tampers to meters.
 - 5.13.17 Reporting on GPS coordinates exception reports
- 5.14 The Service Provider's performance in terms of this agreement will be reviewed annually in terms of the Key Performance Indicators .
- 5.15 The Service Provider hereby confirms and accepts the Key Performance Indicators attached, marked as Annexure B and will endeavour to attain the targets as set out therein.
- 5.15.1 The Service Provider accepts that remedial action may be taken should any instances of poor or non- performance be encountered from the Service Provider in the implementation of this agreement.
- 5.15.2 The Service Provider be penalized for non-performance.

6. FEES AND DISBURSEMENTS

- 6.1 The Service Provider will only be paid for actual acceptable meter readings with no payment for (check)/ re-readings.
- 6.2 The Service Provider will be remunerated within 30 days of receipt of a valid tax invoice subject to the provisions of clause 6 hereof.
- 6.3 The approved cost in terms of this agreement is attached hereto, marked as Annexure A.

7. ASSIGNMENT

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

8. 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.

9. INDEMNITY

9.1. 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:

9.1.1 personal injury to any individual or;

9.1.2 damage to property;

9.1.3 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.

10. 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.

11. 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.

12. LIAISON WITH THE MUNICIPALITY

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

13. FORCE MAJEURE

13.1 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.

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

13.3 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.

14. **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
044 606 5000

SERVICE PROVIDER: P O Box 1102
CAPE GATE
7562
tenders@ikaparetic.co.za
021 981-9557/ 073 617-2672 / 084 688-6660

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.

15. ENTIRE AGREEMENT

15.1 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.

15.2 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.

15.3 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.

16. 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.

17. 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.

18. DISPUTE RESOLUTION

19.1 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.

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

19. BREACH

19.1 Should the Service Provider—

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

19.1.2 fail to comply with any of the time limits prescribed herein; or

19.1.3 perform its duties in any unsatisfactory manner (no delivery or not as agreed); or

19.1.4 fail, refuse or neglect to report and liaise with the Municipality on a regular basis as provided for herein;

19.1.5 infringe the intellectual property rights of any third party;

19.1.6 fail, refuse and/or neglect to comply with any other material condition or obligation of this agreement; or

19.1.7 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

19.1.8 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.

20. 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** _____
2023, in the presence of the undersigned witnesses:

WITNESSES:

1. _____

2. _____

MOSSEL BAY MUNICIPALITY

SIGNED at _____, this _____ **DAY OF** _____
_____ 2023, in the presence of the undersigned witnesses:

WITNESSES:

1. _____

2. _____

IKAPA RETICULATION AND FLOW CC

ANNEXURE A

ITEM NO	DESCRIPTION	UNIT	RATE PER ITEM	RATE PER ITEM	RATE PER ITEM	RATE PER ITEM	RATE PER ITEM
			Year 1 1 July 2023 -	Year 2 1 July 2024 -	Year 3 1 July 2025 -	Year 4 1 July 2026 -	Year 5 1 July 2027 -
			30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028
1.	Administrative (Fixed Fee) per month	Rand per month	R2 380,50	R2 499,00	R2 623,95	R2 702,07	R2 750,75
<u>MOSSEL BAY AREA</u>							
2.1	Fee per actual meter reading	Rand per meter reading	R5,29	R5,55	R5,82	R5,99	R6,10
2.2	Fee per actual meter read after-hours on instruction by the Municipality	Rand per meter reading	R10,35	R10,86	R11,40	R11,74	R12,05
2.3	Fee per actual meter that is opened / cleared	Rand per meter opened / cleared	R44,85	R47,09	R49,44	R50,92	R52,40
2.4	Final and Special readings	Rand per meter reading	R42,55	R44,68	R46,91	R48,32	R49,50
2.5	Identified and verified bypass / meter tampered	Rand per meter identified and verified	R29,50	R35,50	R37,50	R38,50	R39,50

ITEM NO	DESCRIPTION	UNIT	RATE PER ITEM Year 1 1 July 2023 - 30 June 2024	RATE PER ITEM Year 2 1 July 2024 - 30 June 2025	RATE PER ITEM Year 3 1 July 2025 - 30 June 2026	RATE PER ITEM Year 4 1 July 2026 - 30 June 2027	RATE PER ITEM Year 5 1 July 2027 - 30 June 2028
<u>FRIEMERSHEIM, BRANDWAG, VALLEY VIEW, RUITERBOS, HERBERTSDALE, BUYSPLAAS, BOGGOMSBAAI, VLEESBAAI AND RURAL AREAS</u>							
3.1	Fee per actual meter reading	Rand per meter reading	R5,75	R5,75	R6,33	R6,50	R6,70
3.2	Fee per actual meter read after-hours on instruction by the Municipality	Rand per meter reading	R10,35	R10,86	R11,40	R11,70	R12,05
3.3	Fee per actual meter that is opened / cleared	Rand per meter opened / cleared	R44,85	R47,09	R49,44	R50,90	R52,40
3.4	Final and Special readings of water and electricity meters	Rand per meter reading	R42,55	R44,85	R46,92	R48,30	R49,70
3.5	Identified and verified bypass / meter tampered	Rand per meter identified and verified	R29,50	R35,50	R37,50	R38,50	R39,50

ANNEXURE B

	INDICATOR	TARGET	MEASUREMENT
1.	Meter reading system to be operational and fully functional.	The commencement date will be the 12 th of the following month after final award.	Initial measurement
2.	The bidder will be required to adhere to the following actual billable monthly reading ratios: - minimum of 90% actual billable reading ratio from the end of the third month until the first (1st) contract year; - minimum of 95% actual billable monthly reading ratio for year two to five (2 to 5) of the contract.		Annual measurement
3.	Operating office, vehicles, equipment, and staff to be in place	The commencement date will be the 12 th of the following month after final award.	
4.	The successful Bidder will be required to attend: -Monthly meetings during first 6 months of contract -Quarterly meetings after initial 6 months of contract With Mossel Bay Municipality	Ongoing	Ongoing