



SERVICE LEVEL AGREEMENT

ENTERED INTO BY AND BETWEEN

SETSOTO LOCAL MUNICIPALITY

(Income Tax Reference Number: 4000846511)

A Local municipality incorporated in terms of the Laws of the Republic of South Africa, duly represented by Mr Simon Tshepiso Rankgotho Ramakarane in his capacity as the Municipal Manager and Accounting Officer.

(Hereinafter referred to as the "Municipality")

and

SHITOLO WASTE MANAGEMENT SERVICES

A close corporation incorporated in terms of the Laws of the Republic of South Africa with registration number (2011/084692/23) duly represented by Mr Tlhoriso George Motloi in his capacity as the Managing Member of the said Close Corporation.

(Hereinafter referred to as the "Service Provider")

1. PARTIES AND DOMICILE ADDRESSES

- 1.1 The Setsoto Local Municipality with principal place of business at 27 Voortrekker street, Ficksburg. Tel: 051 933 9300.
- 1.2 Shitolo Waste Management with principal place of business at 10 Willow Avenue, Mandela View, Bloemfontein, 9301. Tel: 051 421 3118.

2. INTRODUCTION

- 2.1 The municipality has awarded a bid described as plant hire on any as when required basis for a period of three years commencing on 25 October 2013 notwithstanding date of signature hereof with reference number T 35 (2012/2013);
- 2.2 The service provider has duly accepted the said award in a letter of acceptance dated 28 October 2013.

3. SERVICE PROVIDER OBLIGATIONS

The service provider shall :-

- 3.1 provide the municipality with timeous delivery of the proposed plant hire for as and when required for a period of (3) three years;
- 3.2 comply with all the terms and conditions as set out in the bid document in particular supply of plant hire specified in the said document;
- 3.3 supply vehicles as per municipal order which are in good working conditions to carry out the work required for the particular vehicle;
- 3.4 be responsible to provide fuel and carry out maintenance of the vehicles at its own costs;
- 3.5 keep a record of fuels purchases and maintenance carried out ;
- 3.6 provide the drivers for the plant that is hired;
- 3.7 keep a log book in respect of the vehicles and plant that is hired for the duration of work to be performed as per municipal order;
- 3.8 ensure that the vehicles hired are properly licensed and adequately insured for material damage and third party liability;
- 3.9 establish his own plant and provide the municipality with invoices for compensation thereof.

4. MUNICIPAL OBLIGATIONS

The municipality shall:-

- 4.1 place request orders for vehicles timeously to allow the service provider to provide the required vehicle;
- 4.2 provide a job card with full details of work to be performed by a particular vehicle;
- 4.3 provide necessary assistance to identify place of work and the manner in which the work is to be carried out;
- 4.4 provide necessary and adequate personnel to assist the driver of the hired vehicle;
- 4.5 be obliged to comply with the terms of reference contained in the bid document as well as the general conditions of this contract;
- 4.6 shall compensate the service provider for any expenses incurred during plant establishment.

5. BREACH AND CANCELLATION

- 5.1 In the event of breach of any of the terms of this agreement, the aggrieved party shall notify the party at fault to remedy the breach within seven (7) days within date of notification, failing which the aggrieved party may cancel the agreement or alter the terms thereof.
- 5.2 In the event that parties are not able to resolve the dispute between themselves on the terms of the agreement, or level of performance, the parties may refer to an independent arbitrator.

General Conditions of Contract (Service Level Agreement)

1. Definitions

The following terms shall be interpreted as indicated:

- 1.1 "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.
- 1.2 "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
- 1.3 "Day" means calendar day.
- 1.4 "Delivery" means delivery in compliance of the conditions of the contract or order.
- 1.5 "Vis major" 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 or the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.6 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 2. Payment**
- 2.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 2.2 The service provider shall furnish the municipality with an invoice accompanied by a copy of the delivery note and upon fulfilment of other obligation stipulated in the contract.
- 2.3 Payments shall be made promptly by the municipality, but in no case

later than thirty (30) days after submission of an invoice of claim by the service provider.

3. Prices

3.1 Prices charged by the service provider for 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 in SCC or in the purchaser's request for bid validity extension, as the case may be.


4. Contract amendments

4.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.

5. Subcontracts

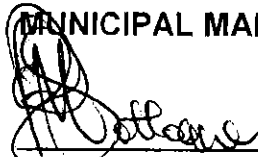
5.1 The service provider shall notify the purchaser in writing of all subcontracts awarded under this contracts if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

Dated at Ficksburg on this 01 day of November 2013

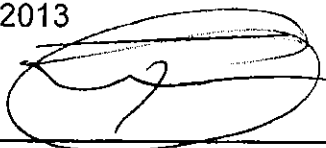


STR RAMAKARANE

MUNICIPAL MANAGER




WITNESS



TG MOTOI

MANAGING MEMBER



WITNESS



ADDENDUM

SETSOTO LOCAL MUNICIPALITY

And

SHITOLO WASTE MANAGEMENT SERVICES

ADDENDUM

1. PARTIES.

The parties to the lease are:

1.1 SETSOTO LOCAL MUNICIPALITY

Herein represented by **Simon Tshepiso Rankgotho Ramakarane**

In his capacity as MUNICIPAL MANAGER and ACCOUNTING OFFICER of SETSOTO LOCAL MUNICIPALITY with principal place of business at number 27 Voortrekker Street, Ficksburg.

("Hereafter referred to as the "Municipality")

and

1.2 SHITOLO WASTE MANAGEMENT SERVICES

A Close Cooperation incorporated in terms of the Laws of the Republic of South Africa with registration numbers: 2011/084692/23 duly represented by T.G MOTOI, ID NO 820211 5542 08 0 in his capacity as the Managing Member of the said Close Cooperation with registered address at 10 Willow Avenue, Mandela View, Bloemfontein.

("Hereafter referred to as the "Service Provider")

2. WHEREAS the Service Provider tendered to render service of suctioning of VIP toilets and unblocking of manholes to the Municipality under tender no: T 35 (2012/2013).

AND WHEREAS the parties entered into and signed a Service Level Agreement on the 01st November 2013.

AND WHEREAS the Service Level Agreement was silent on yearly price escalations.

Now the parties hereto amend the said Service Level Agreement as follows:


3. AD PRICE ESCALATION

- 3.1 The parties agree that the prices charged by the Service Provider shall escalate annually by 10%.
- 3.2 The prices escalation becomes effective on the anniversary date of the Agreement being the 01st of November.

4. AMENDMENT

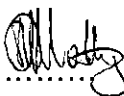
- 4.1 This addendum affect only prices charged by the Service Provider and the rest of the initial contract remain in force and binding to the parties.

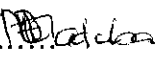
SIGNED AT Ficksburg ON THIS DAY 5th OF MAY 2015.


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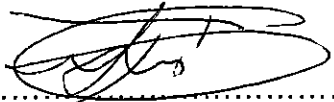
SIMON TSHEPISO RANKGOTHO RAMAKARANE
SETSOTO LOCAL MUNICIPALITY
(MUNICIPAL MANAGER)

AS WITNESSES:

1. LEBONA MOTLOWUNG 
(FULL NAME AND SIGNATURE)

2. MAHLAPANE MATLBA 
(FULL NAME AND SIGNATURE)

SIGNED AT Ficksburg ON THIS DAY 5th OF MAY 2015.


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T.G MOTLOI
SHITOLO WASTE MANAGEMENT SERVICES
(MANAGING MEMBER)

AS WITNESSES:

1. KOKETSO MOREMEDI
(FULL NAME AND SIGNATURE)

2. MOKHO MOKHALLANE
(FULL NAME AND SIGNATURE)

T.G
STR₄
JM
MEH
MVM
KUM