



SERVICE LEVEL AGREEMENT

SETSOTO LOCAL MUNICIPALITY

And

RAPELANG ORAPELENG (PTY)LTD

PROJECT MANAGEMENT TEAM:

M.A.B Mosima – Director: Community Services

Sethole – Project Manager

CONTACTS: 051 933 9361/ 9336

SETSOTO LOCAL MUNICIPALITY

RAPELANG ORAPELENG (PTY)LTD

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SERVICE LEVEL AGREEMENT

between

SETSOTO LOCAL MUNICIPALITY

(Duly authorized and represented by **NOMVULA FRANCINA MALATJIE**,
in her capacity as Municipal Manager)

AND

RAPELANG ORAPELENG (PTY)LTD

(Duly authorized and represented by **TEBOHO MOTSETSELE** with Identity Number: 850805
6490 083,
in his capacity as the Director)
(POUND MASTER)

PART A

PREAMBLE

The object of this agreement is to define, formalize and specify the services relationship between Setsoto Local Municipality and Rapelang Orapeleng (Pty) Ltd (Pound Master) as well as to determine terms and conditions according to which Pound Master will run the Pound.

1. Definitions

In this agreement any word or expression used shall have the same meaning as defined in section 1 of the Pounds Ordinance, 1952, and

"Council" means the Council of Setsoto Local Municipality;

"Setsoto Municipal Pound" means of the pound(s) established by the Council in terms of section 2 of the Ordinance;

"Municipal Manager" means the Municipal Manager of the Setsoto Local Municipality;

"Pound Master" means the pound master appointed by Council in terms of section 5 of the Ordinance, and

"The Ordinance" means the Pound Ordinance, 1952 (Ordinance 18 of 1952, as amended)

2. TERMS AND CONDITIONS OF THE AGREEMENT:

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- (a) That the Pound Master enters into this agreement with the Council to provide the services at the Setsoto Municipal Pound as stipulated in Chapter III of the ordinance.
- (b) Chapters IV to VIII inclusive of the Ordinance apply to the Pound Master.
- (c) The Pound Master accepts and confirms the conditions in this Service Level Agreement and the legal provisions as applicable to Municipal pounds as stipulated in the Ordinance.

3. INTERPRETATION

- 3.1.1 In constructing this agreement and all related written instruments thereof, the grammatical and ordinary sense of the word is to be adhered to, unless that would lead to some absurdity, or some repugnancy or inconsistency with the rest of the terms of this agreement.
- 3.1.2 If, however, the ordinary sense of the word leads to some absurdity or some repugnancy or inconsistency with the rest of the terms of this agreement, then the words may be modified just so much as to avoid that absurdity, or repugnancy or inconsistency but no more.
- 3.1.3 Should clauses 3.1.1 and 3.1.2 be applied and fail to assist in the interpretation of this agreement then, the interpretation that will put an equitable construction upon this agreement and will not, unless the intention of the parties is manifest, so construe the agreement as to give one of the parties an unfair or unreasonable advantage over the other should be explored.
- 3.1.4 However general the expressions in this agreement may be, they only include matters in respect of which it appears that the contracting parties intend to contract and not those which they did not contemplate.
- 3.1.5 Reference to one gender includes the other gender, singular includes the plural and *vice versa*.
- 3.1.6 The words "including" and "in particular" shall not limit the generality of any preceding words.
- 3.1.7 Where the approval or consent of any party is required in terms of this Agreement, the Parties hereby agree that such approval or consent shall not be unreasonably withheld or delayed by the Party who is required to give same.
- 3.1.8 Where figures are referred to in numerals and in words, if there is any conflict between the two, the words shall prevail.

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4 AGREEMENT AND DELIVERABLES AND SERVICE PROVIDER'S OBLIGATIONS

POUNDMASTER'S OBLIGATIONS

- 4.1.1 The Pound Master shall receive into his or her charge, for impoundment, all animals brought to the pound, during such hours as the Municipality may determine.
- 4.1.2 The Pound Master is responsible for the overall administration and management of the pound.
- 4.1.3 The Pound Master shall keep and manage the pound register. The pound register must contain the following particulars:
 - (a) the date when, and the cause for which, all animals received by him or her are impounded;
 - (b) the number and description of such animals;
 - (c) the name and residence of the person impounding such animals, and the name and residence of the owner or supposed owner;
 - (d) the date and particulars of the release or sale of the animals, as the case may be; and
 - (e) any other matters which he/she may be directed by the Municipality to ascertain and record.
- 4.1.4 The Pound Master shall report to the Municipality every month. The report of the Pound Master should be accompanied with a Pound Register and other documents that Municipality may request.
- 4.1.5 Every pound register shall be kept at the pound by the pound master or any other approved place and shall at all reasonable times be open for inspection, free of charge, to any authorized officer of the Municipality.
- 4.1.6 The Pound Master shall liaise with state veterinary surgeon or equivalent officer with regards to the injured, sick, or dead animals
- 4.1.7 All the Monies collected by the Pound Master must be paid to the Municipality's Bank account.

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5. MUNICIPALITY'S OBLIGATIONS

The Municipality is obliged to:

- 5.1 Notify the Pound Master of any animals to be impounded.
- 5.2 Pay the Pound Master his/her fees in terms of this agreement within 30 days of receipt of pound register and invoice.

6. Receiving of animals by pound master

- 6.1 It is the duty of every pound master to receive into his or her charge, for impoundment, all animals brought to his or her pound, during such hours as the municipality may determine.
- 6.2 Any pound master who unreasonably refuses or fails to receive animals brought to his or her pound as aforesaid commits an offence and is, in addition, liable for any damage caused to the owner of the said animals, or to any other person, by reason of such refusal or failure.

7. Receipt for impounded animals

A pound master must give the person delivering an animal into his or her charge a written receipt, indicating the number and description of animals so delivered.

8. Destruction of dangerous or contagious animals

- 8.1 A pound master may cause to be destroyed any impounded animal suffering from a contagious disease, or which may prove dangerous to human life or other animals impounded, provided that no such animal may be destroyed unless a veterinary surgeon has examined it and has agreed with the pound master as to the necessity for its destruction.
- 8.2 If any animal suffering from a contagious disease is brought to the pound, or becomes infected while impounded, such animal must be kept separate from other impounded animals.

9. Notice of impounded animals

- 9.1 A pound master who knows the name of the owner of an animal impounded in his or her pound must forthwith give written notice to such owner that the said animal has been impounded.
- 9.2 If any animal, bearing an identification mark as contemplated in the Animal Identification Act, 2002 (Act No. 6 of 2002), is impounded, the pound master must follow the procedures set out in section 14 of the Animal Identification Regulations promulgated under GN R1683 dated 21 November 2003.
- 9.3 Where the owner of an impounded animal is not known to the pound master, or he or she must upon receipt of such animal report the impoundment to the nearest South African Police office.

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10. Keeping of pound register

10.1 A pound master must keep a pound register with the following particulars:

- (a) the date when, and the cause for which, all animals received by him or her are impounded;
- (b) the number and description of such animals;
- (c) the name and residence of the person impounding such animals, and the name and residence of the owner or supposed owner, if known;
- (d) the date and particulars of the release or sale of the animals, as the case may be; and
- (e) any other matters which he or she may be directed by the municipality to ascertain and record.

10.2 The entries under subsection 10(l)(a), (b) and (c) must be made at the time the animals are impounded and the entries under subsection 10(l)(d) and (e) must be made as soon as the pound master obtains the necessary information. Provided that no entry may be made after the particulars in (a) to (e) has been placed in dispute by any person.

10.3 In case of the death of injury of any impounded animal, the pound master must enter in his or her pound register a description of such animal and the cause of its death of injury.

11. Inspection of and extracts from pound register

A pound register must be kept at the pound or any other approved place and must at all reasonable times be open for inspection, free of charge, to any authorised officer of the municipality, veterinary surgeon, any member of the police service or the public.

12. Submission of pound register entries after pound sales

A pound master must, within 14 days after the date of each pound sale, submit to the municipality a copy of all entries in his or her pound register made since the date of the preceding submission, and the municipality must preserve all such copies for inspection by any person desirous of seeing them.

13. Inspection of pound register at place of sale

Whenever a sale of impounded animals is to take place, the pound master or a person authorised to conduct the sale, must keep the pound register at the place of sale, and such register must be open for inspection, free of charge, to all persons desirous of inspecting it.

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14. Pound master's fees

- 14.1 The municipality may fix fees as determined in Section 20(c) for the keeping of animals in a pound and may distinguish between different kinds of animals.
- 14.2 Every pound master is entitled to claim the fees determined by the municipality in terms of subsection (1) for every animal impounded by him or her in terms of this by-law.

15. Fees payable

- 15.1 The fees determined in terms of section 24 must be paid to the pound master by the owner of the animals impounded.
- 15.2 The impounded animals may be detained by the pound master in security of payment of the fees and any costs which the pound master may have incurred, provided that if the value of the animals impounded is in excess of the total amount due thereon, and if the owner is unable to pay the said amount, the pound master may detain only so many of the said animals as may be sufficient to secure the total amount due for all the animals, and must deliver the remainder of the animals to the said owner,.
- 15.3 A pound master who retains any greater number of such animals than is reasonably necessary to secure such amount is liable to the owner for any damages sustained by him or her on account of such retention.
- 15.4 If the pound master is an official of the municipality, he or she must pay the fees received by him or her in terms of this by-law into the revenue of the municipality, the frequency of which will be determined by the department responsible for finance.
- 15.5 No pound master may release any impounded animal until the prescribed fees have been paid to him or her.

16. Notice of sale

- 16.1 Every pound master must –
 - (a) whenever any impounded animal has not been released within six days from the date of its impoundment, notify the municipality that such animal will be sold by public auction and the date, time and place of such auction;
 - (b) provide the municipality with detail regarding the species, colour, marks and distinguishing features of such animal;
 - (c) post a copy of the notice at a conspicuous place at the pound, there to remain until the day of the sale; and
 - (d) cause to be published in a newspaper circulating in the area of jurisdiction of the municipality where the pound is situated, a notice of the sale.
- 16.2 The cost of a notice in terms of subsection (1)(a) is recoverable from the owner of the impounded animal and is deemed to be part of the amount to be deducted from the proceeds of the sale of an animal.

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17. Auctioneer

17.1 Every sale of impounded stock must –

- (a) be conducted by the pound master or some other person duly authorised thereto by the municipality; and
- (b) commence at the time and date mentioned in the notice in terms of section 17.1(a).

17.2 No person conducting a pound sale may have any direct or indirect interest in any purchase at any sale so held by him or her.

18. Sale of animals

At every such sale-

- (a) no animal may be put up for sale unless impounded for at least two weeks;
- (b) all animals, except sheep and goats must be sold individually;
- (c) sheep and goats must be sold in lots of not more than ten, and sheep and goats, or sheep or goats with different marks or brands may not be sold together in the same lot;
- (d) animals must be sold for cash, and the proceeds, less the amount of the pound fees and other costs incurred must be handed by the pound master to the municipality, to be paid to the owners of the animals sold; provided that –
 - (i) if in any particular case the sale does not realise sufficient to cover the pound fees due, the proceeds must be first utilised for payment of the compensation due to the pound master, and if the said proceeds are insufficient to cover such compensation, the balance of compensation must be paid to the pound master by the municipality;
 - (ii) any money, being the proceeds of the sale of any impounded animal, not being claimed by the owner of such animal within twelve months from the date of sale, accrues to the Municipality;
- (e) the Municipality may fix a reserve price for any animal offered for sale; and
- (f) the auctioneer may withdraw any animal from the sale if the highest bid received is not satisfactory, irrespective of whether a reserve price has been fixed by the municipality.

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16 DURATION

This agreement will commence on the 15th of April 2025 and remain in force for a period of Twelve (12) months, until 14th of April 2026.

17 PREMISES

The area where the pound will be situated is identified by the municipality or an area deemed suitable for the pound.

18 CONFIDENTIALITY

- 18.1 Both parties acknowledge that in their dealings with each other they may come across Confidential information which may, if disclosed, compromise the business of the other Party and that they (parties) herein undertake not to disclose such information to any third Party, save where such disclosure is authorized by law or by written consent from the other party.

19. BREACH, LIMITATION OF LIABILITY & PENALTIES

The responsibilities and obligations imposed to and undertakings made by the parties in terms hereof are meant to be performed and if they are not performed at all, performed late or performed in the wrong manner that would constitute breach to this agreement.

- 19.1 Should breach contemplated in this clause occur, the aggrieved party shall, if that breach is material:

- (a) serve the defaulting party with a written notice of the default and demand the defaulting party to make good the default within seven working (7) days;
- (b) claim immediate performance by the defaulting party of all of its obligations that are due for performance and which are the subject of the breach;
- (c) claim damages, if there are any damages sustained by that other party due to the default; and
- (d) Exercise rights provided for if the defaulting party failed to remedy the default within seven (7) days on receipt of a notice contemplated in this clause.

A Party shall not be liable for breach in terms hereof, if it establishes to the satisfaction of the other party that such breach was due to *force majeure*.

- a. All penalties shall be dealt with in terms of the Conventional Penalties Act 15 of 1962. Penalties shall be imposed for poor services, late performances and or wrong performance.

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20. DISPUTE RESOLUTION

20.1 In the event of any dispute arising out of /or relating to this Agreement concerning the interpretation of terms and conditions of this Agreement or of compliance by either Party with terms and conditions of this Agreement, each of the Parties will appoint a senior representative whose task it will be to meet to resolve such dispute. Such representatives will discuss the matter in a dispute and negotiate in good faith, to resolve the dispute on mutually agreeable terms.

20.2 No formal proceedings may be commenced until either or both designated representatives conclude in good faith, that amicable resolution through continued negotiation of the matter is not likely to occur.

20.3 If after fourteen (14) days the Parties have failed to resolve their dispute or difference by such mutual negotiations or consultations, then either the Municipal Council or Service Provider can refer the matter to as provided for in clause 21 (Settlement of Disputes) hereof.

21. SETTLEMENT OF DISPUTES

Without detracting from either Party's right to institute action or motion proceedings in the High Court of South Africa or other Court of competent jurisdiction in the Republic of South Africa in respect of any dispute that may arise out of or in connection with this Agreement, the Parties may, by mutual consent, follow the mediation and/or arbitration procedure as set out in clauses 22 and 23.

22. MEDIATION

22.1.1 Subject to the provisions of clause 20, any dispute arising out of or in connection with this Agreement may be referred by the Parties without legal representation to a Mediator in the Republic of South Africa.

22.1.2 The dispute shall be heard by the Mediator at a place and time to be determined by him or her in consultation with the Parties.

22.2 The Mediator shall be selected by agreement between the Parties.

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22.3 If an agreement cannot be reached upon a particular Mediator within 3 (three) business days after the parties have agreed to refer the matter to mediation, then the Provincial Director of the Provincial Legal Practice Council of the Free State shall be requested to nominate the Mediator within 7 (seven) business days after the Parties have failed to agree.

22.4 The Mediator shall at his or her sole discretion determine whether the reference him or her shall be made in the form of written or verbal representations, provided that in making this determination he or she shall consult with the Parties and may be guided by their common reasonable desire of the form in which the said representations are to be made.

22.5 The Parties shall have 7 (seven) Business days within which to finalise their representations. The Mediator shall within 7 (seven) Business days of the receipt of the representations express in writing an opinion on the matter and furnish the Parties each with a copy thereof by hand and by email.

22.6 The opinion so expressed by the Mediator shall be final and binding upon the Parties unless either Party is unwilling to accept the opinion expressed by the Mediator. In such event, the aggrieved Party may institute legal proceedings in a court of competent jurisdiction, unless the Parties agree to refer the dispute to arbitration in accordance with clause 23. The expressed opinion of the mediator shall not prejudice the rights of either Party in any manner whatsoever in the event of legal proceedings or arbitration.

22.7 The costs of mediation shall be determined by the Mediator.

22.8 Liability for such costs shall be apportioned by the Mediator and shall be due and payable to the Mediator on presentation of his or her written account.

23. ARBITRATION

23.1.1 Subject to the provisions of this agreement, the Parties may agree to refer any dispute arising out of or in connection with this Agreement, to arbitration.

23.1.2 Arbitration shall be held in Bloemfontein informally and otherwise in accordance with the provisions of the Arbitration Act, No. 42 of 1965, it being intended that if possible, it shall be held and concluded within 10 (ten) Business days.

23.1.3 Save as otherwise specifically provided herein, the Arbitrator shall be if the matter in dispute is:

23.1.4 primarily a legal matter, a practicing Senior Advocate of the Free State Bar;

23.1.5 any other matter, an independent and suitably qualified person as may be agreed upon between the Parties to the dispute.

23.1.6 nominate the Arbitrator within 7 (seven) Business days after the Parties have failed to agree.

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- 23.2 The Arbitrator shall give his or her decision within 5 (five) Business days after the completion of the arbitration. The Arbitrator may determine that the costs of the arbitration are to be paid either by one or the other or both Parties.
- 23.2.1 The decision of the Arbitrator shall be final and binding and may be made an order of the Free State Provincial Division of the High Court upon the application by any party to the arbitration.
- 23.2.2 Notwithstanding the provisions contained in clause 17 of the General Conditions of Contract, disputes between the Parties shall be governed exclusively by, and settled in terms of this Agreement.

24. (a) PAYMENT CLAUSE / POUND TARIFFS

The payment will be as follows:

Acceptance of 30/ 70 cost sharing model on municipal tariffs relating to pound.

0(b) POUND TARIFFS

POUNDING CHARGES

Livestock: per head (per day)	R497.39 (Incl vat)
	R457.00 (Excl vat)

All the Reports together with supporting documents e.g invoices and proof of payments of both expenditure and income must be submitted to the Director Community Services on a fortnight basis.

- (c) **Determination of pound fees:** Due to Pound Master = 70% per month
Due to Municipality = 30% per month

The aforesaid fees will be amended on an annual basis after the new budget has been approved Municipal Council.

The Service Provide (Rapelang Orapeleng (Pty)Ltd) must open a secondary bank account which will be used to manage funds derived from this agreement between the parties.

- (d) **Costs of impoundment which Pound Master is entitled to recover from owner**

Any owner who claims an impounded animal shall be responsible for the tariff of charges in respect of feed, accommodation and or veterinary costs and any other related costs for which a tariff has been prescribed by the Municipality, for the duration in which the animal has been impounded.

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25. INDEMNITY

The Pound Master indemnifies the Council from any claim which may arise as a result of any willful or negligent action or omissions whatsoever of the Pound Master, employees, or its agents. The Pound Master will further be liable for the cost of insurance against any claims as a result of such negligent acts and/or omissions.

26. FORCE MAJEURE

A party shall not be held liable for any failure to perform any of its obligations in terms of the agreement if it is established to the satisfaction of the other that:

- (a) the failure was due to an event which was beyond its control;
- (b) it could not reasonably have been expected at the time of the conclusion of this agreement, to have taken into account the event and its effects on the party's ability to perform, and
- (c) it could not reasonably have overcome the event or the effects of the event.

The events contemplated above include but not necessarily limited to official or unofficial boycotts, strikes, lockouts and go-slows.

27. DOMICILIA

The parties to this agreement choose the following addresses and telefax numbers for purposes of this agreement:

Setsoto Local Municipality

The Municipal Offices
27 Voortrekker Street
Ficksburg
9730

Tel: (051) 933 9302

E-mail: manager@setsoto.co.za

Rapelang Orapeleng (Pty) Ltd

M168 Manyatseng
Ladybrand
9745

Cell: 083 329 7919

E-mail: MREBOLTEBOHO84@gmail.com

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28. TERMINATION

28.1 This agreement can only be terminated in the event of:

- (a) At the end of duration dated 14 April 2026 or such later date as the parties may agree.
- (b) In the event of breach by either party, the innocent party may terminate the agreement provided that the other party is notified of the breach and called upon to rectify the breach immediately and has failed to rectify the breach.
- (c) Any party aggrieved by the other to such an extent that the conduct amounts to material breach, may seek appropriate relief in court or refer the matter to arbitration.

29. GENERAL

29.1 This agreement is the whole agreement between the parties in regard to its subject matter. No party shall be bound by any express, implied or tacit term, representation, warranty, promise or the like, not recorded in writing in this agreement and its annexure.

29.2 Should any of the terms and conditions of this agreement be held to be invalid, unlawful or unenforceable, such terms and conditions will be severable from the remaining terms and conditions which will continue to be valid and enforceable. If any term or condition held to be invalid is capable of amendment to render it valid, the parties agree to negotiate an amendment to remove the invalidity.

29.3 This agreement is governed by South African law, without giving effect to any conflict of laws;

29.4 The relationship between the parties shall be one of the utmost good faith and each party undertakes to observe the utmost good faith towards the other parties.

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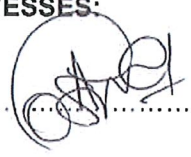
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Signed at FICKSBURG on this 27 day of May 2025 in the presence of the undersigned witnesses.

For and on behalf of Setsoto Local Municipality:


NF MALATJIE
MUNICIPAL MANAGER

AS WITNESSES:


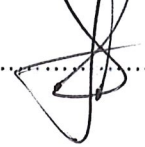
1) 
2)

Signed at Ladybrand on this 02 day of June 2025 in the presence of the undersigned witnesses.

For and on behalf of Rapelang Orapeleng (Pty)Ltd:


POUND MASTER

AS WITNESSES:

1) 
2) 

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