

WALTER SISULU LOCAL MUNICIPALITY

SERVICE LEVEL AGREEMENT

**PROVISION FUNDING , DESIGN , SUPPLY INSTALLATION , AND COMMISSIONING OF
SMART METRES SYSTEM FOR WALTER SISULU LOCAL MUNICIPALITY**

NOTICE NO: 39/2023-2024

CONTRACT ENTERED INTO BETWEEN:

WALTER SISULU Local Municipality

Herein represented by the Municipal Manager
Address: Cnr Church and Greyling Street, Burgersdorp

(hereinafter referred to as "the Client")

and

IDEAL PRE-PAID (PTY) LTD

Herein represented by , Ms R Moralo
Address: Sand-havon Office Park, 16 Pongola Crescent , Sandton
Company registration Number:2011/000829/07

(hereinafter referred to as "the Service provider")

1. INTERPRETATION

Words importing the singular only also include the plural and vice versa where the contract so requires and words importing natural persons shall include a reference to bodies of corporate and other legal personae and vice versa.

Annexures and schedules to this agreement if any, shall be deemed to have been incorporated herein and shall form an integral part thereof.

A reference to any party include that party's successors in title and permitted assigns whatever their statutory make up.

The parties agree that they are bound to all terms and conditions of this agreement and that this Agreement constitutes the entire agreement between them. In the event that there is conflict between the provisions of the General Conditions, the Special Conditions and this Agreement, then the parties shall try as far as possible to interpret the provisions as complimentary and supplementary to one another.

2. PREAMBLE

Whereas, the Municipality has a duty to all consumers or potential consumers in its area of jurisdiction to progressively ensure efficient, affordable, economical and sustainable access to basic services inclusive of ways of providing such services; and

Whereas, the Municipality followed an open public process prescribed by Section 217 of the Constitution of the Republic of South Africa, Act No 108 of 1996, read with the relevant provisions of the of the Local Government: Municipal Finance Act 56 of 2003, the Supply Chain Management Regulations (2005) as well as the SCM policy of the Walter Sisulu Local Municipality, to provide all interested parties to submit proposals for the funding, design, installation and commissioning of Electricity Smart Pre-paid Metering system for Walter Sisulu Local Municipality (WSLM); and

Whereas, **IDEAL PRE-PAID (PTY) LTD** submitted a proposal in terms of **tender 39/2023/2024** to the Walter Sisulu Local Municipality, which proposal was accepted on certain terms and conditions; and

Whereas, the **SERVICE PROVIDER** agrees to provide such services with diligence and to the best of its abilities; and

Whereas, the **GENERAL CONDITIONS OF CONTRACT** of 2015 published by National Treasury is incorporated in the tender document with reference number 39/2023-2024 and shall form part of this agreement; and

Whereas, the **SPECIAL CONDITIONS OF CONTRACT** are incorporated in same way in the tender document and shall form part of this agreement;

And whereas the parties agree that the terms and conditions of the tender document forms the material terms of the contract as specified therein.

3. DEFINITIONS

The headings of the clauses in this agreement are for the purpose of convenience and reference only and shall not be used in the interpretation of, nor modify, nor amplify, the terms of this agreement nor any clause hereof.

In this agreement, unless a contrary intention clearly appears, the following terms shall have the meanings assigned to them hereunder and cognate expressions shall have corresponding meanings, namely:

“Agreement/Contract”- means this Service Level Agreement (SLA) together with tender documentation and any other annexures hereto.

“Agreement/Contract term”- means the period of five (5) years from the date of the last party signing this agreement. The contract will be reviewed for continuation annually based on satisfactory performance of the service provider.

“Commencement date”- means the date on which this agreement shall come into effect is the date of the last party signing this agreement.

“Completion date” – means the date on which this agreement terminates or any other earlier termination either agreed to by both parties or due to any other reason provided for in this agreement.

“Client” - means the **Walter Sisulu Local Municipality**.

“Maintenance” – means management and all services required to keep the metering system operational.

“Service provider” – means **IDEAL PRE-PAID (PTY) LTD** (Pty) Ltd with registration number: 2011/000829/07.

“Project” – means provision funding , design, supply and installation of smart metering system as detailed in part **D** of tender Terms of Reference for tender .

“Project Period”- means the implementation, installation and commissioning of all the equipment, software, processes and systems as per project scope detailed in the Terms of Reference and in clause 3 of this agreement, and shall commence on the Commencement date.

“Project Steering Committee (PSC)” – means the committee identified by the Client which oversees the implementation of the project.

“Services” - means the services to be provided by the Service provider to the Client as more fully set out in clause 3 hereunder.

“Service period”- means the period where the service provider assumes responsibility for the day to day planning, operation and control of the electricity and smart meter infrastructure.

“Project plan” - means a work plan for project defined outputs, reporting commitments, timelines.

“Terms of Reference”- means tender specification document for the project and the associated tender/bid documents.

THE ABOVE METIONED PERIODS SHALL RUN CONCURRENTLY FOR A PERIOD OF FIVE (5) YEARS.

NOW THEREFORE THE PARTIES WISH TO AGREE AS FOLLOWS:

4. APPOINTMENT

- 4.1. Walter Sisulu Local Municipality hereby appoints **IDEAL PRE-PAID (PTY) LTD** to provide provision of funding, design, supply, installation, and commissioning of smart metering system in terms of the Expression of Interest bid specifications or scope of work as more fully described thereto.

5. PROVISION AND COMMENCEMENT OF SERVICES

- 5.1. The Service provider undertakes to provide the services as detailed in Clause 5.2 hereunder with a delivery period of seven days upon a call out for such service.
- 5.2. The services and deliverables required from the service provider are as outlined in the Description of Services in the Terms of Reference for tender: **FUNDING, DESIGN, SUPPLY AND INSTALLATION OF SMART METRING SYSTEM FOR A PERIOD OF FIVE YEARS.**
- 5.3. This Agreement shall take effect from date of last signature hereof, and which date shall be referred to as the commencement date and shall subsist for a period of five (5) years from date of commencement or any other earlier termination either agreed to by both parties or due to any other reason provided for in this agreement.

6. DUTIES AND RESPONSIBILITIES OF THE PARTIES

- 6.1. The service provider shall ensure that the municipality maximises electricity revenue collection with a clear breakdown of profit sharing strategy as more fully described in the proposed pricing model.
- 6.2. The service provider must self-fund, design, supply installation and commissioning of the smarty metering system for the municipality to enhance revenue solution in electricity.

- 6.3. It is required that, the solution must be compatible to be installed and should work on the following platforms:
 - 6.3.1. Electricity revenue enhancement implementation plan
 - 6.3.2. Efficient billing and tariff setting
 - 6.3.3. Project roll out plan
 - 6.3.4. Temper/distribution loss system management capabilities
 - 6.3.5. Funding made/options of the project
- 6.4. The service provider shall ensure that the system has a single management console which is required to perform on the following:
 - 6.4.1. Enable the municipality to monitor the grid with a system that is compatible with the needs, adjust the system and infrastructure maintained.
 - 6.4.2. Develop a system that will be able to detect and promptly detect tempering and electricity theft.
 - 6.4.3. Develop a system which will be controlled or operated within the municipality which will respond to desktop connections, reconnections and consumption by the consumers.
 - 6.4.4. Develop a system that will enable the municipality to limit economic supply and consumption by ESKOM.
- 6.5. The service provider shall ensure that, the required services are delivered within a period of seven days from the date of commencement of this agreement.
- 6.6. The Service provider agrees that it is in compliance with the required specifications in the tender as described in 5.2 hereinabove and as such the conditions thereof are binding.

7. EXEMPTION REQUIRED

- 7.1. The Service Provider hereby undertakes to relieve the Municipality of any responsibility and to indemnify it from any actions or claim or other legal obligations of any nature whatsoever that may arise out of any work conducted by the Service Provider or any negligence which may arise as a result of any use of the space and equipment by the Service Provider.

8. REVENUE GENERATION AND FUNDING MUNERATION AND CONTRACT VALUE

- 8.1. The Parties agree that the Service Provider submitted a detailed financial proposal which was accepted and subsequently forms a material part of this Service Level Agreement.
- 8.2. The Service Provider has submitted a revenue share schedule which is contained in and marked "**Annexure 1**" and this constitutes a valid and binding agreement in this regard.
- 8.3. The rates for remuneration are per revenue share **is** attached hereto and marked "**Annexure 1**" which constitutes rates as quoted in the tender document.
- 8.4. It is agreed that the price herein is a fixed price, excluding VAT, and that said price is not subject to price escalations as per tender submissions by the Service Provider and in accordance with the provisions of "**Annexure 1**".
- 8.5. All payments in this project shall be effected in terms of "**Annexure 1**", to the bank account as detailed in the tender submission document.
- 8.6. Disbursements to be charged out at the applicable quoted rates, with supporting documentation but are not burdened without written consent.
- 8.7. Walter Sisulu Local Municipality retains the right to cancel this contract if deemed appropriate, at the completion of any phase / milestone, for whatever reason, upon a reasonable notification to the Service provider.

- 8.8. The service provider must make sure that, its tax matters are compliant at all times and the Client reserves the right to withhold payments when the tax matters of the Service Provider are not in order. In the circumstances, the Client must inform the service provider in writing about the non-compliance and advise the latter to rectify same within reasonable time in order to make payment.
- 8.9. If the Municipality withholds payment for any other reason:
 - 8.9.1. The Municipality shall notify the Service Provider within reasonable time of the changes in the invoice that it is disputing;
 - 8.9.2. The parties shall promptly address such dispute in accordance with the Dispute Resolution Procedure;
 - 8.9.3. If the disputes relate to (or equals, in the case of disputed charges that have already been paid) only certain of the charges included on an invoice, then the Municipality shall only pay the undisputed amounts.

9. REPORTING

- 9.1. The Service provider shall variance monthly reports as specified in the project plan or agreed in writing from time to time.
- 9.2. It is expected that, where there are replacements of meters in any household, business or a farm dwelling or in any place where the metre system is used, the service provider shall submit a detailed report on such replacements.
- 9.3. When there are new installations, the same process in paragraph 9.2. shall apply as a sequential record.
- 9.4. It is expected that; the service provider shall cause on each customer`s history an extracted information in respect of a fault response.

- 9.5. The Service provider shall submit records of consumption on areas in which distribution of the meters are dispatched.
- 9.6. It is the duty of the service provider to ensure that, there is proper electronic records of meters which enables location of the meter used by a consumer.
- 9.7. It is important that, the service provider ensure the meter status is updated and has the necessary machinery to detect fault, tempering or mode thereof, whether the metre is disconnected or active or it has been reconnected. Such data is required from the service provider.
- 9.8. Project reports, where required in the Project Implementation Plan, shall be submitted to the Client in accordance with the agreed schedule of performance for the task.

10. OWNERSHIP OF INFRASTRUCTURE

- 10.1. Ownership and Risks of the property will pass to the Municipality at the end of the Contract Term, if the Municipality elects not to renew the agreement.

11. RESTRICTIONS ON CESSION OR ASSIGNMENT

- 11.1. The Service Provider is not entitled to cede or assign any rights and obligations which it may have in terms of this Agreement to any third party unless prior written consent of the Municipality has been obtained.

12. PERFORMANCE GUARANTEES

- 12.1. The Service provider will have the required cover and indemnity in respect of the supplied goods and manufactures certificates of guarantees which is applicable to it for the provision of this service.

13. NON WAIVER AND NON VARIATION

- 13.1. No relaxation or indulgence granted by the Municipality and no omission by the Municipality timeously or diligently to enforce any right under this Agreement shall be deemed to amount to waiver of that or any other right.
- 13.2. This Agreement constitutes the whole Agreement between the parties relating to the subject matter hereof, notwithstanding any acceptance, order or other documentation or discussion to the contrary.
- 13.3. No variation may be made unless reduced to writing and signed by the parties.

14. DOMICILIUM

- 14.1. The Service provider chooses domicilium citandi et executandi for all purposes under this agreement, including the giving of notice and the acceptance of legal documents at the address stated on the cover page of this agreement.
- 14.2. The Client chooses domicilium citandi et executandi to which notices may be given, and at which documents in legal proceedings may be served, in connection with this agreement, at the address shown on the cover page of this contract document.
- 14.3. Notices given to the above addresses shall be deemed to have been duly given:
 - 14.3.1. 7 days after posting, if posted by registered post to the party's postal address;
 - 14.3.2. On delivery, if delivered to the party's physical address;
 - 14.3.3. On despatch, if sent to the party's then fax number or e-mail address.
- 14.4. A party may change that party's address for this purpose, by notice in writing to the other party, provided that the new addresses include a physical address within the Republic of South Africa.

15. BREACH

- 15.1. Should any party fail to comply with the provisions of this Agreement, the affected party shall be entitled to notify the defaulting party of any such failure and should the defaulting party fail to rectify any such failure within 14 (fourteen) days, calculated from date of such notice, either by registered post, by hand or via email to the defaulting party's duly authorised official, the affected party may, in its discretion, cancel the Agreement, alternatively claim specific performance from the defaulting party in terms of this Agreement.
- 15.2. In the event of cancellation, the affected Party shall be entitled to claim damages from the default party, for damages which the affected party suffered as a result of the defaulting Party's breach and/or failure to comply with any provisions of this Agreement.
- 15.3. In the event of the affected Party deciding to hold the default Party bound hereunder and enforcing specific performance against him, all monies owing by the default Party to the aggrieved Party in terms of this Agreement shall immediately become due and payable and the aggrieved Party shall be further entitled to claim from the defaulting Party all damages suffered by it as a result of the default Party's failure or neglect to comply with any of the provisions of this Agreement.

16. MEDIATION AND ARBITRATION

- 16.1. Should mediation or arbitration be required, the mediator (s) / arbitrator (s) will be required to have knowledge and experience of provision of related services.
- 16.2. Any mediation or arbitration shall be used as the **first option** by the parties to this agreement as a method of dispute resolution mechanism and will be conducted in terms of the South African laws.
- 16.3. Any party requiring such, shall ensure that, a written notice is issued within a period of fourteen days notifying the other about the nature and extent of the dispute.

- 16.4. It is envisaged that, a mediator or arbitrator shall be appointed by agreement between the parties and will be selected from a recognised institute or association which governs them.
- 16.5. The parties agree that, the outcomes of an arbitrator or mediator are binding between themselves.
- 16.6. Any party willing to take the matter to court shall obtain consent from the other party subsequent to the dispute resolution mechanism being explored.

17. CONFIDENTIALITY

- 17.1. Each party hereby undertakes for the continuance of this agreement and after termination to the other to:
 - 17.1.1. Keep confidential all information (written, including information contained in electronic format, or oral) concerning the business and affairs of the other that it shall have obtained or received from the other party ("the information");
 - 17.1.2. Not without the other's written consent to disclose the information in whole or in part to any other person save those of its employees involved in the implementation, of this agreement and who have a need to know the same; and
 - 17.1.3. Use this information solely in connection with the implementation of this agreement and not for its own or the benefit of any third party.
- 17.2. The provisions of 17.1 shall not apply to the whole or any part of the information to the extent that it is:
 - 17.2.1. Already known to the recipient without obligation of confidence; or
 - 17.2.2. Independently developed by the recipient; or

- 17.2.3. Publicly available without breach of this agreement; or
 - 17.2.4. Released for disclosure by the disclosing party with the written consent of both parties; or
 - 17.2.5. Required to be disclosed in a response to a valid order of court or if disclosure is otherwise required by law.
- 17.3. The Service Provider will not be under any obligation; and the Municipality agrees that the Service Provider will not be under any obligation or forced in any manner or form; to disclose information about the private information and related activities of the Municipality's employees relating to materials kept on personal or other computing devices; to which the Service Provider will or might have access to during the term of this agreement;
- 17.3.1. The Service Provider agrees to inform the Municipality of the use of or existence of any such information on the Municipality's network or in the Municipality's environment but the Service Provider will not compromise its obligation to the right of privacy of any and all individuals as granted to such individuals through the Constitution of South Africa and the Municipality agrees to respect this reserved right as expressed by the Service Provider.
 - 17.3.2. The Service Provider agrees to provide any and all information that it may have to the Municipality to enable the Municipality to fulfil its duties and/or obligations as required by the laws of the Republic of South Africa – but only after receipt of a formal written request has been lodged with the Service Provider by the Municipality.
- 17.4. Each party hereby undertakes to the other to make all relevant employees and agents aware of the confidentiality of the information and the provisions of this Clause and without prejudice to the generality of the foregoing to take all such steps as shall from time to time be necessary to ensure compliance by its employees, associates or agents with the provisions of this clause.

18. TERMINATION OF THE AGREEMENT

18.1. This Agreement may be termination in any of the following ways:

18.1.1. By mutual agreement between Parties;

18.1.2. By either Party, for whatever reason and without incurring any liability for such termination, upon that Party providing the other Party 3 (three) months written notice of such termination.

18.2. Provided, however that in the event of any disagreement the Parties undertake to negotiate in good faith to resolve such disagreements amicably and in the interests of pursuing this Agreement or to refer the matter to the applicable Dispute Resolution mechanisms as per clause 16 of this Agreement.

19. COSTS

19.1. In the event of either Party having to institute legal proceedings against the other due to its breach of any terms of any terms of the Contract, the defaulting Party will be liable for payment of the other Party's legal costs on a scale as between attorney and client.

20. SIGNATORIES

Hereunder the parties confirm that they are duly appointed as signatories to this contract and confirm that terms of this contract is binding.

Thus executed and signed at.....on this.....day
of.....2024.

Municipal Manager
Walter Sisulu Local Municipality

AS WITNESSES:

1. _____

2. _____

Thus executed and signed at.....on this.....day
of.....2024.

Duly Authorised Representative
IDEAL PRE-PAID (PTY) LTD

AS WITNESSES:

1. _____

2. _____

**FUNDING AND REVENUE GENERATION METHODOLOGY AND PLAN
DETAILED FINANCIAL PROPOSAL**

POINT 1 – INFORMATION ON HOW THE PROJECT WILL BE FUNDED

IdealPrepaid and its funders have funds in excess of R30 million to fund the project. The cost of the estimated 21 548 meters, estimated at R60 mil will be funded by Ideal Prepaid's funders. Further to the above, the revenue share due to Ideal Prepaid and its funders will be re-invested into the project. Ideal Prepaid and its funders work on risk, meaning that if no improvement above baseline in revenue occurs in a particular month, then no revenue share will be due to Ideal Prepaid and its funders. Ideal Prepaid and its funders only share revenue above baseline, meaning on own effort/improvement.

Through the funds above, Ideal Prepaid and funders will procure, install, manage, and maintain the meters for a period of 5 years and then transfer all the meters to the municipality. A meter audit will be conducted before the meters are transferred to the municipality. This is to ensure that all meters are certified to be in a good working condition upon transfer. Any meter found to be in a poor condition will be replaced at no cost to the municipality.

POINT 2 – HOW IS THE SERVICE PROVIDER GOING TO MAKE REVENUE FROM THE PROJECT?

Our funding model is based on a revenue share model with WSLM. The revenue share is based on the collections above the baseline. The baseline/average collection is currently estimated at R18million as provided by WSLM. Please see below Table 1 and Table 2 for high-level depiction of the revenue share model.

This was the proposed revenue share split as per our response to the tender. (For demonstration purposes only)

Proposed funding model - Revenue share split

Year	WSLM	Ideal Prepaid
Year 1	40%	60%
Year 2	40%	60%
Year 3	50%	50%
Year 4	50%	50%
Year 5	60%	40%
Year 6	100%	0%

Table 1 Proposed funding model above baseline - Fully funded meters

High level demonstration of revenue share calculation (Year 1)

			WSLM revenue earned				Ideal Prepaid revenue earned	
	Revenue generated from electricity sales (A) <i>*</i>	Revenue subject to sharing (i.e. > Baseline of R18 million) (B)	Revenue guaranteed for WSLM = Baseline amount R18million (C)	Revenue share (%) earned by WSLM (D)	Revenue share (Rands) earned by WSLM (B)*(D)	Total Revenue share (Rands) earned by WSLM (C) + (B)*(D)	Revenue share (%) earned by Ideal Prepaid (E)	Revenue share (Rands) by earned Ideal Prepaid (E)*(B)
Month1	R1 5000 000**	R0	R15 000 000	N/A	N/A	R15 000 000	R -	R -
Month2	R17 000 000	R0	R17 000 000	N/A	N/A	R17 000 000	R -	R -
Month3	R18 000 000	R0	R18 000 000	N/A	N/A	R18 000 000	R -	R -
Month4	R20 000 000	R2 000 000	R18 000 000	40%	R800 000	R18 800 000	60%	R1 200 000
Month5	R21 000 000	R3 000 000	R18 000 000	40%	R1 200 000	R19 200 000	60%	R1 800 000
Month6	R22 050 000	R4 050 000	R18 000 000	40%	R1 620 000	R19 620 000	60%	R2 430 000
Month7	R23 152 500	R5 152 500	R18 000 000	40%	R2 061 000	R20 061 000	60%	R3 091 500

Month8	R24 310 125	R6 310 125	R18 000 000	40%	R2 524 050	R20 524 050	60%	R3 786 075
Month9	R25 525 631	R7 525 631	R18 000 000	40%	R3 010 253	R21 010 253	60%	R4 515 379
Month1 0	R26 801 913	R8 801 913	R18 000 000	40%	R3 520 765	R21 520 765	60%	R5 281 148
Month1 1	R28 142 008	R10 142 008	R18 000 000	40%	R4 056 803	R22 056 803	60%	R6 085 205
Month1 2	R29 549 109	R11 549 109	R18 000 000	40%	R4 619 644	R22 619 644	60%	R6 929 465
	R270 531 286		R212 000 000		R23 412 515	R235 412 515		R35 118 772

Table 2 Detailed illustration of revenue share model

Notes

* These are estimates revenues, at a growth rate of 5% per month

** It is anticipated, from prior experience that the revenue in the first three months maybe be below the current average municipality collections of R18million.

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Both WSLM and Service Provider will further earn revenue from the implementation of the proposed revenue enhancement initiatives namely as we identify and eliminate leakages;

Revenue enhancement initiative	Revenue to be earned by Ideal Prepaid
Installation and maintenance of electricity prepaid meters	Revenue share as illustrated in Table 2
Vending of prepaid and postpaid electricity	6% for online vending 3rd party vending commission to be priced separately
Debt collection	12-22% - IDEAL (depending on age of debt) 88 – 78% - WSLM
Elimination of revenue leakages (e.g. identification of new accounts to add to billing system)	15% commission for new additional revenue – IDEAL 85% commission WSLM New revenue WSLM never had)
Identification and implementation of new sources of revenue	20% commission for IDEAL 80% commission for WSLM

POINT 3 – HOW IS THE MUNICIPALITY GOING TO MAKE REVENUE FROM THE PROJECT?

The Municipality will generate revenue as follows:

Revenue enhancement initiative	Revenue to be earned by Ideal Prepaid
Revenue share from electricity vending	Revenue share as illustrated in Table 2

Debt collection	78-88% depending on age of debt
Elimination of revenue leakages (e.g. identification of new accounts to add to billing system	85% for new additional revenue
Identification and implementation of new sources of revenue	80% commission for new revenue

Refer to point 2 above for a high-level illustration of how the municipality will generate revenue share from electricity vending.

POINT 4 – TIMEFRAMES ON WHEN THE PAYMENTS ARE GOING TO BE MADE BY THE MUNICIPALITY

The project is fully funded and at risk carried by Ideal Prepaid and its funders. The Municipality will not be required to make payment towards the purchase price of the new smart meters, the installation costs, and the maintenance costs for the meters. All these costs will be carried by Ideal Prepaid and its funders. On an agreed date, e.g. by the 7th day of each month. Ideal Prepaid and its funders will make payments to WSLM monthly after calculating the revenue share from electricity vending and any other revenue which may be due to WSLM.

ANNEXURE 2 – MINIMUM SERVICE LEVEL STANDARDS

The following standards will govern the provision of services during the contract period:

B.1 Provision of Service:

The service provider will provide, provision of funding, design, supply, installation, and commissioning of smart metering system to the Walter Sisulu Local Municipality for a period of five years with a delivery period as specified in the project implementation plan.

B.2 Subcontracting of Work

1. The service provider has indicated that no portion of the above work will be sub-contracted to other suppliers.

2. Failure to disclose any such changes in service provider delivery of work may result in Walter Sisulu Local Municipality cancelling the contract.

B.3 Declarations of Interest:

3.1. Any changes must be communicated with Walter Sisulu Local Municipality within 30 days of the change taking place, and amended declarations signed accordingly for record purposes. Hereunder are declarations to be updated and recorded:

- (i) Declaration of Interest – In the Service of the State
- (ii) Declaration of Interest – kinship, Relationship with Persons employed by Walter Sisulu Local Municipality.
- (iii) Declaration of Past SCM Practices.

3.2. Failure to disclose any such changes may result in Walter Sisulu Local Municipality cancelling the contract by way of notice in line with the General Conditions of Contract.

B.4 Registration on the Central Supplier Database

1. The supplier will remain registered on the Central Supplier Database (CSD).
2. No work will be issued nor payment for services effected without the supplier's proper registration on the Central Supplier Database (CSD).

B.5 Project Staff:

1. The Service provider has committed human resources in the servicing of the Walter Sisulu Local Municipality as per tender conditions.

B.6 Administration and Account Management

1. All quotations, where applicable, or required, to be received within ½ day from time of request for timely issue of order confirmation.
2. The service provider has committed to providing Walter Sisulu Local Municipality with invoices for work done and the Client shall within a 30-day make such payment as there shall be no upfront payment requirements.
3. The service provider will issue invoices by of each month, when applicable, for processing by Walter Sisulu Local Municipality, subject to approval of the submitted output for that period.