

## **SERVICE LEVEL AGREEMENT**

**ENTERED INTO BY AND BETWEEN:**

### **MAKHUDUTHAMAGA LOCAL MUNICIPALITY**

Herein represented by her capacity as **Municipal Manager (Ronald Moganedi)** and duly authorised thereto; hereinafter referred to as the ("**EMPLOYER**")

**AND**

### **CCG SYSTEMS PTY LTD**

herein represented by **Mr P Mukwevho** in his capacity as director and duly authorized thereto,(hereinafter referred to as "**SERVICE PROVIDER**")

**Jointly referred to as "The Parties"**

## **1. PREAMBLE**

**WHEREAS** Makhuduthamaga Local Municipality has appointed CCG Systems Pty Ltd for the supply , delivery of financial server for Makhuduthamaga.

**AND CCG Systems Pty Ltd** accepted the appointment and undertakes to execute the Works as outlined in this agreement.

**AND WHEREAS** the Parties agree to conclude this agreement for the carrying out of the project.

## 2. DEFINITIONS & INTERPRETATION

### 2.1 Definitions

The following words and expressions shall have the meanings assigned to them except where the context requires otherwise: -

- 2.1.1. "**Agreement**" means this Agreement including Specific Provisions, the Conditions of Agreement, together with any appendices thereto;
- 2.1.2. "**Employer**" means the Makhuduthamaga Local Municipality;
- 2.1.3. "**Service Provider**" means CCG SYSTEMS PTY LTD
- 2.1.4. "**Contract**" means the agreement between Makhuduthamaga Local Municipality and CCG Systems for the execution of the Works as per the terms of reference contained in the bid document;
- 2.1.5. "**Contract Documents**" means all documents relating to the works including those issued by or through the Service Provider or the Employer, including, but not limited to, the contract drawings, bills of quantities, specifications and schedules and any amendments thereto;
- 2.1.6. "**Project**" means supply, delivery of Blankets for makhuduthamaga.
- 2.1.7. "**Parties**" means Makhuduthamaga Local Municipality and CCG Systems PTY LTD
- 2.1.8. "**Principal Agent**" means the party appointed by the Makhuduthamaga Local Municipality to take overall responsibility for the administration of the project, including the work of CCG Systems PTY LTD
- 2.1.9. "**Stage**" means or any other Stage of the services to be performed by the Service Provider, as described in this Agreement;

- 2.1.9 **"Tax"** means Value Added Tax, Sales Tax or any other statutory tax or levy applicable to this Agreement;
- 2.1.10 **"Works"** means the activities on a project for which contractor is under contract to the Employer to perform or is intended to be performed, including the supply and delivery of protective clothing
- 2.1.11 **"Variation"** means an act of changing, cancelling, adding or deleting any of the terms and conditions of this agreement.

## **2.2. Interpretation**

The Agreement shall be interpreted according to the following provisions, unless the context requires otherwise:

- 2.1.1. Reference to the provisions of any law shall include such provisions as amended, re-enacted or consolidated from time to time in so far as such amendment, re-enactment or consolidation applies or is capable of applying to any transaction entered into under the Agreement;
- 2.1.2. Reference to clause, sub-clause, Annexure and schedules are references to the clause, sub-clause, Annexure and schedules of the Agreement; The headings of clause, sub-clause, Annexure and schedules are included for convenience only and shall not affect the interpretation of the Agreement;
- 2.1.3. The Annexure and schedules to the Agreement are an integral part of the Agreement and a reference to the Agreement shall include a reference to the annexure and schedules;

- 2.1.4. Reference to the Agreement shall include the Agreement, its annexure, schedules as amended, varied, notated or substituted in writing from time to time;
- 2.1.5. The parties acknowledge that each of them has had the opportunity to seek legal advice concerning the Agreement, and agree that no provision or word used in the Agreement shall be interpreted to the disadvantage of either party because all parties were responsible for or participated in the preparation or drafting of the Agreement or any part of it;
- 2.1.6. Words importing the singular shall include the plural, and *vice versa*,
- 2.1.7. Words importing either gender or the natural person shall include both genders, and juristic persons shall include natural persons and *vice versa*.

### **3. SCOPE OF WORK**

- 3.1. The scope of work to be covered by the Service Provider shall be in terms of this agreement as set out in the “Scope of Work” as included in the terms of reference forming part of the bid document, being the supply and delivery of financial server for Makhuduthamaga.
- 3.2. The approximate quality of each type of work to be carried out by the Service Provider are given in the schedule.

### **4. COMMENCEMENT AND DURATION**

- 4.1. The project shall commence on the 1<sup>st</sup> October 2025 and shall subsist until the actual completion of the project by the 30<sup>th</sup> September 2028.
- 4.2. If the Service Provider fails to commence with the duties within 07 (seven) days from the commencement date, the Municipality shall be entitled to terminate the contract by notice to the Service Provider and to enter into a new contract with another third party, and in that event it shall recover the

damages it may have suffered as the result of failure by the Service Provider to commence the Works.

- 4.3. Unless terminated under one of the other clauses, the project shall be completed when the Service Provider submits the report.

## 5. **PAYMENTS**

### 5.1. **Project amount**

The total amount shall be the **Rates basis inclusive of VAT**, payable progressively upon presentation of a progress report and invoice by the Service Provider to the Employer.

### 5.2. **Time for Payment**

The total amount due to the Service Provider shall be paid on the agreed dates or within thirty (30) days of the date of issue of any invoice.

### 5.3. **Disputed Invoices**

Any item or part of an item in an invoice submitted by the Service Provider is disputed by the Employer, the Employer shall give notice before the due date of payment with reasons, but shall not delay payment of the remainder of undisputed invoices. Where the Employer inadvertently overpays the Service Provider, then the Service Provider shall refund excess amount.

### 5.4. **Weights and measures**

5.5 The quantities of Goods delivered shall be according to South Africa standard weights and measures.

### 5.6. **Title and Risk**

Without prejudice to rights of rejection under these condition, the title to and risk in the goods passes to the services provider when the goods are off-loaded and accepted by the employer at the address given in the delivery instruction

## **6. OBLIGATIONS OF THE SERVICE PROVIDER**

### **6.1. Duty of Care**

The Service Provider shall exercise reasonable professional skill, care and diligence in the performance of the services.

### **6.2. Designated Representative**

The Service Provider shall designate in writing a person to act as his/her representative and such person shall have complete authority to receive instructions and to give information to the Employer on behalf of the Service Provider.

### **6.3. Co-operation with Municipality**

The Service Provider shall perform the services in conjunction with the scope of work and work with municipality.

### **6.4. Notice of Change**

On becoming aware of any matter which shall materially change or has changed the scope, cost or timing of the services or the works, the Service Provider shall give notice to the Employer.

### **6.5. Packaging, Marking and Delivery**

All Goods shall be packaged in accordance with the provisions of the scope of work. Where no provisions are made in the scope of work for packaging,

the Goods shall be properly packaged in suitable way and against the damages.

## **7. OBLIGATIONS OF THE EMPLOYER**

### **7.1. Information**

The Employer shall timeously provide to the Service Provider, free of cost, all information that may be reasonably required for the provision of the services. The Service Provider shall be entitled to rely on the accuracy and completeness of such information furnished by or on behalf of the Employer.

### **7.2. Decisions**

The Employer shall give her decision on all matters properly referred to her by the Service Provider in writing within a reasonable time so as not to delay the services or the contract.

### **7.3. Assistance**

The Employer shall co-operate with the Service Provider and shall not interfere with or obstruct the proper performance of the services. The Employer shall as soon as reasonably possible:

**7.3.1.** Authorise the Service Provider to act as may be necessary for the performance of the services.

**7.3.2.** Provide all available relevant information.

**7.3.3.** Corporation between the parties

### **7.4. Notice of Change**

On becoming aware of any matter which materially shall change or has changed the scope, cost or timing of the services or the works, or on

becoming aware of any defect or deficiencies in the services or the works, the Employer shall give appropriate notice to the Service Provider.

## **7. PENALTY CLAUSE**

**7.5.** In the event the Service Provider fails to complete the work or part thereof within the project period due to its own negligence or for reasons within his control, the Municipality shall be entitled

**7.5.1.** Recover all costs, losses or damages it has incurred or suffered as a result of the Service Provider's conduct;

**7.5.2.** Cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;

## **8. FORCE MAJEURE**

**8.1.** A party is not liable for failure to perform the party's obligations if such failure is as a result of Acts of God (including fire, flood, earthquake, storm, hurricane or other natural disaster), war, invasion, act of foreign enemies, hostilities (regardless of whether war is declared), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, terrorist activities, nationalisation, government sanction, blockage, embargo, labour dispute, strike, lockout or interruption or failure of electricity or telephone service. No party is entitled to terminate this Agreement under such circumstances.

**8.2.** If in those circumstances certain services have to be suspended, the time for their completion shall be extended by the extent of the delay plus a reasonable period for their resumption or, if the speed of performing certain services has to be reduced, the time for their completion shall be extended



as may be necessary due to the circumstances. The Employer shall pay to the Service Provider such additional fees and expenses as may be agreed as appropriate to the work undertaken by the Service Provider in providing the necessary additional services.

#### **9. TERMINATION BY THE EMPLOYER**

The Employer may suspend all or part of the Services or terminate the agreement by notice to the Service Provider who shall immediately make arrangements to stop the services and minimise further expenditure.

#### **10. TERMINATION BY THE SERVICE PROVIDER**

The Service Provider may by notice of at least 30 days terminate the agreement, or at his discretion and without prejudice to the right to terminate, may suspend or continue suspension of performance of the whole or part of the services:

- 10.1.** When, 30 days after the due date for payment of any invoices, the Service Provider has not received payment of that part of it which has not by that time been contested in writing by the Employer, or
- 10.2.** When the services have been suspended under either Clause 9 or 10 and the period of suspension has exceeded 6 months, or it is clear to the Service Provider that it will be impossible or impractical to resume the suspended services before the period of suspension has exceeded 6 Service Provider, or
- 10.3.** If the Employer is in material breach of a term of the agreement and fails to rectify such breach within 14 days of the receipt of written notice requiring him to do so.

#### **11. RIGHTS AND LIABILITIES OF PARTNERS**

The completion, suspension or termination of the agreement shall not prejudice or affect the accrued rights or liabilities of the parties.

## **12. LIABILITY AND INSURANCE**

### **12.1. Liability of the Service Provider**

The Service Provider shall only be liable to pay compensation to the Employer arising out of or in connection with the agreement if a breach in terms of this agreement is established.

### **12.2. Liability of the Employer**

The Employer shall be liable to the Service Provider arising out of or in connection with this agreement if a breach of an obligation in terms of this agreement is established. The Service Provider shall have no separate delictual right of action against the Employer.

## **13. GENERAL PROVISIONS**

### **13.1. Governing Law**

This agreement shall be governed by the laws of the Republic of South Africa.

### **13.2. Changes in Legislation**

If, after the date of the agreement, the cost or duration of the services is altered as result of changes in, or additions to, any statute, regulation or by-law, or in the requirements of any authority having jurisdiction over any matter in respect of the project, then the agreed remuneration and time for completion shall be adjusted in order to reflect the impact of those changes.

**13.2.1.** shall release or discharge the assignor from any obligation under this agreement.

**13.2.2.** The Service Provider shall not without the written consent of the Employer, which consent shall not be unreasonably withheld, initiate,

vary or terminate any subcontract for performance of all or part of the services.

### **13.3. Ownership of Data, and Documents**

**13.3.1.** In accordance with the relevant clauses of the Copyright Act (Act 98 of 1978) relating to assignment, the Service Provider shall retain copyright of all documents prepared by the Service Provider. The Employer shall be entitled to use them or copy them only for the project and the purpose for which they are intended and need not obtain the Service Provider's permission to copy for such use;

**13.3.2.** The ownership of data and factual information collected by the Service Provider and paid for by the Employer shall, after payment by the Employer, lie with the Employer;

**13.3.3.** The Employer shall have no right to use any documents referred to in this Clause where any or all of the fees and expenses payable to the Service Provider have not been paid in accordance with this agreement.

### **13.4. Conflict of Interest and Corruption**

**13.4.1.** Unless otherwise agreed in writing by the Employer, the Service Provider and his personnel shall have no interest in nor receive remuneration in connection with the project except as provided for in the agreement. The Service Provider shall not engage in any activity, which may conflict with the interests of the Employer under the agreement.

**13.4.2.** Notwithstanding any damages that may be claimed against the Service Provider in law, the Employer will be entitled to terminate the agreement in accordance with Clause 10 if it is shown that the Service Provider is guilty of:

- (i) Offering, giving, receiving or soliciting anything of value with a view to influencing the behaviour or action of anyone, whether a public official or otherwise, directly or indirectly in the selection process or in the conduct of the agreement; or
- (ii) Misrepresentation of facts in order to influence a selection process or the execution of a contract to the detriment of the Employer, including the use of collusive practices intended to stifle or reduce the benefits of free and open competition.

#### **14.6. Notices**

Notices under the agreement shall be in writing and will take effect from receipt at the physical address stated as *domicilium citandi et executandi* for purposes of this agreement. Delivery may be by registered letter or by hand against written confirmation of receipt or by facsimile.

#### **14.8. Confidentiality**

14.8.1. The Parties shall not, during the term of the Agreement and thereafter, without written consent of the other party, disclose any confidential information to any third party other than persons authorized by the Makhuduthamaga Local Municipality.

14.8.2. The obligation to maintain the confidentiality of information shall survive the termination of Agreement, but will not apply to confidential information which was in the public domain prior to it being disclosed by the party involved, which had come into the public domain other than as a result of being divulged by the particular party.

#### **14.9 Variations**

14.9.1. The Employer may order variations to the services in writing or may request the Service Provider to submit proposals, including the time and cost implications, for variations to the services;

14.9.2. The reasonable cost of preparation and submission of such proposals and the incorporation into the agreement of any variations to the services ordered by the Employer, including any increase in the Service Provider's fees and reimbursable costs, shall be agreed between the Service Provider and the Employer.

#### **14.10 Sole Agreement**

This agreement together with the attachments and appendices detailed in the agreement and the Specific Provisions constitutes the sole agreement for the services between the parties and no representation not contained herein shall be of any force or effect between the parties. No amendments will be of any force and effect unless reduced to writing and signed by both parties as expressly intended to form part of the agreement.

### **15. SETTLEMENT OF DISPUTES**

#### **15.1 Settlement**

The parties shall negotiate in good faith with a view to settling any dispute or claim arising out of or relating to this agreement and may not initiate any further proceedings until either party has, by written notice to the other, declared that such negotiations have failed.

#### **15.2. Mediation**

Any such dispute or claim, which cannot be settled between the parties, may be referred by the parties, without legal representation, to mediation by a single mediator. The mediator shall be selected by agreement between the parties and, failing such agreement, shall be nominated by the President of the South African Association of Service Provider. The costs of the mediation shall be borne equally between the parties.

### **15.3. Arbitration/Litigation**

If either party were unwilling to agree to mediation or be dissatisfied with the opinion expressed by the mediator or should the mediation fail then such party may: -

**15.3.1.** Serve process instituting action arising out of such dispute or difference in a competent civil court; or

**15.3.2.** With the consent of the other party refer the dispute to arbitration by a single arbitrator to be mutually agreed upon or, failing agreement, to be nominated by the President of the South African Association of Service Provider. The arbitration shall be in accordance with the provisions of the Arbitration Act of 1965 as amended and shall be conducted in accordance with such procedure as may be agreed between the parties or, failing such agreement, in accordance with the Rules for the Conduct of Arbitration's published by the Association of Arbitrators current at the date the arbitrator is appointed.

**15.3.3.** Service of process under Clause 15.3.2 or referral to arbitration under Clause 15.3.1 shall take place within three calendar months of the date of notice from either party declaring that the settlement negotiations under Clause 15.3.1 have failed, or, if mediation is agreed on, within three calendar months of the date of the mediator's opinion or the date upon which the mediator declares that the mediation has failed. Claims not brought within the time periods set out herein will be deemed to be waived.

## **14 DOMICILIUM CITANDI ET EXECUTANDI**

For the purpose of this agreement, the Parties respectively choose as their *domicillium citandi et executandi* as provided for in the contract

## 15 SIGNATURES

THUS DONE AND SIGNED AT ..... ON THIS  
.....DAY OF .....2025 IN THE PRESENCE OF THE UNDERSIGNED  
WITNESSES

\_\_\_\_\_  
For and On Behalf of  
**Makhuduthamaga Local Municipality**

\_\_\_\_\_  
NAME IN PRINT

Witnesses: 1. \_\_\_\_\_  
2. \_\_\_\_\_

THUS DONE AND SIGNED AT ..... ON THIS  
.....DAY OF .....2025 IN THE PRESENCE OF THE UNDERSIGNED  
WITNESSES

\_\_\_\_\_  
For and On Behalf of  
**CCG SYSTEMS PTY LTD**

\_\_\_\_\_  
NAME IN PRINT (duly authorised)

Witnesses: 1. \_\_\_\_\_  
2. \_\_\_\_\_